



Government of **Western Australia**  
Office of the **Government**  
Chief Information Officer

# Office of the Government Chief Information Officer

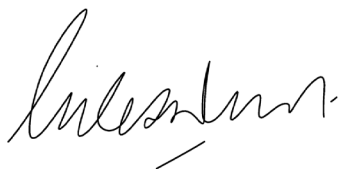
Annual Report 2015 - 16

## Statement of Compliance

For the year ended 30 June 2016

I hereby submit for your information and presentation to the Parliament, the Annual Report for the Office of the Government Chief Information Officer for the financial year ended 30 June 2016.

The Annual Report has been prepared in accordance with the provisions of Section 63 of the *Financial Management Act 2006*.



Giles Nunis  
Chief Executive and Government  
Chief Information Officer  
23 August 2016

## About this report

Every effort has been made to ensure readability and accessibility of this report in print and online.

The Office of the Government Chief Information Officer, hereafter referred to as the Office of the GCIO, supports sustainability and encourages readers to view the report at [www.gcio.wa.gov.au](http://www.gcio.wa.gov.au). Only limited professional copies have been produced.

As part of the Office of the GCIO's focus on continuous improvement, we encourage your feedback about this document. Contact details for the Office are listed on page 53.

Office of the Government Chief  
Information Officer Annual Report  
2015-16.

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Information Officer

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## Key Legislation

The Office of the GCIO complies with all relevant legislation that governs its functions.

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# Executive Summary

## Annual Highlights

The Office of the GCIO has achieved a significant amount in its first year of operation. The Office of the GCIO has:

- Welcomed the appointment of Western Australia's inaugural Government Chief Information Officer.
- Successfully completed the Digital WA: Western Australian Government Information and Communications Technology (ICT) Strategy 2016 - 2020, Western Australia's first whole-of-government ICT Strategy.
- Launched six whole-of-government ICT related policies.
- Initiated the GovNext-ICT Program to:
  - consolidate government data centre requirements; and
  - provide access to private and public cloud services (GovCloud).
- Formed the Directors General ICT Council to provide:
  - central leadership, direction and input into both short and long-term reform initiatives; and
  - oversight for the ICT Reform and Renewal Fund.
- Created the Business Impact Group (BIG), an advisory group to the Directors General ICT Council.
- Created the Chief Information Officer (CIO) Advisory Committee, an advisory body to the Directors General ICT Council and provides support to the BIG.

- Created a CIO Collaboration Portal - an online, open source platform for information sharing between public sector CIOs (including the Office of the GCIO).
- Attended two industry briefings, hosted a third, and hosted three CIO Forums. The CIO forums featured:
  - more than 80 CIOs; and
  - Office of the GCIO and external presentations on topical ICT issues.The industry briefings and forums enabled meaningful feedback from industry and the sector.



WA's ICT governance structure established



Collaboration via the CIO Portal



The launch of Digital WA



Six new government ICT policies



Six whole of sector forums and industry briefings

# Executive Summary

## About the Office of the GCIO

### Our Vision

The creation of a simple, connected and digital public sector.

### Our Purpose

To provide leadership for ICT in the public sector. This translates into improved services, transparency, governance, delivery, consistency, commonality, efficiencies and reform.

### Our Objectives

To collaborate with government agencies and industry to stabilise cost, increase value-for-money and minimise risk in the delivery of ICT across the public sector.

We will:

- lead, influence and advise on governance of ICT projects and implementations;
- establish and drive a whole-of-government ICT strategy, policy and reform agenda;

- identify and advise on ICT innovations which will support and enhance government services to meet business and community needs;
- promote a standardised approach to ICT across government; and
- implement frameworks which improve public sector ICT capability and capacity.

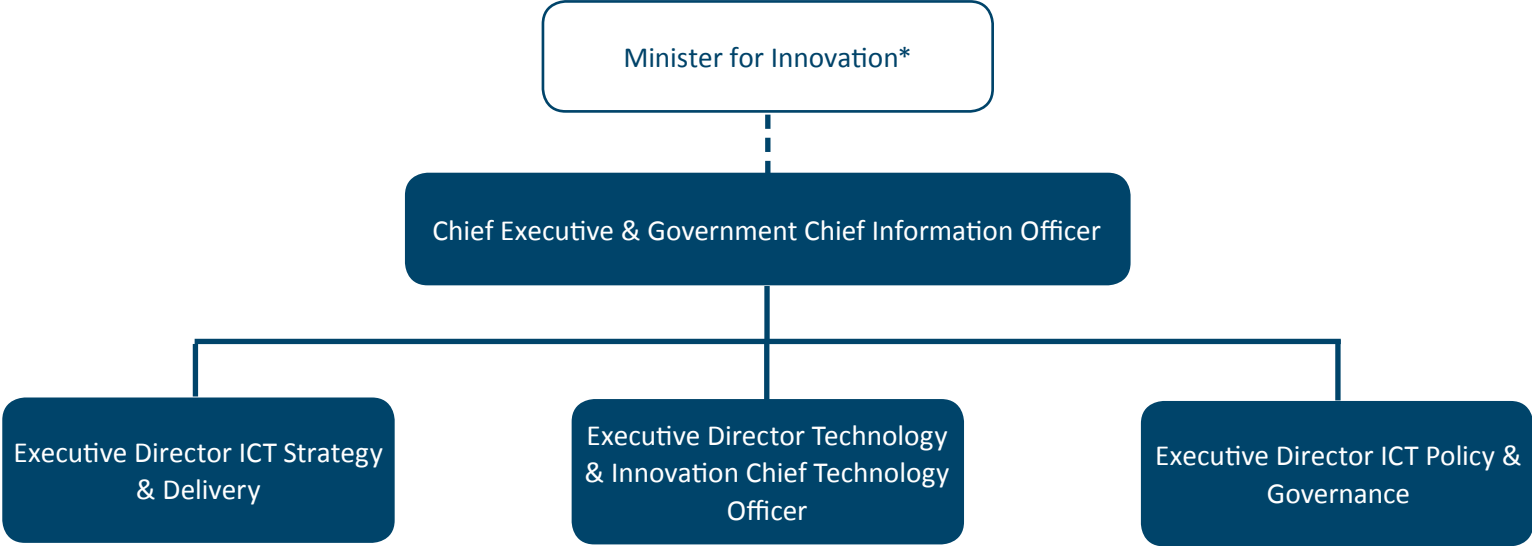
### Our Values

The Office of the GCIO is motivated by the following values:

- Accountability - we 'walk the talk' and do what we say we will;
- Empowerment - we give people the tools to help themselves to deliver better services;
- Efficiency - we find the best route from ideas to action;
- Teamwork - we value a diverse range of input;
- Vision - we look ahead to what can be done better; and
- Communication - we are transparent and clear in our language.

# Organisational Structure

OVERVIEW



In March 2015, the State Government announced the decision to appoint Western Australia’s first Government Chief Information Officer. The GCEO reports to the Minister for Innovation, the Hon Bill Marmion MLA. The Office of the GCEO was established on 1 July 2015, under section 56 of the *Financial Management and Accountability Act 1997*.

The Office of the GCEO’s internal Strategic Plan 2015-18 was launched to staff this year and will guide employees in their approach to the Office of the GCEO’s vision and purpose.

\*Note: Minister for Innovation appointed May 2016, in addition to the Finance and State Development portfolios.

# Performance management framework

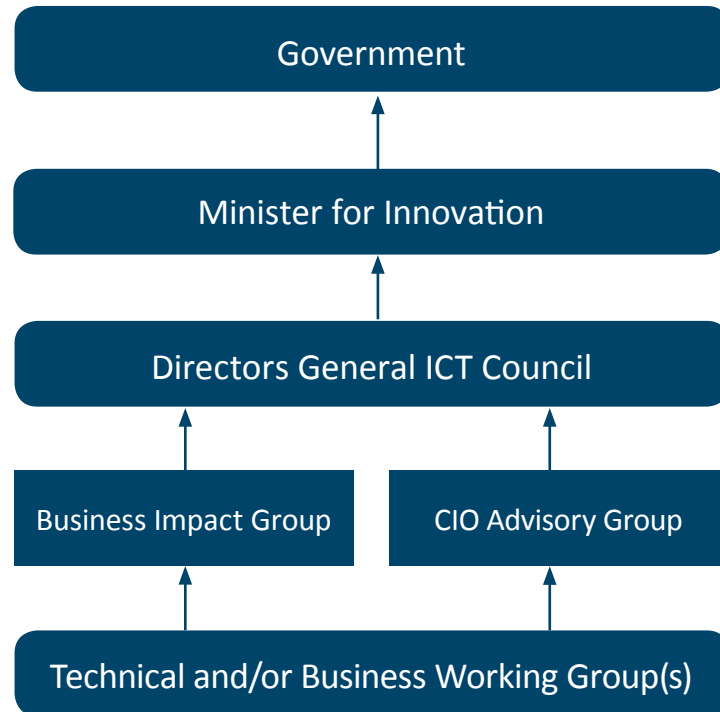
Government Goals	Desired Outcomes	Services
<p>Financial and Economic Responsibility: Responsibly managing the State's finances through the efficient and effective delivery of services, encouraging economic activity and reducing regulatory burdens on the private sector.</p>	<p>Effective and transparent reform of information and communication technology across the public sector.</p>	<p>Establishment of a platform for the delivery of better government services through efficient development of ICT strategy, policies and solutions.</p>

## Shared responsibility with other agencies

Integral to the success of both the Office of the GCIO and the Government is the ability to partner with others. The Office of the GCIO collaborates with government agencies and industry to facilitate the efficient operation of government, drive innovation and improve the way the public sector delivers ICT services to the community, delivering better value to the taxpayer.

This is achieved through providing leadership and strategic advice to the Government on initiatives to improve the operations and management of ICT across the public sector.

# Governance



Leadership and governance are needed to give effect to ICT reform in the public sector.

