



Government of
**Western
Australia**

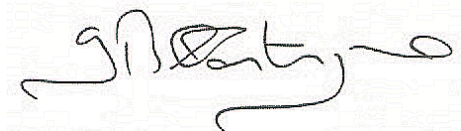
STATE SUPPLY COMMISSION
ANNUAL REPORT
2007-2008

STATEMENT OF COMPLIANCE

HON TROY BUSWELL BEc MLA
TREASURER; MINISTER FOR COMMERCE;
SCIENCE AND INNOVATION; HOUSING AND WORKS

In accordance with section 61 of the *Financial Management Act 2006*, we hereby submit for your information and presentation to Parliament, the Annual Report of the State Supply Commission for the financial year ending 30 June 2008.

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



Jennifer Ballantyne
CHAIRMAN
STATE SUPPLY COMMISSION

11 September 2008



Cheryl Gwilliam
MEMBER
STATE SUPPLY COMMISSION

11 September 2008

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OVERVIEW

EXECUTIVE SUMMARY

The State Supply Commission was very pleased to see the momentum for procurement reform maintained during 2007-08. Although there is work still to be done, particularly in the area of contract management and skills retention, the program, which commenced in 2004, has seen considerable improvements in many facets of public sector procurement and a marked maturing in agencies' approach to managing the procurement function.

In recognition of this, in 2007-08 we refocused the Commission's own role and redefined our relationship with agencies. Following extensive consultation, policy changes introduced in January 2008 provided agencies with greater flexibility, responsibility and accountability, and established the Commission as a policy, regulatory and review body that is truly independent from agency operational decision-making processes. The revised policy set was also rewritten to be more outcome-focused, with less emphasis on compliance with mandatory operational processes. This fundamental shift was supported by new risk management measures aimed at helping to ensure agencies exercise their increased authority responsibly. The refocusing of the Commission's role also accords with the recommendations of the Review of the Procurement Governance and Legislative Framework endorsed the previous year.

Another major change occurred in our approach to conducting procurement reviews. In the past, reviews conducted by the Commission were focused primarily on policy compliance. The new procurement capability reviews introduced in January 2008 seek to take a broader and more holistic approach by assessing aspects such as the strategic management of procurement, the management of contracting risks, and whether agencies are achieving value for money. Five procurement capability reviews were completed in 2007-08 and both the agencies reviewed and the Commission Board are already seeing considerably more value-add in this approach.

Other significant projects undertaken in 2007-08 include:

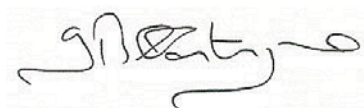
- A review conducted into the regional buying aspects of the *Buy Local* policy.
- A major survey of suppliers to gauge their experiences in dealing with government.
- A review of purchasing card use across the public sector.

The reviews and the survey were generally positive in terms of the performance of government agencies, but a number of improvement opportunities were identified that will be pursued in 2008-09.

Finally, we thank the Hon Eric Ripper BA DipEd MLA for his continued support and for the enthusiasm he has shown in the area of procurement reform.

We would particularly like to thank Mr John Langoulant and Mr Bob Mitchell, who, this year, retired as members of the Commission Board.

In closing, we would like to acknowledge the contribution of all the Board members and the staff during what has been a significant year for the Commission.



Jennifer Ballantyne
CHAIRMAN

11 September 2008



Rod Alderton
CHIEF EXECUTIVE OFFICER

11 September 2008

OPERATIONAL STRUCTURE

Enabling Legislation

The State Supply Commission was established as a statutory authority in 1991 under the *State Supply Commission Act 1991*.

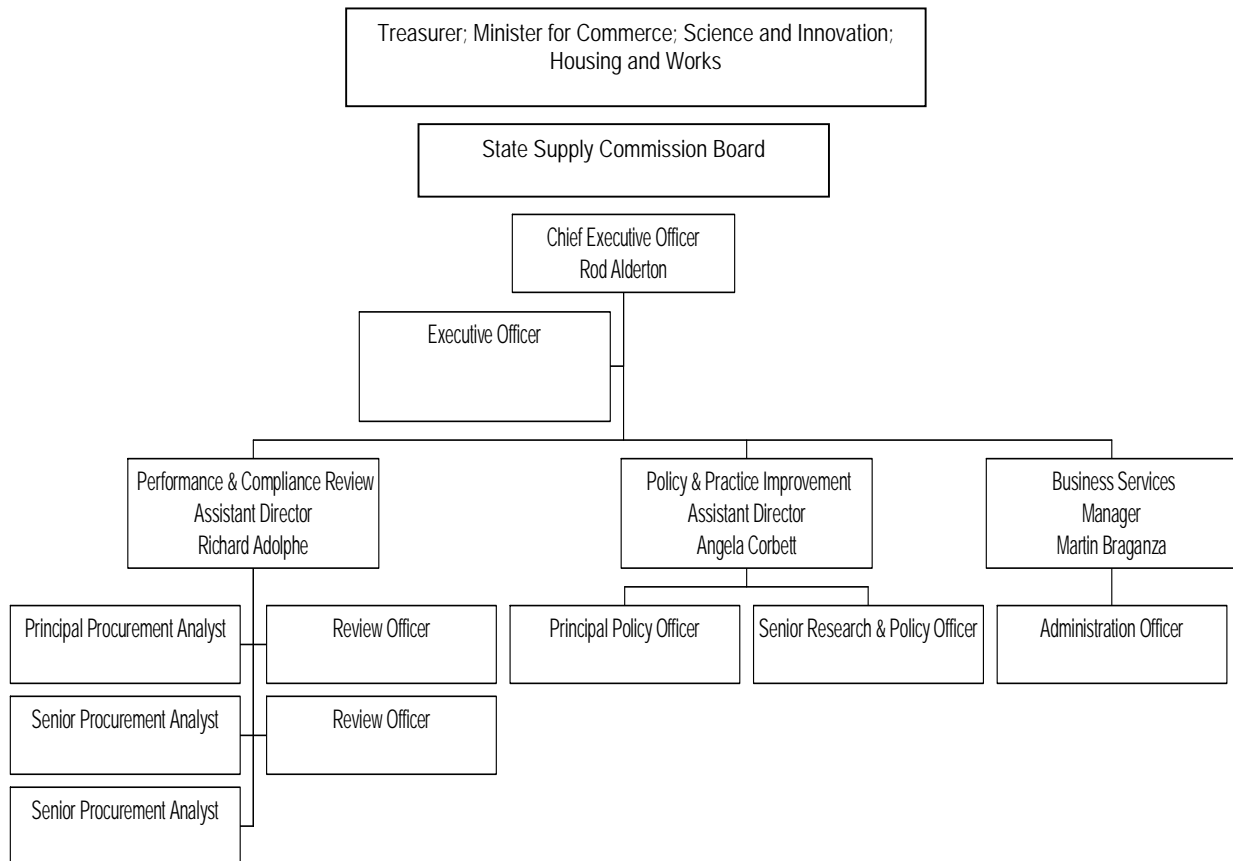
Responsible Minister

The Hon Troy Buswell BEc MLA, in his capacity as Treasurer, is the Minister responsible for administration of the *State Supply Commission Act 1991*.

Mission

To achieve universal adoption of best practice in government procurement and disposals.

Organisational Chart



Board of the State Supply Commission

The Minister responsible for the *State Supply Commission Act 1991* appoints members to the State Supply Commission Board. The members of the Board are appointed according to their strategic procurement experience and expertise at a senior level. There are currently eight members of the Commission Board and two Substitute Members. The term of appointment for these Members will expire on 30 June 2009.

During 2007-08 the Commission Board held three Ordinary Meetings.

Board Profiles

Ms Jennifer Ballantyne (Chairman) is the Chief Executive Officer of Second Skin Pty Ltd.

Mr Jock Ferguson is the State Secretary of the Australian Manufacturing Workers Union (WA Branch).

Ms Cheryl Gwilliam is the Director General of the Department of the Attorney General.

Mr Richard Mann is the Executive Director, Office of Strategic Projects.

Mr Timothy Marney is the Under Treasurer of the Department of Treasury and Finance.

Ms Sharyn O'Neill is the Director General of the Department of Education and Training.

Ms Vickie Petersen is the Director of VP Energy Pty Ltd and Garden Mart Pty Ltd.

The Chief Executive Officer of the State Supply Commission is an ex-officio member of the Commission Board in accordance with section 8(b) of the *State Supply Commission Act 1991*. Mr Rod Alderton is currently the Commission's Chief Executive Officer and holds the ex-officio position.

Mr Bill Bleakley (Substitute Member) is the General Manager, Health Corporate Network.

Mr Dave Robinson (Substitute Member) is the Secretary of Unions WA.

Other Key Legislation Impacting on the State Supply Commission's Activities

In the performance of its functions, the State Supply Commission complies with the following relevant written laws:

Auditor General Act 2006

Disability Services Act 1993

Electronic Transactions Act 2002

Equal Opportunity Act 1984

Financial Management Act 2006

Freedom of Information Act 1992

Government Employees Superannuation Act 1987

Industrial Relations Act 1979

Minimum Conditions of Employment Act 1993

Occupational Safety and Health Act 1984

Public and Bank Holidays Act 1972

Public Interest Disclosure Act 2003

Public Sector Management Act 1994

Salaries and Allowances Act 1975

State Records Act 2000

State Supply Commission Act 1991

Workers Compensation and Rehabilitation Act 1981

In the financial administration of the State Supply Commission, the Commission has complied with the requirements of the *Financial Management Act 2006* and every other relevant written law, and exercised controls which provide reasonable assurance that the receipt and expenditure of moneys and the acquisition and disposal of public property and incurring of liabilities have been in accordance with legislative provisions.

At the date of signing, the Commission is not aware of any circumstances that would render the particulars included in this statement misleading or inaccurate.

PERFORMANCE MANAGEMENT FRAMEWORK

Outcome Based Management Framework

Broad, high level government goals are supported at agency level by more specific desired outcomes. Agencies deliver services to achieve these desired outcomes, which ultimately contribute to meeting the higher level government goals. The following table illustrates the relationship between agency level desired outcomes and the most appropriate government goals.

Government Goal	Desired Outcomes	Services
Developing and maintaining a skilled, diverse and ethical public sector serving the Government with consideration of the public interest.	All public authorities use the Commission procurement and disposal processes.	1. Administration of Goods and Services Procurement Policies for Public Authorities
	Vehicles for the State's light vehicle fleet are provided in a manner that is commercially viable over time.	2. Management of the Funding and Leasing of the State's Vehicle Fleet

Changes to Outcome Based Management Framework

The State Supply Commission did not have any changes to the agency level government desired outcomes, services and key performance indicators from the previous year.

Shared Responsibilities with Other Agencies

On 30 May 2001 the State Supply Commission, through a Notice of Delegation and other legal documents, delegated powers to the Under Treasurer and the Director of Financial Operations, Department of Treasury and Finance. The delegation related to the then existing fleet lease transaction and the future funding management and operation of the vehicle fleet. Among the powers delegated was the power to borrow moneys under section 31 of the *State Supply Commission Act 1991* and the power to operate a sub-account of the State Supply Commission statutory account.

State Fleet was set up as an operating entity under these powers. While it operates under delegation from the State Supply Commission, and uses the powers of the *State Supply Commission Act*, it operates quite separately from the Commission's other operations. Accountability is met by quarterly and exception reporting arrangements.

State Fleet provides the government's in-house vehicle fleet financing and leasing operation. It is required to operate in a commercially self-sustaining manner and receives no direct budget funding.

State Fleet purchases vehicles with funds borrowed through the Western Australian Treasury Corporation and leases the vehicles to agencies in a commercially sustainable manner.

