



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

Office of the Government Chief Information Officer

Annual Report 2016 - 17

STATEMENT OF COMPLIANCE

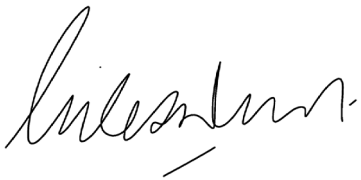
Hon Dave Kelly MLA

Minister for Water; Fisheries; Forestry;
Innovation and ICT; Science

For the year ended 30 June 2017

In accordance with section 63 of the *Financial Management Act 2006*, 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 2017.

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



Giles Nunis

Chief Executive and Government Chief
Information Officer

10 August 2017

About this report

This Annual Report is divided into five main areas and every effort has been made to ensure the readability and accessibility of this report in print and online.

The Office of the Government Chief Information Officer, referred to in this report as the Office of the GCIO, supports sustainability and encourages readers to view the report at 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 the document. Contact details for the Office are listed on page [73](#).

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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

This report highlights the work undertaken by the Office of the GCIO in 2016-17 to lead and support digital reform in the Western Australian public sector.

The 2016-17 financial year was the second year of operation for the Office of the GCIO, with many projects moving to implementation.

During the year, the Office of the GCIO progressed a range of initiatives under the *Digital WA* Information and Communications Technology Strategy 2016-2020 (*Digital WA*). The vision for *Digital WA* is to create an innovative public sector with mature capabilities, which delivers efficient, reliable and high quality services to business and the community.

One of the major achievements under *Digital WA* was the introduction of GovNext-ICT, a new Common Use Arrangement (CUA) to move the public sector from owner/operators of Information Communications Technology (ICT) infrastructure to consumers of ICT infrastructure services on demand. Modernising ICT infrastructure will underpin improvements in government service delivery and efficiency. The Office of the GCIO established the GovNext Service Broker to assist agencies transition to the new arrangements and oversee the implementation and operation of the CUA.

Another significant achievement was the launch of the prototype myWA digital services portal (<https://alpha.wa.gov.au/>) in December 2016 for public consultation. This site, now known as ServiceWA Alpha, allows users to search for and find government digital services that are currently available across more than 450 government websites. Eventually, members of the community will be able to login and access their information or services from any department or agency through this single portal.

To maximise the advantages of the new technologies available, the Office of the GCIO focussed on developing frameworks to build ICT skills across the public sector. The Capability Maturity Model in *Digital WA* was more

fully developed and guidance material provided to agencies to assist agencies identify and improve their level of ICT maturity. The Office of the GCIO also developed an ICT Capability and Capacity Building Program for non-ICT employees, and partnered with the Public Sector Commission to develop the ICT Capability Framework to support the development of ICT professionals within the public sector.

In 2016-17, the Office of the GCIO was given responsibility for the innovation function and developed the State's first Innovation Strategy. A range of initiatives were implemented by the Office to support Western Australian innovators commercialise their ideas.

A major achievement was the development of the Innovation Hub (www.innovation.wa.gov.au), which went live in November 2016. The Hub is a resource for the State's innovation ecosystem to learn from and connect with other innovators. The Hub was launched as part of the Innovation Worth Sharing branding and marketing campaign to promote Western Australia's competitive advantages.

Supporting the State's local home grown innovators is a key pillar of the Innovation Strategy. The Office of the GCIO managed the Innovator of the Year program, which celebrated its 10th anniversary in 2016, and administered two competitive grants programs (Start IT Up and Innovation Vouchers).

In April 2017, the State Government announced that the Innovation function would be transferred to the Department of Jobs, Tourism, Science and Innovation from 1 July 2017 as part of machinery of government changes.

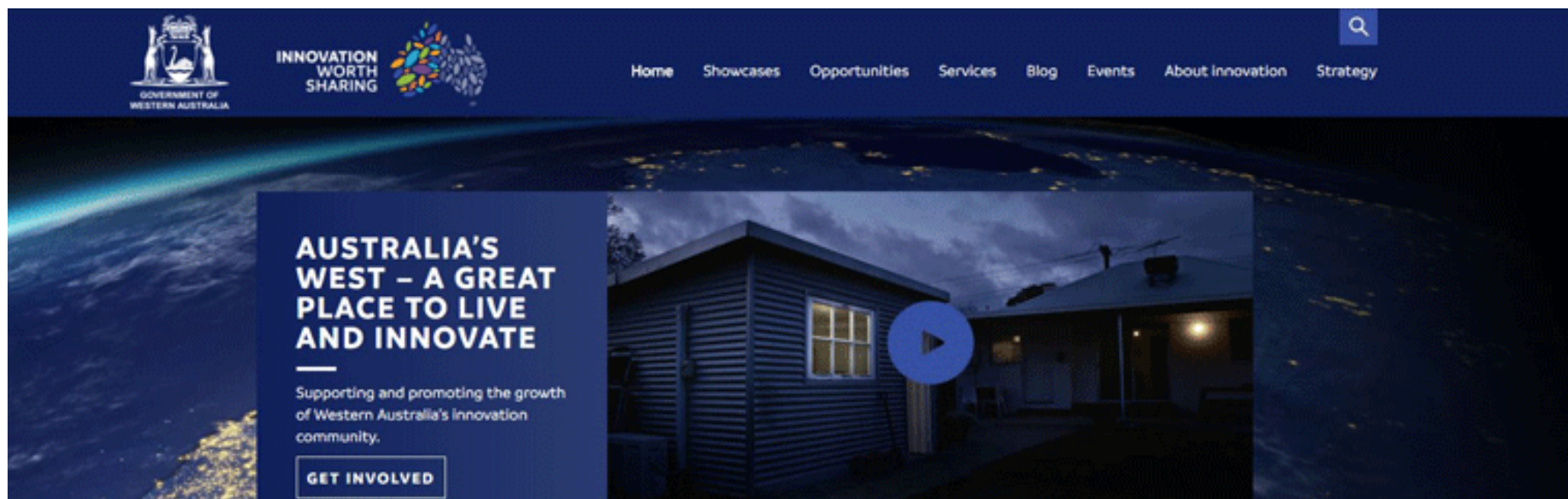
EXECUTIVE SUMMARY

The Office works across government and with industry and has identified the following significant emerging issues affecting business, the community and the public sector:

- increasing threat of cyber intrusions
- the need for an enhanced data analytics function within Government
- continuous improvement of ICT procurement outcomes across government
- better internet connectivity to enable smart cities and growth in regionally based sectors
- greater demand for on demand digital government services

- utilisation of common digital platforms across government to support the delivery of integrated business functions and services in agencies
- demand for digital skills and capabilities
- rationalisation of agency software licences and moving to licensing on a whole of government scale
- the slower than anticipated speed of adoption of *Digital WA* initiatives, limiting business and financial benefits for government, and
- ability for the ICT industry to respond to new changes led by the Office.

The Office of the GCIO is funded until 30 June 2018.



The Innovation Hub, accessible at www.innovation.wa.gov.au

OPERATIONAL STRUCTURE

AT A GLANCE



Simple, connected
and digital public
sector

Leadership for ICT
in the public sector



Collaboration with
agencies and industry

Staying true to
our values



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, savings, 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:

