



Government of **Western Australia**
Department of **Finance**



DEPARTMENT OF **FINANCE**

ANNUAL REPORT **2014-15**



Statement of compliance

For the year ended 30 June 2015

I hereby submit for your information and presentation to Parliament, the Annual Report for the Department of Finance for the financial year ended 30 June 2015.

The Annual Report has been prepared in accordance with the provisions of Section 61 of the *Financial Management Act 2006*.



Anne Nolan
Director General
2 September 2015

About this report

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

The Department of Finance supports sustainability and encourages readers to view the report at www.finance.wa.gov.au. Only limited professional printed copies have been produced.

As part of the Department's focus on continuous improvement, we encourage your feedback about this document. Contact details for the Department are listed on page 97.

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Key legislation

The Department of Finance complies with all relevant legislation that governs its functions.

The Department also has responsibility for the administration of 34 Acts and collected taxes, duties and fees, and paid subsidies, grants and rebates during 2014-15 in accordance with legislation.

These are listed in Appendix 1 on page 96.

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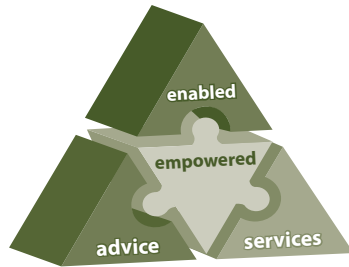
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Executive summary



Our vision is a high performing public sector empowered and enabled by our advice and services.

As a central agency, the Department of Finance facilitates the efficient operation of government, informed decision-making and value-for-money outcomes for Western Australians.

Some major achievements across the Department this year have included:

- The successful completion of Phase One of the Electricity Market Review in response to concerns regarding the increasing costs of electricity.
- The delivery of State grants worth over \$250 million and revenue collection of State taxes and duties of over \$7.1 billion.
- Enhancement of a framework of 47 Common Use Arrangements across government, with an estimated turnover of \$1.13 billion.
- The delivery of an extensive school capital works program transitioning Year 7 into high school, where 31 new facilities across 29 sites were completed on-time and on-budget across the State, in time for students commencing the 2015 year.
- Supporting government to identify, plan for and deliver regulatory reform and reduce red tape, with the aim to modernise the State's economy, support jobs and investment.
- Assisting over 120 State Government entities in the planning, procurement and management of over 555,000 square metres of office accommodation.

The **Public Utilities Office** has taken the lead in managing the review of the electricity market in the South West Interconnected System. In overseeing the completion of Phase One of the Review, the Public Utilities Office has supported the Steering Committee in preparing an Options Paper, providing alternative structural reform options to the electricity market. The paper provided alternatives on how government can reduce rising electricity costs to consumers, along with reducing the Government's subsidy to energy retailer Synergy. The Options Paper was released by the Minister for Energy on 24 March 2015 at the same time as the launch of Phase Two of the Review.

With Finance committed to improving value-for-money outcomes for Western Australians, **State Revenue** is continuously reviewing its administrative processes, seeking to enhance the timeliness of its operations for not only taxation collection, but grants and subsidies distribution. With the 2014-15 Budget including capital funding for such initiatives, the investment will result in increased efficiency in revenue collection, improved debt management and removal of red tape. The enhancements are expected to cost \$32.055 million over five years to 2018-19.

Government Procurement continued to help agencies operate their business more efficiently and cost-effectively through sector-wide contracts. The Retail Electricity Services Common Use Arrangement has so far generated estimated savings of \$13.7 million or about nine per cent per year. There are 39 agencies using the arrangement, encompassing 487 separate sites including schools, hospitals and other government offices.

In the drive to meet the future needs of the community, **Building Management and Works** not only delivered a Year 7 high school capital works program, but significant non-residential capital works programs including the construction of new schools, two courthouses, sporting facilities and other government buildings.

In 2014-15, Finance's Building Management and Works delivered an infrastructure program worth \$590 million, all within budget and 96 per cent delivered on-time.

Fulfilling its purpose to oversee the efficient and effective procurement of non-residential building services to government agencies, an estimated \$80 million in office accommodation expenditure is likely to be avoided over the next 10 years through Building Management and Works' consolidation of government agencies in Gordon Stephenson House and the relocation of the Department of Commerce into less space and lower cost leases.

The creation of the Office of the Government Chief Information Officer

The Government has recognised the opportunity to reduce costs and deliver better services to the Western Australian community by coordinating a strategic approach to Information and Communications Technology (ICT) across the public sector. This year, a plan developed by the Department of Finance to better coordinate, consolidate and prioritise ICT services through a Government Chief Information Officer was adopted by Government.

In March 2015, the State Government announced the decision to appoint Western Australia's first Government Chief Information Officer. The new Office of the Government Chief Information Officer, established as a sub-department of the Department of Finance, commenced operations on 1 July 2015.



The Office of the Government Chief Information Officer commenced operations on 1 July 2015

Led by the Minister for Finance, the Office will guide ICT reform across the Western Australian public sector. It will achieve this by engaging and collaborating with agencies and industry to deliver tangible benefits to Western Australians. It will also drive innovation and improve the way the public sector delivers ICT services to the community, delivering better value for the taxpayer.

Organisational structure



The Department of Finance’s vision is a high performing public sector empowered and enabled by our advice and services. This vision shapes the evolution of the Department, as we work to facilitate the efficient operation of government.

The Department of Finance reports to the Minister for Finance and Minister for Energy.

The Minister for Finance was the Hon Dean Nalder MLA from 1 July 2014 to 8 December 2014. From this date, the Hon Bill Marmion MLA was appointed Minister for Finance. The Hon Dr Mike Nahan MLA was Minister for Energy in 2014-15.

The Department of Finance was established as a Department on 1 July 2011, under section 35 of the *Public Sector Management Act 1994*.

The Department’s *Strategic Directions 2015-18* was launched to staff this year, which will guide employees in their approach to Finance’s vision. The framework challenges staff to examine what we do, why we do it and where we can add new value by building and consolidating on our core strengths, our people, businesses, relationships, and systems and processes.

Our underpinning values of Accountability, Commitment, Leadership, Listening and Caring, and People Matter continue to unite us as a Department, and form the foundation of our strategic goals.

Living these values exemplifies the trusted advice and quality services provided by the Department to government and its agencies.

Finance fulfils its purpose through:

- Leadership and strategic advice to government on initiatives to improve the operations and management of services to the public sector.
- Continuous improvement in the provision of efficient and effective procurement and non-residential building services to government agencies.
- The fair and efficient administration of revenue laws and the payment of grants and subsidies to the community.
- Influential advice and policy development for government on economic reform and utilities.

This direction enables the Department's business units to share a common focus of delivering excellent services and advice to meet the needs of government and stakeholders.

Transfer of Fremantle Prison to the State Heritage Office

The World Heritage-listed Fremantle Prison became a branch of the State Heritage Office, under the Heritage portfolio on 1 July 2015.

Fremantle Prison has been part of the Department of Finance since it was decommissioned as an operating prison in November 1991. As custodian of the Prison, the Department has overseen the Prison's transition to new use as one of Western Australia's most popular tourist destinations. The Department has also established a sustainable business model for the facility, ensuring its internationally significant heritage values are conserved and enjoyed by many thousands of visitors each year.

The transfer of responsibility will not impact on the Prison's operations as a premier tourism site nor its current staffing levels. Rather, it will



Finance Minister, the Hon Bill Marmion MLA hands the keys of Fremantle's Prison to the Heritage Minister, the Hon Albert Jacob JP MLA

benefit from the conservation and ongoing viability of this significant international heritage site. The move to the State Heritage Office will bring all World Heritage-listed sites in Western Australia into a single ministerial portfolio under the Minister for Heritage.

Performance management framework

Changes to outcome based management framework

Changes to the performance management framework in 2014-15 include:

- The realignment of the desired outcome “A sustainable, efficient, secure and affordable energy sector” to the Government goal of “Financial and economic responsibility”.
- The cessation of the “Decommissioning of Shared Services” outcome as this was completed in 2013-14.
- The clarification of the name of the outcome “Provision of Corporate Services” to “Efficient and effective Corporate Services to the Department of Treasury”. The name of the associated service was also changed from “Services to Government” to “Corporate Services to the Department of Treasury”.
- The realignment of the service “Assessment of proposed policy changes and the impact on regulatory functions” from the formerly named outcome “Provision of Corporate Services” to the outcome “A sustainable, efficient, secure and affordable energy sector”.

Government goals	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.	Due and payable revenue is collected and eligible grants, subsidies and rebates paid.	Revenue assessment and collection, and grants and subsidies administration.
	A sustainable, efficient, secure and affordable energy sector.	Development and implementation of energy policy and economic reform; Assessment of proposed policy changes and the impact on regulatory functions.
Results-based service delivery		
Greater focus on achieving results in key service delivery areas for the benefit of all Western Australians.	Value-for-money from public sector procurement.	Development and management of common use contract arrangements, State Fleet leasing and disposal, and providing facilitation service for agency specific contracts.
	Efficient and effective Corporate Services to the Department of Treasury.	Corporate Services to the Department of Treasury.
State building - major projects		
Building strategic infrastructure that will create jobs and underpin Western Australia’s long-term economic development.	Value-for-money from the management of the Government’s non-residential buildings and public works.	Leads the planning, delivery, management and maintenance of government buildings, projects and office accommodation.