AGENCY PERFORMANCE – REPORT ON OPERATIONS

FINANCIAL TARGETS

State Supply Commission

	Target \$'000	Actual \$'000	Variation
Total cost of services	1,709	1,702	
Net cost of services	1,706	1,637	Due to the recovery of seconded staff wages.
Total equity	338	171	The net redundancy cost of \$169,000 was not taken into account when the budget estimate was formulated.
Net increase/(decrease) in cash held	(5)	141	Accrued expenses unpaid as at year end.
Approved full time equivalent (FTE) staff level	13	13	

State Fleet

	Target \$'000	Actual \$'000	Variation
Total cost of services	74,774	76,387	Due to the increase in number of vehicles leased, slight increase in average interest rate, and greater than anticipated vehicle depreciation.
Net cost of services	(5,480)	11,703	Due to the pricing of the second hand vehicle market and a modest overrun in lease terms.
Total equity	33,861	45,737	Equity increased due to increase in Net Cost of Services (see above).
Net increase/(decrease) in cash held	0	421	Subject to end of year bank account balance. Not material.
Approved full time equivalent (FTE) staff level	9	5.5	Incorporation of outsourced Facility Management function not undertaken during 2007-08 as anticipated.

KEY PERFORMANCE INDICATORS

	Target	Actual	Variation
<p>Outcome All public authorities use State Supply Commission procurement and disposal processes. All public authorities use State Supply Commission procurement and disposal processes.</p>	90%	98%	
<p>Outcome Vehicles for the State's light vehicle fleet are provided in a manner that is commercially viable over time. Extent to which State Fleet operations are economically sustainable (surplus in \$'000).</p>	5,480	11,703	<p>State Fleet's profitability is affected by fluctuations in the pricing of the second hand vehicle market. Most notably, the second hand vehicle market for light commercial vehicles has remained stronger than anticipated, caused by the continued buoyant economy.</p> <p>A modest overrun in lease terms, due to difficulty in sourcing replacement vehicles, has led to a commensurate extension in the period of depreciation but with little impact on the vehicle selling price, and has contributed to the greater than anticipated profit.</p>
<p>Service 1 Administration of Goods and Services Procurement Policies for Public Authorities Key Efficiency Indicator. Public Authorities' satisfaction with State Supply Commission's timeliness in responding to their requests.</p>	90%	81%	
<p>Service 2 Management of the Funding and Leasing of the State's Vehicle Fleet. Key Efficiency Indicator Average cost of Leased Vehicle.</p>	7,151	7,008	

SERVICE 1: ADMINISTRATION OF GOODS AND SERVICES PROCUREMENT POLICIES FOR PUBLIC AUTHORITIES

MAJOR ACHIEVEMENTS FOR 2007-08

In consultation with agencies, developed a new suite of supply policies that gave increased responsibility to agencies and consolidated the Commission's regulatory and review role. The new policies were effective as from 1 January 2008

Review of Gazetted Supply Policies

In August 2007 the State Supply Commission Board endorsed a review of the Commission's supply policies, last gazetted on 31 October 2006. The new policies, gazetted on 28 December 2007, support the Commission's aim to more firmly establish its independent regulatory role by removing itself from involvement in operational agency procurement processes and placing greater responsibility with Chief Executive Officers and Directors General.

The more outcome focused policies were developed in consultation with agencies and took effect from 1 January 2008. In summary, the new supply policies:

- increased the procurement thresholds;
- removed the requirement for agencies to obtain various approvals from the State Supply Commission;
- removed low level mandatory process requirements, deleted obsolete requirements, and moved operational matters to a *Procurement Practice Guide* produced by the Department of Treasury and Finance.

Greater detail of all the supply policy changes may be found at [Overview of Amendments](#).

The amended State Supply Commission supply policies are as follows:

- [Value for Money](#)
- [Probity and Accountability](#)
- [Open and Effective Competition](#)
- [Common Use Arrangements](#)
- [Procurement Planning and Contract Management](#)
- [Sustainable Procurement](#)
- [Private Sector Procuring for Public Authorities](#)
- [Disposal of Goods](#)

Public authorities must comply with the State Supply Commission supply policies. These policies are framed to ensure that the Government obtains best value for money procurement outcomes. They provide public authorities with direction and guidance on all aspects of procurement for goods and services. These policies assist in ensuring adoption of best practice in government procurement and disposals.

The Commission continually reviews its policies to ensure that efficiency is improved and 'red tape' is minimised, resulting in cost savings to both public authorities and suppliers.

Exemptions

Under previous supply policies in effect during 2007, the State Supply Commission approved requests from agencies for exemptions from:

- public tender to contract directly with a single supplier;
- public tender in order to undertake restricted tendering;
- the requirements for maximum contract terms of five years;
- buying through common use arrangements;
- publishing contract award information on the Western Australian Government Contracting Information Bulletin Board (Gem); and
- the buying rules for agency specific panel contracts.

During the first half of 2007-08, the Commission considered in a timely manner 166 exemption requests from agencies.

From 1 January 2008, when new supply policies came into effect, the responsibility for approval of exemptions from supply policies was transferred to the agencies' Accountable Authority.

Provided guidance to agencies on implementation of the Australia-United States Free Trade Agreement (AUSFTA) and provided input to the Federal Government on the development of the Australia-Chile Free Trade Agreement

On 21 December 2007, the State Supply Commission released guidelines on the implementation of the AUSFTA, to which the Commonwealth Government became a signatory on 1 January 2005.

Chapter 15 of the AUSTFA contains legally binding requirements relating to procurement activities conducted by government agencies, including Western Australian government agencies, as indicated in the agreement. Most of these requirements were already reflected in government procurement policy and practice, but the AUSTFA conflicted with some requirements of the *Buy Local* policy. The *Buy Local* policy has now been amended.

The Commission also worked collaboratively with the Department of the Premier and Cabinet to provide timely and relevant advice to the Commonwealth Government with respect to the negotiation of the Australia-Chile Free Trade Agreement.

Undertook eleven procurement reviews and introduced a new review framework focussing on agency performance

Procurement Reviews and Investigations

In January 2008, the State Supply Commission established a procurement review framework that extended beyond compliance and focused more on whether agencies are achieving value for money outcomes from their procurement spend.

The Commission's previous procurement reviews focused on an agency's compliance with supply policies, their procedures manual, their State Supply Commission partial exemption, and the Department of Treasury and Finance's requirements, all in the one process. Whilst these reviews proved useful, they provided limited perspective as to whether agencies were achieving good procurement outcomes.

The new procurement framework consists of two distinct streams. The first stream involves a continuation of the compliance review role, but with a focus only on major policy compliance. This will be issue focused or where problems become apparent with particular agencies.

The second stream is a performance review that focuses on assessing the individual agency's overall management and governance of its procurement activities, with the aim of independently assessing whether the agency has the infrastructure in place to:

- strategically manage its spend;
- appropriately manage its (and Government's) contracting risks; and
- demonstrate that it is achieving value for money.

These performance reviews (called procurement capability reviews) are not intended to revisit contract award decisions per se, but aim to identify strategies, processes and business practices that improve procurement management, provide operational efficiencies, and potentially achieve cost savings.

Reviews in this stream will include a mix of individual agency reviews (which may include some, or all of the above elements), as well as theme-based reviews (such as planning, risk management, and contract management) across a selection of agencies.

In 2007-08, the Commission completed five procurement capability reviews, namely:

- Challenger TAFE;
- Department of Agriculture and Food;
- Department of Environment and Conservation;
- Fire and Emergency Services Authority; and
- Great Southern TAFE.

The common themes emanating from the procurement capability reviews include the following:

Key positive findings

- Agencies are focusing on improving their approach to the strategic management of their spend.
- Adequate controls are in place to ensure appropriate standards of transparency and probity are maintained.
- Management arrangements agreed with the Under Treasurer and the support relationship with the Department of Treasury and Finance are working effectively.

Key areas for improvement

- There needs to be increased compliance with the development of contract management plans for purchases above \$5 million.
- Good contract management disciplines need to be reinforced and actions evidenced to ensure contract outcomes are being delivered and risks are adequately managed.

- Training needs to be continually reinforced, particularly for new staff, and internal policies and procedures need to be kept up to date and communicated to staff.

In the first six months of the 2007-08 financial year, the Commission also undertook nine compliance reviews of the following agencies:

- Department of Education and Training;
- Department of Housing and Works;
- Department of Indigenous Affairs;
- Department of Sport and Recreation;
- Economic Regulation Authority;
- Main Roads Western Australia;
- Public Transport Authority;
- West Coast College of TAFE; and
- Western Australian Sports Centre Trust.

The common themes emanating from the compliance reviews include the following:

Key positive findings

- There is ample evidence that procurement over the public threshold is done well.
- Compliance levels are high overall, and exceptionally high when trivial issues are discounted.
- Non-compliances are generally minor, with agencies faltering on low level process steps that should be easily remedied.
- Compliance is highest in agencies with well managed purchasing units and good controls in place.

Key areas for improvement

- There is some misalignment between policy requirements, the agency procedures manual, the Commission's partial exemption document, and the Department of Treasury and Finance requirements.
- Recordkeeping needs to be improved at the lower levels, particularly under \$20,000; this is probably due to the number of people involved at this level. Keeping information up to these people, and current, is an issue.
- Internal agency delegations are not always up-to-date or well communicated.
- Although the reviews do not go into contract management, the building blocks of good contract management are deficient mainly in the areas of clarity of scope and quality of documentation.
- Agency internal audit areas do not generally focus on procurement.

The above internal audit concern has been addressed in the issue of new partial exemption documents to all agencies on 1 January 2008. Agencies are now required to conduct an internal audit of compliance with supply policies and the terms and conditions of their partial exemption at least once every two years and to report the results to the Commission.

The Commission published an internal audit report template and guidelines on its website, and has received three agencies' internal audit reports to date.

A review of 39 agency exemptions and delegations registers was undertaken. The Commission made a commitment to the Treasurer that this review would be undertaken within six months of the new supply policy set being established. The main reason for this was to ensure that agencies had put the processes in place to manage their increased accountabilities.

The findings from the review highlighted the following:

- Exemptions registers are generally being adequately established and maintained, although the quality of data is variable.
- Exemptions from competitive requirements are being adequately documented and appropriately approved.
- Considerable improvement is required in the establishment, maintenance, and communication of delegations from the Accountable Authority.

In 2007-08, the Commission undertook four investigations as follows:

- Department of Environment – Contract for the provision of fox baiting services
- Department of Fisheries – Contract for the provision of a vessel monitoring system
- Department of Health – Contract for the supply of Rotavirus vaccine
- TAFE Colleges – Bookshop purchases

Supplier Complaints

The State Supply Commission's role involves the review of supplier complaints in relation to government procurement. In 2007-08, eight complaints were finalised. Although minor issues were identified in some of the complaints, in the main agencies' processes were found to be sound.

Given the many thousands of contracts that are awarded each year, this low level of supplier complaint reflects well on the management of public sector procurement from a process perspective.

Advised agencies on common issues arising from procurement reviews and identified policy and process improvements that were incorporated into the new policy suite

Procurement Users' Guide

The State Supply Commission has withdrawn the *Procurement Users' Guide*. The Commission refers, instead, to the *Procurement Practice Guide*, published by the Department of Treasury and Finance. The *Procurement Practice Guide* was released in January 2008 and is the culmination of extensive collaboration between the Department of Treasury and Finance and the Commission. The *Procurement Practice Guide* reflects the January 2008 amendments to the Commission's supply policies.

The *Procurement Practice Guide* is available via www.ssc.wa.gov.au.

Procurement Policy Introductory Awareness Sessions

The State Supply Commission continues to present information sessions to public sector employees, through the Department of Treasury and Finance's *Better Buying* seminars. In these seminars, the Commission discusses:

- how government purchases;
- the Commission's role and its relationship with public authorities;
- the Department of Treasury and Finance's role;
- the procurement policies;
- how government procurement is monitored; and
- how supplier procurement complaints are managed.