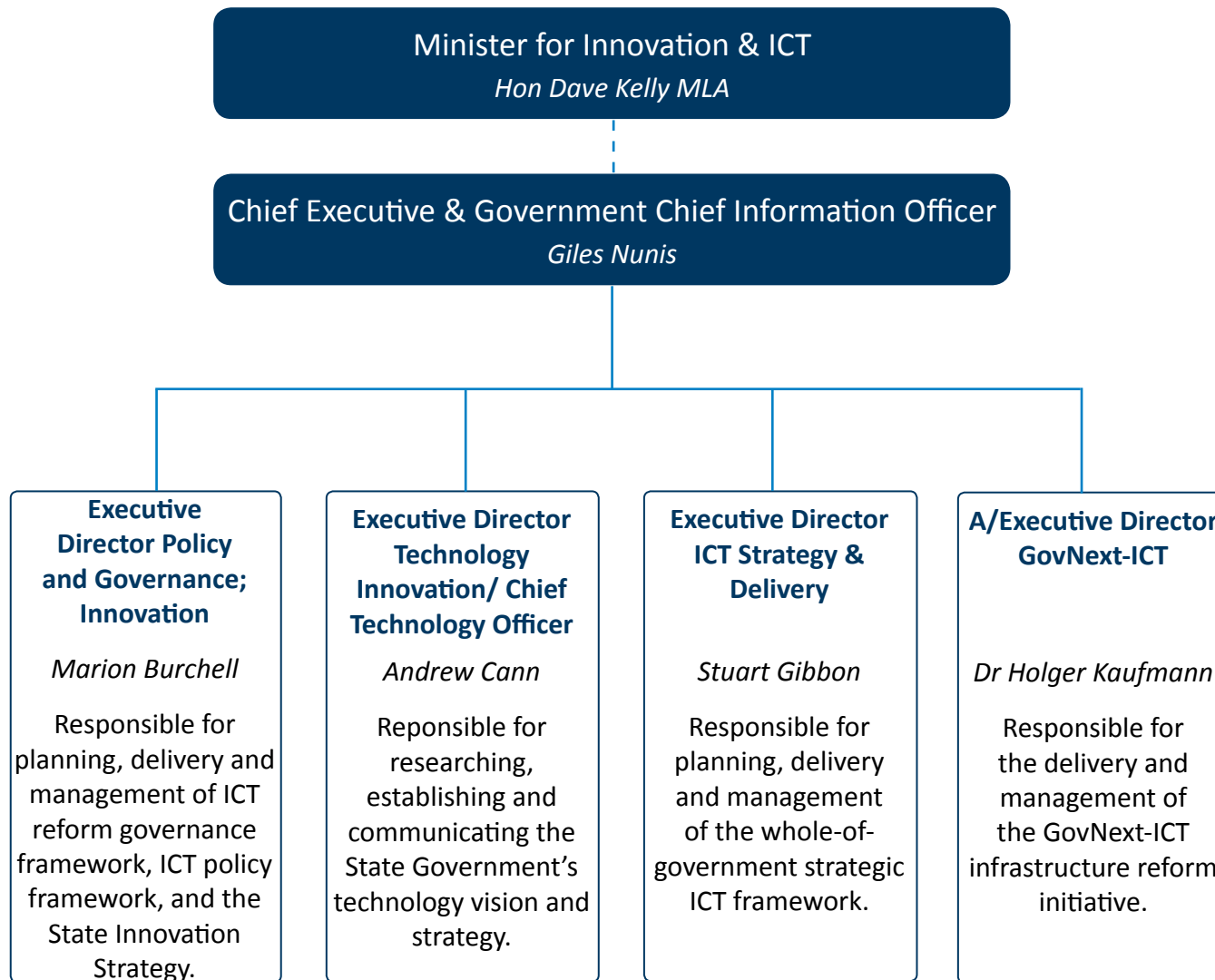
- lead, influence and advise on governance of ICT projects and implementations
- establish and drive a whole-of-government ICT strategy, policy and reform agenda
- identify and advise on ICT innovations which will support and enhance government services to meet business and community needs
- promote a standardised approach to ICT across government
- 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
- **Communication**
We are transparent and clear in our language.

ORGANISATIONAL STRUCTURE



The Office of the GCIO was established on 1 July 2015 as a sub-department of the Department of Finance under section 56 of the *Financial Management Act 2006*.

The Office of the GCIO reports to the Minister for Innovation and ICT, the Hon Dave Kelly MLA.

PERFORMANCE MANAGEMENT FRAMEWORK

Government Goals

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.

Desired Outcomes

Enabling effective utilisation of best practice technology in the public sector

To pave the way for Western Australians to take ideas from discovery to commercialisation, increase investment in Western Australian innovation, increase the number of scaled innovations and reduce the time and cost of doing so.

Services

Establishment of a platform for the delivery of better government services through efficient development of ICT strategy, policies and solutions.

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

In 2016-17, the Office of the GCIO is reporting against a new Outcome Based Management Framework that seeks to better reflect the Government's desired outcomes for ICT reform in the public sector at this stage of the reform process. For 2016-17, this includes reporting against effectiveness and efficiency indicators for the innovation function, which the Office acquired responsibility for on 1 July 2016. This function will be transferred to the Department of Jobs, Tourism, Science and Innovation from 1 July 2017 as a result of the machinery of government changes announced by the State Government on 28 April 2017.

Shared responsibilities with other agencies

The Office of the GCIO collaborates with government agencies and industry to facilitate the efficient operation of government, drive technology innovation and improve the delivery of government digital services to achieve value for money for the community.

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

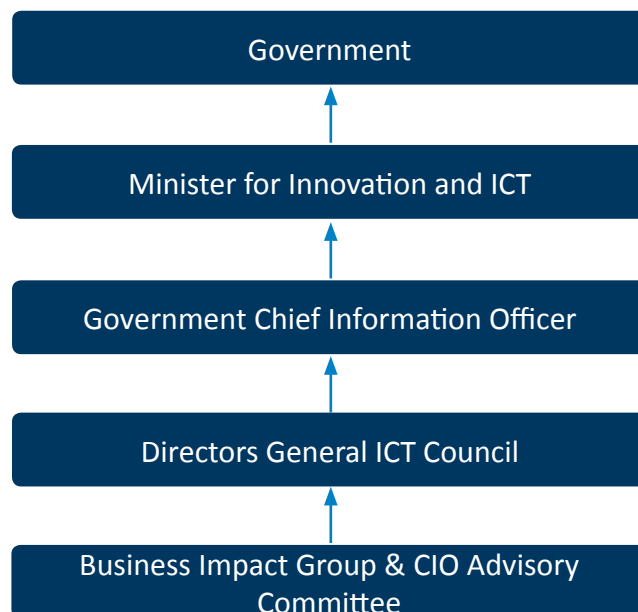
GOVERNANCE

The Office of the GCIO provides leadership and strategic advice to government on ICT reform. This role is supported by three key governance groups that provide oversight, direction and advice on ICT reforms.

The structure and the membership of these groups ensures the strategies, policies and initiatives progressed by the Office are:

- developed in collaboration with agencies driving the ICT reform process in the sector
- informed by technical advice and expertise
- driven by business need.

The Office of the GCIO chairs these groups and provides the secretariat support.



Decisions of these groups are published on Office of the GCIO website (www.gcio.wa.gov.au) and the Chief Information Officer (CIO) portal administered by the Office to ensure CIOs across government and the community are informed of the direction and progress of ICT projects and programs.

Directors General ICT Council

The Directors General ICT Council (the Council) provides strategic oversight and direction of whole of government ICT reform, and decides the allocation of the discretionary components of the ICT Reform and Renewal Fund. This Fund supports agencies develop and implement specific ICT reforms to improve efficiency and effectiveness.

The Council comprises Directors General from the Departments of Finance; Housing; Health; Education; Commerce; Transport; and Treasury, the Chief Executive of Landgate and the Commissioner for Police.

The Council meets quarterly with four meetings held in 2016-17, and reports regularly to Government on progress with whole of government ICT reform.

Business Impact Group

The Business Impact Group provides advice to the Council on ICT reform generally, and on whole of government projects and initiatives from a business perspective.

The group comprises business executives from the Departments of Commerce; Corrective Services; Education; Health; Housing; Premier and Cabinet; Transport; and Finance, as well as Landgate, and the WA Police.

CIO Advisory Committee

The CIO Advisory Committee provides advice to the Council on ICT reform projects and initiatives from an ICT perspective.

Membership comprises CIOs the Departments of Commerce; Finance; Health; Parks and Wildlife; Premier and Cabinet; and Transport, with Landgate, the Government Employees Superannuation Fund, and the Metropolitan Cemeteries Board.

Meetings

In 2016-17, meetings for the Business Impact Group and the CIO Advisory Committee were combined to ensure business and technical issues were discussed together in the same context and to facilitate greater collaboration between the business and ICT areas of the member organisations.

Four meetings of this combined group were held in 2016-17.

TRANSFORMATION

Digital WA provides the direction to transform the way public sector agencies use ICT to improve service delivery to business and the community.

The objectives of *Digital WA* are to:

- simplify technology platforms, systems and standards as part of a unified government
- connect agencies and the community through digital services and system integration
- inform decision makers, frontline staff and the public with quality data and analysis.

Digital WA was launched on 25 May 2016, and a Premier's Circular was issued on 1 July 2016 to require Western Australian government agencies to apply the principles and requirements of the Strategy into all current and future projects, normal operational procedures and practices.

In raising awareness about *Digital WA*, the Office of the GCIO engaged with public sector agencies and industry to communicate the strategic intent of government and encourage agency engagement and involvement. This included presentations to fourteen agencies and cross-agency groups and seven industry conferences.

During the year, the Office commenced the first annual review of *Digital WA* to ensure it remains relevant and appropriate. This involved analysis and consultation with the public sector and industry.

Government ICT policies and whole of government requirements

Accompanying *Digital WA* in setting the direction and requirements for agencies to realise the benefits from digital transformation is the suite of ICT policies and initiatives. These are operationalised by agencies in the context of their business priorities.