Shared responsibilities with other agencies

Integral to the success of both the Department and the Government is the ability to partner with others.

As a central agency, the Department works closely across the sector to facilitate the efficient operation of government, informed decision-making and value-for-money outcomes for Western Australians.

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

Annual highlights



Completion of Phase One of the Electricity Market Review.



The on-budget delivery of our Statewide infrastructure program.

A high performing public sector empowered and enabled by our advice and services.



Leading the identification of regulatory reform and red tape reduction initiatives across government.



Overseen 47 Common Use Arrangements across government, with an estimated turnover of \$1.13 billion.



Collaboration with agencies to strategically design and implement amended tax legislation.

Quality services



Working with agencies to identify, quantify and action red tape priorities and regulatory reform.

Through building quality relationships, the Department of Finance leads interagency collaboration to champion the efficient operation of government.

Economic Reform's Regulatory Gatekeeping Unit significantly streamlined and revitalised its cross government services to provide a greater focus on regulatory outcomes, initiating a culture of regulatory best practice.

These changes were developed in consultation with agencies, providing a foundation for partnership and collaboration on regulatory development and review. Economic Reform developed tailored training programs and a revised preliminary impact assessment template to aid this process. As a result of these initiatives, early engagement with agencies on reform and policy matters increased.

In its commitment to deliver quality services in the most effective and efficient manner, **State Revenue** collaborated with the Department of Treasury to successfully design and implement amended legislation to the tax laws it administers.

Both the *Taxation Legislation Amendment Act 2015* and *Taxation Legislation Amendment Act (No. 2) 2015* came into force this year, introducing changes to tax exemptions for certain charitable bodies and primary producers to ensure concessions are provided to taxpayers genuinely in need of relief.

The design of the legislation minimised the administrative burden of associated changes on taxpayers, while still meeting the Government's overarching policy objectives.

State Revenue is committed to not only designing effective taxation legislation but also meeting the needs of its customers. Providing accredited, compulsory professional development (CPD) courses for licensed real estate agents, business agents, sales representatives and settlement agents was just one of the ways the Department continued to meet the needs of its customers this year.

State Revenue developed and ran a number of courses including learning modules on transfer duty, Revenue Online, land tax and the first home owner grant.

The courses were well attended, providing participants with a two-way forum to voice concerns, ask questions and receive advice from technical experts. In return, these courses provided the Department with greater insight into the core issues facing its customers.

This year, 2,530 people participated in customer education courses, including the CPD sessions. This represents a 90 per cent increase in participation from 2013-14.

The Parkerville bushfire in early 2014 provided the impetus for the **Public Utilities Office** to collaborate with EnergySafety to address gaps in the regulatory framework where a privately owned power pole was identified as the fire cause by the Department of Fire and Emergency Services.

The partnership saw the recommendation of several legislation changes to address ambiguities around the responsibilities and obligations of network operators and EnergySafety. The result was the development of a coordinated government response encouraging behaviour change by property owners with privately owned power poles and lines.

In an ongoing climate of economic change, the Government's decision to realise efficiencies regarding the size and borrowings of its State vehicle fleet has been managed by the Department's **Government Procurement State Fleet** team. As a result of significant agency engagement the Department has been able to identify and implement strategies to realise significant savings for government, while minimising the impact on day-to-day agency operations. As a result of this initiative, a reduction in fleet size and borrowings has been achieved.

Electricity Market Review gains momentum with Phase Two endorsed

The Department completed Phase One of the Electricity Market Review in response to concerns around increasing costs in the production and supply of electricity and related services.

Phase One examined the strengths and weaknesses of the current industry structure, market institutions and regulatory arrangements, and provided reform options to government to achieve a more cost-effective and efficient electricity sector. This included more opportunities for private sector investment.

In March this year, the Minister for Energy released the Options Paper prepared by the **Public Utilities Office**, and launched the second phase of the review process, announcing a series of reform projects endorsed by government.

These projects included measures to:

- Enable residential and small business customers to choose their electricity retailer.
- Transition to the national regulatory system for electricity networks.



The second phase of the Electricity Market Review was launched in March this year

- Streamline the ways in which generators and demand side management providers receive price signals for the energy capacity they provide, to reduce surplus capacity in the market.
- Improve the governance of the rule-change process for the wholesale electricity market.

The Public Utilities Office is now working on a detailed design framework for these identified reforms, work which will continue into the next financial year.

Delivering value



Ensuring better value-for-money across government maintenance projects, a new low value maintenance panel commenced this year.

The Department is committed to identifying innovative ways in which systems, processes and policies can be improved to deliver better value to government, industry and the community.

The Department delivers value across the public sector through maintaining effective, competitive Common Use Arrangements for the whole-of-government. These Arrangements streamline the procurement process, minimise risk and ensure value-for-money.

The Department develops and manages 47 Common Use Arrangements, with an estimated turnover of \$1.13 billion involving approximately 830 suppliers. This year, **Government Procurement**, in collaboration with agencies and industry, established the Computing and Mobile Devices Common Use Arrangement. Valued at \$100 million over five years, the agreement ensures agencies can keep their computing and technology relevant in a flexible arrangement.

The Department also assists agencies to procure goods and services directly, minimising risk and maximising value-for-money. Over the last year, Government Procurement assisted with approximately 1,095 contracts involving 1,397 suppliers to a total value of \$1.47 billion.

Major contracts included:

- Facilities, utilities and support services for Rottnest Island valued at \$136 million.
- Provision of a helicopter and crew for State Emergency Services valued at \$37.6 million.

Ensuring government's buildings across the State are maintained in the most cost-effective way is an important role overseen by **Building Management and Works**. Building maintenance services provided statewide include the upkeep, repair or replacement of existing building components, or minor works that improve the function, safety and/or the appearance of a building. This year, staff delivered maintenance services across more than 2,500 non-residential government sites, responding to more than 120,000 breakdown repair and maintenance call-outs valued at more than \$70 million. Services are delivered through a combination of public and private resources.

In its commitment to delivering value, a new low value maintenance panel was initiated this year to deliver enhanced flexibility and responsive service for government agencies, while increasing opportunities for locally based, small to medium-sized businesses. The new panel emphasises contractor performance through the inclusion of evaluation criteria assessing contractor work at the conclusion of each job.

With key performance indicators including capacity, timeliness and quality – the panel represents an improved and consistent statewide approach to the delivery of maintenance services through the modernisation of systems, processes and contracting arrangements in the Perth metropolitan and regional areas. Early evaluation indicates an average 14 per cent reduction of price per job compared to last year as a result of this initiative.

In its ongoing commitment to improving the efficiency and efficacy of Western Australia's tax and grant administration laws, **State Revenue** has this year focused on improving taxpayer compliance.

In 2014-15, State Revenue facilitated the amendment of legislation to introduce interim assessment powers, which:

- Removes the incentive for taxpayers to delay tax payments.
- Authorises the recovery of the Commissioner's valuation costs (and the imposition of penalties) where the value used differs significantly from the taxpayer's designated value.

Following these amendments, further changes were introduced to clarify the way information is treated for duty purposes, and discourage the shifting of value away from dutiable property to minimise duty.

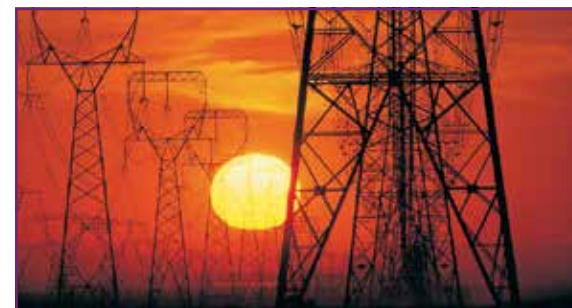
In a further display of leading cross-agency initiatives **Corporate Services** recognised and led an Interagency Knowledge Sharing Group aiming to share and develop smart, efficient and sustainable services in workforce planning and diversity. Established in September 2014 the group, comprising 12 agencies, has the potential to deliver efficiency savings by taking a whole-of-government approach to address diversity objectives. It is expected outcomes from the collaboration will result in shared innovative recruitment and retention strategies that target underrepresented groups in the public sector workforce.

Utility arrangements offer scope to save on operational expenses

Government has saved an estimated \$13.7 million following the first full operational year of the Retail Electricity Services Common Use Arrangement. This is equivalent to a nine per cent reduction in electricity costs for government agencies.

A total of 39 agencies across 487 separate sites took up electricity supply contracts under the arrangement, including schools, hospitals and other government offices.

The recently established Supply of Reticulated Gas Common Use Arrangement is valued at \$224 million over 10 years and is expected to deliver savings of up to 24 per cent against the current gas tariff. This Common Use Arrangement gives agencies the flexibility to compare tariff-based arrangements with Common Use Arrangement prices and purchase gas more efficiently at a competitive price. Though only recently released, several key agencies have already taken up the opportunities that this Common Use Arrangement provides.