The Office of the GCIO will provide this leadership, and act as a catalyst for further change within agencies themselves. Change will be achieved through collaboration, with clear lines of accountability through key individuals and decision-making bodies across the sector.

## Governance Process

The governance structure of the Office of the GCIO is designed to maximise opportunities for input and feedback on multiple escalating levels.

Key decision-makers and stakeholders are involved throughout, increasing the efficiency of implementing policies, strategy and initiatives within their respective agencies and budget framework.

This includes key decision-makers and stakeholders from affected government agencies, whose integrated involvement significantly increases efficiency in implementing policy, strategy and new initiatives.

The Office of the GCIO provides secretariat support for all governance groups, and the decisions from each stage of governance are transparent. All governance decisions are published on the Office of the GCIO website and portal.



# Governance

## The Directors General ICT Council

The State Government established the Directors General ICT Council (the Council) in order to provide:

- central leadership, direction and input into both short and long-term reform initiatives; and
- oversight for an ICT Reform and Renewal Fund.

The Council is chaired by the GCIO and comprises Directors General from the following departments: Finance, Housing, Health, Education, Police, Commerce, Transport, Landgate, Treasury and Corrective Services.

The Council may include other Directors General as and when required.

## The Business Impact Group

The Business Impact Group (BIG) is an advisory group to the Council. It provides advice on the business merits of whole-of-government ICT reform initiatives. The BIG comprises staff who report directly to a Director General in their respective organisations.

The BIG, supported by the CIO Advisory Committee, assists the Office of the GCIO to set and promote a vision and strategy for ICT reform in Western Australia, as well as facilitate collaboration across the sector.



*The CIO Advisory Committee meeting for the first time on 16th September 2015.*

## The CIO Advisory Committee

The CIO Advisory Committee is an advisory group to the Council, which supports the BIG. It provides advice from a technical perspective on whole-of-government ICT initiatives. The CIO Advisory Committee consists of CIOs from throughout the public sector.

The CIO Advisory committee primarily aims to foster exchange of information across the sector, facilitate cross-agency partnerships, and build up ICT skills within the public sector.

# Transformation

## Digital WA: Western Australian Government ICT Strategy 2016 - 2020

The Digital WA: Western Australian Government ICT Strategy 2016-2020 (Digital WA) was launched on 25 May 2016 by the Minister for Innovation, two months ahead of schedule. It is designed to transform the way public sector agencies utilise ICT.

Digital WA is driven by a vision for an innovative sector, with mature digital capabilities, which delivers efficient, reliable and high quality services to the community.

The Strategy positions the public sector to take full advantage of current and emerging technologies, and was developed with extensive consultation across both the public sector and the ICT industry.

The Strategy aims to deliver three strategic goals:

### Simplify

Agencies will adopt common technology systems and standards as part of a single, unified government. Common frameworks and platforms will reduce duplication and increase efficiency in the use of technology across government.

### Connect

Agencies and the community will be better connected as a result of improvements to networks, better integration of systems and an increase in digital service delivery.

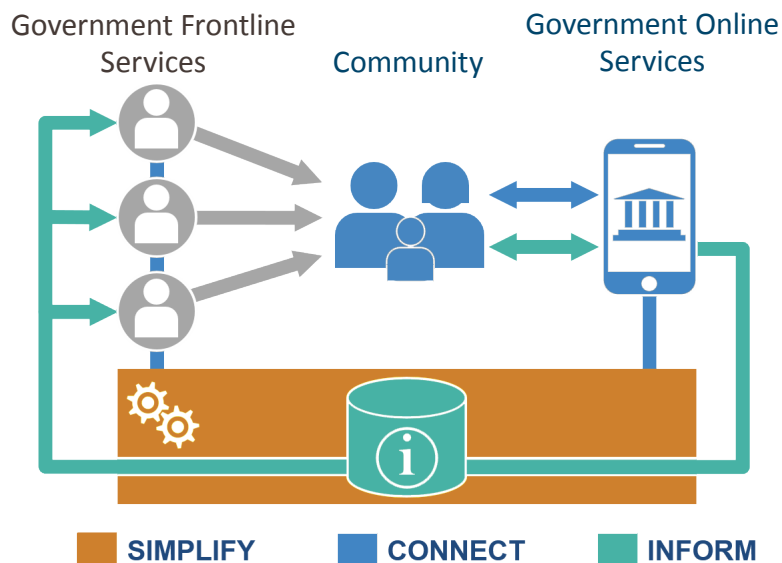
Information sharing between connected agencies will deliver projects and services that are more efficient, and better targeted at contemporary community needs.

A wider range of sourcing options and more streamlined procurement will enable agencies to connect faster and more easily with the ICT industry, including start-ups.

### Inform

Data and meaningful analysis will be available to decision makers, agency staff and the public, to support timely and well-targeted action in the community.

Barriers between business and ICT professionals within agencies will be broken down, and all public sector staff will have the skills to take advantage of new technologies.



## Policies

The Office of the GCIO is committed to guiding ICT reform across the Western Australian public sector.

In 2015-16 the Office of the GCIO launched six whole-of-government policies to guide agency alignment with Digital WA.

### Open Data Policy

Launched July 2015

The Open Data Policy requires public sector agencies to prioritise the public release of their data, for the benefit of all Western Australians. Its implementation is mandated by Premier's Circular 2015/05.

The data should be appropriate, of high value, and also be provided in ways that are easily discoverable and usable.

Open access to high quality public sector data will:

- inform decision-making; reduce administrative overheads;
- facilitate collaboration; and
- improve service delivery through innovation, research and education.

### ICT Business Continuity and Disaster Recovery Policy

Launched May 2016

The ICT Business Continuity and Disaster Recovery Policy provides agencies with direction on the systems and processes to enable continued service delivery, and recovery of information, in the event of a disruption or disaster.

### Digital Security Policy

Launched May 2016

The Digital Security Policy provides direction for the adoption and maintenance of security protection controls in digital information and digital information systems.

### Interoperability Policy

Launched May 2016

The Interoperability Policy provides direction on appropriate frameworks and standards to ensure that systems across the public sector can seamlessly interact, exchange data and, if necessary, share functions and resources.

### Cloud Policy

Launched May 2016

The Cloud Policy establishes a cloud mindset for the consumption of infrastructure, software and platforms and to encourage the widespread adoption of cloud services across the public sector.

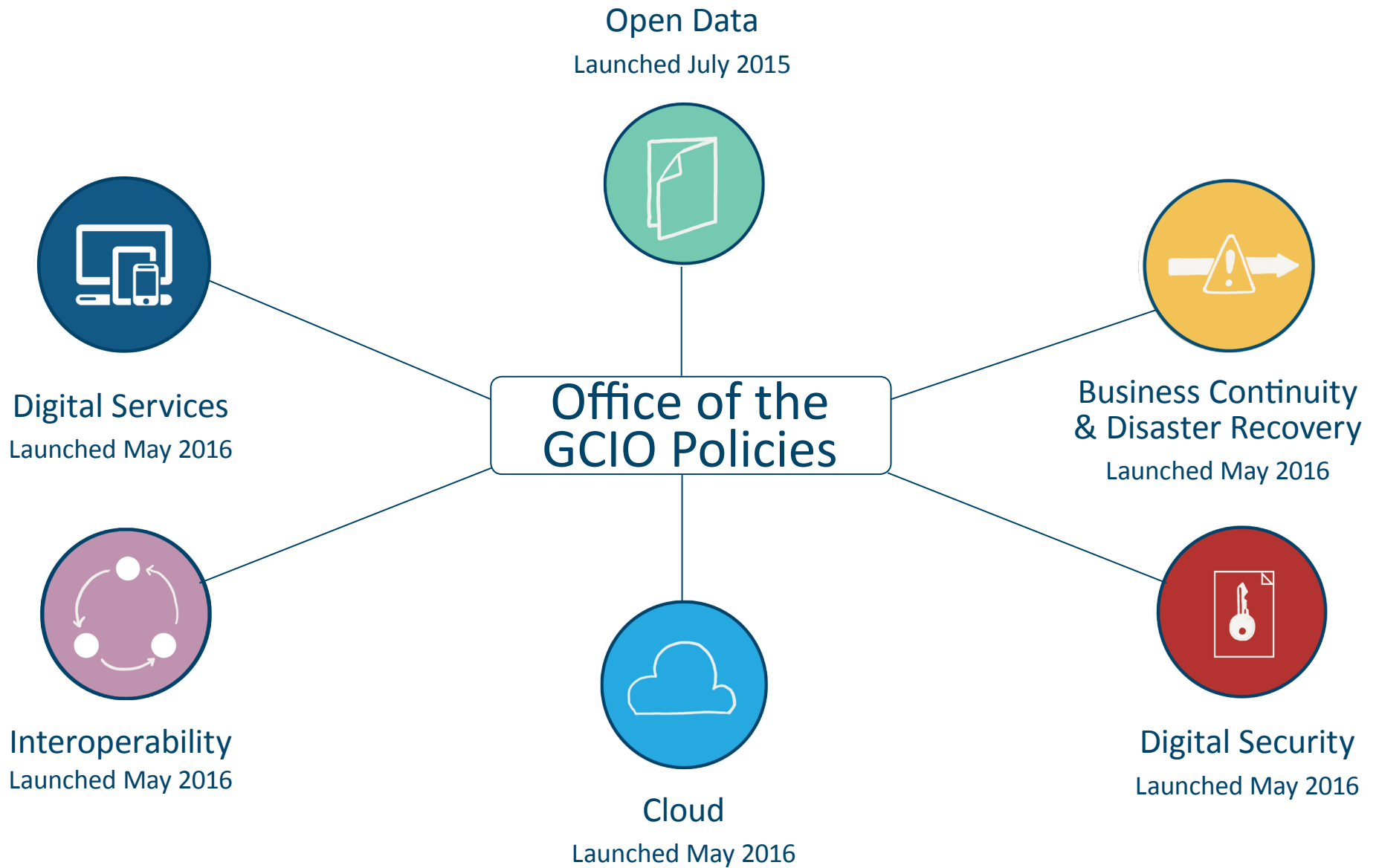
The Cloud Policy establishes a “cloud-first where appropriate” approach to computing services across the public sector. Cloud-based ICT systems enable remote access to both hardware and software, and will provide the public sector with greater flexibility at a lower cost.