The ICT policies adopt a progressive and evolving implementation approach which recognises the varying ICT maturity and capabilities across the public sector.

In developing and revising the policies, the Office of the GCIO works in collaboration with cross-agency working groups, which comprise representatives from agencies on the Governance bodies.

The ICT policies are:

- Open Data policy – requires public sector agencies to prioritise the public release of their data for the benefit of all Western Australians
- ICT Business Continuity and Disaster Recovery policy (updated 3 April 2017) – 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 (updated 28 June 2017) – provides direction for public sector agencies to manage their digital security risks based on the International Standards Organisation Standard 27001
- Interoperability policy – provides direction on frameworks and standards to ensure systems across the public sector can interact seamlessly, exchange data and, share functions and resources where required
- Cloud policy – establishes a cloud mindset for the consumption of infrastructure, software and platforms and encourage the adoption of cloud services across the public sector
- Digital Services policy – provides direction on how to manage the services they provide to the community.

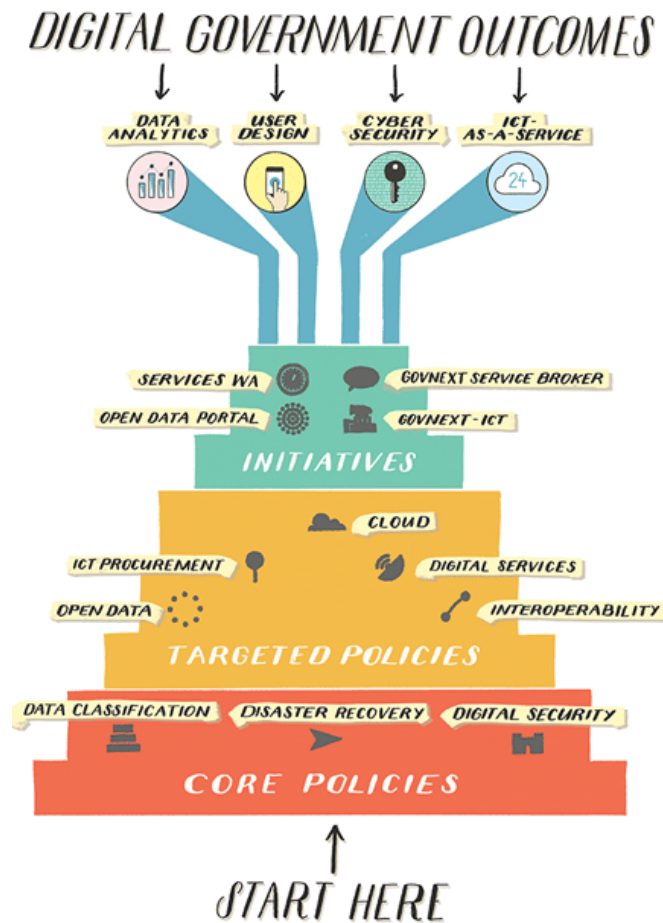


Figure 1: ICT Capability and Capacity Building Program

In 2016-17, the Office reviewed and updated the ICT Disaster Recovery for Business Continuity Policy and the Digital Security Policy, and developed additional guidance materials to support agencies.

In June 2017, the Office of the GCIO also developed a “How to” mini guide for senior executives which communicates how the ICT policies combine to achieve digital government outcomes and the practical actions they can take to drive digital reform. Clear direction and oversight from agency executives is essential to the reform process.

Programs and Initiatives

The programs and initiatives in *Digital WA* are directed at achieving the following whole of government outcomes:

- stability of ICT project and service delivery
- efficiency in the cost of delivering ICT services
- transparency in ICT governance and service delivery
- capability of the public sector to respond to changing community needs.

In 2016-17, the Office of the GCIO progressed a range of initiatives towards achieving these outcomes.

Stability of ICT project and service delivery

The Office of the GCIO assisted agencies in the governance of their ICT projects by:

- providing input on and reviews of agency ICT, business and strategic planning
- reviewing agency business and ICT strategies
- participating on agency project governance boards for major projects.

For example, the Office worked with the State Emergency Management Committee (SEMC), WA Police and the Department of Fire and Emergency Services (DFES) to develop and review a business case for DFES to buy additional modules for the Computer Aided Dispatch (CAD) system already in use by WA Police. This option cost more than \$10 million less than implementing a stand-alone system at DFES, and was approved as part of the first stage of implementing the SEMC Emergency Services Communications Strategy.

TRANSFORMATION

Efficiency in the cost of delivering ICT services

To deliver better digital services to the community, public sector ICT systems need to be modernised and consolidated. Savings achieved by agencies in moving to new technologies may be reinvested by agencies to help fund these improvements. The two key projects to achieve efficiencies are GovNext-ICT and ServiceWA (Digital), formerly known as the myWA program.

GovNext-ICT

GovNext-ICT is an ICT infrastructure reform initiative that aims to progress the WA Government from an owner/operator of ICT infrastructure to consumers of ICT infrastructure services.

In 2016-17, the Office of the GCIO delivered a significant key milestone under *Digital WA* by establishing the GovNext-ICT whole of government CUA for agencies to purchase ICT infrastructure services on demand.

GovNext-ICT will decommission more than 60 expensive data centres and server rooms and deliver an interconnected State-wide communications network for all government offices. To do this, over 50 physical networks with approximately 50,000 links will be consolidated into one physical network with less than 6000 links, improving capability and reducing cost at the same time.

Full adoption of GovNext-ICT will allow the State to realise savings of up to \$80 million per annum by consolidating and simplifying its infrastructure footprint, leveraging its whole of government buying power, and increasing market competition for ICT services.

The Office worked closely with the Department of Finance to develop a unique buying regime, articulated in a new “as a service” CUA. Following a competitive process and extensive negotiations with the three preferred

vendors - Atos, Datacom and NEC Australia – contracts were signed in January 2017. The new arrangements were launched to the sector in February 2017. Service catalogues with each vendor have been in place since April 2017 and agencies can compare prices and choose the best solution from a list of pre-defined services to meet their ICT needs.

The Office of the GCIO established the GovNext Service Broker during the year to assist agencies transition to the new buying arrangements and oversee the implementation of the CUA, including monitoring prices, consumption volumes, innovation and service quality.



Launch of the GovNext-ICT CUA

TRANSFORMATION

ServiceWA (Digital) Program

A major initiative under *Digital WA* is the ServiceWA (Digital) program which aims to make it easier for business and the community to find and access Government information and services online. The number of agency websites will also be reduced as a result of this program.

A key achievement for the Office in 2016-17 was the launch of the ServiceWA (Digital) alpha prototype website in December 2016, which provides a single entry point or portal to government online services and search capabilities. Over six months, the site received 4100 unique visitors, 6700 site visits, and 22,400 page views. The Office of the GCIO undertook a public consultation process on the features of the site. Seventy-nine percent of survey respondents said that being able to log in and access digital services from any department or agency from the one website was important or very important, and 60 percent agreed or strongly agreed that the site was useful.

The Office of the GCIO also commenced work on the architecture and operating model for the longer-term ServiceWA (Digital) program. Significant planning towards a secure digital identity to enable users of the portal to access data from multiple agencies without compromising data privacy or security, was also undertaken.

The Office of the GCIO is working on the ServiceWA (Digital) program in partnership with the Departments of Transport and Commerce, and with the support of the Department of Finance and the Department of the Premier and Cabinet.

Enterprise Architecture (EA) Framework

To assist agencies plan for and review collaboration projects, the Office of the GCIO has developed a whole of government Enterprise Architecture (EA) Framework. This Framework models how a system, its components, and their relationship to each other and other systems can best be organised to meet strategic ICT objectives, and will allow for comparisons to

be made across government.

The Office of the GCIO has drafted the following standards and frameworks to assist public sector agencies create their own EA frameworks:

- a Skills Model to identify the key skills staff need to understand and undertake an EA exercise
- a Services Framework that identifies how and when EA should be used within an agency
- a Collaboration Framework to assist senior executives understand how they can better leverage ICT capabilities across the public sector rather than duplicate jobs and systems in each agency.

Transparency in ICT governance and service delivery

To measure progress of agencies in delivering ICT reform, the Office of the GCIO commenced a process in June 2017 for agencies to report against the following key performance indicators (KPIs) in *Digital WA*:

- >90 percent of the ICT components of major projects are completed on time and within budget
- >90 percent of government digital services meet or exceed agreed and published service levels
- 10 percent overall reduction in the annual cost of delivering current (2016-17) ICT services by the end of the Strategy, aggregated across the sector
- >90 percent of ICT reinvestment plans deliver the targeted return on investment from savings made through the Strategy or agency ICT reforms
- >90 percent of agency chief executives are confident in the quality of their ICT governance to inform good decisions
- >75 percent of agencies reach maturity level 3 or higher in all strategic core capabilities

As at 30 June 2017, agencies were compiling this data, which will be reported during next financial year.