In 2007-08 the Commission also conducted a number of information sessions regarding the recent changes to supply policies. The sessions were targeted at procurement staff across the sector and were designed to raise an awareness and understanding of the significant policy shift – the new framework represents the next important phase in the procurement reform program by allowing the Commission to focus on its policy, regulatory and review functions, whilst providing Accountable Authorities with increased responsibility and flexibility in their procurement activities.

The Commission also presents this information to agencies at the Department of Treasury and Finance's *New to the Procurement Profession* seminars.

Provided executive support to the State Tenders Committee until 31 December 2007, after which responsibility was transferred to the Department of Treasury and Finance

During 2007, the State Supply Commission provided executive support to the State Tenders Committee. With the gazettal of new supply policies effective from 1 January 2008, the Commission became completely independent from agency procurement decision-making. Hence, the State Tenders Committee was replaced by the State Tender Review Committee, with coordination and executive support being provided by the Department of Treasury and Finance.

During the State Tenders Committee's operation from 1 July 2007 to 31 December 2007, the members considered 61 procurement plans and 59 tender submissions received from agencies.

Completed a review of the regional purchasing aspects of the Buy Local Policy

In August 2007 the State Supply Commission undertook a performance review of the regional purchasing aspects of the Government's *Buy Local* policy. The review stemmed from the Department of Treasury and Finance's review of its Regional Buying Centre Strategy and focused on 15 agencies with a significant regional presence.

The aim of the review was to identify and assess the strategies (if any) agencies have in place to maximise opportunities for regional supplier participation; whether agencies have any administrative or contractual arrangements in place that limit, hinder or promote local purchasing by regionally based staff; and whether agencies have established and communicated formal affirmative action strategies or plans that go beyond the simple application of preferences and support the *spirit* and *intent* of the *Buy Local* policy.

The Commission found that although there are some opportunities for improvement, government support for regional suppliers appears quite strong. A larger problem is finding a sufficient number of regional suppliers capable and willing to supply government in these booming economic times. The issues that do arise tend to be one-off and isolated to specific agencies, tenders or suppliers. The opportunities for improvement will be pursued in 2008-09.

Completed a review of purchasing card use across the public sector

In May 2008 the State Supply Commission commenced a review of purchasing card use across the public sector. The focus of the review was to assess the progress agencies have made towards :

- increasing the number of purchasing cards to replace purchase orders;
- replacing current spend on invoiced transactions with spend on purchasing cards;
- increasing the number of current transactions under \$5,000 paid by purchasing cards; and
- resolving barriers to the wider adoption of purchasing cards.

The Commission found that at an aggregate level, the total number of purchasing cards, spend and number of transactions using purchasing cards have all significantly increased over the last three years. Overall, agencies are demonstrating a strong commitment to increasing their use of purchasing cards.

The Commission's report also highlighted that by using purchasing cards, agencies are able to maintain a robust and transparent audit trail and achieve significant efficiency improvements and savings.

Undertook a major survey of suppliers to gauge their experiences in dealing with government

In October 2007 the State Supply Commission undertook a survey to gauge supplier perceptions of government purchasing and to provide suppliers with a forum to raise issues of concern. The survey was conducted by an independent market research company and targeted the following distinct respondent groups:

- WA State Government suppliers that were awarded contracts within the last 12 months, as identified through the Government Electronic Marketplace (GEM); and
- Chamber of Commerce and Industry of Western Australia members, as identified by the Chamber.

A total of 400 suppliers completed the survey. The majority of respondents were more "satisfied" than "dissatisfied" with government contracting.

The highest levels of satisfaction were expressed in relation to staff ethics and professionalism, government's attractiveness as a customer, government meeting its contractual obligations, and the creation of local opportunities.

The lowest levels of satisfaction were expressed in the areas of effort required in relation to contract value, the specification of requirements, and the approach to alternative solutions.

Independent analysis also showed that variables such as company size, years of experience in supplying government or the number of government contracts awarded, had little impact on the satisfaction ratings.

In February 2008 the State Supply Commission established a small working group (the "Industry Working Group") consisting of members from the Commission, the Department of Treasury and Finance, the Chamber of Commerce and Industry of Western Australia and the Small Business Development Corporation to consider the feedback from the survey and investigate opportunities for improvement in government procurement.

SERVICE 2: MANAGEMENT OF THE FUNDING AND LEASING OF THE STATE'S VEHICLE FLEET

MAJOR ACHIEVEMENTS FOR 2007-08

- Initiated the drafting, and supported the passage by Parliament, of the *State Supply Commission Amendment Act 2008*. This *Act* will enable the formal transfer of State Fleet from the State Supply Commission to the Department – better reflecting actual practice, producing operating efficiencies, and clarifying accountability.
- Further progressed the 'greening' of the Government's light vehicle fleet, with 60 per cent of the fleet now having four-cylinder engines, compared with 30 per cent in 2002. While the average size of the fleet is estimated to grow by 4.5 per cent compared to the previous financial year (from 10,356 to 10,823 vehicles), total emissions of the fleet are expected to increase by little more than half that amount at 2.5 per cent (from 71,972 tonnes of Carbon Dioxide equivalent to 73,807 tonnes). The above figures include light commercial vehicles (which make up 40 per cent of the fleet) as well as passenger cars. The emissions of the fleet continue to be offset by the State fleet emissions offset program.

SIGNIFICANT ISSUES AND TRENDS

The public sector is facing an emerging difficulty in attracting and retaining people with strong procurement skills.

Promoting climate change initiatives through government purchasing is expected to become an area of high priority.

Agencies have been given significantly increased responsibilities for managing their own procurement activities and will need sound mechanisms in place to ensure that risks are adequately managed.

An amendment to the *State Supply Commission Act* will enable accountability for State Fleet to be transferred from the State Supply Commission to the Department of Treasury and Finance.

2008-09 Major Initiatives

Consolidate the new procurement review framework based on assessing agency capability and performance.

Undertake major reviews of contract management in at least three of the leading agencies.

Undertake a review of the Common Use Arrangements framework established and managed by the Department of Treasury and Finance.

Monitor the performance of agency based internal audit units in monitoring compliance with State Supply Commission requirements.



Auditor General

INDEPENDENT AUDIT OPINION

To the Parliament of Western Australia

STATE SUPPLY COMMISSION FINANCIAL STATEMENTS AND KEY PERFORMANCE INDICATORS FOR THE YEAR ENDED 30 JUNE 2008

I have audited the accounts, financial statements, controls and key performance indicators of the State Supply Commission.

The financial statements comprise the Balance Sheet as at 30 June 2008, and the Income Statement, Statement of Changes in Equity and Cash Flow Statement for the year then ended, a summary of significant accounting policies and other explanatory Notes.

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

Commission's Responsibility for the Financial Statements and Key Performance Indicators

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

Summary of my Role

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

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

State Supply Commission
Financial Statements and Key Performance Indicators for the year ended 30 June 2008

Audit Opinion

In my opinion,

- (i) the financial statements are based on proper accounts and present fairly the financial position of the State Supply Commission at 30 June 2008 and its financial performance and cash flows for the year ended on that date. They are in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Treasurer's Instructions;
- (ii) the controls exercised by the Commission provide reasonable assurance that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with legislative provisions; and
- (iii) the key performance indicators of the Commission are relevant and appropriate to help users assess the Commission's performance and fairly represent the indicated performance for the year ended 30 June 2008.



COLIN MURPHY
AUDITOR GENERAL
17 September 2008

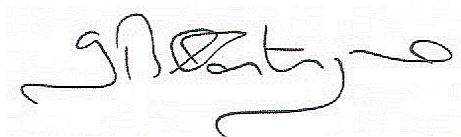
DISCLOSURES AND LEGAL COMPLIANCE

FINANCIAL STATEMENTS

Certification of Financial Statements for the Year ended 30 June 2008

The accompanying financial statements of the State Supply Commission have been prepared in compliance with the provisions of the *Financial Management Act 2006* from proper accounts and records to present fairly the financial transactions for the financial year ending 30 June 2008, and the financial position as at 30 June 2008.

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



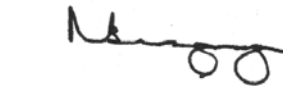
Jennifer Ballantyne
CHAIRMAN
STATE SUPPLY COMMISSION

11 September 2008



Cheryl Gwilliam
MEMBER
STATE SUPPLY COMMISSION

11 September 2008



Martin Braganza
CHIEF FINANCE OFFICER
STATE SUPPLY COMMISSION

11 September 2008

Income Statement for the Year ended 30 June 2008
Note

COST OF SERVICES		2008	2007
		\$	\$
Expenses			
Employee benefits expense	5	1,210,144	1,303,608
Supplies and services	6	2,843,185	2,782,218
Carbon offset program expense		529,118	168,837
Depreciation expense	7	58,490,336	51,592,571
Finance costs	8	14,731,616	13,889,464
Accommodation expenses	9	160,349	163,882
Other expenses	10	140,038	219,823
Capital user charge	12	-	28,100
Total Cost of Services		78,104,786	70,148,503
Income Revenue			
User charges and fees	14	84,787,124	75,908,710
Interest revenue	15	500,980	406,034
Carbon offset program revenue		532,978	393,881
Other revenues	16	68,044	22,856
Total Revenue		85,889,126	76,731,481
Gains			
Gain on disposal of non-current assets	11	2,267,548	580,175
Total Income other than Income from State Government		88,156,674	77,311,656
NET SURPLUS FROM SERVICES		10,051,888	7,163,153
INCOME FROM STATE GOVERNMENT			
Service appropriations	13	1,670,000	1,642,000
Resources received free of charge	13	7,108	16,156
Total Income from State Government		1,677,108	1,658,156
SURPLUS FOR THE PERIOD		11,728,996	8,821,309

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

Balance Sheet as at 30 June 2008

		Note		
ASSETS			2008	2007
			\$	\$
Current Assets				
Cash and cash equivalents	27		9,656,415	9,094,357
Receivables	17		4,965,275	5,682,252
Amounts receivable for services	19		56,000	64,000
Total Current Assets			14,677,690	14,840,609
Non-Current Assets				
Receivables	17		674,266	-
Property, plant, equipment and vehicles	20		272,071,390	262,374,509
Total Non-Current Assets			272,745,656	262,374,509
TOTAL ASSETS			287,423,346	277,215,118
LIABILITIES				
Current Liabilities				
Payables	22		13,995,288	12,368,327
Borrowings	23		89,770,580	85,194,190
Provisions	24		198,958	251,413
Other current liabilities	25		4,324,549	3,929,472
Total Current Liabilities			108,289,375	101,743,402
Non-Current Liabilities				
Borrowings	23		133,114,216	141,245,963
Provisions	24		111,976	46,970
Total Non-Current Liabilities			133,226,192	141,292,933
TOTAL LIABILITIES			241,515,567	243,036,335
NET ASSETS			45,907,779	34,178,783
EQUITY				
Contributed equity	26		20,112,000	20,112,000
Accumulated surplus	26		25,795,779	14,066,783
TOTAL EQUITY			45,907,779	34,178,783

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

Statement of Changes in Equity for the Year ended 30 June 2008

Note

		2008	2007
		\$	\$
Balance of equity at start of period		34,178,783	25,357,474
CONTRIBUTED EQUITY			
Balance at start of period		20,112,000	20,112,000
Balance at end of the period		20,112,000	20,112,000
ACCUMULATED SURPLUS			
Balance at start of period	26	14,066,783	5,245,474
Surplus for the period		11,728,996	8,821,309
Balance at the end of the period		25,795,779	14,066,783
Balance of Equity at end of period		45,907,779	34,178,783
Total income and expense for the period (a)		11,728,996	8,821,309

(a) The aggregate net amount is attributable to surplus within equity.