The Retail Electricity Services Common Use Arrangement has saved an estimated \$13.7 million

The Department is promoting the use of both Common Use Arrangements under the Property Optimisation Project to reduce utility costs across the Government's property portfolio. Jointly initiated by **Government Procurement** and **Building Management and Works**, the project assists agencies to identify and capture opportunities to save on operational expenses.

Leading cross government initiatives



The Department is collaborating across many agencies on initiatives that identify and deliver system enhancements.

The Department leads collaboration and planning across the public sector to implement government programs that deliver benefits to taxpayers, industry and the community.

State Revenue's commitment to identify system enhancements to improve the way government, industry and taxpayers do business sees it collaborating across many agencies to realise efficiencies.

State Revenue has worked closely with Landgate and the Property Exchange Australia (PEXA) to integrate the Department's self-assessment system with the PEXA platform. The PEXA system is a secure platform that allows Australia's property lawyers, conveyancers, land registries and financial institutions to transact together online. The PEXA platform was introduced in Western Australia in May 2015 and is expected to deliver time and cost efficiencies to the conveyancing industry as well as taxpayers.

Collaboration with Landgate has also seen State Revenue deliver enhancements to its Revenue Online duties processing system this year, allowing related party and sub-sale transactions to be self-assessed. These initiatives have significantly reduced processing timeframes by up to 10 business days and enables the payment of duty at the time of settlement, representing significant savings for customers.

In March 2015, the Government announced plans to establish Western Australia's first Office of the **Government Chief Information Officer** as a sub-department of the Department of Finance.

Commencing operations on 1 July 2015, the Office of the Government Chief Information Officer will guide Information and Communications Technology (ICT) reform across the Western Australian public sector by engaging and collaborating with agencies and industry to realise tangible economic benefits and synergies for the State. The Office of the Government Chief Information Officer will also seek to drive innovation, improving the way the public sector delivers its ICT services to the community, enhancing taxpayer value.

This year, **Building Management and Works** collaborated with agencies to develop new technical standards for a quality built environment for government and the community.

Authorised users have access to an online repository that outlines the State's design and construction expectations in relation to primary schools. The site provides architects with an opportunity to design schools in response to an individual site's characteristics, while achieving consistency, durability, value-for-money outcomes, and most importantly ensuring community and school needs are met.

With these aims in mind, Building Management and Works undertook a series of technical design and documentation reviews on projects across government to ensure appropriate building quality, sustainability and whole-of-life operational and maintenance costs are achieved. Thirty-eight reviews were conducted during the first half of the year, providing estimated savings of more than \$2 million; approximately \$50,000 per project.

Building Management and Work's collaborative working relationship with the Western Australian Planning Commission continued this year, regarding the determination of development applications for metropolitan primary schools. Assessment of development applications took, on average, half the time of the statutory limit, saving weeks from every works project at metropolitan primary schools.

Repeal Week, which is organised by the Department of the Premier and Cabinet typically in November each year, provides **Economic Reform** the opportunity to showcase government's reform progress over the year. For Repeal Week 2014, a total of 32 examples across 11 agencies were identified, collated and quantified where possible.

For example, Economic Reform assisted in identifying the importance of the amendments to the *Criminal Investigations Act 2006*, which has saved the WA Police 46,000 frontline police hours, resulting in 24 full-time police officers now able to perform frontline duties.

Regulatory reform changes help modernise the State's economy

The Department has this year taken a lead role in supporting government to identify, plan for and deliver regulatory reform and reduce red tape. Well planned regulatory reform has the potential to modernise the State's economy, support jobs and investment, and ensure the least possible regulation delivers the greatest possible benefit for the community.

In driving best regulatory practice, **Economic Reform** is working with agencies to help identify, quantify and action red tape reductions and progress substantial regulatory reforms. More than 20 agencies participated in several workshops held earlier this year, where reform ideas were discussed and the Department's rapid red tape assessment tool was introduced to identify red tape reduction opportunities. Economic Reform is now working with agencies to pursue specific red tape reduction initiatives.



Economic Reform conducting a red tape reduction workshop

Leading by example, the Department of Finance this year announced several red tape reduction initiatives across the Department. Notable examples include the enhancing of State Revenue's Revenue Online platform to expand the range of online services available to taxpayers, and modernising land tax exemptions for primary producers who convert or process their own produce.

Building for the community



Delivering the Government's \$330 million education capital works program on-time and on-budget.

The Department continued to deliver facilities and services to the public through the provision of physical, social and economic infrastructure.

The Government's transitioning of Year 7 students to high school through an extensive capital works program was successfully delivered by the Department for the start of the 2015 school year.

The Year 7 capital works program delivered 31 new facilities at 29 sites across the State on-time and on-budget.

As part of the ongoing investment in education infrastructure, **Building Management and Works** also completed five new primary schools and one new high school for the start of the 2015 school year. The rebuilt Mount Lawley Primary School features state-of-the-art technology in a new two-storey, 12 classroom block comprising an art room, covered assembly area, dental therapy centre and refurbished library.

Other completed major works this year include:

- Phase three of the Kalgoorlie Health Campus (\$20.2 million) including new emergency, palliative care and medical imaging departments; upgraded services infrastructure and refurbishment of an existing building to create new outpatients, allied health and cancer centre.
- Kununurra Courthouse (\$41.8 million) was awarded the Master Builders Association 2015 'Best Regional Project' in the Western Australia Excellence in Construction Awards.

- Carnarvon Police and Justice Complex (\$52.5 million) comprising a police station, courthouse and community corrections offices to provide better services to the Gascoyne region.
- State Netball Centre (\$26 million) was awarded the Master Builders Association 2015 'Best State Government Building' in the Western Australia Excellence in Construction Awards.
- The new Western Australian Institute of Sport High Performance Service Centre (\$33.7 million). A purpose built training facility for more than 250 high performing athletes in 11 dedicated sporting programs.

In addition, the Department chaired the intergovernmental Sunset Transformation Committee, established in 2014 to oversee the transformation of the old Sunset Hospital site in Dalkeith to a heritage precinct for arts, cultural, community and ancillary commercial purposes. The *Sunset Reserve Transformation Act 2014* allowed for the sale of Lot 302 Iris Avenue to fund the first phase of improvement works due for completion in late 2016.

The **Office of the Government Architect** has collaborated across agencies to provide strategic advice in the planning, procurement and construction phases of major capital works projects. Consistent with the intent of the *Better Places and Spaces Built Environment Policy*, the architectural design quality of publicly funded and managed projects has been enhanced, along with the promotion of whole-of-government priorities and the recognition of value-for-money across the life of a project.

In addition to delivering on capital works, the Department was heavily involved in the State Underground Power Program, providing an advisory role through the **Public Utilities Office**. During 2014-15, the electricity supply for 1,409 properties was placed underground.

The Department completed a review of the funding arrangements and selection criteria for underground projects. The purpose of the review was to enable a larger number of underground projects to be delivered under each funding round of the Program. Review findings are currently under consideration by government.

The Department confirmed its commitment to supporting people with a disability this year, with **Government Procurement** marking the milestone of having facilitated the awarding of 75 contracts across 25 agencies since 2010, totalling more than \$21.7 million.

Government Procurement helps agencies to engage Australian Disability Enterprises directly, without undertaking a competitive quote or tendering process, provided the service or product being offered represents value-for-money.

Government contracts awarded have ranged from ground maintenance services for the Department of Parks and Wildlife and the collation of reading packs for the Department of Culture and the Arts, to the testing of extinguishers for the Department of Fire and Emergency Services.

National Anzac Centre delivered on-time and on-budget

Officially opened on 1 November 2014 by the Prime Ministers of both Australia and New Zealand, and the Premier of Western Australia, the National Anzac Centre was delivered on-time and on-budget by **Building Management and Works**. With the building's completion required to be in time for commemorations of the 100 year anniversary of the sailing of the First Convoy from Albany for the Great War, a tight delivery timeframe of 19 months was the challenge facing the team. A project of this scale usually requires two years.

This, together with a modest budget of \$12.1 million, required the Department to use an innovative approach to planning, design and project management to ensure costs were contained, and project timeframes were met. Collaboration between the Commonwealth, the Western Australian Museum and the City of Albany was another important initiative led by the Department to meet project objectives.



The award winning National Anzac Centre was opened on 1 November 2014

The National Anzac Centre has received a number of accolades so far, winning the Heritage tourism product category at the 2015 Western Australian Heritage Awards, shortlisted at the 2015 Australian Interior Design Awards in the Installation Design category, shortlisted for the 2015 Institute of Public Administration Australia Awards and named one of the top 26 new tourist attractions in the world by the Lonely Planet travel guide in November 2014.

Significant issues and future outlook

Containing costs in a constrained environment

The Government faces fiscal challenges and has a firm focus on reducing growth in expenditure. As part of this, the Department of Finance was selected as one of eight agencies to participate in a review of agency expenditure. This will include a detailed analysis of the Department's functions and programs and identify opportunities for savings.

The Department sees this as an opportunity to implement change that will enable it to deliver services and projects more efficiently, while delivering on its vision for a high performing public sector. It is expected the outcome from the review will be announced and implemented next financial year.