TRANSFORMATION - DIGITAL WA

Building Capability within the Public Sector

Digital WA is driven by a vision for an innovative public sector, with mature digital capabilities.

The rapid evolution of the technology presents significant opportunities for improving government service delivery and business outcomes. Innovations in private sector digital service delivery have increased the public's expectations of government service delivery.

The Office of the GCIO had a particular focus during the year in developing the frameworks for building the organisational capability of public sector agencies and the digital skills of the public sector workforce within agencies to maximise opportunities for the future.

Capability Maturity Model

The Capability Maturity Model within *Digital WA* was further developed during the year to identify the capabilities agencies need to be digital-ready. The Office also developed tools and a guideline to assist agencies identify their current maturity level in different areas and provide advice on how they can improve their maturity. The Office developed this model in collaboration with a cross-agency working group.

ICT Capability Framework

The Office of the GCIO partnered with the Public Sector Commission to develop the ICT Capability Framework, which was launched in June 2017. This Framework:

- provides a common language for describing ICT capabilities across the Western Australian public sector
- aligns public ICT job descriptions to the international Skills Framework for the Information Age standard
- provides a practical approach to ICT staff development across the sector.

The Public Sector Commission has oversight of the Framework, which will help build the digital skills of ICT professionals across the Western Australian public sector and improve workforce mobility.

ICT Capability and Capacity Program

An ICT Capability and Capacity Building program was endorsed by the Council in June 2017. This outlines a plan for building skills and knowledge across the public sector workforce in non-ICT roles. The plan will enable agencies to participate in cross-agency initiatives as shown in Figure 2.

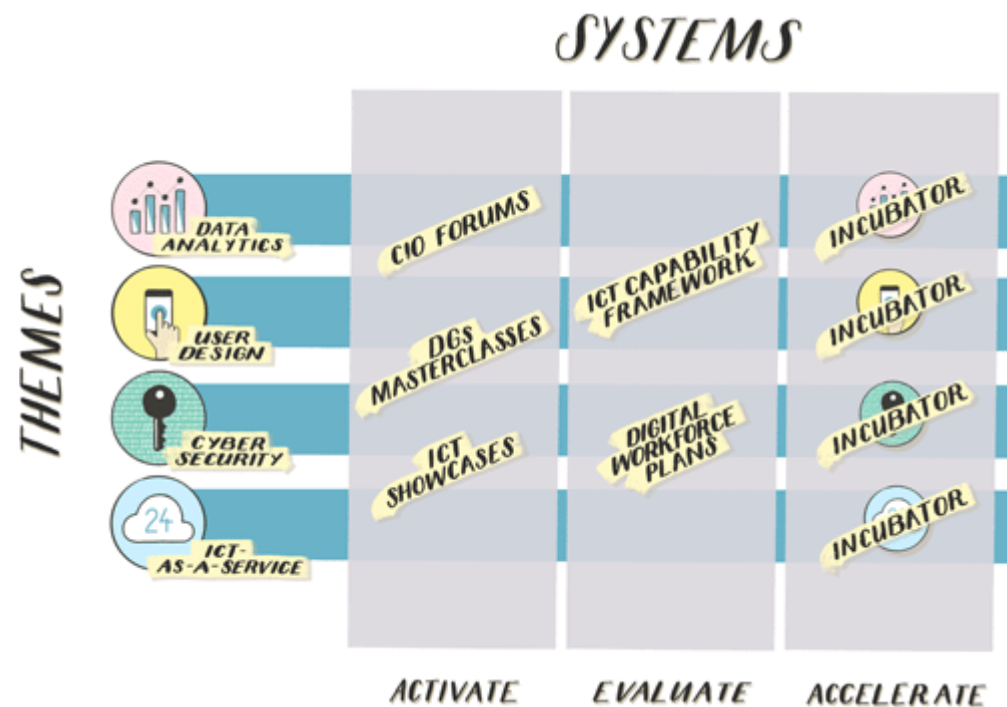


Figure 2: ICT Capability and Capacity Building Program

COLLABORATION

Sponsorship

In 2016-17, the Office of the GCIO sponsored events that showcased Western Australia's ICT and innovation capabilities.

WAITTA INCITE Awards

The Office of the GCIO is a principal partner of the WA Information Technology and Communications Alliance (WAITTA) INCITE Awards, which recognises ICT innovation and excellence. Winners and national finalists compete in the national Australian Information Industry Association iAwards and/or the Australian Computer Society Digital Disrupters Awards.

In September 2016, the winner of the Most Innovative Collaborative Technology in 2016, Optika Solutions, went on to become the National iAward winner in the Big Data Innovator of the Year category, and also won the overall Innovator of the Year award for its Akumen platform. This platform was showcased internationally in December 2016 at the Asia Pacific ICT Alliance Awards in Chinese Taipei.

The Office sponsored the Awards again in 2017, which were held on 16 June 2017.

GovHack 2016

The Office of the GCIO sponsored GovHack 2016, held in July 2016. This event provided an opportunity for over 120 local participants – the largest GovHack event nationally – to unlock the value of Western Australia government open data and create proofs of concept demonstrating how this data can be used. For the first time, hackers in Perth were joined by a regional node of 18 hackers in Geraldton¹.

The team “Anaconda Don’t” developed a solution to simplify the maintenance of the Water Corporation’s network. This work has continued, supported by Landgate’s SPURonWA Grant scheme.

¹ <https://pollinators.org.au/learning/govhack/>

West Tech Fest

The Office of the GCIO sponsored the West Tech Fest, held in December 2016. This event celebrates innovation and technology in the Asia-Pacific region, and is the premier entrepreneurial-technology conference and pitching event for start-ups. It brings together early-stage start-ups, researchers, innovators, experienced investors and industry to stimulate partnerships and collaboration.

Professional Development**Techtober 2016**

In October 2016, the Office of the GCIO initiated the inaugural Techtober to increase awareness of how digital government creates value for the Western Australian businesses and the community, and the capabilities required to support implementation.

The Office coordinated a masterclass on Digital Government attended by 24 Directors General focussing on global and national trends in service delivery enabled by technology.

The Office also coordinated a Business Executive forum which was attended by Senior Executives and Chief Information Officers within public sector agencies. This event included national and international keynote speakers who shared insights on global digital government initiatives.

INNOVATION

In 2016-17, the Office of the GCIO was given responsibility for innovation within the Western Australian Government.

The Office developed the State's first Innovation Strategy with the following four pillars:

- talent and skills
- investment and infrastructure
- culture and collaboration
- marketing and promotion

An Innovation Fund of \$20 million over four years was allocated to support this function.



The Innovation Strategy was based on over 750 ideas generated at the Innovation Summit held on 28 July 2016 which brought together 250 representatives from a cross-section of the State's business, research and innovation communities.

The Innovation Strategy focuses on delivering programs which aim to:

- create an environment where innovation, entrepreneurship and commercialisation are the norm
- engage local business and industry partners to expand existing and future capabilities
- make Western Australia a regional innovation hub by investment in local talent and providing the right opportunities to keep talent in the State
- encourage Western Australians who have achieved success elsewhere to bring their skills, expertise and experience home to help increase innovation locally
- attract the world's best innovators to relocate to Western Australia by emphasising the State's natural and geographic advantages and globally acknowledged excellence.

The Office of the GCIO undertook a range of initiatives under the Strategy in 2016-17.

INNOVATION

Innovator of the Year (IOTY)

The IOTY program showcases WA innovators and rewards winners with financial and professional support to assist with the commercialisation of their innovative products and/or services.



2016 Innovator of the Year Awards Ceremony

The IOTY program celebrated its tenth anniversary in 2016, and 230 representatives of the innovation community marked this occasion at the Awards ceremony on 2 November 2016.

A prize pool of \$120,000 was shared across a number of award categories, with Fastbrick Robotics Ltd winning the Mitsubishi Corporation overall Innovator of the Year Award for their innovation Hadrian X, the world's first fully automated end-to-end 3D bricklaying machine and system.

The program has uncovered many local innovators, who have gone on to achieve success, such as attracting additional investment and funding, collaborating with international research partners, and commercialising products that have made a difference to industry.

In May 2017, an expanded IOTY program was launched which extends business capability training to all semi-finalists and recognises young innovators participating in the Just Start IT program for secondary students. Regional champions from within the business community were also identified to encourage and support regional innovators to apply for the program.