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

Cash Flow Statement for the Year ended 30 June 2008

	Note	2008 \$	2007 \$
CASH FLOWS FROM STATE GOVERNMENT			
Service appropriations		1,660,000	1,620,000
Holding account draw downs		18,000	-
Net Cash Provided by State Government		1,678,000	1,620,000
Utilised as follows:			
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Employee benefits		(1,138,558)	(1,379,353)
Supplies and services		(2,807,876)	(2,790,890)
Finance costs		(14,682,741)	(13,693,733)
Capital user charge		-	(28,100)
Accommodation		(160,349)	(163,882)
Carbon offset program		(360,281)	(337,674)
GST payments on purchases		(15,168,512)	(14,287,876)
Other payments		(211,442)	(150,055)
Receipts			
User charges and fees		85,112,928	74,880,347
Carbon offset program		532,978	393,881
Interest received		471,915	393,574
Other receipts		68,044	30,057
GST receipts		16,702,979	14,371,298
Net Cash Provided by Operating Activities	27	68,359,085	57,237,594
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from the sale of non-current physical assets – Motor vehicles		65,772,067	66,672,409
Proceeds from the realisation of bailment rights		-	20,686
Purchase of non-current physical assets		(131,691,737)	(128,902,499)
Net Cash Used in Investing Activities		(65,919,670)	(62,209,404)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings		7,300,788	19,624,184
Repayment of borrowings		(10,856,145)	(17,289,401)
Net Cash (Used in)/Provided by Financing Activities		(3,555,357)	2,334,783
Net Increase/(Decrease) in Cash and Cash Equivalents		562,058	(1,017,027)
Cash and cash equivalents at the beginning of the period		9,094,357	10,111,384
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	27	9,656,415	9,094,357

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

1. AUSTRALIAN EQUIVALENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS

General

The Commission's financial statements for the year ended 30 June 2008 have been prepared in accordance with Australian equivalents to International Financial Reporting Standards (AIFRS), which comprise a Framework for the Preparation and Presentation of Financial Statement (the Framework) and Australian Accounting Standards (including the Australian Accounting Interpretations).

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

Early Adoption of Standards

The Commission cannot early adopt an Australia Accounting Standard or Australian Accounting Interpretation unless specifically permitted by T1 1101: Application of Australian Accounting Standards and Other Pronouncements. No Standards and Interpretations that have been issued or amended but are not yet effective have been early adopted by the Commission for the annual reporting period ended 30 June 2008.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) General Statement

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

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

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

(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 rounded to the nearest dollar.

The judgements that have been made in the process of applying the Commission's accounting policies that have the most significant effect on the amounts recognised in the financial statements are disclosed at note 3 "Judgements Made by Management in Applying Accounting Policies".

(c) Reporting Entity

The reporting entity comprises solely of the Commission. The Commission includes the activities of State Fleet.

(d) Contributed Equity

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

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

(e) Income

Revenue Recognition

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

User Charges and Fees

- *Vehicle Fleet Lease Rentals*

Rental revenue is recognised in accordance with lease agreements entered into with State Government agencies, statutory authorities and other State Government entities.

- *Vehicle Bailment Revenues*

Revenue is recognised on receipt of sale proceeds of vehicles held under Bailment Rights.

- *Interest*

Revenue is recognised as the interest accrues.

Service Appropriations

Service appropriations are recognised as revenues at nominal value in the period in which the Commission gains control of the appropriated funds. The Commission gains control of the appropriated funds at the time those funds are deposited to the bank account or credited to the holding account held at the Treasury (see note 13 Income from State Government).

Grants, Donations and Other Non-Reciprocal Contributions

Revenue is recognised at fair value when the Commission 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

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

(f) Borrowing Costs

Borrowing costs are expensed when incurred.

(g) Property, Plant and Equipment and Motor Vehicles

(i) Capitalisation/Expensing of assets

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

Items of property, plant and equipment and motor vehicles costing less than \$5,000 are expensed in the year of acquisition to the Income Statement (other than where they form part of a group of similar items which are significant in total).

(ii) Initial recognition and measurement

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

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

(iii) *Subsequent measurement*

After recognition as an asset, the cost model is used for the measurement for all property, plant and equipment and motor vehicles. All other items of property, plant and equipment and motor vehicles are stated at historical cost less accumulated depreciation and accumulated impairment losses.

(iv) *Depreciation*

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

State Fleet motor vehicles are depreciated on a straight-line basis taking account of the residual values and terms of the vehicle leases. Lease terms generally range from 6 months to 5 years.

Depreciation on other assets is calculated using the straight-line method, using rates which are reviewed annually. Estimated useful lives for each class of depreciable asset are:

Office Equipment	5 Years
Computer Equipment and Integrated Software	3 Years
Motor Vehicles	6 Months to 5 Years
Leasehold Improvements	5 Years

(h) Intangible Assets

(i) *Capitalisation/Expensing of assets*

Acquisitions of intangible assets costing \$5,000 or more and internally generated intangible assets costing \$50,000 or more are capitalised. The cost of utilising the assets is expensed (amortised) over their useful life. Costs incurred below these thresholds are immediately expensed directly to the Income Statement.

(ii) *Computer Software*

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

(iii) *Web Site Costs*

Web site costs are charged as expenses when they are incurred unless they relate to the acquisition or development of an asset when they may be capitalised and amortised. Generally, costs in relation to feasibility studies during the planning phase of a web site, and ongoing costs of maintenance during the operating phase are expensed. Costs incurred in building or enhancing a web site, to the extent that they represent probable future economic benefits that can be reliably measured, are capitalised. Costs less than \$5,000 are expensed in the year of acquisition.

(i) Impairment of Assets

Property, plant and equipment, motor vehicles and intangible assets are tested for any indication of impairment at each balance sheet date. When there is an indication of impairment, the recoverable amount is estimated. Where the recoverable amount is less than the carrying amount, the asset is written down to the recoverable amount and an impairment loss is recognised. As the Commission 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 asset is reviewed annually to verify that the accumulated depreciation/amortisation reflects the level of consumption or expiration of the assets' future economic benefits and to evaluate any impairment risk from falling replacement costs.

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

Refer to note 21 Impairment of assets for the outcome of impairment reviews and testing.

Refer also to note 2(o) "Receivables" and note 17 "Receivables" for Impairment of Receivables.

(j) Leases

Finance lease rights and obligations are initially recognised, at the commencement of the lease term, as assets and liabilities equal in amount to the fair value of the leased item or, if lower, the present value of the minimum lease payments, determined at the inception of the lease. The assets are disclosed as plant, equipment and vehicles under lease, and are depreciated over the period during which the Commission is expected to benefit from their use. Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding lease liability, according to the interest rate implicit in the lease.

The Commission 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. Equal instalments of the lease payments are charged to the Income Statement over the lease term, as this is representative of the pattern of benefits to be derived from the leased property.

(k) Financial Instruments

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

- Loans and receivables; and,
- Financial liabilities measured at amortised cost.

These have been disaggregated into the following classes:

Financial Assets

- Cash and cash equivalents
- Receivables
- Amounts receivable for services

Financial Liabilities

- Payables
- WATC borrowings

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

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

(l) Cash and Cash Equivalents

For the purpose of the Cash Flow Statement, cash and cash equivalent assets comprise cash on hand and short term deposits with original maturities of 3 months or less that are readily convertible to a known amount of cash and which are subject to insignificant risk of changes in value.

(m) Accrued Salaries

Accrued salaries (see note 22 “Payables”) represent the amount due to staff but unpaid at the end of the financial year, as the end of the last pay period for that financial year does not coincide with the end of the financial year. Accrued salaries are settled within a fortnight of the financial year end. The Commission considers the carrying amount of accrued salaries to be equivalent to the net fair value.

(n) Amounts Receivable for Services (Holding Account)

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

(o) Receivables

Receivables are recognised and carried 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 Commission will not be able to collect the debts. The carrying amount is equivalent to fair value as it is due for settlement within 30 days. See note 2(k): “Financial Instruments” and note 17: “Receivables”.

(p) Payables

Payables are recognised at the amounts payable when the Commission becomes obliged to make future payments as a result of a purchase of assets or services. The carrying amount is equivalent to fair value, as they are generally settled within 30 days. See note 2(k): “Financial Instruments” and note 22: “Payables”.

(q) Borrowings

All loans payable are initially recognised at cost, being the fair value of the net proceeds received. Subsequent measurement is at amortised cost using the effective interest rate method.

(r) Provisions

Provisions are liabilities of uncertain timing and 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 economic benefits is probable and can be measured reliably. Provisions are reviewed at each balance sheet date.

(i) **Provisions – Employee Benefits**

Annual Leave and Long Service Leave

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

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

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

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

Superannuation

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

Employees may contribute to the Gold State Superannuation (GSS) Scheme, a defined benefit lump sum scheme now closed to new members.

The Commission has no liabilities under the GSS Scheme. The liabilities for the unfunded GSS Scheme transfer benefits due to members are assumed by the Treasurer. All other GSS Scheme obligations are funded by concurrent contributions made by the Commission to GESB. The concurrently funded part of the GSS Scheme is a defined contribution scheme as these contributions extinguish all liabilities in respect of the concurrently funded GSS Scheme obligations

Employees commencing employment prior to 16 April 2007 who were not members of the GSS Scheme became non-contributory members of the West State Superannuation (WSS) Scheme. Employees commencing employment on or after 16 April 2007 became members of the GESB Super (GESBS) Scheme. Both of these schemes are accumulation schemes. The Commission makes concurrent contributions to GESB on behalf of employees in compliance with the Commonwealth Government's *Superannuation Guarantee (Administration) Act 1992*. These contributions extinguish the liability for superannuation changes in respect of the WSS and GESBS Schemes.

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

(s) Superannuation Expense

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

- (i) Defined Benefit Plans – Change in the unfunded employer's liability (i.e. current service cost, and actuarial gains and losses) assumed by the Treasurer in respect of current employees who are members of the Pension Scheme and current employees who accrued a benefit on transfer from that Scheme to the GSS Scheme; and,
- (ii) Defined Contribution Plans - Employer contributions paid to the GSS Scheme (concurrent contributions), the WSS Scheme, and the GESBS Scheme.

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

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

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

(t) Resources Received Free of Charge or for Nominal Consideration

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

(u) Comparative Figures

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

3. JUDGEMENTS MADE BY MANAGEMENT IN APPLYING ACCOUNTING POLICIES

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

(i) *Non-Current Assets Held for Sale*

The Commission has determined that the timing between motor vehicles ceasing to be available for lease rentals and the time that they are traded-in is minimal. Therefore it is impractical to separately classify these assets.

(ii) *Operating Lease Commitments*

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

(iii) *Depreciation Expense - Motor Vehicles*

The Commission's motor vehicles are depreciated on a straight-line basis taking into account the residual values and terms of vehicle leases. The exposure to the second hand vehicle market is considered by the Commission to be the largest risk variable for the purposes of estimating residual values of the Commission's vehicle fleet. The Commission regularly undertakes analysis and makes assessments of both local and national market conditions and trends, obtains the considerations of industry specialists in future sales projections, and maintains a substantial database of its past sales experience for reference, for the purpose of estimating residual values of the various classes of vehicles within the Commission's fleet. In turn, the Commission manages this risk exposure by incorporating a risk margin into the pricing of leases.

4. DISCLOSURE OF CHANGES IN ACCOUNTING POLICIES AND ESTIMATES

The Commission has applied the following Australian Accounting Standards and Australian Accounting Interpretations effective for annual reporting periods beginning on or after 1 July 2007 that impacted on the Commission.