### Digital Services Policy

Launched May 2016

The Digital Service Policy provides agencies with direction on how to manage the digital services they provide to the community.

# Transformation



## GovNext-ICT: Transforming Government ICT Infrastructure

The GovNext-ICT Program seeks to fundamentally change the way the Government procures ICT. Rather than paying up front to own and operate its own ICT infrastructure, government will procure commercial ICT solutions “as a service”.

The Government approved the GovNext-ICT program on 22 October 2015, and the Minister for Innovation (then Finance) hosted an industry briefing on 19 November 2015.

The service-based model is extremely flexible, and will ensure Government has access to the best technological solutions while only paying for what is actually used.

The Office of the GCIO, in collaboration with the Department of Finance, is currently in the middle of a procurement process for the contractors who will deliver GovNext services over a potential 10 year term (on a five plus five year basis).

The procurement process is at the evaluation stage and award of contractual agreements is anticipated in the second half of 2016.

GovNext-ICT is potentially the largest ICT contract in the history of Western Australia.

### Progress

Significant milestones in the progress of the project include:

- An EOI was issued to market on 12 November 2015, and closed 12 January 2016. Fifty-six responses were received.
- An expert panel comprising representatives from the first tranche of participating agencies received submissions, and recommended six national and international respondents.
- Shortlisted proponents were issued a Request for Detailed Proposals (RFDP) on 12 May 2016, and submissions closed on 15 June 2016.

### GovNext-ICT Goals

GovNext-ICT aims to:

- Consolidate the 60 plus government datacentres into a small number of interconnected, efficient, high-grade data centres with a multi-tenanted community cloud for State Government.
- Enable the migration of the majority of government computing and storage to public or private cloud.

- Establish a whole-of-government unified network, with secure standardised connections to public cloud providers.
- Enable users of ICT services to provision themselves with the tools they need, without having to go via third parties.

The Office of the GCIO expects that most public sector agencies will transition their ICT infrastructure into the GovNext-ICT model over the next three years.

### Facilitation and Support

The Office of the GCIO will facilitate and support agencies throughout this transition by:

- Providing guides and toolkits.
- Creating a GovNext-ICT Service Broker Function to provide the governance between agencies and providers for the operation of the program.
- Establishing a short-term, Technical Transition Team to provide specialist support to agencies in migrating into the GovNext-ICT arrangements.

## GovHack 2015



*Executive Director of Policy and Governance Marion Burchell accepting the award for Best Government Participation at GovHack 2015.*

### GovHack 2015

Data is a significant government asset, but its value is only unlocked when it is made widely available - as mandated by the State Government's Open Data Policy.

The GovHack hackathon event is a prime example of the Open Data Policy in action, and a showcase for the great benefits of increased sharing and collaboration between government agencies.

GovHack participants rapidly achieve prototypes for products which provide new public services, address community needs and generate potential commercial opportunities in new areas.

### Perth GovHack

Perth GovHack was held during July 2015, and was also the venue for the launch by the Minister for Innovation (then Finance) of the Open Data Policy and Portal.

Participants totalled 140 and who included a record number of young people, competed over 46 hours to develop innovative

solutions to everyday problems using government data.

Sixteen winning teams and six individual champions shared \$35,000 in prizes (up from \$15,000 in 2014). \$19,000 of the total was contributed by public sector agencies, who also provided the data (via the Open Data Portal), mentor, and ongoing incubation programs within government agencies.

All winning teams from Perth GovHack 2015 went on to compete in the national "Red Carpet" GovHack awards.

### National Red Carpet Awards

The national GovHack awards were held on 2 September 2015 in Sydney. Teams from Western Australia took out nine awards and honourable mentions, including two at the international level.

Additionally, within only two months of the release of the Government's Open Data Policy, Western Australia won the award for Best Government Participation.

# Collaboration

## Collaboration

### The CIO Portal

The Chief Information Officer (CIO) Portal was launched in August 2015. The portal is a secure online space for public sector CIOs to share information, expertise and knowledge and explore opportunities to work together to realise common goals. The portal currently has in excess of 198 members.



*Mr Paul Shetler, CEO of the Digital Transformation Office addressing the CIO Forum in May 2016.*

Members are encouraged to work with the Office of the GCIO in formulating its projects, policies and plans. Using the portal, the Office of the GCIO organised quarterly CIO Forums to highlight objectives and best practice in the Government ICT space. Forums were well attended, and received overwhelming support from the sector.

### The WA ED app

The WA ED app provides real-time, location-based information on comparative travel and waiting times for emergency departments at Perth hospitals. It was developed via collaboration between the Office of the GCIO and the Department of Health, and launched by the Minister for Innovation on 14 May 2016.

The app is a prime example of the kind of innovative service delivery which will be possible under the Office of the GCIO's plan for a simple, connected and digital public sector.

The Office of the GCIO is committed to working closely with the ICT industry to ensure that information and technology in government effectively supports the delivery of high quality community services.

### Industry Consultation

Throughout 2015-16 the Office of the GCIO met with a number of industry groups, including the Australian Information Industry Association (AIIA), to develop two-way communication channels. The Office of the GCIO prioritises engagement in transparent and open dialogue with the industry, discussing both successes and challenges experienced by agencies and vendors.

### GovNext-ICT collaboration

Historically, government agencies have separately identified their needs and individually approached companies for tightly-defined solutions. In implementing GovNext-ICT, the Office of the GCIO brought multiple agencies together to develop a unified procurement vision and determine accurate whole-of-government requirements.

The result will be a more flexible, widely applicable approach to procurement which enables government to save through economy of scale while still meeting all agencies' needs.

Community expectations surrounding ICT, and government's use of it, have shifted dramatically in recent years. The public expects that government will be able to adopt and use ICT products, mobile devices, applications and services as soon as they are available - and at a comparable standard to services delivered by private providers.

The Office of the GCIO aims to support the public sector in its transition to the new ICT paradigm, and facilitate new approaches in a number of areas.

### Information and analysis

Agencies will openly share the vast majority of their information and data, to enable better planning and strategically targeted services. Wherever possible, good quality data will be freely available in open formats, for government, business and members of the public to use in any way they see fit.

### ICT business and technology management

Both government and industry are faced with an increasingly constrained fiscal environment. In order to continue delivering high quality services, efficiencies need to be found so that more can be done with less.

The change to "as a service" ICT solutions, where government only pays for what it

uses, and avoids up-front costs, will bring significant savings and also provide higher quality services to the public sector. As technology continues to evolve at a rapid rate worldwide the public sector must be proactive in recognising opportunities and appropriately manage risk.

### Online services

Online service delivery provides the double benefit of lowering administrative costs within government, and also providing a simpler and more straightforward experience for the public.

Under the Digital WA Strategy, agencies will move towards more online service delivery. All agencies need to adopt a "digital-first" mindset for their business moving forward, and the public should be encouraged to interact with government digitally wherever possible.

### Innovation

In recognition of the importance of innovation to the economy, the State Government announced the appointment of the State's first Innovation Minister during May 2016.

The digital environment goes a long way to addressing Western Australian historical disadvantage resulting from our distance to inter-jurisdictional and international markets. We are now well placed to connect digitally with the rest of Australia, world

markets and in particular to take advantage of our proximity to South East Asia. In order for Western Australia to capitalise on this opportunity, it is important that government 'get the settings right', and support the development of a robust innovation ecosystem, with facilitated links to growth markets.

The Office of the GCIO will continue to work with innovators, from start-ups through to large-scale businesses, to ensure this emerging space is given the support it needs.

### ICT Sector

The Government's strategy to be a consumer of ICT under pay-as-you-go service models, as opposed to owning and operating ICT infrastructure, platforms and software, is transforming the ICT sector in the State.

Cloud computing will deliver important benefits to government, such as the ability to rapidly expand and contract capacity as required, and only pay for what is being used at any given point in time. It is challenging supplier business models and the way they create and deliver value to customers.

### Premier's Circular

All policies stemming from the Digital WA ICT Strategy will be made mandatory by a Premier's Circular to be issued in mid 2016.



# Future Initiatives

As a new entity, the work of the Office of the GCIO in 2015-16 has been intensely focused on developing new initiatives.

## The Start IT Up WA Challenge

The Challenge is an Office of the GCIO initiative to support technology start-ups in the commercialisation of innovative solutions to government challenges. The Challenge will provide the opportunity for government agency collaboration, as well as a \$100,000 pool of prizes, for innovative solutions to government problems.

## ICT Public Sector Forum

The Digital WA ICT Strategy emphasises better service delivery can only be delivered through innovative use of technology where vision and commitment is shared across the organisation and across the sector.

Business leaders and CIOs from across the public sector will work together at this forum to ensure a common and consistent message to raise the profile of ICT in delivering agency business outcomes, encourage collaboration within and between agencies, highlight successful business achievements in the use of ICT, and facilitate sharing of knowledge and experiences.

## Policies

The Office of the GCIO intends to release several additional policies, sitting under the Digital WA ICT Strategy. These include:

- a Privacy Policy;
- a Data Classification Policy; and
- an ICT Procurement Policy.

Additionally, the Office of the GCIO will release extended toolkits for the Policies, to assist agencies in the process of implementation.

## ICT Skills Framework

To achieve effective innovation the Office of the GCIO understands it is imperative to build ICT capability and capacity within the public sector.

Currently, there is no consistent set of terminology or agreed common definitions for ICT-related skills across the public sector. As a result, it can be hard for agencies to articulate the specific needs required for a particular position, and equivalence of roles between agencies is not clear.