Facilitating the efficient operation of government, informed decision-making and value-for-money outcomes for Western Australians.

With the Government's fiscal constraints, **Building Management and Works** is expecting to see further reduction in its capital works program. In anticipation of this, the Department is reviewing its delivery model to ensure its Building Management and Works services are provided in the most efficient way, while maintaining its flexibility to be scalable, should demand for capital works services strengthen.

As part of the Perth CBD/CBD-fringe consolidation and decentralisation strategy, Building Management and Works will provide recommendations to government and identify opportunities for agencies to consolidate in existing location(s), or decentralise to a metropolitan activity centre.

The softening Perth property market presents opportunities to achieve better value-for-money outcomes in existing premises and locations. Building Management and Works is ensuring government benefits from the most favourable lease terms and incentives possible to maximise value-for-money in light of current market conditions.

In the context of expenditure constraint, **Government Procurement** has also embarked on a transformation program, focussed on delivering better procurement outcomes and reducing costs across government. It is expected agencies will benefit from this initiative through a streamlining of processes, providing enhanced flexibility to manage procurement activities in alignment with the risk profile.

Government Procurement will continue to assist agencies identify savings and efficiencies through better contract specifications and standards, and more dynamic Common Use Arrangements. A more rigorous framework in which to evaluate potential and current Common Use Arrangements will be applied in 2015-16, taking a category management approach, applying a robust benefits realisations methodology in assessing value-for-money.

Those Common Use Arrangements not meeting revised value or risk management criteria will not be continued when they are due for renewal, resulting in additional savings being realised from a resourcing, maintenance and redevelopment perspective.

Leading reform

On the utilities front, rising electricity prices and large subsidies paid to Synergy remain a concern for the State Government. Next year is a particularly significant year for electricity reform, with the **Public Utilities Office** continuing to lead Phase Two of the Electricity Market Review to develop and implement a selected set of reforms identified in Phase One of the Review. The reform package aims to reduce cost pressures on the electricity sector by addressing inefficiencies in the price signals for investment into the electricity market, establishing more efficient governance arrangements and facilitating increased opportunities for private sector investment.

A detailed design of reforms is underway, for consideration by government. Decisions with respect to what reforms will progress from detailed design to eventual implementation is expected to occur progressively over the next two years.

To provide industry with the opportunity to engage in the Electricity Market Review process, regular stakeholder meetings and forums will be held throughout the year. This stakeholder input will be vital to test whether the Steering Committee's proposed design option is workable and efficient.

The Pilbara electricity system also presents challenges in its capability to meet future changes in energy supply requirements. Through the Pilbara Electricity Infrastructure Project, the Public Utilities Office has proposed a new governance model and reform options for government's consideration. The package of reforms is intended to provide for competition to deliver lower electricity prices for some customers in the Pilbara region over the medium-term; and promote a more integrated and cost-effective development of electricity infrastructure over the longer term. Further private sector investment in the electricity sector is also expected from these reforms.

By working collaboratively with agencies, **Economic Reform** will champion the identification and development of opportunities to undertake regulatory reform and reduce red tape across government.

The objective being to reduce costs, create a more efficient public sector and streamline the interaction with government. Regulatory reform improves existing regulation, removes out of date or excessive regulations and ensures the creation of any new regulation delivers the best possible outcome at the lowest cost to the community. Red tape reduction, involving the removal of unnecessary processes, procedures and paperwork, is another important element that Economic Reform will champion in consultation with agencies.

Recognising and presenting opportunities

Even in this constrained fiscal environment, **Building Management and Works** capital works programs scheduled for delivery in 2015-16 includes:

- Four new primary schools, to be completed in time for the start of the 2016 school year.
- The commencement of construction on the Southern Inland Health Initiative, comprising six integrated district hospitals.
- The fit-out of the 33 floor office tower that is part of Cathedral Square.

The reform of maintenance services delivery continues with the major focus of 2015-16 involving the replacement of a number of outdated maintenance management contracts.

The replacement contracts will deliver improved maintenance outcomes across the metropolitan area, and represent a further step in the implementation of a more progressive statewide contracting framework.

Achieving value-for-money and cost efficiencies within the Government's office accommodation portfolio remains a key priority into the new financial year. Building Management and Works will continue to work closely with agencies to minimise office accommodation costs and drive efficiencies through a whole-of-government approach to property issues, such as vacant space and high operating costs.

In line with its ongoing commitment to improving customer service and reducing red tape, **State Revenue** will undertake a number of system enhancements to support improved online functionality. The Revenue Systems Consolidation and Enhancement Program will boost compliance case management and business intelligence capabilities, ensuring compliance efficiencies are maximised.

As part of this project, State Revenue will continue to focus on improving services to customers. One such project, due for implementation in 2016-17, will explore ways to enhance duties services to further support the migration of taxpayers to State Revenue's electronic services delivery channel, and increase the volume of self-assessments.

Summary of financial performance for 2014-15

The Department of Finance 2014-15 gross expense allocation was approximately \$1.47 billion, funded mainly through the charging of other government departments for building works (\$1.15 billion). The other key funding sources are appropriations of \$0.17 billion and other revenue sources of \$0.15 billion.

The \$1.47 billion in expenses predominantly relates to building works across the whole of government (\$1.1 billion), employee expenses (\$0.15 billion), and depreciation (\$0.1 billion).

Actual results versus budget targets	Estimate ^(a) \$000	Actual \$000	Variance \$000	Reason for significant variation between original budget and actual
Total cost of services (expense limit)	1,435,396	1,386,636	48,760	The variance is predominately associated with a down turn in Capital Works turnover managed by Building Management and Works on behalf of government agencies.
Net cost of services	188,043	226,180	(38,137)	The variance is predominately related to non-cash costs of the Old Treasury Building Hotel that occurred ahead of expectations due to early practical completion.
Total equity	1,168,566	1,084,042	(84,524)	Variance relates partly to the early delivery of the Old Treasury Building Hotel. Also driving this shift is asset transfers to other agencies.
Net increase/(decrease) in cash held	(3,604)	(102,429)	(98,825)	Cash decrease has been met by a commensurate reduction in payables, with the Department's overall liquidity remaining strong and static.
	Target	Actual	Variance	Reason for variation between target and actual
Approved full-time equivalent staff level	1,322	1,197	125	The decrease has been achieved through service efficiencies across the Department.

^(a) The 2014-15 estimate approved as part of the 2014-15 State Budget process.

Further explanations are contained in Note 43 of the financial statements.

Summary of non-financial performance for 2014-15

		Unit	Target	Actual	Status	Page
Outcome Key effectiveness indicator						
One	Extent to which due revenue is collected	%	91	90	✘	30
	Extent to which correct grants, subsidies and rebates are paid	%	100	99.9	✘	30
Two	Profitability of the State's light vehicle fleet	\$000	13,024	11,495	✘	32
	Extent to which client agencies agree that their agency contracts and common use contract arrangements achieved value-for-money	%	90	87	✘	32
Three	An effectiveness indicator is not reported for this outcome		N/A	N/A	N/A	34
Four	Percentage of significant projects in the New Buildings Program delivered within 10% of approved budget		%	100	✓	34
Five	The extent to which policy and program development objectives for the year are achieved		%	100	✘	36
Service Key efficiency indicator						
One	Cost per \$100 of revenue raised	\$	0.67	0.71	✘	31
	Average cost per application/claim processed	\$	11.37	11.85	✘	31
Two	Average administrative cost per vehicle for financing and managing the State Fleet service	\$	106	95	✓	33
	Cost of developing and managing whole-of-government common use contract arrangements as a percentage of the total annual value of purchases through the arrangements	%	1.9	1.6	✓	33
	Cost of facilitating the development and management of agency specific contracts as a percentage of the contract award value	%	2.2	2.1	✓	33
Three	An efficiency indicator is not reported for this service		N/A	N/A	N/A	34
Four	Average office accommodation floor space per work point	m ²	15.0	15.3	✘	35
	Percentage of maintenance services delivered within 10% of approved timeframe	%	80	75.4	✘	35
	Percentage of significant projects in New Buildings Program delivered within three months of approved timeframe	%	85	96	✓	35
Five	Average cost of routine energy policy and program tasks	\$	13,880	11,644	✓	37
	Average cost of energy policy projects and programs	\$	99,160	65,723	✓	37
	Percentage of Regulatory Impact Statements assessed within agreed timeframes	%	90	100	✓	37

Ministerial directives

Treasurer's instruction 903 (12) requires the Department to disclose information on any ministerial directives relevant to the setting or achievement of desired outcomes or operational objectives, investment activities, and financing activities.

No ministerial directives were received during the financial year.

Other financial disclosures

Pricing policies of services provided

The Department's fees and charges were reviewed annually in accordance with the State Government's policy. Increases were limited to the Consumer Price Index as advised by Treasury.

Where possible, full cost recovery was sought pursuant to the Department's policy for fees and charges.

The permit application fees applied by the Building Management and Works Building Permit Authority are prescribed fees set out in the *Building Regulations 2012* administered by the Building Commission under Department of Commerce.

Building Commission changes to Permit Applications fees were published in the Government Gazette on 30 June 2015 and were effective as of 1 July 2015.