1. AASB 7 "Financial Instruments: Disclosures" (including consequential amendments in AASB 2005-10 "Amendments to Australian Accounting Standards [AASB 132, AASB 101, AASB 114, AASB 117, AASB 133, AASB 139, AASB 1, AASB 4, AASB 1023 & AASB 1038]"). This Standard requires new disclosures in relation to financial instruments and while there is no financial impact, the changes have resulted in increased disclosures, both quantitative and qualitative, of the Commission's exposure to risks, including enhanced disclosure regarding components of the Commission's financial position and performance, and changes to the way of presenting certain items in the notes to the financial statements.

Future Impact of Australian Accounting Standards not yet Operative

The Commission cannot early adopt an Australian Accounting Standard or Australian Accounting Interpretation unless specifically permitted by T1: 1101 "Application of Australian Accounting Standards and Other Pronouncements". Consequently, the Commission has not applied the following Australian Accounting Standards and Australian Accounting Interpretations that have been issued and which may impact the Commission but are not yet effective. Where applicable, the Commission plans to apply these Standards and Interpretations from their application date:

Title	Operative for reporting periods beginning on/after
<p>AASB 101 "Presentation of Financial Statements" (September 2007). This Standard has been revised and will change the structure of the financial statements. These changes will require that owner changes in equity are presented separately from non-owner changes in equity. The Commission does not expect any financial impact when the Standard is first applied.</p>	1 January 2009
<p><u>Review of AAS 27 "Financial Reporting by Local Governments", 29 "Financial Reporting by Government Departments" and 31 "Financial Reporting by Governments"</u>. The AASB has made the following pronouncements from its short term review of AAS 27, AAS 29 and AAS 31.</p>	
<p>AASB 1004 "Contributions" (December 2007).</p>	1 July 2008
<p>AASB 1050 "Administered Items" (December 2007).</p>	1 July 2008
<p>AASB 1051 "Land Under Roads" (December 2007).</p>	1 July 2008
<p>AASB 1052 "Disaggregated Disclosures" (December 2007).</p>	1 July 2008
<p>AASB 2007-9 "Amendments to Australian Accounting Standards arising from the review of AAS's 27, 29 and 31 [AASB 3, AASB 5, AASB 8, AASB 101, AASB 114, AASB 116, AASB 127 & AASB 137] (December 2007)".</p>	1 July 2008
<p>Interpretation 1038 "Contributions by Owners Made to Wholly-Owned Public Sector Entities (revised) (December 2007).</p>	1 July 2008
<p>The existing requirements in AAS 27, AAS 29 and AAS 31 have been transferred to the above new and existing topic-based Standards and Interpretation. These requirements remain substantively unchanged. AASB 1050, AASB 1051 and AASB 1052 only apply to government departments. The other Standards and Interpretation make some modifications to disclosures and provide additional guidance, otherwise, there will be no financial impact.</p>	

	2008	2007
	\$	\$
5. EMPLOYEE BENEFITS EXPENSE		
Wages and salaries	1,138,751	1,210,397
Superannuation defined contribution plans(ii)	99,462	96,216
Long service leave (i)	18,505	(3,359)
Annual leave (i)	(48,931)	354
Other related expenses	2,357	-
	<u>1,210,144</u>	<u>1,303,608</u>
(i) The settlement of annual and long service liabilities gives rise to the payment of employment on-costs including superannuation. The expense for superannuation is included here.		
(ii) Defined contribution plans include West State, Gold State and GESB Super Scheme (contributions paid).		
6. SUPPLIES AND SERVICES		
Communications	23,628	27,383
Consultants and contractors	1,319,305	920,039
Consumables	138,243	123,346
Facility management fee	900,000	900,000
Legal fees	32,103	36,237
Repairs and maintenance	1,670	3,342
State Fleet management fee	377,203	718,902
Sundry	41,085	43,659
Travel	9,948	9,310
	<u>2,843,185</u>	<u>2,782,218</u>
7. DEPRECIATION EXPENSE		
Leasehold improvements	787	1,052
Office equipment	2,591	3,372
Motor vehicles	58,486,958	51,588,147
	<u>58,490,336</u>	<u>51,592,571</u>

	2008 \$	2007 \$
8. FINANCE COSTS		
Interest paid	14,731,616	13,889,464
9. ACCOMMODATION EXPENSES		
Lease rentals	154,837	153,352
Electricity	4,658	8,042
Repairs and maintenance	854	2,488
	160,349	163,882
10. OTHER EXPENSES		
Audit fees	58,500	51,000
Capital acquisitions less than \$5,000	11,954	21,287
Doubtful debts expense	-	70,088
Employment on-costs (a)	45,795	27,584
Motor vehicle expense	189	20,785
Sundry	23,600	29,079
	140,038	219,823
(a) Includes workers' compensation insurance and other employment on-costs. Superannuation contributions accrued as part of the provisions for leave are employee benefits and are not included in employment on-costs.		
11. NET GAIN ON DISPOSAL OF NON-CURRENT ASSETS		
<u>Costs of Disposal of Non-Current Assets</u>		
Bailment rights	-	13,763
Motor vehicles	63,504,519	66,099,157
<u>Proceeds from the Disposal of Non-Current Assets</u>		
Bailment Vehicles	-	20,686
Motor vehicles	65,772,067	66,672,409
Net Gain	2,267,548	580,175

	2008	2007
	\$	\$
12. CAPITAL USER CHARGE	-	28,100
The charge was a levy applied by Government for the use of its capital. The final charge was levied in 2006/07.		
13. INCOME FROM STATE GOVERNMENT		
Appropriation received during the year:		
- Service appropriations (i)	1,670,000	1,642,000
Resources received free of charge (ii) Determined on the basis of the following estimates provided by agencies:		
- State Solicitors' Office – Legal Services	7,108	16,156
	<u>1,677,108</u>	<u>1,658,156</u>

- (i) Service appropriations are accrual amounts reflecting the net cost of services delivered. The appropriation revenue comprises a cash component and a receivable (asset). The receivable (holding account) comprises the depreciation expense (other than State Fleet vehicles) for the year and any agreed increase in the leave liability during the year.
- (ii) Where assets or services have been received free of charge or for nominal cost, the Commission recognises revenues equivalent to the fair value of the assets and/or the fair value of those services that can be reliably determined and which would have been purchased if not donated, and those fair values shall be recognised as expenses, as applicable. The exception occurs where the contribution of assets or services are in the nature of contributions by owners, in which case the Commission makes the adjustment direct to equity

	2008	2007
	\$	\$
14. USER CHARGES AND FEES		
User charges – Vehicle fleet lease rentals	84,787,124	75,908,710
	<u>84,787,124</u>	<u>75,908,710</u>
15. INTEREST REVENUE		
Interest revenue	500,980	406,034
	<u>500,980</u>	<u>406,034</u>
16. OTHER REVENUES		
Expense recoveries	64,478	20,350
Sundry	3,566	2,506
	<u>68,044</u>	<u>22,856</u>

	Note	2008 \$	2007 \$
17. RECEIVABLES			
<i>Current</i>			
Receivables		4,887,288	5,560,810
Allowance for impairment of receivables		-	(70,088)
Finance lease receivables	18	56,774	-
Prepayments		21,213	191,530
Total Current		4,965,275	5,682,252
<i>Non-Current</i>			
Finance lease receivables	18	674,266	-
Total Non-Current		674,266	-
See also note 2(o) "Receivables" and note 30 "Financial Instruments"			
Reconciliation of changes in the allowance for impairment of receivables:			
Balance at start of year		(70,088)	-
Doubtful debts expense recognised in the income statement		-	(70,088)
Amounts written off during the year		-	-
Amount recovered during the year		70,088	-
Balance at end of year		-	(70,088)
Credit risk			
Ageing of receivables past due but not impaired based on the information provided to senior management, at the balance sheet date:			
- Not more than 3 months		147,490	102,456
- More than 3 months but less than 6 months		21,250	65,633
- More than 6 months but less than 1 year		700,492	-
- More than 1 year		-	-
		869,232	168,089
Receivables individually determined as impaired at the balance sheet date:			
Receivables individually determined as impaired at the balance sheet date:			
- Carrying amount, before deducting any impairment loss		-	89,000
- Impairment loss		-	(70,088)
		-	18,912

	<u>2008</u>	<u>2007</u>
	\$	\$
18. FINANCE LEASE RECEIVABLES		
<p>The Commission leases vehicles to Western Australian State Government Agencies, Entities and Departments. The majority of leases are operating leases, the balance are finance leases.</p> <p>At balance date, the term of existing finance lease contracts varies between four and five years. A contract is subject to a fixed market rate of interest set at the time the contract is established. All contracts contain a renewal option and are secured by the underlying vehicle. Residual values are guaranteed by the relevant contracting Agency, Entity or Department.</p>		
Gross Investment in Finance Leases Contracts	832,030	-
Less: Unearned finance income	<u>(100,990)</u>	<u>-</u>
Net Investment in Finance Lease Contracts	731,040	-
Less:		
Unguaranteed residual values of the finance leases at balance date	-	-
Present Value of the Future Minimum Lease Payment Receivables	<u>731,040</u>	<u>-</u>
Accumulated allowances for uncollected minimum lease payment receivables	-	-
	<u> </u>	<u> </u>
As at balance date, the gross investment and present value of receivables relating to the minimum lease payments under non-cancellable finance lease arrangements were distributed as follows:		
	Gross Investment	Present Value of Receivables Relating to Future Minimum Lease Payments
Not later than one year	79,980	56,774
Later than one year and not later than 5 years	226,542	169,032
Later than 5 years	<u>525,508</u>	<u>505,234</u>
	<u>832,030</u>	<u>731,040</u>

	<u>2008</u> \$	<u>2007</u> \$
19. AMOUNTS RECEIVABLE FOR SERVICES		
Current	56,000	64,000
<p>This asset represents the non cash component of service appropriations. See note 2(n) "Amounts Receivable for Services (Holding Account)". It is restricted in that it can only be used for asset replacement.</p>		
20. PROPERTY, PLANT, EQUIPMENT AND VEHICLES		
Leasehold improvements (at cost)	18,931	18,931
Less: Accumulated depreciation	<u>(18,931)</u>	<u>(18,144)</u>
	-	787
Computer hardware and integrated software (at cost)	-	75,631
Less: Accumulated depreciation	<u>-</u>	<u>(75,631)</u>
	-	-
Office equipment and furniture and fittings (at cost)	20,187	52,835
Less: Accumulated depreciation	<u>(13,290)</u>	<u>(43,348)</u>
	6,897	9,487
Motor vehicles under lease (i) (at cost)	353,702,550	329,364,690
Less: Accumulated depreciation	<u>(81,638,057)</u>	<u>(67,000,455)</u>
	272,064,493	262,364,235
Total Property, Plant and Equipment	<u>272,071,390</u>	<u>262,374,509</u>

	2008 \$	2007 \$
20. PROPERTY, PLANT, EQUIPMENT AND VEHICLES (Continued)		
(i) Motor Vehicle Operating Leases		
The Commission leases vehicles to numerous State Government agencies. The leases are non-cancellable operating leases.		
Future minimum lease payments that are expected to be received in the following time periods are:		
(i) Not later than one year	61,758,356	57,952,916
(ii) Later than one year and not later than 5 years	35,072,333	33,081,447
(iii) Later than five years	90,378	-
	<u>96,921,067</u>	<u>91,034,363</u>

The above commitments are inclusive of GST.