The ICT Skills Framework, currently being developed by the Office of the GCIO in

consultation with stakeholders, aims to provide a consistent set of definitions and standardised terminology for ICT skills in the public sector.

The Framework will also increase the sector's understanding of the importance of ICT skills in delivering the business of government, and promote an increase in leadership positions for ICT-skilled staff.

## Innovation

The Innovation Summit, stemming from the \$20 million innovation package, will provide a collaborative starting point for determining the future direction of innovation policy in Western Australia.

At the launch of the innovation package, the Minister for Innovation committed to three early initiatives:

- an Innovation Leaders Forum;
- an online Innovation Hub; and
- an innovation strategy.

## Summary of financial performance for 2015-16

The Office of the GCIO 2015-16 gross expense allocation was approximately \$3.6 million, funded largely through appropriations from government (\$3.4 million). The other key funding source was income from the ICT Renewal and Reform Fund (\$0.2 million).

The \$3.6 million in expenses primarily relates to employee expenses (\$2.5 million) and supplies and services (\$0.5 million).

<b>Actual results versus estimate</b>	<b>Estimate <sup>(a)</sup> \$000</b>	<b>Actual \$000</b>	<b>Variance \$000</b>	<b>Reason for significant variation between actual and estimate</b>
Total cost of services (expense limit)	3,575	4,393	818	Total cost of services was higher than the estimate primarily in the categories of supplies and services and employee benefits. The multi-year funded GovNext program involved some expenditure occurring ahead of schedule.
Net cost of services	3,370	4,105	735	The actual was above estimate and related to the GovNext program. This program runs over a number of years with some milestones achieved earlier than expected.
Total equity	0	(699)	(699)	With the starting equity position being zero the equity result has been driven by the accelerated GovNext achievements.
Net increase/ (decrease) in cash held	0	581	581	Cash was higher than estimated due to delays in recoup of expenses by other agencies.
Approved salary expense level	2,172	2,528	356	The actual salary expense was above the estimate largely due to differences between the budgeted classification levels estimated prior to establishment compared to actual classification levels as approved by government.
Working cash limit	179	581	402	Working cash was higher than expected related to Invoices for secondment invoices to be paid early in 2016-17.

(a) The 2015-16 estimate is based on the approved position following establishment of the Office on 1 July 2015. Further explanations are contained in Note 24 of the financial statements.

# Certification of financial statements

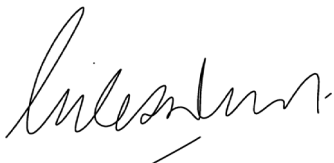
## Financial Statements

### Certification of Financial Statements

For the year ended 30 June 2016

The accompanying financial statements of the Office of the Government Chief Information Officer have been prepared in compliance with the provisions of the *Financial Management Act 2006* from proper accounts and records to present fairly the financial transactions for the financial year ended 30 June 2016 and the financial position as at 30 June 2016.

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



Giles Nunis

Chief Executive and Government  
Chief Information Officer

23 August 2016



Liam Carren

Chief Finance Officer

23 August 2016

# Independent audit opinion



Auditor General

## INDEPENDENT AUDITOR'S REPORT

To the Parliament of Western Australia

OFFICE OF THE GOVERNMENT CHIEF INFORMATION OFFICER

### Report on the Financial Statements

I have audited the accounts and financial statements of the Office of the Government Chief Information Officer.

The financial statements comprise the Statement of Financial Position as at 30 June 2016, the Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows, and Summary of Consolidated Account Appropriations and Income Estimates for the year then ended, and Notes comprising a summary of significant accounting policies and other explanatory information, including Administered transactions and balances.

#### Opinion

In my opinion, the financial statements are based on proper accounts and present fairly, in all material respects, the financial position of the Office of the Government Chief Information Officer at 30 June 2016 and its financial performance and cash flows for the year then ended. They are in accordance with Australian Accounting Standards and the Treasurer's Instructions.

#### Government Chief Information Officer's Responsibility for the Financial Statements

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

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

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

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

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

### Report on Controls

I have audited the controls exercised by the Office of the Government Chief Information Officer during the year ended 30 June 2016.

Controls exercised by the Office of the Government Chief Information Officer are those policies and procedures established by the Government Chief Information Officer to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with legislative provisions.

#### Opinion

In my opinion, in all material respects, the controls exercised by the Office of the Government Chief Information Officer are sufficiently adequate to provide reasonable assurance that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with legislative provisions during the year ended 30 June 2016.

#### Government Chief Information Officer's Responsibility for Controls

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

#### Auditor's Responsibility for the Audit of Controls

As required by the Auditor General Act 2006, my responsibility is to express an opinion on the controls exercised by the Office of the Government Chief Information Officer based on my audit conducted in accordance with Australian Auditing and Assurance Standards.

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

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

#### Independence


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

#### Matters Relating to the Electronic Publication of the Audited Financial Statements

This auditor's report relates to the financial statements of the Office of the Government Chief Information Officer for the year ended 30 June 2016 included on the Office's website. The Office's management is responsible for the integrity of the Office's website. This audit does not provide assurance on the integrity of the Office's website. The auditor's report refers only to the financial statements described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these financial statements. If users of the financial statements are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial statements to confirm the information contained in this website version of the financial statements.

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COLIN MURPHY  
AUDITOR GENERAL  
FOR WESTERN AUSTRALIA  
Perth, Western Australia  
25 August 2016

# Statement of Comprehensive Income For the year ended 30 June 2016

	Note	2016 <sup>(a)</sup> \$000
<b>COST OF SERVICES</b>		
<b>Expenses</b>		
Employee benefits expense	7	2,722
Supplies and services	8	1,444
Accommodation expenses	9	199
Grants and subsidies	10	15
Other expenses	11	13
<b>Total cost of services</b>		<b>4,393</b>
<b>Income</b>		
Revenue	12	
Grants and subsidies		205
Other revenue		83
<b>Total Revenue</b>		<b>288</b>
<b>Total income other than income from State Government</b>		<b>288</b>

	Note	2016 <sup>(a)</sup> \$000
<b>COST OF SERVICES</b>		
<b>NET COST OF SERVICES</b>		
		<b>(4,105)</b>
<b>Income from State Government</b>	13	
Service appropriation		3,370
Services received free of charge		36
<b>Total income from State Government</b>		<b>3,406</b>
<b>SURPLUS/(DEFICIT) FOR THE PERIOD</b>		<b>(699)</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		
		<b>(699)</b>

(a) The sub-department was established on 1 July 2015, there are no prior year comparatives to disclose.

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

# Statement of Financial Position As at 30 June 2016

	Note	2016 \$000
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	18	581
Receivables	14	134
<b>Total Current Assets</b>		<b>715</b>
<b>Non-Current Assets</b>		
<b>Total Non-Current Assets</b>		<b>–</b>
<b>TOTAL ASSETS</b>		<b>715</b>
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Payables	15	872
Provisions	16	509
<b>Total Current Liabilities</b>		<b>1,381</b>

	Note	2016 \$000
<b>Non-Current Liabilities</b>		
Provisions	16	33
<b>Total Non-Current Liabilities</b>		<b>33</b>
<b>TOTAL LIABILITIES</b>		<b>1,414</b>
<b>NET ASSETS</b>		
<b>NET ASSETS</b>		<b>(699)</b>
<b>EQUITY</b>		
Contributed equity	17	–
Accumulated surplus/(deficit)		(699)
<b>TOTAL EQUITY</b>		<b>(699)</b>

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

## Statement of Changes in Equity For the year ended 30 June 2016

	Note	Contributed equity \$000	Accumulated surplus/(deficit) \$000	Total equity \$000
<b>Balance at 1 July 2015</b>	17	-	-	-
Total comprehensive income for the period		-	(699)	(699)
<b>Balance at 30 June 2016</b>		-	<b>(699)</b>	<b>(699)</b>

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

# Statement of Cash Flows For the year ended 30 June 2016

	2016		2016
	\$000		\$000
Note		Note	
<b>CASH FLOWS FROM STATE GOVERNMENT</b>		<b>Receipts</b>	
Service appropriation	3,370	Grants and contributions	205
<b>Net cash provided by State Government</b>	<b>3,370</b>	GST receipts on sales	3
		GST receipts from taxation authority	82
Utilised as follows:		Other receipts	28
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		<b>Net cash provided by/(used in) operating activities</b>	<b>(2,789)</b>
<b>Payments</b>		Net increase/(decrease) in cash and cash equivalents	581
Employee benefits	(1,975)	Cash and cash equivalents at the beginning of the period	–
Supplies and services	(819)	<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b>581</b>
Accommodation	(200)		
GST payments on purchases	(103)		
Other payments	(11)		

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



# Summary of Consolidated Account Appropriations and Income Estimates

## For the year ended 30 June 2016

	2016 Estimate \$000	2016 Actual \$000	Variance \$000
<u>Delivery of Services</u>			
Net amount appropriated to deliver services <sup>(a)</sup>	3,370	3,370	–
<b>Total appropriations provided to deliver services</b>	<b>3,370</b>	<b>3,370</b>	<b>–</b>
<u>Administered Transactions</u>			
Amount provided for Administered grants, subsidies and other transfer payments <sup>(a)</sup>	5,429	5,429	–
<b>Total administered transactions</b>	<b>5,429</b>	<b>5,429</b>	<b>–</b>
<b>GRAND TOTAL</b>	<b>8,799</b>	<b>8,799</b>	<b>–</b>
<u>Details of Expenses by Service</u>			
Establishment of a platform for the Delivery of Better Government Services through Efficient Development of Information and Communications Technology (ICT) Strategy, Policies and Solutions	3,370	4,393	1,023
Total Cost of Services	3,370	4,393	1,023
Less Total Income	–	(288)	(288)
Net Cost of Services	3,370	4,105	735
Adjustments		(735)	(735)
<b>Total appropriations provided to deliver services</b>	<b>3,370</b>	<b>3,370</b>	<b>–</b>
<u>Details of Income Estimates</u>			
Income disclosed as Administered Income	5,429	5,429	–
Total income estimates	<b>5,429</b>	<b>5,429</b>	<b>–</b>

Notes 24 'Explanatory statement' and Note 28 'Explanatory statement for Administered Items - Income and Expenses' provide details of any significant variations between estimates and actual results for 2016.