INNOVATION

Start IT Up Challenge

The Start IT Up Challenge aims to nurture innovative, technology-based solutions to government problems, and build capability within the Western Australian start-up community. The Challenge offered a pool of \$100,000 to successful applicants, in addition to securing an opportunity to develop, beta test and demonstrate the commercial viability of projects in collaboration with a State government agency.

Innovators were invited to apply for the Challenge via an open tender process, and three were selected from the 54 applications received. The winners were:

- All of Me, who were awarded \$20,000 for their mental health awareness and evaluation application



- Hacker Pals, who received \$30,000 for their in-browser coding application project Binary Crate, and
- KinChip Systems Pty Ltd, who were awarded \$50,000 for their child development cloud based and mobile application Kindom™.

The Challenge has enabled winners to validate their ideas and value to the market, with two immediately rising into the top 5 of the Techboard rankings² in October 2016.

One of the winners has also attracted further investment, established commercial premises, and hired additional local staff.

Public Sector Innovation program

The Western Australian public sector will play an important role in supporting the growth of innovation in Western Australia. The Office of the GCIO held forums with public sector agencies in February and April 2017 to:

- help build a culture in agencies that is open and receptive to new ideas and ways of doing business with others, including start-ups and SMEs
- identify how government can be a first customer of innovation
- identify how agencies can incubate innovation relevant to their business needs
- build cross-agency networks where government problems are shared with start-ups and SMEs and solved collaboratively.

² Techboard (<https://techboard.com.au/>) is a national community engagement and discovery platform for Australian start-ups and young technology companies.

INNOVATION

Investment and Infrastructure

Innovation Vouchers Program (IVP)

The IVP is a competitive grants program with the aim of assisting small to medium enterprises improve their capability and commercialise their ideas and innovations.

In 2016-17, a total of 179 applications were received, and twenty-two grants of up to \$20,000 each were awarded to innovators from a range of sectors, including agriculture, renewables, manufacturing, education and life sciences. Successful recipients are required to provide a net cash co-investment of matched funds at a rate no less than 20:80 recipient to State Government funding.



The Hon. Dave Kelly MLA, Minister for Innovation and ICT with the Innovation Voucher recipients

Recipients must use the grants towards: research and development; product development; technology transfer and intellectual property; commercialisation support services; or proof of market.

The program has supported many local innovators. Past recipients have been able to further develop their products and services, enabling them to attract investment, develop new markets, and/or incubation opportunities.

Culture and Collaboration

Innovation Hub

The Office of the GCIO launched the Innovation Hub website (www.innovation.wa.gov.au) in November 2016 to provide a channel for Western Australian innovators, potential investors, service providers and customers of innovation to collaborate. The Hub showcases the journeys of successful innovators, the lessons they learned and the people and services who helped them along the way.

As at 30 June 2017, the Hub contained over 100 showcases, services and opportunities, and had attracted nearly 14,000 visitors and 48,000 page views.

INNOVATION

Innovation Summit and Leaders Forum

As noted earlier, the Innovation Summit brought the State's innovation eco-system together to help co-design the Strategy.

The Summit was live-streamed to 600 local, national and international viewers, including Singapore, the USA, Canada, Thailand, Italy and India, and was broadcast live to rural and remote areas via the State's satellite network.

The Office of the GCIO held an Innovation Leaders Forum on 27 September 2016 to discuss the outcomes of the Innovation Summit and provide feedback on the draft Strategy. Leaders had met for the first time in June 2016 to shape the themes for the Innovation Summit.

Marketing and Promotion

An Innovation Worth Sharing branding and marketing campaign was developed to promote Western Australian innovation and the State's competitive advantages. The campaign ran from November 2016-January 2017 and consisted of TV and digital video advertising. The TV campaign reached 67.7 percent of the 18+ audience in Perth, with 1.008 million people seeing it at least once and on average nine times each. The digital campaign resulted in over 830,000 full views generating 8652 clicks to the Innovation Hub which showed that the content was engaging and relevant to the audience.

The Office of the GCIO sent Innovation packs to the Singapore Trade office, and also developed material for use at Tech Australia, a London Tech Week event in June 2017.

An Innovation Newsletter with articles and events of interest to the Western Australian innovation community was also developed. As at 30 June 2017, the Newsletter had nearly 300 domestic and international subscribers.



The 2016 Innovation Summit

SIGNIFICANT ISSUES AND FUTURE TRENDS

Cyber Security

The May 2017 Wannacry global ransomware crisis demonstrated the threats posed by increasing cyber intrusions. Cyber crime is the number one threat to the business community (including government) with costs to the economy conservatively reported at \$1 billion per year³. As the threat of cyber crime continues to increase in sophistication, many businesses and government agencies are unprepared for an attack.

The Office led the response to the Wannacry attack, updated the Digital Security Policy and developed tools to assist agencies manage their security risks.

Data Analytics

The importance of using data to tailor services to business and the community will help improve the efficiency and effectiveness of government services. Agencies need greater ability to share data and other jurisdictions have passed legislation to facilitate this function across government.

Progress has been made in laying the foundations including the Open Data policy and fact sheets, the Open Data portal, and the draft Data Classification policy. Future initiatives will build on these foundations and move the public sector towards data analytics, which the Office of the GCIO can support. The Office is using data on the Open Data portal to create better data visualisations of government services being delivered to communities.

³ Trident Insurance Group 2015, Cyber Crime – the biggest threat to Australian business, accessed at <http://www.tridentinsurance.com.au/blog/cyber-crime-the-biggest-threat-to-australian-business/>

ICT Procurement

In transforming the way agencies procure ICT infrastructure, the Office of the GCIO has identified the need for further reform of ICT procurement. Procurement is a key vehicle through which public sector agencies access ICT products and services, and more importantly, bring innovative technologies into government. In particular, increasing small to medium enterprises (SME) involvement is one way to drive greater innovation in government service delivery.

Current contracting models do not allow the flexibility required to take advantage of more agile ‘as-a-service’ delivery models, where agencies can change suppliers without restriction. Contracting models established for lengthy terms with a limited number of suppliers do not support the dynamic technology environment. Such models also limit SME involvement due to the cost and time required to participate in lengthy procurement processes, and expensive and duplicated market testing exercises.

In investigating improvements to ICT procurement, the Office of the GCIO will examine options for enhancing business and service delivery outcomes throughout the contract planning, formation and management stages.

Better connectivity

“Smart Cities” use digital technologies to join together various parts of communities and their infrastructure, in a way which makes fast and meaningful interactions between them easy to develop and maintain.

Smart Cities initiatives show significant potential to create jobs and support the industries of the future, and better connectivity, particularly in regional areas, is fundamental to growth.

The Office of the GCIO will explore developing a path for Western Australia’s cities and communities to adopt smart technologies. Collaboration with regional communities, industry and research institutes will identify how best to support and grow opportunities.

SIGNIFICANT ISSUES AND FUTURE TRENDS



The Hon. Dave Kelly MLA, Minister for Innovation and ICT, using Virtual Reality technology at the World Wide Web Conference welcome function

Digital Services

According to research published by the Digital Transformation Agency, Australia Post and the Australian Information Industry Association, the majority of Australians want governments to make more services available online⁴. The Office of the GCIO plays a lead role in coordinating and assisting agencies re-design their online services and in improving community access and use of these services through a consistent whole of government online user experience.

Public confidence in the security of digital services offered by government is paramount, and users will need some form of “digital ID” or whole of government logon. The Office of the GCIO is working with a range of agencies, the Commonwealth government and the private sector to identify the best way to engage with the community and deliver trusted digital services.

Demand for Digital Skills

The rapid evolution of technology presents significant opportunities for improving Government service delivery and business outcomes. Innovations in private sector digital service delivery have increased the public’s expectations of government service delivery. However, with approximately 80 percent of Australian government agencies considering that their digital capabilities are behind the private sector, and only 27 percent confident in their readiness to respond to digital trends, the Office of the GCIO recognises that transformation of the public sector to a modern digital government to be a complex undertaking.

⁴ DWA+JM Bruce 2015, Transformation Index Monitor Baseline Report 2015, Digital Transformation Agency, accessed at <https://www.dta.gov.au/files/DTO-Transformation-Index-Monitor-Baseline-Report.doc>;

Australia Post 2016, Choice and convenience drive ;’digital first’ success insight paper, Australian Postal Corporation, retrieved 10 June 2017, accessed at <https://auspostenterprise.com.au/content/dam/corp/ent-gov/documents/egov-insights-paper.pdf>;

Australian Information Industry Association and Galaxy Research 2017, AIIA Technology and Government Study, Australian Information Industry Association, accessed at https://www.aiia.com.au/_data/assets/pdf_file/0019/75034/gov-study.pdf

SIGNIFICANT ISSUES AND FUTURE TRENDS

Transformation of the Western Australian public sector will be enabled, in part, by building a workforce with the right digital skill set and knowledge, and leveraging more effectively the digital expertise and experience that exists across agencies. The Office of the GCIO recognises a staged, focused approach that builds the digital skills and knowledge of employees, and the digital capacity of the sector as whole, has a higher likelihood of success.