Reconciliations

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

	Leasehold Improvements \$	Office Equipment, Furniture & Fittings \$	Motor Vehicles \$	Total \$
2008				
Carrying amount at start of the year	787	9,487	262,364,235	262,374,509
Additions	-	-	131,691,737	131,691,737
Other disposals	-	-	(63,504,521)	(63,504,521)
Depreciation	(787)	(2,590)	(58,486,958)	(58,490,335)
Carrying amount at end of the year	-	6,897	272,064,493	272,071,390
2007				
Carrying amount at start of the year	1,839	12,858	240,198,040	240,212,737
Additions	-	-	139,853,499	139,853,499
Other disposals	-	-	(66,099,157)	(66,099,157)
Depreciation	(1,052)	(3,371)	(51,588,147)	(51,592,570)
Carrying amount at end of the year	787	9,487	262,364,235	262,374,509

	<u>2008</u>	<u>2007</u>
	\$	\$
21. IMPAIRMENT OF ASSETS		
There were no indications of impairment of property, plant and equipment, and motor vehicles at 30 June 2008.		
The Commission held no goodwill or intangible assets with an indefinite useful life during the reporting period and at balance sheet date there were no intangible assets not yet available for use.		
All surplus assets at 30 June 2008 have either been classified as assets held for sale or written off.		
22. PAYABLES		
<i>Current</i>		
Trade payables	12,361,078	10,986,029
GST payable	1,413,056	1,260,800
Accrued expenses	98,567	61,199
Accrued salaries	<u>122,587</u>	<u>60,299</u>
	13,995,288	12,368,327
23. BORROWINGS		
<i>Current</i>		
WATC	<u>89,770,580</u>	<u>85,194,190</u>
<i>Non-Current</i>		
WATC	<u>133,114,216</u>	<u>141,245,963</u>
Total borrowings	<u>222,884,796</u>	<u>226,440,153</u>

The Commission has a facility agreement in place with the Western Australian Treasury Corporation to borrow up to \$250,000,000 to meet contractual requirements, purchase vehicles and provide working capital. As at 30 June 2008 \$222,884,796 (2007: \$226,440,153) was drawn against the facility.

	2008	2007
	\$	\$
24. PROVISIONS		
<i>Current</i>		
Employee benefits provision		
- Annual Leave (i)	89,608	120,629
- Long service leave (ii)	109,350	130,784
	<u>198,958</u>	<u>251,413</u>
<i>Non-Current</i>		
Employee benefits provision		
- Long service leave (ii)	111,976	46,970
	<u>111,976</u>	<u>46,970</u>
(i) Annual leave liabilities have been classified as current as there is no unconditional right to defer settlement for at least 12 months after balance sheet date. Assessments indicate that actual settlement of the liabilities will occur within 12 months of balance sheet date.		
(ii) Long service leave liabilities have been classified as current where there is no unconditional right to defer settlement for at least 12 months after balance sheet date. Assessments indicate that actual settlement of the liabilities will occur as follows:		
- Within 12 months of balance sheet date	109,350	130,784
- More than 12 months after balance sheet date	111,976	46,970
	<u>221,326</u>	<u>177,754</u>

	2008	2007
	\$	\$
	<hr/>	<hr/>
25. OTHER LIABILITIES		
<i>Current</i>		
Accrued interest payable to WA Treasury Corporation	680,858	631,983
Unearned revenue – Vehicle fleet lease rentals	3,643,691	3,297,489
	<hr/>	<hr/>
Total Current	4,324,549	3,929,472
	<hr/>	<hr/>
26. EQUITY		
Equity represents the residual interest in the net assets of the Commission. The Government holds the equity interest in the Commission on behalf of the community.		
Contributed Equity		
Balance at start of the year	20,112,000	20,112,000
	<hr/>	<hr/>
Balance at end of the year	20,112,000	20,112,000
	<hr/>	<hr/>
Accumulated Surplus		
Balance at start of the year	14,066,783	5,245,474
Result for the period	11,728,996	8,821,309
	<hr/>	<hr/>
Balance at end of the year	25,795,779	14,066,783
	<hr/>	<hr/>

27. NOTES TO THE CASH FLOW STATEMENT

	2008 \$	2007 \$
<i>Reconciliation of Cash</i>		
Cash at the end of the financial year, as shown in the Cash Flow Statement, is reconciled to the related items in the Balance Sheet as follows:		
Cash and cash equivalents	9,656,415	9,094,357
Reconciliation of Net Surplus from Services to Net Cash Flows Provided by/(used in) Operating Activities		
Net surplus from services	10,051,888	7,163,153
<i>Non-Cash Items:</i>		
Depreciation (note 7)	58,490,336	51,592,571
Doubtful debts expense (note 10)	-	70,088
Resources received free of charge (note 13)	7,108	16,155
Net gain on disposal of non-current assets – investment activity (note 11)	(2,267,548)	(580,175)
	56,229,896	51,098,639
<i>(Increase)/Decrease in Assets:</i>		
Current receivables	716,977	(1,653,697)
Non-current receivables	(674,266)	-
	42,711	(1,653,697)
<i>Increase/(Decrease) in Liabilities:</i>		
Current payables	1,474,704	(54,284)
Other current liabilities	395,077	566,220
Current provisions	(52,455)	12,253
Non-current provisions	65,006	(28,304)
	1,882,332	495,885
Net GST receipts/(payments)	1,711,512	1,028,948
Change in GST in receivables/payables	(1,559,254)	(895,334)
	152,258	133,614
Net cash provided by operating activities	68,359,085	57,237,594

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

28. COMMITMENTS

(a) Recurring Operating Commitments

The following amounts have been identified as expenditure commitments by the Commission as at 30 June 2008:

Consultancies and management agreement commitments, being contracted recurrent expenditure, let or in progress additional to the amounts reported in the financial statements, are payable as follows:

	<u>2008</u> \$	<u>2007</u> \$
Within 1 year	-	36,000

(b) Non-Cancellable Operating Lease Commitments

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

Within 1 year	311,987	188,485
Later than 1 year and not later than 5 years	1,200,139	53,054
Later than 5 years	<u>74,200</u>	<u>-</u>
	<u>1,586,326</u>	<u>241,539</u>

This balance consists of motor vehicle and property operating leases. The current property lease has a term of 7 years concluding on 30 September 2008. The new property lease commencing 1 October 2008 has a term of 5 years. Rent is payable monthly in advance. Contingent rental provisions within the lease agreement require that the minimum lease payments shall be adjusted to market rental rates and reviewed every two years.

These commitments are all inclusive of GST.

29. EXPLANATORY STATEMENT

Significant variations between estimates and actual results for income and expenses are shown below:

Significant variations are considered to be those greater than 10% and \$1,000,000.

Significant variances between estimated and actual result for 2008

	2008 Estimate \$	2008 Actual \$	Variation \$
Income			
User charges and fees	79,514,000	84,787,124	5,273,124
Gain on disposal of non-current assets	-	2,267,548	2,267,548
Expenses			
Supplies and services	1,461,000	2,843,185	1,382,185

User Charges and Fees

During 2007/08, the number of vehicles owned by State Fleet increased from 10,638 to 11,156 at 30 June 2008. This has directly increased the user charges and fees (vehicle lease rental and adjustment charges). Lower residual value settings and higher capital cost of vehicles has also contributed to the increase, but offset to some degree by increased vehicle lease terms, for new vehicles during the course of the year.

Gain on Disposal of Non-Current Assets

The sale of vehicles is subject to the vagaries of the second hand vehicle market. In 2007/08, the market provided better than anticipated return on light commercial vehicles.

Supplies and Services

The additional expense is due to unbudgeted professional fees from managing potential exposure to indemnity claims relating to the former vehicle fleet leasing transactions.

29. **EXPLANATORY STATEMENT (Continued)**

**Significant variances between actual results
for 2007 and 2008**

	2008 Actual \$	2007 Actual \$	Variation \$
Expenses			
Depreciation expense	58,490,336	51,592,571	6,897,765
Income			
User charges and fees	84,787,124	75,908,710	8,878,414
Gain on disposal of non-current assets	2,267,548	580,175	1,687,373

Depreciation Expense

During 2007-08, the number of vehicles owned by State Fleet increased from 10,638 to 11,156 at 30 June 2008. This increase can be partly attributed to State Fleet now leasing to agencies that previously used other arrangements. This has directly increased the depreciation expense for the period. Depreciation also increased as a result of lower residual value settings (reflecting declining resale values) on new vehicles leased during the course of the year.

User Charges and Fees

During 2007-08, the number of vehicles owned by State Fleet increased from 10,638 to 11,156 at 30 June 2008. This has directly increased the user charges and fees (vehicle lease rental and adjustment charges). Lower residual value settings and higher capital cost of vehicles has also contributed to the increase, but offset to some degree by increased vehicle lease terms, for new vehicles during the course of the year.

Gain on Disposal of Non-Current Assets

The sale of vehicles is subject to the vagaries of the second hand vehicle market. In 2007-08, the market provided better than anticipated return on light commercial vehicles.

30. FINANCIAL INSTRUMENTS

(a) Financial Risk Management Objectives and Policies

Financial instruments held by the Commission are cash and cash equivalents, restricted cash and cash equivalents, borrowings, finance leases, Treasurer's advances, loans and receivables, and payables. The Commission has limited exposure to financial risks. The Commission's overall risk management program focuses on managing the risks identified below.

Credit Risk

Credit risk arises when there is the possibility of the Commission's receivables defaulting on their contractual obligations resulting in financial loss to the Commission. The Commission measures credit risk on a fair value basis and monitors risk on a regular basis.

The maximum exposure to credit risk at balance sheet date in relation to each class of recognised financial assets is the gross carrying amount of those assets inclusive of any provisions for impairment as shown in the table at Note 30(c).

Credit risk associated with the Commission's financial assets is minimal because the main receivables are the amounts receivable from State Government departments and agencies. For receivables other than government, the Commission trades only with recognised, creditworthy third parties. The Commission 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 Commission's exposure to bad debts is minimal. There are no significant concentrations of credit risk.

Provision for impairment of financial assets is calculated based on past experience, and current and expected changes in client credit ratings. For financial assets that are either past due or impaired, refer to Note 18 "Receivables".

Liquidity Risk

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

The Commission 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.

30. FINANCIAL INSTRUMENTS (Continued)

Market Risk

The Commission does not trade in foreign currency and is not materially exposed to other price risks. The Commission's exposure to market risk for changes in interest rates relate primarily to the long-term debt obligations. The Commission's borrowings are all obtained through the Western Australian Treasury Corporation (WATC) and are at fixed rates with varying maturities. The risk is managed by WATC through portfolio diversification and variation in maturity dates. Other than as defined in the interest rate sensitivity analysis table at Note 30, the Commission is not exposed to interest rate risk because apart from cash and cash equivalents which are non-interest bearing, it has no borrowings other than WATC borrowings and finance leases (fixed interest rate).

(b) Categories of Financial Instruments

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

	2008	2007
	\$	\$
	<hr/>	<hr/>
Financial Assets		
Cash and cash equivalents	9,656,415	9,094,357
Loans and receivables (i)	5,674,328	5,746,252
Financial Liabilities		
Financial liabilities measured at amortised cost	241,204,634	242,737,952

- (i) The amount of loans and receivables excludes GST recoverable from the Australian Taxation Office (statutory receivables)

30. FINANCIAL INSTRUMENTS (Continued)

(c) Financial Instruments Disclosure

Credit Risk, Liquidity Risk and Interest Rate Risk Exposures

The following table details the exposure to liquidity risk and interest rate risk as at the balance sheet date. The Commission's maximum exposure to credit risk at the balance sheet date is the carrying amount of the financial assets as shown on the following table. The table is based on information provided to senior management of the Commission. The contractual maturity amounts in the table are representative of the undiscounted amounts at the balance sheet date.