<sup>(a)</sup> The initial appropriation was in the Department of Finance 2015/16 Budget, hence no Item number is available.

# Notes to the Financial Statements For the year ended 30 June 2016

## Note 1. Australian Accounting Standards

### General

The sub-department's financial statements for the year ended 30 June 2016 have been prepared in accordance with Australian Accounting Standards. The term 'Australian Accounting Standards' includes Standards and Interpretations issued by the Australian Accounting Standards Board (AASB).

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

### Early adoption of standards

The sub-department cannot early adopt an Australian Accounting Standard unless specifically permitted by TI 1101 Application of Australian Accounting Standards and Other Pronouncements. There has been no early adoption of any Australian Accounting Standards that have been issued or amended (but not operative) by the sub-department for the annual reporting period ended 30 June 2016.

## Note 2. Summary of significant accounting policies

### (a) General statement

The sub-department is a not-for-profit reporting entity that prepares general purpose financial statements in accordance with Australian Accounting Standards, the Framework, Statements of Accounting Concepts and other authoritative pronouncements of the AASB as applied by the Treasurer's Instructions. Several of these are modified by the Treasurer's Instructions to vary application, disclosure, format and wording.

The *Financial Management Act 2006* and the Treasurer's Instructions impose legislative provisions that govern the preparation of financial statements and take precedence over Australian Accounting Standards, the Framework, Statements of Accounting Concepts and other authoritative pronouncements of the AASB.

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

### (b) Basis of preparation

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

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

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

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

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

**(c) Reporting entity**

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

Mission

We connect people, processes and technology to empower individuals to deliver better outcomes for government and citizens. We do this by collaborating with government agencies and industry to stabilise costs, increase value-for-money and minimise risk in Information and Communications Technology (ICT) delivery.

Services

The sub-department does not report by service line as it provides only one service to Western Australia: Establishment of a platform for the delivery of better government services through efficient development of Information and Communications Technology (ICT) strategy, policies and solutions.

The sub-department administers income and expenses on behalf of government which are not controlled by the sub-department. These administered balances and transactions are not recognised in the principal financial statements of the sub-department but schedules are prepared using the same basis as the financial statements and are presented at Note 28 'Explanatory statement for Administered Items – Income

and Expenses' and Note 29 'Administered assets and liabilities'.

**(d) Contributed equity**

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

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

**(e) Income**Revenue recognition

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

- *Service appropriations*  
Service Appropriations are recognised as revenues at fair value in the period in

which the sub-department gains control of the appropriated funds. The sub-department gains control of appropriated funds at the time those funds are deposited to the bank account.

- *Grants, donations, gifts and other non-reciprocal contributions*  
Revenue is recognised at fair value when the sub-department obtains control over the assets comprising the contributions, usually when cash is received.

**(f) Leases**

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

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

**(g) Financial instruments**

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

- Receivables
- Financial liabilities measured at amortised cost

Financial instruments have been disaggregated into the following classes:

- Financial Assets
  - Cash and cash equivalents
  - Receivables

- Financial Liabilities
  - Payables

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

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

#### **(h) Cash and cash equivalents**

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

#### **(i) Receivables**

Receivables are recognised at original invoice amount less an allowance for any uncollectable amounts (i.e. impairment). The collectability of receivables is reviewed on an ongoing basis and any receivables identified as uncollectable are written-off against the allowance account.

The allowance for uncollectable amounts (doubtful debts) is raised when there is objective evidence that the sub-department will not be able to collect the debts. The carrying amount is equivalent to fair value as it is due for settlement within 30 days.

#### **(j) Payables**

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

#### **(k) Borrowings**

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

#### **(l) Provisions**

Provisions are liabilities of uncertain timing or amount and are recognised where there is a present legal or constructive obligation as a result of a past event and when the outflow of resources embodying economic benefits is probable and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at the end of each reporting period.

#### Provisions - employee benefits

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

#### *Annual leave*

Annual leave is not expected to be settled wholly within 12 months after the end of the reporting period and is therefore considered to be 'other long-term employee benefits'. The annual leave liability is recognised and measured at the present value of amounts expected to be paid when the liabilities are settled using the remuneration rate expected to apply at the time of settlement.

When assessing expected future payments consideration is given to expected future wage and salary levels including non-salary components such as employer superannuation contributions, as well as the experience of employee departures and periods of service. The expected future payments are discounted using market yields at the end of the reporting period on national government bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows. The provision for annual leave is classified as a current liability as the sub-department does not have an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

#### *Long service leave*

Long service leave is not expected to be settled wholly within 12 months after the end of the reporting period and is therefore recognised and measured at the present

value of amounts expected to be paid when the liabilities are settled using the remuneration rate expected to apply at the time of settlement.

When assessing expected future payments consideration is given to expected future wage and salary levels including non-salary components such as employer superannuation contributions, as well as the experience of employee departures and periods of service.

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

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

#### *Superannuation*

The Government Employees Superannuation Board (GESB) and other fund providers

administer public sector superannuation arrangements in Western Australia in accordance with legislative requirements. Eligibility criteria for membership in particular schemes for public sector employees vary according to commencement and implementation dates.

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

Employees commencing employment prior to 16 April 2007 who were not members of either the Pension Scheme or the GSS became non-contributory members of the West State Superannuation Scheme (WSS). Employees commencing employment on or after 16 April 2007 became members of the GESB Super Scheme (GESBS).

From 30 March 2012, existing members of the WSS or GESBS and new employees have been able to choose their preferred superannuation fund provider. The sub-department makes contributions to GESB or other fund providers on behalf of employees in compliance with the *Commonwealth Government's Superannuation Guarantee (Administration) Act 1992*. Contributions to these accumulation schemes extinguish the

sub-department's liability for superannuation charges in respect of employees who are not members of the Pension Scheme or GSS.

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

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

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

#### Provisions - other

##### *Employment on-costs*

Employment on-costs, including workers' compensation insurance, are not employee benefits and are recognised separately as

liabilities and expenses when the employment to which they relate has occurred.

Employment on-costs are included as part of 'Other expenses' and are not included as part of the sub-department's 'Employee benefits expense'. The related liability is included in 'Employment on-costs provision'.

#### **(m) Superannuation expense**

Superannuation expense is recognised in the profit or loss of the Statement of Comprehensive Income and comprises employer contributions paid to the GSS (concurrent contributions), the WSS, the GESBS, or other superannuation funds.

The employer contribution paid to the GESB in respect of the GSS is paid back into the Consolidated Account by the GESB.

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

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

of assets are recognised in the Statement of Financial Position.

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

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

As this is the first reporting period for the sub-department, which was established and designated effectively from 1 July 2015, there are no comparative figures to disclose.

#### **Note 4. Judgements made by management in applying accounting policies**

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

#### **Operating lease commitments**

The sub-department has entered into a lease for building for branch office

accommodation. This lease relates to building of a temporary nature and it has been determined that the lessor retains substantially all the risks and rewards incidental to ownership. Accordingly, this lease has been classified as operating lease.

#### **Note 5. Key sources of estimation uncertainty**

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

#### **Long service leave**

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

## Note 6. Disclosure of changes in accounting policy and estimates

### Initial application of an Australian Accounting Standard

The sub-department has applied the following Australian Accounting Standards effective, or adopted, for annual reporting periods beginning on or after 1 July 2015 that impacted on the sub-department.

*AASB 2013-9 Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments*

Part C of this Standard defers the application of AASB 9 to 1 January 2017. The application date of AASB 9 was subsequently deferred to 1 January 2018 by AASB 2014-1. The sub-department has not yet determined the application or the potential impact of AASB 9.

*AASB 2014-8 Amendments to Australian Accounting Standards arising from AASB 9 (December 2014) – Application of AASB 9 (December 2009) and AASB 9 (December 2010) [AASB 9 (2009 & 2010)]*

This Standard makes amendments to AASB 9 Financial Instruments (December 2009) and AASB 9 Financial Instruments (December 2010), arising from the issuance of AASB 9 Financial Instruments in December 2014. The sub-department has not yet determined the application or the potential impact of AASB 9.

*AASB 2015-3 Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality*

This Standard completes the withdrawal of references to AASB 1031 in all Australian Accounting Standards and Interpretations, allowing that Standard to effectively be withdrawn. There is no financial impact.

*AASB 2015-7 Amendments to Australian Accounting Standards - Fair Value Disclosures of Not-for-Profit Public Sector Entities [AASB 13]*

This Standard relieves not-for-profit public sector entities from the reporting burden associated with various disclosures required by AASB 13 for assets within the scope of AASB 116 that are held primarily for their current service potential rather than to generate future net cash inflows. It has no financial impact.

### Voluntary changes in accounting policy

There are no voluntary changes in accounting policies during the year.