Rationalisation of software licences

Historically, the public sector has purchased software on an agency-by-agency basis. The Office of the OGCI is exploring the opportunity to move towards licensing on a whole of government scale. This will better leverage the bulk buying power of government and reduce overall costs as licences are better utilised and shared across agencies.

Common Platforms

Many of the functions carried out by agencies are sufficiently similar to be supported by a single common digital platform or platforms. Reducing the number of different technologies in use across government and adopting a standards-based approach will improve interoperability, simplify procurement, and reduce overall platform spending.

The Office of the GCIO will play a key role in identifying business functions and services that are suitable to be supported by one or more common platforms, and in assisting agencies move towards a simpler and more consistent technology environment.

Slow adoption of Digital WA initiatives

The whole of government benefits to be derived from *Digital WA* depend on the collaborative efforts and active involvement of public sector agencies. The rate of adoption by agencies has been slower than anticipated due in part to the competition between agency-specific and whole-of-government objectives and outcomes, particularly in relation to GovNext-ICT, the State election, and the machinery of government changes announced in April 2017.

The Office will continue to work with Government to ensure that agencies have the capability and discretion to prioritise the sector-wide digital transformation agenda in *Digital WA* to accelerate the delivery of the savings and other benefits.

Agility of the local ICT industry

The Western Australian government sector is the largest purchaser of ICT goods and services in the State, and any changes to government procurement arrangements will have an impact on the local industry. The ability of the local industry to provide the types of modern services the Government is seeking to move towards will also influence how quickly agencies can transform.

The Office of the GCIO liaises regularly with industry and professional bodies to provide clarity around current and future directions in government ICT reform and respond to issues raised. By moving towards consumption and other “as a service” pricing models, rather than traditional up-front purchases, the public sector seeks to both reduce overall government spend on current ICT activities, and free up resources to direct towards improved service delivery using innovative technologies and approaches, many of which will create new business opportunities within Western Australia.

SUMMARY OF FINANCIAL PERFORMANCE FOR 2016-17

The Office of the GCIO 2016-17 gross expense allocation was approximately \$4.7 million, funded largely through appropriations from government (\$3.4 million). The other key funding source was income from the ICT Renewal and Reform Fund (\$1.3 million).

The \$4.7 million in expenses primarily relates to employee expenses (\$3.1 million) and supplies and services (\$1.0 million).

Actual results versus estimate	Estimate ^(a) \$000	Actual \$000	Variance \$000	Reason for significant variation between actual and estimate
Total cost of services (expense limit)	4,662	9,430	4,768	The variance reflects the approval of additional funding from the ICT Renewal and Reform Fund, including the GovNext-ICT and myWA projects as well as the transfer of the Innovation Fund and its administration to the Office of the GCIO.
Net cost of services	(3,387)	(5,385)	(1,998)	Increased expenditure in 2016-17 reflects the approval of additional funding from the ICT Renewal and Reform Fund, including the GovNext-ICT and myWA projects.
Total equity	–	1,440	1,440	The Office of the GCIO was created in 2015-16 with equity figures first identified at 30 June 2016 end. This was after the budget allocation for 2016-17 was published in May 2016, as such there were no opening equity figures.
Net increase/(decrease) in cash held	–	4,596	4,596	Cash was higher than estimated due to additional funding being approved during 2016-17 for a number of projects but not being fully expended in 2016-17 with carryovers subsequently approved for the myWA and GovNext-ICT projects, and the Innovation Fund.
Approved salary expense level	2,172	4,129	1,957	The actual salary expense was above the estimate largely due to additional funding being approved during the 2016-17 financial year for the salary costs associated with the GovNext-ICT and myWA projects, and the transfer of the Innovation Fund and its administration to Office of the GCIO.
Working Cash limit	233	450	217	The working cash limit was above the estimate largely due to additional funding being approved during the 2016-17 financial year for the salary costs associated with the GovNext-ICT and myWA projects, and the transfer of the Innovation Fund and its administration to Office of the GCIO.

(a) Further explanations are contained in Note 26 of the financial statements.

SUMMARY OF NON-FINANCIAL PERFORMANCE FOR 2016-17

Outcome

Key effectiveness indicator	Unit	Target	Actual
Percentage of ICT policies endorsed by Governance groups for development by OGCIO that have been developed and approved by Government	%	75	75
Percentage of Innovation submissions received that have been actioned	%	100	100

Service

Key efficiency indicator	Unit	Target	Actual
Average cost of Policy Development	\$'000	201	192 ^(a)
Cost of GovNext and myWA project implementation as a percentage cost of the overall government spend on related services	%	2.5	3.1 ^(b)
Administrative costs per innovation initiative and/or grant application	\$	5,279	5,311 ^(c)

a) The lower result is due to slightly lower costs than anticipated incurred by OGCIO on policy development activities.

b) Actual whole-of-government expenditure on related ICT services was lower than initial estimates resulting in a higher comparative result. This was primarily due to agencies reducing ICT spend as they prepare for a transition into the new GovNext-ICT framework

c) Actual numbers of activities against the Innovation initiative were greater than anticipated, resulting in lower average costs, however launch and start-up costs that were not anticipated in the target have pushed administrative costs higher for the 2016-17 actuals resulting in a slightly over target result.

CERTIFICATION OF FINANCIAL STATEMENTS

Certification of Financial Statements

For the year ended 30 June 2017

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

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



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



Dominick Geraghty
Chief Finance Officer
10 August 2017

AUDIT OPINION



Auditor General

INDEPENDENT AUDITOR'S REPORT

To the Parliament of Western Australia

OFFICE OF THE GOVERNMENT CHIEF INFORMATION OFFICER

Report on the Financial Statements

Opinion

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

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

Basis for Opinion

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

Responsibility of the Government Chief Information Officer for the Financial Statements

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

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

Auditor's Responsibility for the Audit of the Financial Statements

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

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

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

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

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

Report on Controls**Opinion**

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

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

In my opinion, in all material respects, the controls exercised by the Office of the Government Chief Information Officer are sufficiently adequate to provide reasonable assurance that the receipt, expenditure and investment of money, the acquisition and disposal of property and the incurring of liabilities have been in accordance with legislative provisions during the year ended 30 June 2017.

AUDIT OPINION

The Government Chief Information Officer's Responsibilities

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

Auditor General's Responsibilities

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

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

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

Limitations of Controls

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

Report on the Key Performance Indicators**Opinion**

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

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

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

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

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

Auditor General's Responsibility

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

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

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

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

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

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

This auditor's report relates to the financial statements and key performance indicators of the Office of the Government Chief Information Officer for the year ended 30 June 2017 included on the Office's website. The Office's management is responsible for the integrity of the Office's website. This audit does not provide assurance on the integrity of the Office's website. The auditor's report refers only to the financial statements and key performance indicators described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these financial statements or key performance indicators. If users of the financial statements and key performance indicators are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial statements and key performance indicators to confirm the information contained in this website version of the financial statements and key performance indicators.


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

STATEMENT OF COMPREHENSIVE INCOME For the year ended 30 June 2017

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

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

STATEMENT OF FINANCIAL POSITION As at 30 June 2017

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

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

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

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

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

STATEMENT OF CASH FLOWS For the year ended 30 June 2017

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Note 1. Australian Accounting Standards

General

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

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

Early adoption of standards

The sub-department cannot early adopt an Australian Accounting Standard unless specifically permitted by TI 1101 *Application of Australian Accounting Standards and Other Pronouncements*. There has been no early adoption of any Australian Accounting Standards that have been issued or amended (but not operative) by the sub-department for the annual reporting period ended 30 June 2017.

Note 2. Summary of significant accounting policies

(a) General statement

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

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

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

(b) Basis of preparation

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

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

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

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

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

(c) Reporting entity

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

Mission

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

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

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

Services

The sub-department provides the following services:

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

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

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

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

(d) Contributed equity

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

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

(e) Income

Revenue recognition

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

Service Appropriations

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

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

Net Appropriation Determination

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

- Grants and subsidies
- Other revenue

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

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

(f) Leases

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

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

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

(g) Financial instruments

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

- Receivables
- Financial liabilities measured at amortised cost.