Capital projects

In 2014-15, \$102 million was spent on capital investments. The Department's key capital projects are outlined below:

Project	Expected completion date	Actual expenditure 2014-15 \$000	Actual expenditure 2013-14 \$000	Estimated cost to complete \$000	Estimated total cost \$000
Master Planning Strategy - Government Office Accommodation	2017	16,211	4,535	48,879	222,087
State Fleet Annual Vehicle Acquisition Program	2015	72,172	86,002	-	-
Revenue Systems Consolidation and Enhancement Program	2018	4,854	-	27,201	32,055

Employment and industrial relations

Comparative full-time equivalent (FTE) allocation by category

The Department managed resourcing requirements within the constraints of its salary cap.

Category	2014-15	2013-14
Permanent full-time	975	1,042
Contract full-time	121	132
Part-time permanent and contract	101	96
Total	1,197	1,270

Source Data: 2014-2015 MOIR data.

Part time = hours < normal hours which are 37.5 or 38.
Note: Secondment out figures have been excluded from the permanent full-time figures as these employees were not physically working at the Department of Finance and hence not contributing to the outputs of the Department.

Industrial relations

The majority of Department of Finance staff are employed under the Public Service and Government Officers General Agreement 2014. At the close of the reporting year, six staff were employed under the *Salaries and Allowances Tribunal Act 1975*. Additionally, 37 staff were employed under the Government Services (Miscellaneous) General Agreement 2013. The Department also has an Agency Specific Agreement in place with provisions for a wellness program, motor vehicle allowance for business use and flexible working arrangements.

Staff development

Consistent with the Public Sector Commission's aim to bring leadership and expertise to the public sector to enhance integrity, effectiveness and efficiency, the Department of Finance continued its emphasis on developing staff to help improve performance and enhance capability.

In the last twelve months, staff completed over 15,700 training hours in the form of 138 courses, with a total of 330 sessions.

At the core of the Department's staff development initiatives are the Graduate and Leadership Development Programs. The Graduate Program is a one year program which provides tailored career opportunities for graduates to develop their skills and experience. Graduates rotate through a variety of business areas, based on business need, qualification relevance and career interest. Five graduates are currently completing the Graduate Program.

The 2014-15 Leadership Development Program saw 45 current and future leaders from the Department of Finance challenged to reach their full potential. The program was delivered in collaboration with Curtin University, and is tailored for developing executives and managers in the public sector. The program leverages the Department's values as the core foundation for learning, and its structured learning program is supported by a series of leadership master-classes.

Workers' compensation

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

	2014-15	2013-14	2012-13
Workers' compensation claims	3	6	7
Loss time injuries	2	2	3

All above claims with registered loss time injuries were provided with injury management assistance. During the past three years, six employees returned to work within 13 weeks and one returned to work within 26 weeks.

Governance disclosures

Senior officers

In 2014-15, no senior officers disclosed that they held any shares as is required to be disclosed in accordance with Treasurer's instruction 903 (14iii). No senior officers, firms of which senior officers are members, or entities in which senior officers have substantial interests, had any interests in existing or proposed contracts with the Department other than normal contracts of employment of service.

Board and committee remuneration

Over 2014-15, the Department of Finance had no board or committee costs or memberships.

Governance committees

The Department is committed to complying with legislative requirements, industry standards, practices and procedures.

The Corporate Executive has previously established a number of committees to improve governance in line with the Public Sector's nine governance principles to increase accountability, probity and transparency in:

- Finance and procurement
- Technology and governance
- People and communications
- Audit and risk management.

Corporate Executive

The Corporate Executive continued their focus on driving innovation across the Department to ensure efficiency and effectiveness of systems and processes. Reducing red tape, so that businesses and individuals spend less time and money on compliance, is a high priority for government. The Corporate Executive is committed to Finance leading the way in this initiative, and is pursuing two red tape reduction ideas in each Department business unit.

Finance and Procurement Committee

The Finance and Procurement Committee provided direction and leadership in the implementation of the Department's finance solution that went live in September 2014. Governance controls were improved through development of the Financial Management Manual.

As part of the 2014-15 Mid-Year Review and the 2015-16 Budget processes, a number of savings measures were implemented across the Department, while limiting disruption to service delivery. The Committee also successfully reviewed vehicle usage, achieving fleet reduction targets. In addition, the Department undertook a review and rationalisation of services in stage one of the Agency Expenditure Review agenda, achieving savings targets as a starting point for the formal review process.

Technology Governance Committee

2014-15 saw the Technology Governance Committee implement a number of initiatives across the Department.

A newly established, decentralised governance framework enabled the Committee to streamline its strategic focus by delegating operational decisions to appropriate Information and Communications Technology (ICT) and business unit governance groups. The Committee gained momentum in the review of current strategic projects under consideration, including:

- Cloud based systems
- Disaster recovery prioritisation
- Open data collaboration
- Internal improvements in the use of technology and service level agreements.

People and Communications Committee

The People and Communications Committee collaborated on decisions relating to human resources, organisational development, industrial relations, workforce planning, communications and information management, presenting them to the Corporate Executive for consideration.

In 2014-15 the committee focused on:

- Departmental policies
- Ideas considered in terms of value for implementation
- HR dashboard targets including diversity targets, key HR metrics and Performance Development Plans
- Learning Management System usage
- Occupational Safety and Health case management data
- Corporate communications.

Audit and Risk Management Committee

The Audit and Risk Management Committee met quarterly in 2014-15 to endorse and oversee the operations of Internal Audit and the Risk Management Sub Committee.

Operational improvements/achievements included:

- The streamlining of processes to improve efficiency.
- Facilitating quarterly follow-ups of outstanding Internal Audit and Office of the Auditor General findings.
- Supporting a successful outcome for the Finance System Upgrade Project providing timely risk assurance advice.
- Coordinating crisis management project tasks for the Department business units to assist them in developing Business Continuity Plans.
- Working with stakeholders to reduce the number of outstanding significant/high risk rated audit findings.
- Communicating the Department's Risk Appetite Statement to enhance risk management practices through better awareness and understanding.

Other legal requirements

In accordance with section 175ZE of the *Electoral Act 1907*, the Department incurred the following expenditure in advertising, market research, polling, direct mail and media advertising.

Total expenditure for 2014-15 was \$348,438.

Agency/organisation	Total \$ Amount \$
Advertising agencies	348,438
Adcorp ^(a)	63,658
Fremantle Tram Tours ^(b)	855
MarketForce ^(b)	88,983
Optimum Media Decisions ^(b)	184,675
Perth Region Tourism Organisation Inc ^(b)	882
State Law Publisher ^(c)	8,585
Unique Promotions ^(b)	800
Market Research Organisations	Nil
Polling Organisations	Nil
Direct Mail	Nil
Media Advertising Organisations	Nil

^(a) Information notices and recruitment.

^(b) Fremantle Prison advertising.

^(c) Publication of legislation and regulations.

Other legal requirements

Disability Access and Inclusion Plan outcomes

The Department remains committed to ensuring that people with a disability, their families and carers are provided with the same opportunities, rights and responsibilities as the wider community, and are able to fully access the Department's services and facilities.

The Department's Disability Access and Inclusion Plan (DAIP) Committee oversaw the DAIP, identifying and supporting any new initiatives.

In demonstrating its commitment to creating an inclusive work environment free from discrimination, and meeting its obligations under the *Disability Services Act 1993*, the Department:

- Took the lead across government, adopting programs like the Australian Disability Enterprises (ADE) Initiative and assisting other agencies to understand the capabilities of ADEs and the subsequent benefits those employees bring. As a result, the Department of Finance was recognised for its ongoing efforts by the Good Samaritan Industries in November 2014.
- Recruited two employees with disabilities from the Public Sector Commission Traineeship Register. These trainees will also be involved in testing webpage accessibility in Procurement Standards and Systems in the coming year.

- Continued to promote and monitor equal opportunity employment for all with a focus on participation rates and recruitment for people with a disability. This is also addressed through areas including employee 'Selection Panel Training', and leadership training programs that support integrating people with a disability into the Department.
- Implemented and maintained appropriately designed signage for Department of Finance buildings. For example, the Optima Building has existing braille signage on all lifts and toilets and voice level confirmation in its lifts.
- Assessed office buildings and facilities including reception and client contact areas, and disability parking to enable access wherever possible for people with disabilities.
- Monitored the feedback channels that customers use to communicate with the Department, such as the telephone with assistance services.
- Maintained and promoted policies, including the Department's code of conduct, and strategies that promote inclusion for employees with a disability through occupational safety and health education and other staff training programs.
- Implemented internet accessibility software which complies with the requirements of the Website Governance Framework.

Compliance with public sector standards and ethical codes

All Department of Finance policies meet legislative requirements and public sector objectives. All policies are accessible by staff via the intranet.

In 2014-15, quality assurance processes were used to review all recruitment selection reports. The People Strategy and Performance division provided guidance to ensure that recruitment processes and transactions complied with these standards.

In accordance with the *Public Interest Disclosure Act 2003*, the Department has updated the Public Interest Disclosure Policy to clarify the obligations under the Act. No public interest disclosures were received in 2014-15.