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

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

		<b>Operative for reporting periods beginning on/ after</b>
AASB 9	<p><i>Financial Instruments</i></p> <p>This Standard supersedes AASB 139 <i>Financial Instruments: Recognition and Measurement</i>, introducing a number of changes to accounting treatments.</p> <p>The mandatory application date of this Standard is currently 1 January 2018 after being amended by AASB 2012-6, AASB 2013-9 and AASB 2014-1 <i>Amendments to Australian Accounting Standards</i>. The sub-department has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2018
AASB 15	<p><i>Revenue from Contracts with Customers</i></p> <p>This Standard establishes the principles that the sub-department shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. The sub-department has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2018
AASB 16	<p><i>Leases</i></p> <p>This Standard introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. The sub-department has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2019
AASB 1057	<p><i>Application of Australian Accounting Standards</i></p> <p>This Standard lists the application paragraphs for each other Standard (and Interpretation), grouped where they are the same. There is no financial impact.</p>	1 Jan 2016



		<b>Operative for reporting periods beginning on/ after</b>
<i>AASB 2010-7</i>	<i>Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 &amp; 1038 and Int 2, 5, 10, 12, 19 &amp; 127]</i>	1 Jan 2018
	This Standard makes consequential amendments to other Australian Accounting Standards and Interpretations as a result of issuing AASB 9 in December 2010.	
	The mandatory application date of this Standard has been amended by AASB 2012-6 and AASB 2014-1 to 1 January 2018. The sub-department has not yet determined the application or the potential impact of the Standard.	
<i>AASB 2014-1</i>	<i>Amendments to Australian Accounting Standards</i>	1 Jan 2018
	Part E of this Standard makes amendments to AASB 9 and consequential amendments to other Standards. It has not yet been assessed by the sub-department to determine the application or potential impact of the Standard.	
<i>AASB 2014-3</i>	<i>Amendments to Australian Accounting Standards – Accounting for Acquisitions of Interests in Joint Operations [AASB 1 &amp; 11]</i>	1 Jan 2016
	The sub-department establishes Joint Operations in pursuit of its objectives and does not routinely acquire interests in Joint Operations. Therefore, there is no financial impact on application of the Standard.	
<i>AASB 2014-4</i>	<i>Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation [AASB 116 &amp; 138]</i>	1 Jan 2016
	The adoption of this Standard has no financial impact for the sub-department as depreciation and amortisation is not determined by reference to revenue generation, but by reference to consumption of future economic benefits.	

		<b>Operative for reporting periods beginning on/ after</b>
<i>AASB 2014-5</i>	<i>Amendments to Australian Accounting Standards arising from AASB 15</i>  This Standard gives effect to the consequential amendments to Australian Accounting Standards (including Interpretations) arising from the issuance of AASB 15. The mandatory application date of this Standard has been amended by AASB 2015-8 to 1 January 2018. The sub-department has not yet determined the application or the potential impact of the Standard.	1 Jan 2018
<i>AASB 2014-7</i>	<i>Amendments to Australian Accounting Standards arising from AASB 9 (December 2014)</i>  This Standard gives effect to the consequential amendments to Australian Accounting Standards (including Interpretations) arising from the issuance of AASB 9 (December 2014). The sub-department has not yet determined the application or the potential impact of the Standard.	1 Jan 2018
<i>AASB 2014-9</i>	<i>Amendments to Australian Accounting Standards – Equity Method in Separate Financial Statements [AASB 1, 127 &amp; 128]</i>  This Standard amends AASB 127, and consequentially amends AASB 1 and AASB 128, to allow entities to use the equity method of accounting for investments in subsidiaries, joint ventures and associates in their separate financial statements. The sub-department has not yet determined the application or the potential impact of the Standard.	1 Jan 2016
<i>AASB 2014-10</i>	<i>Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture [AASB 10 &amp; 128]</i>  This Standard amends AASB 10 and AASB 128 to address an inconsistency between the requirements in AASB 10 and those in AASB 128 (August 2011), in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The sub-department has not yet determined the application or the potential impact of the Standard.	1 Jan 2016

		<b>Operative for reporting periods beginning on/ after</b>
<i>AASB 2015-1</i>	<i>Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012–2014 Cycle [AASB 1, 2, 3, 5, 7, 11, 110, 119, 121, 133, 134, 137 &amp; 140]</i>	1 Jan 2016
	These amendments arise from the issuance of International Financial Reporting Standard Annual Improvements to <i>IFRSs 2012–2014 Cycle</i> in September 2014, and editorial corrections. The sub-department has determined that the application of the Standard has no financial impact.	
<i>AASB 2015-2</i>	<i>Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101 [AASB 7, 101, 134 &amp; 1049]</i>	1 Jan 2016
	This Standard amends AASB 101 to provide clarification regarding the disclosure requirements in AASB 101. Specifically, the Standard proposes narrow-focus amendments to address some of the concerns expressed about existing presentation and disclosure requirements and to ensure entities are able to use judgement when applying a Standard in determining what information to disclose in their financial statements. There is no financial impact.	
<i>AASB 2015-6</i>	<i>Amendments to Australian Accounting Standards – Extending Related Party Disclosures to Not-for Profit Public Sector Entities [AASB 10, 124 &amp; 1049]</i>	1 Jul 2016
	The amendments extend the scope of AASB 124 to include application by not-for-profit public sector entities. Implementation guidance is included to assist application of the Standard by not-for-profit public sector entities. There is no financial impact.	
<i>AASB 2015-8</i>	<i>Amendments to Australian Accounting Standards – Effective Date of AASB 15</i>	1 Jan 2017
	This Standard amends the mandatory effective date (application date) of AASB 15 Revenue from Contracts with Customers so that AASB 15 is required to be applied for annual reporting periods beginning on or after 1 January 2018 instead of 1 January 2017. The sub-department has not yet determined the application or the potential impact of AASB 15.	

		<b>Operative for reporting periods beginning on/ after</b>
<i>AASB 2015-10</i>	<i>Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and 128</i>	1 Jan 2016
	This Standard defers the mandatory effective date (application date) of amendments to AASB 10 & 128 that were originally made in AASB 2014-10 so that the amendments are required to be applied for annual reporting periods beginning on or after 1 January 2018 instead of 1 January 2016. The sub-department has not yet determined the application or the potential impact of AASB 2014-10.	
<i>AASB 2016-2</i>	<i>Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107</i>	1 Jan 2017
	This Standard amends AASB 107 <i>Statement of Cash Flows</i> (August 2015) to require disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. There is no financial impact.	
<i>AASB 2016-3</i>	<i>Amendments to Australian Accounting Standards – Clarifications to AASB 15</i>	1 Jan 2018
	This Standard clarifies identifying performance obligations, principal versus agent considerations, timing of recognising revenue from granting a licence, and provides further transitional provisions to AASB 15. The sub-department has not yet determined the application or the potential impact.	

#### **Changes in accounting estimates**

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

## Note 7. Employee benefits expense

	<b>2016</b>
	<b>\$000</b>
Wages and salaries	2,279
Superannuation <sup>(a)</sup>	153
Long service leave <sup>(b)</sup>	71
Annual leave <sup>(b)</sup>	211
Other related expenses	8
	<u>2,722</u>

<sup>(a)</sup> Includes West Sate, Gold State, GESB and other eligible funds.

<sup>(b)</sup> Includes a superannuation contribution component.

Employment on-costs expenses, such as workers' compensation insurance, are included at Note 11 'Other expenses'. Employment on-costs liability is included at Note 16 'Provisions'.

## Note 8. Supplies and Services

	<b>2016</b>
	<b>\$000</b>
Communications	11
Contractors and professional services	1,076
Consumables	56
Travel	17
Legal costs	253
Other	31
	<u>1,444</u>

## Note 9. Accommodation expenses

	<b>2016</b>
	<b>\$000</b>
Cleaning	47
Lease rentals	152
	<u>199</u>

## Note 10. Grants and subsidies

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

## Note 11. Other expenses

	<b>2016</b>
	<b>\$000</b>
Minor equipment	2
Other	11
	<u>13</u>

## Note 12. Income

	<b>2016</b>
	<b>\$000</b>
<u>Grants and subsidies</u>	
Grants and subsidies	205
<u>Other Revenue</u>	
Recoups	28
Other	55
	<u>83</u>
	<u>288</u>

## Note 13. Income from State Government

	<b>2016</b>
	<b>\$000</b>
Appropriation received during the period:	
Service appropriation <sup>(a)</sup>	3,370
	<u>3,370</u>
Services received free of charge from other State government agencies during the period:	
Department of Finance	34
Department of the Attorney General	2
	<u>36</u>
	<u>3,406</u>

<sup>(a)</sup> Service appropriations fund the net cost of services delivered. Appropriation revenue only comprises a cash component.

## Note 14. Receivables

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

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

## Note 15. Payables

	2016 \$000
<u>Current</u>	
Trade payables	375
Accrued expenses	497
<b>Total current</b>	<b><u>872</u></b>

## Note 16. Provisions

	2016 \$000
<u>Current</u>	
<i>Employee benefits provision</i>	
Annual leave <sup>(a)</sup>	175
Long service leave <sup>(b)</sup>	333
	<u>508</u>

	2016 \$000
<i>Other provisions</i>	
Employment on-costs <sup>(c)</sup>	1
	<u>1</u>
	<b><u>509</u></b>
<u>Non-current</u>	
<i>Employee benefits provision</i>	
Long service leave <sup>(b)</sup>	33
	<u>33</u>
<i>Other provisions</i>	
Employment on-costs <sup>(c)</sup>	–
	<u>–</u>
	<b><u>33</u></b>

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

	2016 \$000
Within 12 months of the end of the reporting period	127
More than 12 months after the end of the reporting period	47
	<u>175</u>

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

	2016 \$000
Within 12 months of the end of the reporting period	96
More than 12 months after the end of the reporting period	270
	<u>366</u>

<sup>(c)</sup> The settlement of annual and long service leave liabilities gives rise to the payment of employment on-costs including workers' compensation insurance. The provision is the present value of expected future payments. The associated expense, apart from the unwinding of the discount (finance cost), is disclosed in Note 11 'Other expenses'.