Financial instruments have been disaggregated into the following classes:

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

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

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

(h) Cash and cash equivalents

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

(i) Accrued salaries

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

(j) Receivables

Receivables are recognised at original invoice amount less an allowance for any uncollectible amounts (i.e. impairment). The collectability of receivables is reviewed on an ongoing basis and any receivables identified as uncollectible are written-off against the allowance account. The allowance for uncollectible amounts (doubtful debts) is raised when there is objective evidence that the sub-department will not be able to collect the debts. The carrying amount is equivalent to fair value as it is due for settlement within 30 days.

(k) Payables

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

(l) Borrowings

All loans payable are initially recognised at

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

(m) Provisions

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

Provisions - employee benefits

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

Annual leave

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

When assessing expected future payments consideration is given to expected future wage and salary levels including non-salary

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

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

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

Long service leave

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

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

maturity that match, as closely as possible, the estimated future cash outflows.

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

Superannuation

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

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

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

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

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

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

unfunded GSS transfer benefits attributable to members who transferred from the Pension Scheme, are assumed by the Treasurer. All other GSS obligations are funded by concurrent contributions made by the sub-department to the GESB.

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

Provisions - other

Employment on-costs

Employment on-costs, including workers' compensation insurance, are not employee benefits and are recognised separately as liabilities and expenses when the employment to which they relate has occurred. Employment on-costs are included as part of 'Other expenses' and are not included as part of the sub-department's 'Employee benefits expense'. The related liability is included in 'Employment on-costs provision'.

(n) Superannuation expense

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

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

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

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

Note 3. Comparative figures

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

Note 4. Judgements made by management in applying accounting policies

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

Operating lease commitments

The sub-department has entered into a lease for office accommodation. This lease is of a temporary nature and it has been determined that the lessor retains substantially all the risks and rewards incidental to ownership. Accordingly, this lease has been classified as operating lease.

Note 5. Key sources of estimation uncertainty

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

Long service leave

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

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

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

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

AASB 1057 Application of Australian Accounting Standards

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Future impact of Australian Accounting Standards not yet operative

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

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

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

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

	Operative for reporting periods beginning on/after
<p><i>AASB 1058 Income of Not-for-Profit Entities</i></p> <p>This Standard clarifies and simplifies the income recognition requirements that apply to not-for-profit (NFP) entities, more closely reflecting the economic reality of NFP entity transactions that are not contracts with customers. Timing of income recognition is dependent on whether such a transaction gives rise to a liability, a performance obligation (a promise to transfer a good or service), or, an obligation to acquire an asset.</p> <p>The sub-department has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2019
<p><i>AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Int 2, 5, 10, 12, 19 & 127]</i></p> <p>This Standard makes consequential amendments to other Australian Accounting Standards and Interpretations as a result of issuing AASB 9 in December 2010.</p> <p>The mandatory application date of this Standard has been amended by AASB 2012-6 and AASB 2014-1 to 1 January 2018. The sub-department has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2018
<p><i>AASB 2014-1 Amendments to Australian Accounting Standards</i></p> <p>Part E of this Standard makes amendments to AASB 9 and consequential amendments to other Standards. It has not yet been assessed by the sub-department to determine the application or potential impact of the Standard.</p>	1 Jan 2018
<p><i>AASB 2014-5 Amendments to Australian Accounting Standards arising from AASB 15</i></p> <p>This Standard gives effect to consequential amendments to Australian Accounting Standards (including Interpretations) arising from the issuance of AASB 15. The mandatory application date of this Standard has been amended by AASB 2015-8 to 1 January 2018. The sub-department has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2018
<p><i>AASB 2014-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2014)</i></p> <p>This Standard gives effect to the consequential amendments to Australian Accounting Standards (including Interpretations) arising from the issuance of AASB 9 (December 2014). The sub-department has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2018

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

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

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

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

Changes in accounting estimates

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

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

Note 7. Employee benefits expense

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

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

(b) Includes a superannuation contribution component.

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

Note 8. Supplies and services

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

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

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

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

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

Note 9. Accommodation expenses

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

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

Note 10. Grants and subsidies

	2017 \$000	2016 \$000
Grants - recurrent	369	15
	369	15

Note 11. Other expenses

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

Note 12. Income

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

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

Note 13. Income from State Government

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

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

Note 14. Receivables

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

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

Note 15. Payables

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

Note 16. Other current liabilities

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

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

Note 17. Provisions

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

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

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

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

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

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

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

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

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

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

Movements in other provisions

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

Note 18. Equity

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

Accumulated surplus/(deficit)

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

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

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

	2017	2016
	\$000	\$000
Cash and cash equivalents	5,177	581
	5,177	581

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

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

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

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

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

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

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

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

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

Other expenditure commitments

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

Note 21. Related and affiliated bodies

The sub-department has no related or affiliated bodies.

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

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

Note 23. Remuneration of auditor

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

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

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

Note 24. Compensation of Key Management Personnel

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

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

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

Note 25. Related Party Transactions

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

Related parties of the sub-department include:

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

Significant transactions with government related entities

Significant transactions include:

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

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

Material transactions with other related parties

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

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

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

Note 26. Explanatory Statement

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

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

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

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

Note 26. Explanatory Statement

Major Estimate and Actual (2017) Variance Narratives

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

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

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

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

Note 26. Explanatory Statement

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

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

Note 26. Explanatory Statement

NET ASSETS

	–	1,440	(699)	1,440	2,139
EQUITY					
Contributed equity	–	–	–	–	–
Accumulated surplus/(deficit)	–	1,440	(699)	1,440	2,139
TOTAL EQUITY/(EQUITY DEFICIT)	–	1,440	(699)	1,440	2,139

Major Estimate and Actual (2017) Variance Narratives

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

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

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

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

Note 26. Explanatory Statement

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

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

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

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

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

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

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

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

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

Credit risk

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

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

Credit risk associated with the sub-department's financial assets is minimal. For receivables other than government, the sub-department trades only with recognised, creditworthy third parties. The sub-department utilises Department of Finance policies to ensure that sales of products and services are made to customers with an

appropriate credit history. In addition, receivable balances are monitored on an ongoing basis with the result that the sub-department's exposure to bad debts is minimal. At the end of the reporting period there were no significant concentrations of credit risk.

Liquidity risk

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

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

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

Market risk

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

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

(b) Categories of financial instruments

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

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

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

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

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

(c) Financial instrument disclosures*Credit risk*

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

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

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

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

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

Liquidity risk and interest rate exposure

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

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

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

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

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

Fair values

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

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

Note 28. Special purpose accounts - administered

ICT Renewal and Reform Fund ^(a)

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.

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

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

Note 29. Supplementary financial information

(a) Write-offs

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

(b) Losses through theft, defaults and other causes

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

(c) Gifts of public property

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

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

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

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

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

Major Estimate and Actual (2017) Variance Narratives

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

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

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

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

Note 31. Administered assets and liabilities

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

CERTIFICATION OF KEY PERFORMANCE INDICATORS

Certification of key performance indicators

For the year ended 30 June 2017

I hereby certify that the key performance indicators are based on proper records, are relevant and appropriate for assisting users to assess the Office of the Government Chief Information Officer's performance, and fairly represent the performance of the sub-Department for the financial year ended 30 June 2017.



Giles Nunis

Chief Executive and Government Chief Information Officer

10 August 2017

PERFORMANCE ASSESSMENT

Outcomes

The Government desired outcomes that the sub-Department works to achieve through its services are:

Government goals	Order	Desired outcomes	Services
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.	One	Enabling effective utilisation of best practice technology in the public sector.	Establishment of a Platform for the Delivery of Better Government Services through Efficient Development of Information and Communications Technology (ICT) Strategy, Policies and Solutions.
	Two	To pave the way for Western Australians to take ideas from discovery to commercialisation, increase investment in Western Australian innovation, increase the number of scaled innovations and reduce the time and cost of doing so.	Establishment of a \$20 million innovation package to grow the WA innovation ecosystem and innovation activity through the delivery of programs, services and events.

Measuring the Performance

The Office of the Government Chief Information Officer measures its performance through a comparison of policy and costs against overall government direction and ICT spend.

KEY EFFECTIVENESS INDICATORS

Outcome 1:

Enabling effective utilisation of best practice technology in the public sector

This outcome supports the Government's goals for an efficient and cost effective public service and reflects the OGCIO role in establishing the framework and policy to assist agencies in achieving more efficient services.

The Digital WA strategy provides a whole of government vision and roadmap for ICT in Western Australia. By working together as part of one government, public sector agencies will work towards aligning their technology and business functions to improve service delivery to the community.

The Western Australian Government ICT Strategy will help transform the way public services are designed, supported and delivered for a community living and working in a digital world.