The Department has updated the following policies and guidelines to ensure effective management and compliance with public sector standards and ethical codes:

- *Human Resource Standards and Guidelines*
- *Accountability Framework and Misconduct Prevention Policy*
- Conflict of Interest – Regional Programs
- *Gifts and Benefits Policy*
- Gifts and benefits process and reporting

In 2015, mandatory Fraud and Corruption Awareness as well as Governance and Accountability training were delivered to staff as an online module.

Recordkeeping plans

The Knowledge and Information division collaborates across the Department of Finance to ensure the agency is compliant with the *State Records Act 2000*.

In addition to providing support and information evaluation services to all Finance business units, this year the Knowledge and Information division provided technical support to transfer Fremantle Prison records to the State Heritage Office by 30 June 2015.

Major achievements over 2014-15 include:

- Ensuring record keeping remains an important component of the revised new employee induction program. The Accountable and Ethical Decision-making training session for existing and new staff also reinforces the correct management and use of corporate records.
- Active awareness training of staff to maintain electronic record formatting rather than document hard copies, coupled with the implementation of Finance's record disposal program has resulted in a significant reduction in off-site storage requirements and associated costs.

- An update to the Department's Delegation and Authorisation Framework to reflect the authorisation for record disposal by senior officers.
- The creation of a Disaster Preparedness Plan and Disaster Recovery Plan to minimise the impact/enhance the timely recovery of records in the event of a crisis.

This year, an upgrade to the document management system commenced, and a review of the associated training documentation and user manuals is underway.

Freedom of Information

The *Freedom of Information Act 1992* (FOI Act) enables the public to apply for access to documents held by the Department of Finance. The Department's Information Statement was updated and is available on the website.

In 2014-15, the Department of Finance continued to reaffirm its policy of allowing applicants to obtain access to documents with no additional charges other than a mandatory application fee. FOI applicants were given electronic access where possible, compared to previous years where a majority of documents were provided in hard copy.

The table below is a summary representation of FOI applications finalised during 2014-15 and includes applications carried over from the previous period. More detailed statistics are provided in the Office of the Information Commissioner Annual Report.

Applications	2014-15	2013-14
New applications received during the year	31	34
Decisions made during the year	25	31
Average time to process (days)	48	43
Outcomes	2014-15	2013-14
Full access	6	10
Edited access	15	13
Deferred access	0	0
Section 26 access	2	1
Section 28 access	0	0
Access refused	2	2
Total decisions	25	26
Transferred to other agencies	2	1
Withdrawn	4	5
Total applications finalised	31	32
Reviews	2014-15	2013-14
Internal reviews	3	2
External reviews - complaints	2*	0

* One of these external reviews was received but not completed in the 2014-15 financial year.

Government policy requirements

Substantive equality

The Department 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.

As such, the Department of Finance has produced 10 State Revenue related publications in Chinese and Malay relating to duties and land tax, which are available in hard copy as well as on the Department of Finance website.

Occupational safety, health and injury management

The Department provided and maintained 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*.

The Department is committed to facilitating a safety culture at all Finance locations to ensure the health, safety and wellbeing of all employees. The Corporate Executive supports the work of managers, employees and other stakeholders in identifying and managing safety and health issues in the workplace.

Staff are encouraged to be proactive in identifying and reporting hazards, as well as suggest improvements to enhance the safety of working environments.

A self-assessment based on the Worksafe Plan was undertaken in 2015.

Focus areas over 2014-15 included:

- Developing a holistic Mental Health Strategy to provide support, training and guidance to employees and managers in dealing with mental health issues in the workplace.
- The ongoing development of health and safety management arrangements through the review and development of related policies and procedures, including first aid, optical subsidy and personal protective equipment.
- Providing office ergonomic assistance to staff through safety training, as well as workstation reviews.
- Delivering white card training for those employees working on construction sites.
- A review of the OSH Management System to enhance safety performance through proactive engagement with senior management and staff at all levels, on-going consultation on hazard management and issue resolution, and provision of OSH training to managers, supervisors and employees.

Consultation, communication and engagement

The OSH Committee meets quarterly to discuss emerging OSH issues across Finance's many workplace locations, as well as progress resulting actions. This year, the Committee appointed a Personal Protective Equipment Working Group, undertook a Regional Emergency Evacuation Process Review, and established a dedicated intranet page for staff to be able to access all Finance OSH material.

This year, the OSH division led a targeted consultation process with regional offices to develop relevant health, safety and wellness programs suited to the regional workforce.

Injury management

Early intervention remained a core focus for the Department, with all staff provided guidance and support regarding work and non-work related illness/injury.

During the 2014-15 year, a total of 40 employees were offered injury management assistance by the OSH division. Return to work plans were developed in consultation with the relevant employee, line manager and treating medical practitioner, to establish realistic injury management goals and programs to enable an injured employee to return to meaningful work as soon as able.

Public Sector Commissioner's OSH performance requirements 2014-15

Indicator	2012-13	2013-14	2014-15	Target	Comment on result
Number of fatalities	0	0	0	0	Achieved
Lost time injury and/or disease incidence rate	0.20	0.17	0.16	At least 0 or 10% improvement on the previous two years.	Achieved
Lost time injury and/or disease severity rate	0	0	100%	0	Claimants returned to work via a gradual Return to Work Program.
Percentage of injured workers returned to work:					
• within 13 weeks	100%	100%	50%	Actual result was 50%	
• within 26 weeks	N/A	N/A	100%	Greater than or equal to 80%	All injured workers returned to work within 26 weeks.
Percentage of managers trained in occupational safety, health and injury management responsibilities	18%	29%	39%	Greater than or equal to 80%	An ongoing program is in place to continue training managers and supervisors in occupational safety, health and injury management responsibilities.

Certification of key performance indicators

Certification of key performance indicators

For the year ended 30 June 2015

I hereby certify that the key performance indicators are based on proper records, are relevant and appropriate for assisting users to assess the Department of Finance's performance, and fairly represent the performance of the Department for the financial year ended 30 June 2015.



Anne Nolan
Director General
2 September 2015

Performance assessment

Outcomes

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

Government goals	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.	Due and payable revenue is collected and eligible grants, subsidies and rebates paid.	Revenue assessment and collection, and grants and subsidies administration.
	A sustainable, efficient, secure and affordable energy sector.	Development and implementation of energy policy and economic reform; assessment of proposed policy changes and the impact on regulatory functions.
Results-based service delivery		
Greater focus on achieving results in key service delivery areas for the benefit of all Western Australians.	Value-for-money from public sector procurement.	Development and management of common use contract arrangements, State Fleet leasing and disposal, and providing facilitation service for agency specific contracts.
	Efficient and effective Corporate Services to the Department of Treasury.	Corporate Services to the Department of Treasury.
State building - major projects		
Building strategic infrastructure that will create jobs and underpin Western Australia's long-term economic development.	Value-for-money from the management of the Government's non-residential buildings and public works.	Leads the planning, delivery, management and maintenance of government buildings, projects and office accommodation.

Measuring the performance

The Department of Finance measures its performance through statistical information and survey questionnaires. Statistical indicators are included to help report performance in both outcome and service areas. The use of in-house statistical data complements the survey-based results and adds scope and objectivity to the sources of information used in measuring our performance.

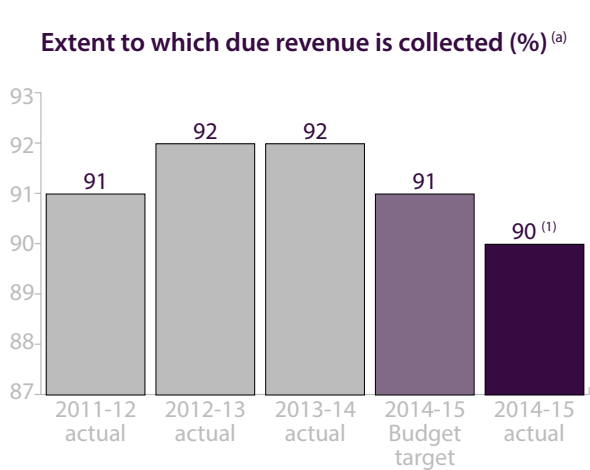
State Revenue

Key effectiveness indicators

Outcome 1: Due and payable revenue is collected and eligible grants, subsidies and rebates paid

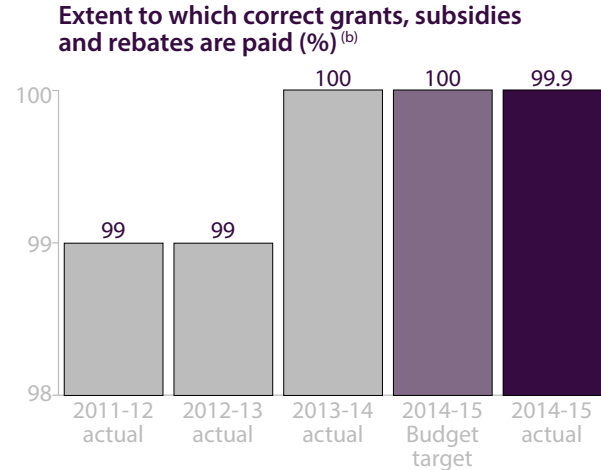
The Department, through State Revenue, administers a range of revenue laws on behalf of the Government. This involves the collection of revenue raised and payment of grants and subsidies under relevant legislation, as well as a number of administrative-based schemes.