**Movements in other provisions**

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

## Note 17. Equity

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

	2016 \$000
<b>Contributed equity</b>	
Balance at start of period	–
<u>Contributions by owners</u>	
Capital appropriation	–
<b>Total contributions by owners</b>	–
<b>Balance at end of period</b>	–
<b>Accumulated surplus/(deficit)</b>	
	2016 \$000
Balance at start of period	–
Result for the period	(699)
<b>Balance at end of period</b>	<b>(699)</b>
<b>Total equity at end of period</b>	<b>(699)</b>

## Note 18. Notes to the statement of cash flows

### Reconciliation of cash

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

	2016 \$000
Cash and cash equivalents	581
	<b>581</b>

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

	2016 \$000
Net cost of services	(4,105)
<u>Non-cash items</u>	
Services received free of charge (Note 13 'Income from State Government')	36
<u>(Increase)/decrease in assets</u>	
Current receivables <sup>(a)</sup>	(55)
<u>Increase/(decrease) in liabilities</u>	
Current payables <sup>(a)</sup>	606
Accrued employee benefits	747
Net GST receipts/payments <sup>(b)</sup>	82
Change in GST in receivables/payables <sup>(c)</sup>	(100)
<b>Net cash provided by/(used in) operating activities</b>	<b>(2,789)</b>

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

<sup>(b)</sup> This is the net GST paid/received, i.e. cash transactions.

<sup>(c)</sup> This reverses out the GST in receivables and payables.

## Note 19. Commitments

### Non-cancellable operating lease commitments

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

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

### Other expenditure commitments

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

**Note 20. Related and affiliated bodies**

The sub-department has no related or affiliated bodies.

**Note 21. Events occurring after the end of the reporting period**

The sub-department is unaware of any event occurring after the reporting date that would materially affect the financial statements.

**Note 22. Remuneration of auditor**

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

	<b>2016 \$000</b>
Auditing the accounts, controls, financial statements and key performance indicators	15

**Note 23. Remuneration of senior officers**

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

<b>Remuneration Band (\$)</b>	<b>2016</b>
\$200,001 - 210,000	3
\$450,001 - 460,000	1

	<b>\$000</b>
Cash remuneration received for the year	896
Adjustment for accruals	(21)
Annual leave and long service leave accruals	81
Other benefits	118
<b>Total remuneration of senior officers</b>	<b>1,074</b>

Total remuneration includes the superannuation expense incurred by the sub-department in respect of senior officers.



## Note 24. Explanatory statement

All variance between estimates (original budget) and actual results for 2016 are shown below. Narratives are provided for key variations selected from observed major variances, which are generally greater than 5 percent and \$72,000 for the Statement of Comprehensive Income and Cash Flows.

	Variance Note	Estimate 2016 <sup>(a)</sup> \$000	Actual 2016 \$000	Variance between estimate and actual \$000
<b>Statement of Comprehensive Income (Controlled Operations)</b>				
<b>Expenses</b>				
Employee benefits expense	1	2,530	2,722	192
Supplies and services	2	730	1,444	714
Accommodation expenses	3	275	199	(76)
Grants and subsidies			15	15
Other expenses		40	13	(27)
<b>Total cost of services</b>		<b>3,575</b>	<b>4,393</b>	<b>818</b>
<b>Income</b>				
Revenue				
Grants and Subsidies		205	205	–
Other revenue	4	–	83	83
<b>Total Revenue</b>		<b>205</b>	<b>288</b>	<b>83</b>
<b>Total income other than income from State Government</b>		<b>205</b>	<b>288</b>	<b>83</b>
<b>NET COST OF SERVICES</b>		<b>(3,370)</b>	<b>(4,105)</b>	<b>(735)</b>
<b>Income from State Government</b>				
Service appropriation		3,370	3,370	–
Services received free of charge		–	36	36
<b>Total income from State Government</b>		<b>3,370</b>	<b>3,406</b>	<b>36</b>
<b>SURPLUS/(DEFICIT) FOR THE PERIOD</b>		<b>–</b>	<b>(699)</b>	<b>(699)</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>–</b>	<b>(699)</b>	<b>(699)</b>

(a) The budget for the Office of the GCI0 was not published in the 2015-16 State Budget and has been based on subsequent approvals following establishment of the sub-department.

**Major Estimate and Actual (2016) Variance Narratives**

1. Salary rates initially estimated prior to the establishment of the Office of the GCIO have varied to the final classification levels of positions as approved by the Government.
2. Legal and procurement consultancy fees associated with the GovNext initiative were expended in 2015-16 in advance of budgeted funding allocated in 2016-17.
3. Accommodation estimates allowed for a quarter floor of Dumas house, however this has been discounted for areas shared with the Department of Finance.
4. Unplanned cost recoups and sponsorship arrangements were received in 2015-16.

## Note 24. Explanatory statement

### Statement of Financial Position (Controlled Operations)

	Variance Note	Estimate 2016 \$000	Actual 2016 \$000	Variance between estimate and actual \$000
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and cash equivalents		–	581	581
Receivables		–	134	134
<b>Total Current Assets</b>		–	<b>715</b>	<b>715</b>
<b>Non-Current Assets</b>				
Amounts receivable for services		–	–	–
<b>Total Non-Current Assets</b>		–	–	–
<b>TOTAL ASSETS</b>		–	<b>715</b>	<b>715</b>
<b>LIABILITIES</b>				
<b>Current Liabilities</b>				
Payables		–	872	872
Provisions		–	509	509
<b>Total Current Liabilities</b>		–	<b>1,381</b>	<b>1,381</b>
<b>Non-Current Liabilities</b>				
Provisions		–	33	33
<b>Total Non-Current Liabilities</b>		–	<b>33</b>	<b>33</b>
<b>TOTAL LIABILITIES</b>		–	<b>1,414</b>	<b>1,414</b>

Statement of Financial Position (Controlled Operations)

	Variance Note	Estimate 2016 \$000	Actual 2016 \$000	Variance between estimate and actual \$000
<b>NET ASSETS</b>		-	(699)	(699)
<b>EQUITY</b>				
Contributed equity		-	-	-
Accumulated surplus/(deficit)		-	(699)	(699)
<b>TOTAL EQUITY</b>		-	(699)	(699)

Major Estimate and Actual (2016) Variance Narratives

For the 2015-16 financial year there were no budgeted assets or liabilities for the sub-department.

## Note 24. Explanatory statement

Statement of Cash Flows (Controlled Operations)	Variance Note	Estimate 2016 <sup>(a)</sup> \$000	Actual 2016 \$000	Variance between estimate and actual \$000
<b>CASH FLOWS FROM STATE GOVERNMENT</b>				
Service appropriation		3,370	3,370	–
<b>Net cash provided by State Government</b>		<b>3,370</b>	<b>3,370</b>	<b>–</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Payments</b>				
Employee benefits	1	(2,530)	(1,975)	555
Supplies and services	2	(730)	(819)	(89)
Accommodation	3	(275)	(200)	75
GST payments on purchases		(73)	(103)	(30)
Other payments		(40)	(11)	29
<b>Receipts</b>				
Grants and contributions		205	205	–
GST receipts on sales		–	3	3
GST receipts from taxation authority		73	82	9
Other receipts		–	28	28
<b>Net cash provided by/(used in) operating activities</b>		<b>(3,370)</b>	<b>(2,789)</b>	<b>581</b>
Net increase/(decrease) in cash and cash equivalents		–	581	581
Cash and cash equivalents at the beginning of the period		–	–	–
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>		<b>–</b>	<b>581</b>	<b>581</b>

<sup>(a)</sup> The budget for the Office of the GCIO was not published in the 2015-16 State Budget and has been based on subsequent approvals following establishment of the sub-department.

### Major Estimate and Actual (2016) Variance Narratives

1. The majority of the staff recruited to commence the operations of the Office of the GCIO have been seconded from across government. The variance to estimate relates to delays in payment of secondment invoices.
2. Legal fees associated with the GovNext initiative were expended in 2015-16 in advance of budgeted funding allocated in 2016-17.
3. Accommodation estimates allowed for a full 1/4 floor of Dumas house, however this has been discounted for areas shared with the Department of Finance.

## Note 25. Financial instruments

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

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

#### *Credit risk*

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

The maximum exposure to credit risk at the end of the reporting period in relation to each class of recognised financial assets is the gross carrying amount of those assets inclusive of any allowance for impairment as shown in the table at Note 25(c) 'Financial instruments disclosures' and Note 14 'Receivables'.

Credit risk associated with the sub-department's financial assets is minimal. For receivables other than government, the sub-department trades only with recognised, credit worthy third parties. The sub-department utilises Department of Finance policies to ensure that sales of products and services are made to customers with an appropriate credit history. In addition, receivable balances are monitored on an ongoing basis with the result that the sub-department's exposure to bad debts is minimal. At the end of the reporting period there were no significant concentrations of credit risk.

#### *Liquidity risk*

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

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

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

#### *Market risk*

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

Other than as detailed in the interest rate sensitivity analysis table at Note 25(c), the sub-department is not exposed to interest rate risk because the majority of cash and cash equivalents are non-interest bearing.

### (b) Categories of financial instruments

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

	<b>2016 \$000</b>
<u>Financial Assets</u>	
Cash and cash equivalents	581
Receivables <sup>(a)</sup>	61
<u>Financial Liabilities</u>	
Payables <sup>(b)</sup>	872

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

<sup>(b)</sup> The amount of payables excludes GST payable to the ATO (statutory payable).

### (c) Financial instrument disclosures

#### Credit risk

The following table details the sub-department's maximum exposure to credit risk and the ageing analysis of financial assets. The sub-department's maximum exposure to credit risk at the end of the reporting period is the carrying amount of financial assets as shown below. The table discloses the ageing of financial assets that are past due but not impaired and impaired financial assets. The table is based on information provided to senior management of the sub-department. The sub-department does not hold any collateral as security or other credit enhancement relating to the financial assets it holds.

#### Ageing analysis of financial assets

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

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

### Liquidity risk and interest rate exposure

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

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

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

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

<sup>(b)</sup> The amount of payables excludes the GST payable to the ATO (statutory payable).