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

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

2008	Weighted Average Effective Interest Rate %	Variable Interest Rate \$000	Non-Interest Bearing \$000	Contractual Maturity Dates:		Carrying Amount \$000
				Within 1 Year \$000	1-2 Years \$000	
<u>Financial Assets</u>						
Cash and cash equivalents	7.03%	9,096	561			9,657
Receivables (a)			5,618			5,618
Amounts receivable for services			56			56
		9,096	6,235			15,331

30. FINANCIAL INSTRUMENTS (Continued)

2008	Weighted Average Effective Interest Rate %	Variable Interest Rate \$000	Non-Interest Bearing \$000	Contractual Maturity Dates:		Carrying Amount \$000
				Within 1 Year \$000	1-2 Years \$000	
Financial Liabilities						
Payables		13,774				13,774
Borrowings	6.34%		89,771	133,114		222,885
Other		4,546				4,546
		18,320	89,771	133,114		241,205
2007						
Financial Assets						
Cash and cash equivalents	6.09%	8,674	420			9,094
Receivables (a)			5,682			5,682
Amounts receivable for services			64			64
		8,674	6,166			14,840
Financial Liabilities						
Payables			12,247			12,247
Borrowings	6.08%			85,194	141,246	226,440
Other			4,051			4,051
			16,298	85,194	141,246	242,738

(a) The amount of receivables excludes GST recoverable from the Australian Taxation Office (statutory receivable).

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

30. FINANCIAL INSTRUMENTS (Continued)

Interest rate sensitivity analysis

The following table represents a summary of the interest rate sensitivity of the Commission's financial assets and liabilities at the balance sheet date 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.

	Carrying Amount \$000	-1% Change		+ 1% Change	
		Surplus \$000	Equity \$000	Surplus \$000	Equity \$000
2008					
<u>Financial Assets</u>					
Cash and cash equivalents	9,657	(97)	(97)	97	97
	9,657	(97)	(97)	97	97
<u>Financial Liabilities</u>					
Borrowings	222,885	2,229	2,229	(2,229)	(2,229)
	222,885	2,229	2,229	(2,229)	(2,229)

30. FINANCIAL INSTRUMENTS (Continued)

2007	Carrying Amount \$000	-1% Change		+ 1% Change	
		Surplus \$000	Equity \$000	Surplus \$000	Equity \$000
<u>Financial Assets</u>					
Cash and cash equivalents	9,094	(91)	(91)	91	91
	9,094	(91)	(91)	91	91
<u>Financial Liabilities</u>					
Borrowings	226,440	2,264	2,264	(2,264)	(2,264)
	226,440	2,264	2,264	(2,264)	(2,264)

Fair Values

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

31. REMUNERATION OF MEMBERS OF THE COMMISSION AND SENIOR OFFICERS

2008	2007
\$	\$

Remuneration of Members of the Commission

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

\$	\$		
0	-	10,000	8
20,001	-	30,000	1
60,001	-	70,000	-
170,001	-	180,000	1
330,001	-	340,000 [i]	-
			8
			2
			1
			-
			1

The total remuneration of members of the Commission is:	\$ 193,072	\$ 439,154
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The total remuneration includes the superannuation expense incurred by the Commission in respect of members of the Commission. No members of the Commission are members of the Pension Scheme.

[i] The Commission paid a redundancy component of \$152,639 to the member during 2007.

Remuneration of Senior Officers

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

\$	\$		
20,001	-	30,000	1
30,001	-	40,000	-
60,001	-	70,000	1
70,001	-	80,000	1
100,001	-	110,000	-
110,001	-	120,000	1
120,001	-	130,000	-
			1
			1

The total remuneration of senior officers is:	\$ 328,986	\$ 322,627
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The total remuneration includes the superannuation expense incurred by the Commission in respect of senior officers other than senior officers reported as members of the Commission.

	2008	2007
	\$	\$
32. REMUNERATION OF AUDITOR		
Auditing the accounts, financial statements and performance indicators	58,500	51,000

33. SUPPLEMENTARY FINANCIAL INFORMATION

Write-Offs

During the year, the Commission approved the write-off of 70 motor vehicles (2007: 53 motor vehicles). In the main, these vehicles were damaged beyond repair in accidents.

1,646,344	1,171,585
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34. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

The Commission did not have any contingent liabilities or contingent assets at balance date.

35. EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

As from 1 July 2008, State Fleet operations are to be conducted as a function of the Department of Treasury & Finance (DTF).

The State Supply Commission Amendment Act 2008, which came into operation as from 26 May 2008, enabled the transfer of responsibility for State Fleet from the State Supply Commission to DTF by means of a State Fleet Agreement ("Agreement").

The Treasurer's Office required the State Fleet arrangements to be finalised before 30 June 2008 to allow State Fleet operations to be conducted as a function of DTF as from 1 July 2008.

The Agreement completes the arrangements for the transfer of responsibility for State Fleet to DTF, whilst allowing State Fleet to have access to the functions and powers of the State Supply Commission Act for the purposes of its operations. This Agreement supersedes the delegation previously in place.

36. SCHEDULE OF INCOME AND EXPENSES BY SERVICE

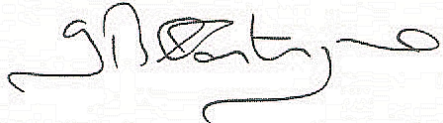
	Procurement and Disposal Processes		Supply of Light Vehicle Fleet		Total	
	2008	2007	2008	2007	2008	2007
	\$	\$	\$	\$	\$	\$
COST OF SERVICES						
Expenses						
Employee benefits expense	1,210,144	1,303,608	-	-	1,210,144	1,303,608
Supplies and services	226,731	230,568	2,616,454	2,551,650	2,843,185	2,782,218
Depreciation expense	3,378	4,424	58,486,958	51,588,147	58,490,336	51,592,571
Finance costs	-	-	14,731,616	13,889,464	14,731,616	13,889,464
Accommodation expenses	160,349	163,882	-	-	160,349	163,882
Carbon offset program expenses	-	-	529,118	168,837	529,118	168,837
Office expenses	116,437	120,655	23,601	99,168	140,038	219,823
Loss on disposal of non-current assets	-	-	-	-	-	-
Capital user charge	-	28,100	-	-	-	28,100
Total Cost of Services	1,717,039	1,851,237	76,387,747	68,297,266	78,104,786	70,148,503
Income						
User charges and fees	-	-	84,787,124	75,908,710	84,787,124	75,908,710
Interest revenue	-	-	500,980	406,034	500,980	406,034
Carbon offset program revenue	-	-	532,978	393,881	532,978	393,881
Other revenues	65,038	20,355	3,006	2,501	68,044	22,856
Gain on realisation of non-current assets	-	-	2,267,548	580,175	2,267,548	580,175
Total Income Other than from State Government	65,038	20,355	88,091,636	77,291,301	88,156,674	77,311,656
NET SURPLUS/(COST) OF SERVICE	(1,652,001)	(1,830,882)	11,703,889	8,994,035	10,051,888	7,163,153

36. SCHEDULE OF INCOME AND EXPENSES BY SERVICE (Continued)

	Procurement and Disposal Processes		Supply of Light Vehicle Fleet		Total	
	2008	2007	2008	2007	2008	2007
	\$	\$	\$	\$	\$	\$
INCOME FROM STATE GOVERNMENT						
Service appropriations	1,670,000	1,642,000	-	-	1,670,000	1,642,000
Resources received free of charge	7,108	16,156	-	-	7,108	16,156
Total Income from State Government	1,677,108	1,658,156	-	-	1,677,108	1,658,156
SURPLUS/(DEFICIT) FOR THE PERIOD	25,107	(172,726)	11,703,889	8,994,035	11,728,996	8,821,309

Certification of Performance Indicators for the Year ended 30 June 2008

We hereby certify that the performance indicators are based on proper records, are relevant and appropriate for assisting users to assess the State Supply Commission's performance, and fairly represent the performance of the State Supply Commission for the financial year ended 30 June 2008.



Jennifer Ballantyne
CHAIRMAN
STATE SUPPLY COMMISSION

11 September 2008



Cheryl Gwilliam
MEMBER
STATE SUPPLY COMMISSION

11 September 2008

PERFORMANCE INDICATORS

Outcome 1

All public authorities use State Supply Commission procurement and disposal processes.

Effectiveness Indicator 1

Performance Measure	2007-08 Target	2007-08 Actual	2006-07 Actual	2005-06 Actual
All public authorities use State Supply Commission procurement and disposal processes.	90%	98%	97%	99%

The effectiveness indicator has been designed to measure public authorities' compliance with the supply policies. This ensures that public authorities' apply best practice with procurement and disposal processes.

In 2007-08 the State Supply Commission achieved an overall satisfaction rate of 98 per cent.

The effectiveness indicator review focused on nominated public authorities that awarded contracts in 2007-08.

Overall, 42 agencies under the jurisdiction of the *State Supply Commission Act 1991* participated in this review.

The estimated population was 3,124 contracts from the Government Bulletin Board. The sample size was 335 contracts based on the sample size at the 95 per cent confidence level.

Outcome 2

Vehicles for the State's light vehicle fleet are provided in a manner that is commercially viable over time.

Effectiveness Indicator 2

Performance Measure	2007-08 Target Profit \$'000	2007-08 Actual Profit \$'000	2006-07 Actual Profit \$'000	2005-06 Actual Profit \$'000
Extent to which State Fleet operations are economically sustainable.	\$5,480	\$11,703	\$8,994	\$6,849

The above effectiveness indicator relates to the management of the funding and leasing of the State's vehicle fleet.

In 2007-08 the profit achieved by State Fleet was considerably stronger than initially forecast in the 2007-08 Budget for two reasons:

- (1) State fleet's profitability is affected by fluctuations in the pricing of the second hand vehicle market. Most notably, the second hand vehicle market for light commercial vehicles has remained stronger than anticipated, caused by the continued buoyant economy.
- (2) A modest overrun in lease terms, due to difficulty in sourcing replacement vehicles, has led to a commensurate extension in the period of depreciation but with little impact on the vehicle selling price, and has contributed to the greater than anticipated profit.

EFFICIENCY INDICATORS

Service 1: Administration of Goods and Services Procurement Policies for Public Authorities

Efficiency Indicator 1

Performance Measure	2007-08 Target	2007-08 Actual	2006-07 Actual	2005-06 Actual
Public authorities' satisfaction with State Supply Commission's timeliness in responding to their requests.	90%	81%	84%	80%

The efficiency indicator has been designed to measure public authorities' satisfaction with the State Supply Commission's timeliness in responding to requests for procurement information. The service that the Commission provides includes policy advice on specific procurement matters and requests to waive policy.

In 2007-08 the State Supply Commission achieved an overall satisfaction rate of 81 per cent.

To arrive at the overall satisfaction rate of 81%, the following data was used:

Survey Group	Population Size	Actual Sample	Response Rate	Sampling Precision Error
Purchasing Officers	91	77	84.6%*	± 4.5%

The State Supply Commission provided a list of 90 public authorities' purchasing officers (including telephone number and contact person) that have dealings with the Commission.

This means that the Commission is 95 per cent confident that the sample results are representative of the population within a +-4.5 per cent range.

The overall satisfaction rate of 81 per cent for the 2007-08 financial year compared to 84 per cent for the 2006-07 financial year.

The overall 81% satisfaction rate was arrived at as follows:

Category	2007-08 %	2006-07 %	2005-06 %
Very Satisfied	29.9	27.7	16.3
Satisfied	44.2	52.3	57.8
Somewhat satisfied	6.5	3.8	5.9
Overall Satisfaction %	80.6	83.8	80.0

The survey results are used as an integral component of the State Supply Commission's continual improvement process. This ensures public authorities can expect a commitment to a responsive service from the Commission.