The Strategy and associated policies set a framework for government agencies to adopt to achieve business benefits and improved service delivery. The Digital WA: State ICT Strategy identifies the key policy initiatives to be implemented. The Strategy and whole of government policies were/are endorsed by the governance groups (e.g. CIO Council, Business Impact Group and DG Council), and are developed by the OGCIO for approval by Government.

Key indicators of effectiveness

Key indicators of effectiveness	2016-17 target	2016-17 actual
Percentage of ICT policies endorsed by Governance groups for development by OGCIO that have been developed and approved by Government. ^(a)	75	75 ⁽¹⁾

(a) The percentage of policies endorsed by the governance groups for development by OGCIO that have been implemented and approved by Government, reflect the effectiveness of OGCIO in delivering these policy directions. This indicator was developed for use in 2016-17 and no historical comparison is available.

1) Twelve policies were endorsed to be developed with nine developed by OGCIO and approved by Government during 2016-17.

	Policy Title	Progress
1	Open Data	Developed and approved
2	GovNext-ICT	Developed and approved
3	Digital WA	Developed and approved
4	Business Continuity for Disaster Recovery	Developed and approved
5	Cloud	Developed and approved
6	Digital Security	Developed and approved
7	Digital Services	Developed and approved
8	Interoperability	Developed and approved
9	Data Classification	Under development
10	ICT Procurement	Under development
11	Privacy	Under development
12	myWA	Developed and approved

KEY EFFECTIVENESS INDICATORS

Outcome 2:

To pave the way for Western Australians to take ideas from discovery to commercialisation, increase investment in Western Australian innovation, increase the number of scaled innovations and reduce the time and cost of doing so.

Effective review and recommendation on all submissions for innovation grants received ensures all opportunities for Government support of Innovation are considered. Verification of those submissions that are viable for support by Government ensures the effectiveness of the Innovation initiative.

Innovation grants will provide the opportunity for West Australian business ideas to progress commercialisation and thereby improve overall investment and economic growth for the State.

Key indicators of effectiveness		2016-17 target	2016-17 actual
Percentage of Innovation submissions received that have been actioned. ^(a)	(%)	100	100

(a) The percentage of innovation grant submissions received that were actioned. This outcome was added for the 2016-17 financial year through additional funding allocated to the OGCIO to create the Innovation Fund, therefore no historical comparison is available.

KEY EFFICIENCY INDICATORS

Service 1:

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

The OGCIO continues to develop the ICT platform, through policy development and project implementation, for the delivery of better government services.

The indicators represent the costs per unit of policy development and the cost of project implementations as a percentage of overall government spend on related ICT services. Taken into account with the notes explaining any variances, it provides a measure of efficiency.

To ensure the cost of policy change for government is efficient, the overall cost of implementing the change needs to be cost effective when compared to the total government spend on the related activities. In this case the costs impacted relate to server, internet and related services.

Key indicators of efficiency		2016-17	2016-17
		target	actual
Average cost of Policy Development ^(a)	(\$ '000)	201	192 ⁽¹⁾
Cost of GovNext and MyWA project implementation as a percentage cost of the overall government spend on related services ^(b)	(%)	2.5	3.1 ⁽²⁾

(a) Cost of policy and strategic services divided by the number of policy initiatives endorsed by the governance groups for development by OGCIO. This calculation includes an overhead for the administrative costs of the OGCIO, including executive and office management costs. This KPI was developed for use in 2016-17 thus no comparative figures are available.

(b) Total cost of projects as a percentage of the overall ICT Services spend by government. This calculation includes the full cost of the Projects, including administration, project spend and overheads. This KPI was developed for use in 2016-17 thus no comparative figures are available.

1) The lower result is due to slightly lower costs than anticipated incurred by OGCIO on policy development activities .

2) Actual whole-of-government expenditure on related ICT services was lower than initial estimates, thereby resulting in a higher comparative result. The lower expenditure is primarily a result of agencies reducing ICT spend as they prepare for a transition into the new GovNext framework.

Service 2:

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

Efficient utilisation of resources achieves value for money outcomes for government in the delivery of services.

This indicator reflects the cost of managing the Innovation fund and delivery of its programs and grants.

For 2016-17 the cost is impacted by the set-up of the program, including the launch and promotional activities.

This KPI covers the effective management of the full cost of the Innovation outcome.

Key indicators of efficiency		2016-17	2016-17
		target	actual
Administrative costs per innovation initiative and/or grant application ^(a)	(\$)	5,279	5,311 ⁽¹⁾

(a) The cost of administering the Innovation activities and grants divided by the number of activities and grants during the year. This calculation includes an overhead for the administrative costs of the OGCIO, including executive and associated office costs. This KPI was developed for use in 2016-17 thus no comparative figures are available.

1) Actual numbers of activities against the Innovation initiative were greater than anticipated, resulting in lower average costs, however launch and start-up costs that were not anticipated in the target have pushed administrative costs higher for the 2016 -17 actuals resulting in a slightly over target result.

DISCLOSURES

Ministerial Directives

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

The Office of the GCIO did not receive any Ministerial Directives during 2016-17.

Other Financial Disclosures

Pricing policies of services provided

Not applicable

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 2016-17 reporting period.

	2016-2017 \$
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

DISCLOSURES

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	2016-17	2015-16
Full-time	19	9.5
Part-time	1	1.6
Seconded in	16	13.5
Total	36	24.6

Source Data: 2016-2017 MOIR Data

Notes:

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

Workers Compensation

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

	2016-17	2015-16
Workers' compensation claims	0	0
Lost time injuries	0	0

Industrial Relations

Staff at the Office of the GCIO are employed under the conditions of 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 also 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 its commencement the priority has been to recruit and maintain a high performing workforce. Continuing development is supported through the Performance and Development Program.

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 the Department'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 Corporate Executive meets weekly and includes the Government Chief Information Officer and Executive Directors.

The Financial Management sub-committee meets monthly and membership includes the Government Chief Information officer, Executive Director Policy and Governance and the Chief Finance Officer of the Department of Finance.

Senior officers

As at the 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 sub-department or the Office of the GCIO other than normal contracts of employment of service.

Board and committee remuneration

Nil

DISCLOSURES

Other legal requirements

Expenditure on advertising, market research, polling and direct mail

In accordance with section 175ZE of the *Electoral Act 1907*, the Office of the GCIO incurred \$336,829 expenditure during the year for the Innovation Worth Sharing branding and marketing campaign.

Organisation	2016-17 Expenditure (incl. GST)
Advertising agencies	
• Rare Pty Ltd	87,978
• Adcorp Australia Limited	5616
Market research organisations	Nil
Polling organisations	Nil
Direct mail organisations	Nil
Media advertising organisations	
• Carat Australia Media Services	243,235
Total	336,829

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 2016-17. No disclosures were received in 2016-17 under the *Public Interest Disclosure Act 2003*.

Recordkeeping plans

The Office of the GCIO continues to follow recordkeeping compliant protocols developed by the Department of Finance and all staff have access to instructions and guides for the use of the recordkeeping system via the agency's intranet.

The release of a new customised online learning module for recordkeeping supports the Department of Finance's commitment to maintaining good recordkeeping practices and is an extension to the recordkeeping obligations and compliance training provided during induction training.

Freedom of information

In compliance with the *Freedom of Information Act 1992* the Office of the GCIO has published an Information Statement describing the types

of documents in its possession that could be accessed under Freedom of Information. In 2016-17 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 continues to provide 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.

DISCLOSURES

Injury management

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.
- ongoing provision of up-to-date training on health and safety matters to all staff.
- developing the Hazard/Incident Reporting and Issue Resolution process.

Public Sector Commissioner's Occupational Safety and Health performance requirements 2016-17

Indicator	2016-17	2015-16	Target	Comment on result
Number of fatalities	Nil	Nil	Nil	Achieved
Lost time injury and/or disease incidence rate	Nil	Nil	At least nil or 10% improvement on the previous two years	Achieved - No lost time injuries during 2016/17
Lost time injury and/or disease severity rate	Nil	Nil	Nil	Achieved - No Lost time injuries during 2016/17
Percentage of injured workers returned to work:	Nil	Nil	Nil	
• Within 13 weeks	N/A	N/A		
• Within 26 weeks	N/A	N/A		
Percentage of managers trained in occupational safety, health and injury management responsibilities	0%	0%	Greater than or equal to 80%	Corporate Executive has engaged with the OSH team at Finance about alternative training initiatives including streamlining of mandatory training to ensure that the number of managers trained in occupational safety, health and injury management is at appropriate levels.

Legislation administered

The Office of the GCIO does not administer any legislation.

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