Key effectiveness indicators for revenue collection provide a measure of the accuracy of the revenue assessment process, the level of compliance by taxpayers and the timeliness of processing assessments. These are considered the key elements in the effective collection of revenue.



^(a) This key performance indicator (KPI) is calculated as an average for land tax, duties and returns-based assessments. The amounts are calculated by subtracting the number of penalties (or adjustments for return-based taxes) from the total number of assessments (or returns for return-based taxes) and dividing the result by the total number of assessments.

1. The decline is primarily due to a higher incidence of late payment of land tax assessments and insurance duty returns in 2014-15, which were a result of an increase in voluntary declarations and late payment of current and past year insurance duty liabilities.



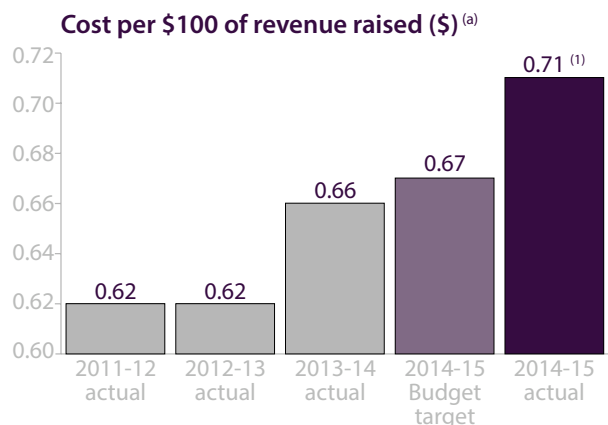
^(b) The measurement of the extent to which grants, subsidies and rebates are paid correctly is calculated by totalling the number of claims paid, and subtracting the total number of claims paid incorrectly. This is expressed as a percentage by dividing this figure with the total number of claims paid. The payments are for First Home Owner Grant, Pensioners and Seniors Rebate Scheme, the Life Support Equipment Electricity Subsidy, the Thermoregulatory Dysfunction Energy Subsidy and the Energy Concession Extension Scheme.

Key efficiency indicators

Service 1: Revenue assessment and collection, and grants and subsidies administration

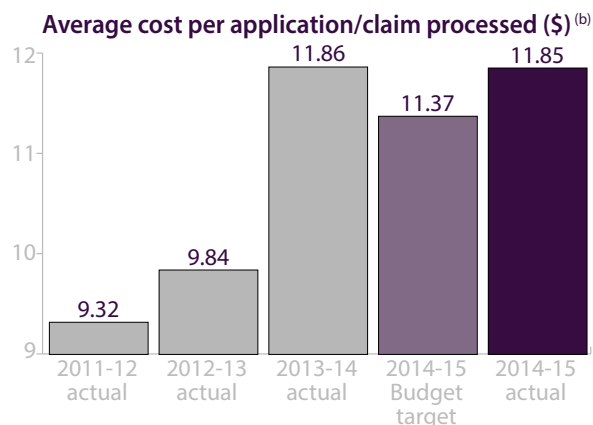
This service involves the assessment and collection of a range of statutory based revenue, including duties, land tax and payroll tax, and those that are collected on behalf of other agencies (for example Perth Parking Licence fees on behalf of Department of Transport) or other jurisdictions (for example collection of a range of taxes for the Commonwealth in the Indian Ocean Territories). State Revenue is also involved in the assessment and payment of a range of grants and subsidies under both statutory and administrative schemes. The major payments relate to the First Home Owner Grant Scheme, as well as concessions on water rates, local government rates and the Emergency Services Levy for pensioners and seniors.

The indicators represent the cost per unit of taxation raised and grant/subsidy processed in a given year.



^{a)} This indicator is calculated as the total cost of this service divided by total revenue raised and multiplied by 100. A cost allocation model is used to apportion the cost of taxation administration based on FTE numbers and resource usage.

1. Taxation revenue has decreased compared to the 2014-15 target and prior year without a similar drop in overall costs. In addition, legal fees expenses defending large assessments exceeded estimates by \$1.4 million in 2014-15.



^{b)} This indicator is calculated as the total cost of this service divided by the number of First Home Owner Grant applications and pensioner concession claims. A cost allocation model is used to apportion the cost of processing applications and claims based on FTE numbers and resource usage.

Government Procurement

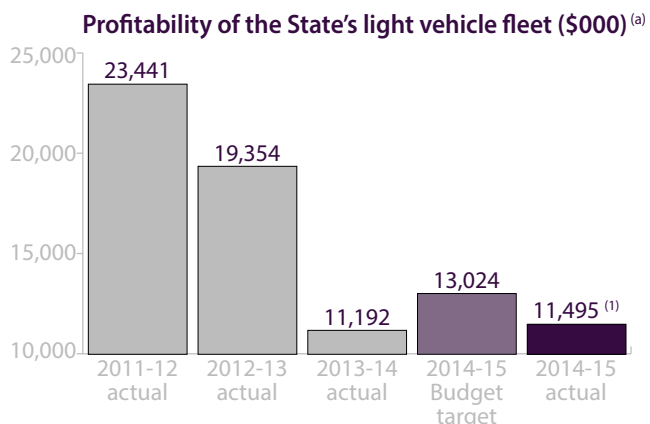
Key effectiveness indicators

Outcome 2: Value-for-money from public sector procurement

This outcome aims to deliver value-for-money procurement services and frameworks across the Western Australian public sector. Value-for-money is a key policy objective and ensures public authorities achieve the best possible outcome for the amount of money spent when purchasing goods and services.

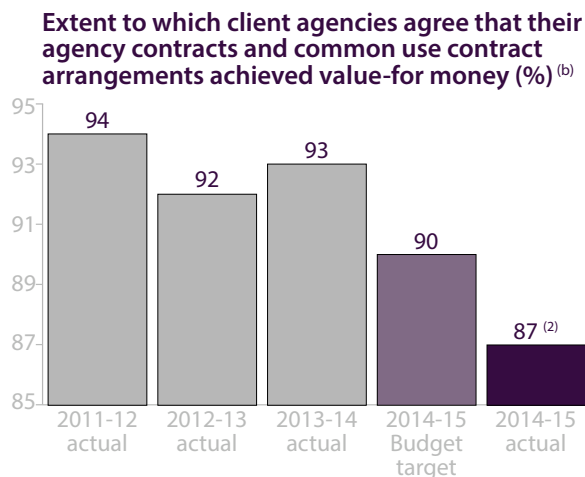
Value-for-money from public sector procurement is considered effective if:

- Client agencies agree that Common Use Arrangements (CUAs) and contracts are awarded and managed on a value-for-money basis.
- Economies of scale are achieved through the aggregation of the acquisition, fleet management and disposal activities related to the Government's light vehicle fleet.



(a) This KPI is calculated by subtracting the operating expenses of the fleet from the operating revenue.

1. The 2014-15 actual is lower than the 2014-15 target as a result of agencies reducing vehicle fleets and moving to longer leases.



(b) This indicator is calculated by dividing the total number of satisfied responses by the total number of survey respondents for users of common use contract arrangements and clients of agency specific contracts (2,100 surveys issued; 1,535 responses; 73 per cent response rate; 0.97 per cent at 95 per cent confidence level).

2. The 2014-15 actual was lower than the 2013-14 actual due to surveys for two CUAs, Interpreting and Translating Services and Uniforms, scoring significantly lower than the average. Finance is liaising with key client agencies and suppliers to review these results. If these CUAs are excluded, the target figure was achieved on average.

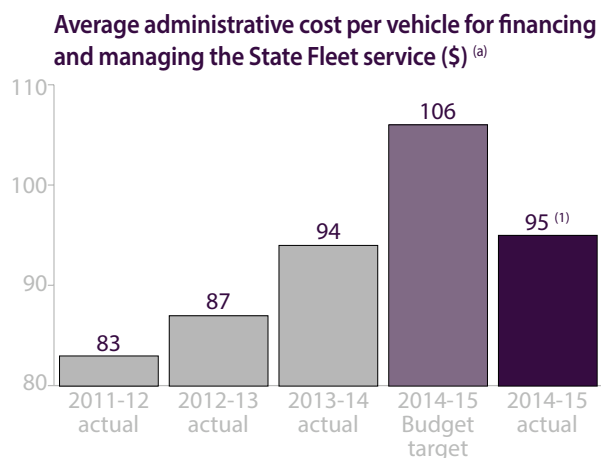
Key efficiency indicators

Service 2: Development and management of common use contract arrangements, State Fleet leasing and disposal, and providing facilitation service for agency specific contracts

The Department provides a whole-of-government approach to procurement that efficiently meets the business needs of government agencies, manages risk and delivers value-for-money.