### Fair values

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



## Note 26. Special purpose accounts - administered

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

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

	2016 \$000
Balance at start of period	–
Receipts	5,429
Payments	(205)
<b>Balance at end of period</b>	<b>5,224</b>

<sup>(a)</sup> Established under section 16 (1)(d) of FMA

## Note 27. Supplementary financial information

### (a) Write-offs

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

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

	2016 \$000
Losses of public money and public property through theft or default	–
Amounts recovered	–

### (c) Gifts of public property

	2016 \$000
Gifts of public property provided by the sub-department	–

## Note 28. Explanatory Statement for Administered Items - Income and Expenses

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

INCOME FROM ADMINISTERED ITEMS	Variance Note	Estimate 2016 \$000	Actual 2016 \$000	Variance between estimate and actual \$000
<u>Income</u>				
Administered grants and transfer payments		5,429	5,429	–
<b>Total administered Income</b>		5,429	5,429	–
<u>Expenses</u>				
ICT renewal and reform fund	1	5,429	205	(5,224)
Total administered expenses		5,429	205	(5,224)

1) Expenditure of the ICT renewal and reform fund has been limited due to the deferral of projects until the tabling of the Government Strategy in parliament in April. Funds are held in a special purpose account and remain available for allocation in 2016-17.

## Note 29. Administered assets and liabilities

	2016 \$000
<u>Current Assets</u>	
Cash and cash equivalents	5,224
<b>Total Administered Current Assets</b>	<b>5,224</b>
<b>TOTAL ADMINISTERED ASSETS</b>	<b>5,224</b>

## Performance assessment

Although audited key performance indicators will be reported from 2016-17, we provide the following unaudited performance information for 2015-16.

### Outcomes

The Government’s desired outcome that the sub-department works to achieve through its services is:

#### Effective and transparent reform of Information and Communications Technology across the public sector.

**Service:** Establishment of a platform for the delivery of better government services through efficient development of Information and Communications Technology (ICT) strategy, policies and solutions.

Achieved through collaboration with government departments and industry to stabilise costs, increase value-for-money and minimise risk in the delivery of ICT across the public sector by:

- advising on governance and implementation of ICT projects;
- establishing and driving a whole-of-government ICT strategy, policy and reform agenda;
- identifying and advising on ICT innovation, which will support and enhance government services to meet business and community needs;
- promoting ICT standardised approaches across government; and
- implementing frameworks which improve public sector capability and capacity.

**Measuring the Performance:** The Office of the Government Chief Information Officer measured its performance for the 2015-16 financial year on the development of the whole-of-government ICT plan. Performance measures will be developed from the plan for future measurement.

#### Effectiveness indicator

Indicator of effectiveness	2012 - 13 actual	2013 - 2014 actual	2014 - 2015 actual	2015 - 2016 target	2015 - 2016 actual
Development and publishing of a whole-of-government Information and Communications Technology plan within 12 months of the appointment of the Government Chief Information Officer	N/A	N/A	N/A	100%	100% <sup>(1)</sup>

1. The whole-of-government Information and Communications Technology plan was approved by Cabinet on 26 April 2016.

## Ministerial Directives

Treasurer's Instruction 903 (12) requires the Office to disclose information on any Ministerial Directives relevant to the setting or achievement of desired outcomes or operational objectives, investment activities, and financing activities.

No Ministerial Directives were received during the financial year.

## Other Financial Disclosures

### Pricing policies of services provided

Nil

### Capital projects

Nil

### Unauthorised use of credit cards

Officers of the Department of Finance hold corporate credit cards where their functions warrant usage of this facility. The Office of the GCIO did not have any unauthorised use of credit cards during the 2015-16 reporting period.

	2015-2016 \$
Aggregate amount of personal use expenditure for the reporting period	Nil
Aggregate amount of personal use expenditure settled by the due date (within 5 working days)	Nil
Aggregate amount of personal use expenditure settled after the period (after 5 working days)	Nil
Aggregate amount of personal use expenditure outstanding at balance date	Nil

## Employment and Industrial Relations

### Comparative full time equivalent (FTE) allocation by category

The Office of the GCIO was established on 1 July 2015 for a period of three years. As the Office of the GCIO has no permanent employees, for reporting purposes, the number of full-time and part-time contracted employees is noted below, as well as the number of employees seconded from State Government agencies whose substantive position remains with that agency.

Category	2015	2016
Full-time permanent	0	9.5
Full-time contract	0	0
Contract part-time	0	1.6
Seconded in	0	13.5
<b>Total</b>	<b>0</b>	<b>24.6</b>

Source Data: 2015-2016 MOIR Data

#### Notes:

Part-time = hours less than normal hours of 37.5 per week.

## Workers Compensation

In accordance with Treasurer's Instruction 903 (13iiiic), the Department had the following workers' compensation disclosures.

	2015-16	2014-15	2013-14
Workers' compensation claims	0	N/A	N/A
Lost time injuries	0	N/A	N/A

### Industrial Relations

The Office of the GCIO's staff are employed under the Public Service Award 1992 and Public Service and Government Officers General Agreement 2014. As a sub-department of the Department of Finance the Office of the GCIO is covered by an Agency Specific Agreement with provisions for a wellness program, motor vehicle allowance for business use and flexible working arrangements.

### Staff Development

The Office of the GCIO works closely with the Department of Finance in the area of professional development. Since commencing operations the priority has been to recruit a high performing workforce. Continuing development is supported through the Performance and Development Program.

As a new sub-department there has been a training focus on induction and public sector

compliance requirements for Office of the GCIO staff.

Ministerial writing and high level project management framework training have also been high priorities.

## Governance disclosures

The Office of the GCIO is part of the Department of Finance's Governance environment in terms of both the delegation framework and many of the internal committees. Rather than create duplicate committees, the Office of the GCIO has minimised cost through utilising as much of Finance's framework as possible. The Office of the GCIO has its own Corporate Executive and also operates a sub-committee focused on Financial Management.

The Office of the GCIO meets weekly and includes the Government Chief Information Officer and Executive Directors.

The Financial Management meets monthly and the membership includes the Government Chief Information officer, Executive Director Policy and Governance and Finance's Chief Finance Officer.

### Senior officers

As at date of reporting, no senior officers, 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 Department other than normal contracts of employment of service.

Board and committee remuneration  
Nil

## Other legal requirements

In accordance with Section 175ZE of the *Electoral Act 1907*, the sub-department incurred zero expenditure in advertising, market research, polling, direct mail and media advertising.

Agency/organisation	Total \$	Amount \$
Advertising agencies	Nil	Nil
<b>Market Research Organisations</b>	Nil	Nil
<b>Polling Organisations</b>	Nil	Nil
<b>Direct Mail</b>	Nil	Nil

### Access and Inclusion – sub-department’s Disability Access and Inclusion Plan

The Office of the GCIO has adopted the Disability Access and Inclusion Plan developed by the Department of Finance.

### Compliance with public sector standards and ethical codes

Over the year, the Office of the GCIO has provided proactive guidance to managers and staff to ensure recruitment processes complied with public sector standards.

No breach of standard claims were lodged in 2015-16. No disclosures were received

in 2015-16 under the *Public Interest Disclosure Act 2003*.

### Recordkeeping plans

All staff are enrolled in an online recordkeeping awareness training course and improving the completion rate will be addressed in the next six months. The Office of the GCIO’s induction training includes recordkeeping obligations and compliance requirements. Online training for the Office of the GCIO’s recordkeeping system is available through the Department of Finance (Finance) online Learning Management System and detailed instructions for operating the document management system on our intranet.

### Freedom of Information

The *Freedom of Information Act 1992* (FOI Act) enables the public to apply for access to documents held by the Office of the GCIO. In 2015-16 the Office of the GCIO did not receive any Freedom of Information applications.

## Government policy requirements

### Government Building Contracts

Nil

### Substantive equality

The Office of the GCIO supports the provision of services that address the

different needs of Western Australia’s diverse community and supports the Equal Opportunity Commission to eliminate systemic racism by creating a community based on equality for everyone.

### Occupational safety, health and injury management

The Office of the GCIO provides a safe and healthy workplace in accordance with the requirements of the Public Sector Commissioner’s Circular 2012-05: Code of Practice: Occupational Safety and Health (OSH) in the Western Australian Public Sector, and in support of the State Government’s commitment to achieving the goals of the Australian Work Health and Safety Strategy 2012 - 2022.

### Consultation, communication and engagement

The Office of the GCIO’s mechanism for consultation is through the Department of Finance’s Occupational Safety and Health (OSH) Committee which meets quarterly and comprises Safety and Health, and management representatives. The Committee receives information about all hazards and incidents reported, with a view to ensuring relevant control actions are considered and actioned, where appropriate.

## Injury management

Early intervention with injury management is a continued focus for the Office of the GCIO. Managers and employees were provided with in-house guidance and support for non-work related as well as work related illness/injury. Over the last year, one employee was offered injury management assistance for non-work related injuries.

The Office of the GCIO through the Department of Finance has applied the Worksafe assessment self-evaluation tool. Its application included the:

- Ongoing consultation on emerging health, safety and wellbeing issues with staff across the Department.
- Provision of up-to-date training on health and safety matters to all staff.
- Refining of the Hazard Incident and Issue Resolution process.

## Public Sector Commissioner’s Occupational Safety and Health performance requirements 2015-16

Indicator	2015 - 16	Target	Comment on result
Number of fatalities	Nil	Nil	Achieved
Lost time injury and/or disease incidence rate	Nil	At least nil or 10% improvement on the previous two years	Achieved
Lost time injury and/or disease severity rate	Nil	Nil	Achieved
Percentage of injured workers returned to work:	Nil	Nil	
• Within 13 weeks	NA		
• Within 26 weeks	NA		
Percentage of managers trained in occupational safety, health and injury management responsibilities	80%	Greater than or equal to 80%	Ongoing program in place to continue training managers and supervisors on occupational safety, health and injury management responsibilities

## Legislation administered

Nil

# Contact Us

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