Service 2: Management of the funding and leasing of the State's vehicle fleet

Efficiency Indicator 2

Cost	2007-08 Target	2007-08 Actual	2006-07 Actual	2005-06 Actual
Average cost per leased vehicle.	\$7,151	\$7,008	\$6,595	\$6,259

The 2007-08 Average Cost of Leased Vehicle has increased moderately in comparison to the Target. This is in part due to a higher average interest rate applicable to the loans underwriting the leases, and to a greater than anticipated vehicle depreciation over the course of the year due to a continuing decline in second hand vehicle prices impacting residual values.

MINISTERIAL DIRECTIVES

The Treasurer did not give any directions to the State Supply Commission under section 7(1) of the *State Supply Commission Act 1991* during 2007-08.

OTHER FINANCIAL DISCLOSURES

Pricing Policies of Services Provided

The State Supply Commission is a high level procurement and contracting policy statutory authority that reports direct to the Treasurer; hence it does not charge for any of its services.

Capital Works

State Supply Commission

The State Supply Commission did not apply for any capital works funds in 2007-08. All minor office replacements were funded from the holding account at the Department of Treasury and Finance.

No capital projects were completed or incomplete during 2007-08.

State Fleet

The capital works relate to the acquisition of vehicles for State Fleet. During 2007-08 State Fleet purchased \$131.7 million of vehicles against a budget of \$146.8 million. The reduction in capital works expenditure is due to a general movement to less expensive and more fuel efficient four cylinder vehicles.

Employment and Industrial Relations

Staff Profile

Category	2007-08	2006-07	2005-06
Full-time permanent	13	10	10
Full-time contract	0	1	1
Part-time measured on a FTE basis	0	0	0
On secondment - in	0	2	2
On secondment - out	0	0	0
Total number of staff	13	13	13

The outcomes against the agency level objectives and sector wide objectives outlined in the *Equity and Diversity Plan for the Public Sector Workforce 2006-09* are as follows:

50% representation of women in Management Tiers 2 & 3	50%
The Equity index for women	50%
15% of people from culturally diverse backgrounds	23%
7% of Indigenous Australians	0%
7%of people with disabilities	7%
7%of youth	0%

Staff Development

The State Supply Commission has a commitment to the development of its employees. The Commission's strategies are to build a highly skilled, professional and fair workforce with the ability to adapt to changing business technology and the environment.

Professional education, technical, wellness and personal development training have all increased over the past year, with many accessed through the performance management process.

A further increase in training programs offered is expected in 2008-09.

Recruitment initiatives targeting specific segments of the workforce include the provision of secondment opportunities for Department of Treasury and Finance people to work at the State Supply Commission to gain supply policy knowledge and experience.

Other initiatives include:

- the promotion of work/life balance and flexible working arrangements; and
- team building and skill development programs.

During the financial year, the Commission spent approximately \$7,300 on employee professional development and training.

Workers Compensation

There were no workers' compensation claims during the 2007-08 financial year.

GOVERNANCE DISCLOSURES

Contracts with Senior Officers

At the date of reporting, other than normal contracts of employment of service, 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 State Supply Commission and Senior Officers.

OTHER LEGAL REQUIREMENTS

Compliance with Public Sector Standards and Ethical Codes

In accordance with section 31(1) of the *Public Sector Management Act 1994*, the State Supply Commission provides the following statements of any compliance issues that arose during 2007-08 in respect of the public sector standards, the WA Code of Ethics and the Commission's Code of Conduct, and also details of any significant action taken to prevent non-compliance.

Compliance Issues – Public Sector Standards

The State Supply Commission operates in accordance with the Public Sector Standards and is revising and developing appropriate internal human resource management policies on an ongoing basis to be consistent with the Standards. All staff members are required to comply with these policies, all of which are accessible to staff on-line.

There have been no Breach of Standards claims lodged in 2007-08.

Compliance Issues – WA Code of Ethics and the State Supply Commission's Code of Conduct

No internal grievances were lodged relating to non-compliance with the ethical codes and no complaints from external authorities were received.

Significant Action Taken to Monitor and Ensure Compliance

The State Supply Commission's Code of Conduct was amended to include the WA Code of Ethics, communicated to all employees and placed on the Commission's common drive in May 2008.

The amended State Supply Commission's Code of Conduct (May 2008) is currently used to induct all new employees to the Commission.

- (1) In the administration of the State Supply Commission, I have complied with the Public Sector Standards in Human Resource Management, the Western Australian Public Sector Code of Ethics and the State Supply Commission's Code of Conduct.
- (2) I have put in place procedures designed to ensure such compliance and conducted appropriate internal assessments to satisfy myself that the statement made in (1) is correct.



Rod Alderton
CHIEF EXECUTIVE OFFICER

11 September 2008

Advertising

In compliance with Section 175ZE of the *Electoral Act 1907*, the State Supply Commission is required to disclose expenditure on advertising, market research, polling, direct mail and media advertising.

- (1) Total expenditure for 2007-08 was \$13,258.03.
- (2) Expenditure was incurred in the following areas:

Advertising agencies	-	-	-
Market research organisations	Research Solutions	Preparation and reporting on the 2007-08 Customer Satisfaction Survey	\$11,858.00
Polling organisations	-	-	-
Direct mail organisations	-	-	-
Media – advertising agencies	Marketforce Productions	Advertising of Disability Access and Inclusion Plan	\$1,051.97
Total expenditure			\$12,909.97

Recordkeeping Plans

The State Supply Commission has recently updated its Recordkeeping Plan in accordance with the requirements of the State Records Office.

Records management procedures continue to be updated on a regular basis in keeping with the State Records Office Standard 2 – Principle 2.

The State Supply Commission continues to offer induction training, including the Commission's recordkeeping obligations, to new staff.

Disability Access and Inclusion Plan Outcomes

The State Supply Commission is committed to ensuring that people with disabilities, their families and carers are able to access its services, facilities and information by providing them with the same opportunities, rights and responsibilities enjoyed by all other people in the community.

The Commission has published its Disability Access and Inclusion Plan 2007-2010 (DAIP). This DAIP is available for download in Word and PDF format via the Commission's website. On request, this document can also be made available in hardcopy format (in both standard and large print), and by email.

Following are the Commission's current initiatives to address the six desired DAIP outcomes:

DESIRED OUTCOME	INITIATIVE
<p>(1) People with disabilities have the same opportunities as other people to access the services of, and any events organised by the Commission.</p>	<ul style="list-style-type: none"> • Established a DAIP Planning Committee. • Provided opportunities for people with disabilities to comment on access to services and information provided by the Commission. • Developed a DAIP to ensure it supports equitable access to services by people with disabilities. • Ensured that Commission staff, contractors and agents are aware of the DAIP.
<p>(2) People with disabilities have the same opportunities as other people to access the Commission's office and other facilities.</p>	<ul style="list-style-type: none"> • Ensured that the Commission's office is accessible and meets the legislative and access standards for accessibility. • Ensured that Commission staff are aware of the facilities available to people with disabilities. • Ensured that Commission signage is clear and easy to understand.
<p>(3) People with disabilities receive information from the Commission in a format that will enable them to access the information, as readily as other people are able to access it.</p>	<ul style="list-style-type: none"> • Improved community awareness that Commission information is available in alternate formats upon request. • Committed to making publications as accessible as possible.
<p>(4) People with disabilities receive the same level and quality of service from the Commission's staff.</p>	<ul style="list-style-type: none"> • Improved and maintained Commission staff awareness of DAIP issues and relevant legislation. • Advanced the awareness of new Commission staff members regarding DAIP issues.
<p>(5) People with disabilities have the same opportunities as other people to make complaints to the Commission.</p>	<ul style="list-style-type: none"> • The Commission's complaints system and policy are to be more accessible once the new website is commissioned.
<p>(6) People with disabilities have the same opportunities as other people to participate in any public consultation by the Commission.</p>	<ul style="list-style-type: none"> • Committed to ongoing monitoring of the DAIP to ensure implementation and satisfactory outcomes.

GOVERNMENT POLICY REQUIREMENTS

Corruption Prevention

The State Supply Commission's induction process ensures that new staff members are made aware of their responsibilities under the Commission's Code of Conduct. The Code provides employees with clear and practical guidelines on ethical behaviour in the workplace.

Breaches of the Commission's Code of Ethics represent breaches of discipline pursuant to Section 80 of the *Public Sector Management Act 1994* and will, at the discretion of the Chief Executive Officer, be dealt with pursuant to the procedures detailed in Division 3 of the *Public Sector Management Act 1994*.

Allegations relating to a Commission employee's improper conduct, corruption or criminal activity will be reported to either the Corruption and Crime Commission or the police for investigation.

Staff meetings are used to reinforce the necessity for employees to comply with the Commission's Code of Conduct.

Substantive Equality

The State Supply Commission is not represented on the Strategic Management Council and does not currently have obligations under the Substantive Equality Framework.

Sustainability

Sustainable Procurement

The State Supply Commission continues to promote sustainable procurement practices. The Commission recognises that sustainable procurement represents value for money by reducing whole of life costs, while benefiting society and the natural environment.

The Commission was represented on the Australian Procurement Construction Council's (APCC) working group for the development of a national framework for sustainable procurement. This best practice framework was released in September 2007.

In December 2007, the Commission's Sustainable Procurement Policy was updated to emphasise the need to consider sustainability in procurement processes, particularly in the procurement planning phase. The policy also included reference to the APCC national framework.

The Commission also worked with the Department of Treasury and Finance to include information on sustainable procurement in the Department's *Procurement Practice Guide*.

The Commission continues to work with the Department of Environment and Conservation's Office of Climate Change and the Department of Treasury and Finance to ensure that sustainable procurement practices are practised throughout the public sector.

Sustainable Practice

The State Supply Commission continues to promote the Government's goals for sustainability. In 2007-08 the Commission was recognised by the Sustainable Energy Development Office as an agency that successfully achieved the Energy Smart Government 12% reduction of energy consumption target for 2006-07.

Although the award is an encouraging recognition of all we have achieved, the State Supply Commission recognises the need to be continually driven to ensure a sustainable future for Western Australia. To this end, and to meet the objectives of the Sustainability Code of Practice for Government Agencies, the Commission has taken the following actions:

Planning, reporting and decision-making are conducted in accordance with sustainability principles

- Ensured the State Supply Commission's *Sustainable Procurement* policy represents a best practice approach to the sustainable procurement of goods and services;
- Assisted the Australian Procurement Construction Council to develop a national framework for sustainable procurement.

Agency operations support sustainability

- Reduced the number of electrical appliances, including faxes, and replaced old appliances with more efficient models.
- Continued to promote the Energy Smart Government *Ten Steps to Implement* guide to energy management.
- Disposed of obsolete computers by recycling them.
- Set office equipment and lighting to power save options;
- Recycled both secure and unsecure paper waste.
- Staff attendance at a sustainability seminar.
- Non-CEO fleet vehicles are four-cylinder.

Occupational Safety and Health

In accordance with the *Workers' Compensation and Injury Management Act 1981*, Occupational Safety and Health continued to be a priority for the State Supply Commission to ensure adequate and appropriate processes in place for reducing workplace illness and injury, and minimising the costs associated with workplace accidents.

Monthly meetings with all staff provide the opportunity for staff to raise any occupational safety and health matters.

The Commission has complied with the injury management requirements of the *Workers' Compensation and Injury Management Act 1981*.

During the year, the following initiatives were implemented:

- Introduction of an injury management policy;
- Introduction of voluntary influenza vaccinations to all staff;
- Introduction of voluntary skin cancer screening tests for all staff;
- Review of the Commission's eye screening test for all staff.

Detailed below is the Commission's annual performance for 2007-08 for the following targets:

Indicator	2007-08 Target	2007-08 Actual
Number of fatalities	0	0
Lost time injury/diseases (LTI/D) incidence rate	0%	0%
Lost time/disease severity rate	0%	0%