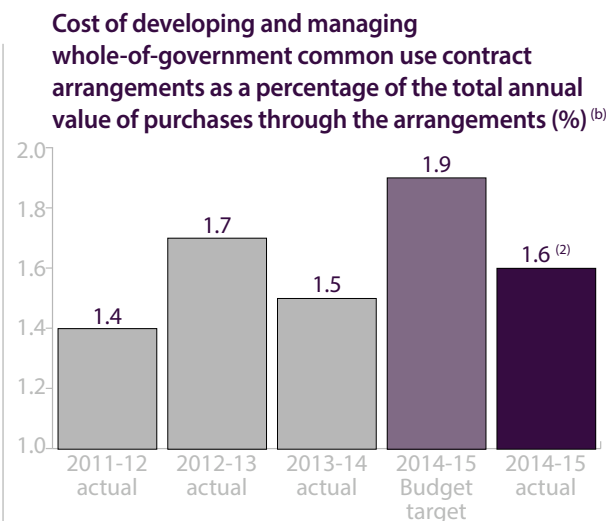
In facilitating the development and management of client agency contracts, State Fleet and CUAs, the Department needs to effectively manage the cost of delivering this service which ensures agencies achieve value-for-money outcomes.

The Department is responsible for managing the State’s vehicle fleet to ensure an efficient and effective use of government vehicles with particular focus on the delivery of a sustainable vehicle fleet. The indicator demonstrates the efficiency of managing the financing and administration of the Government’s light vehicle fleet.



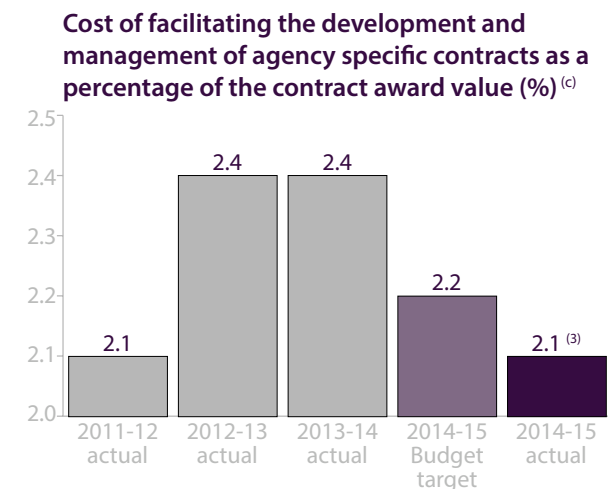
^(a) This indicator is calculated by dividing the State Fleet operating costs by the number of vehicles managed by State Fleet.

1. The 2014-15 actual result was better than the 2014-15 target due to lower than anticipated staffing costs.



^(b) This indicator is calculated by dividing the costs of delivering this service by the total common use contract arrangement turnover.

2. The 2014-15 actual is lower than the 2014-15 target due to a combination of higher than expected common use contract throughput, efficiency gains associated with staffing costs required to deliver this service and some non-salary expense reductions achieved across the common use contract program.



^(c) This indicator is calculated by dividing the costs of delivering this service by the total contract value for agency contracts awarded in 2014-15.

3. The 2014-15 actual result was better than the 2013-14 result due to lower staffing costs.

Corporate Services

Key effectiveness and efficiency indicators

Outcome 3: Efficient and effective Corporate Services to the Department of Treasury

Service 3: Corporate Services to the Department of Treasury

This outcome and service relates to Corporate Services (for example staff payroll) provided on behalf of the Department of Treasury. Given the outcome and service does not interact directly with or include any services to the community, no effectiveness or efficiency indicators are published.

The effectiveness and efficiency of the functions covered in this outcome and service are monitored via a service level agreement and performance indicators internal to government.

Building Management and Works

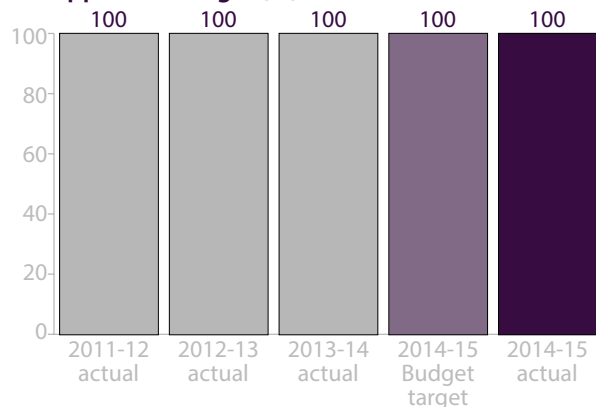
Key effectiveness indicators

Outcome 4: Value-for-money from the management of the Government’s non-residential buildings and public works

The Department, through Building Management and Works, delivers a range of services to lead the planning and delivery of a property portfolio that supports the delivery of government services to the community.

This indicator demonstrates the ability of Building Management and Works to deliver non-residential buildings for its client agencies within 10 per cent of the approved budget and focuses on significant projects within the works program. Achievement of projects on-budget is an important requirement for client agencies and is a key contributor to value-for-money outcomes.

Percentage of significant projects in the New Buildings Program delivered within 10% of approved budget (%)^(a)

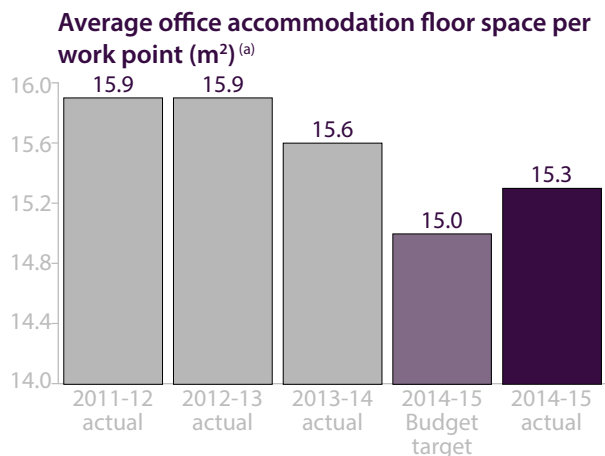


^(a) This indicator compares the anticipated final total cost of all projects with current approved budgets of equal to or greater than \$5 million that have achieved practical completion in the financial year against the current approved budget for the projects. All projects are deemed to meet the effectiveness indicator if the anticipated final total cost does not exceed the approved budget by greater than 10 per cent.

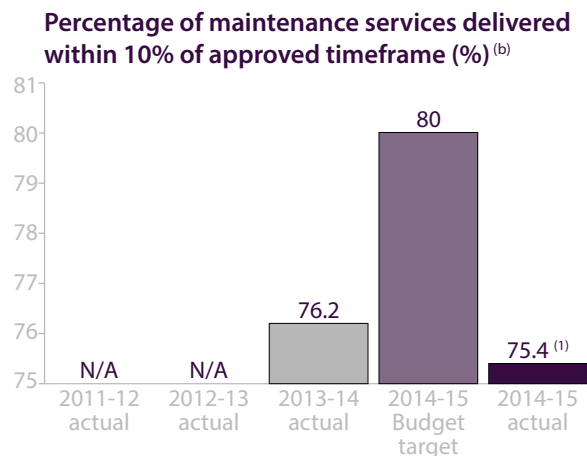
Key efficiency indicators

Service 4: Leads the planning, delivery, management and maintenance of government buildings, projects and office accommodation

This service leads the planning, delivery and management of a property portfolio that supports the delivery of government services to the community including the delivery of new building works, maintenance programs for existing buildings and office accommodation.

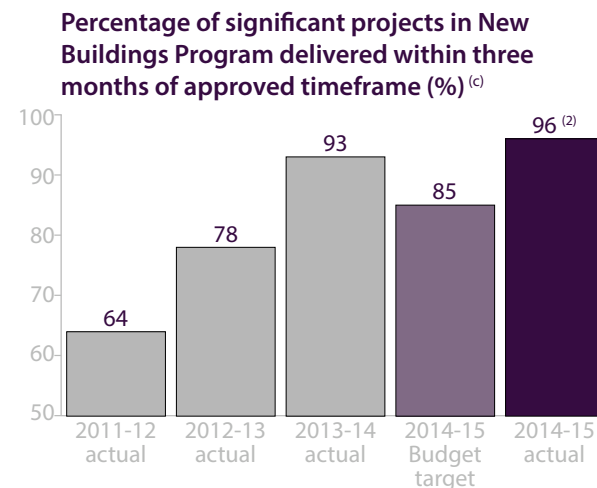


^(a) This indicator measures the utilisation of government office accommodation through determining the average amount of floor area allocated per workspace across the Government's office accommodation portfolio.



^(b) This indicator measures the percentage of building maintenance services delivered by Building Management and Works across the State within 10 per cent of the approved timeframe. The indicator was created in 2013-14 and hence, there are no comparatives available for prior years.

1. The Department has experienced some difficulties in achieving the performance targets in a few regional areas due to distances that need to be travelled by specialised tradespersons attending breakdown works and gaining access to high security facilities such as prisons requiring additional time for site entry.



^(c) This indicator measures the percentage of projects greater than or equal to \$5 million that are completed within three months of the approved date for handover in the current financial year.

2. The increase highlights Building Management and Works' continued focus on reviewing and improving processes and policies in relation to managing building construction projects.

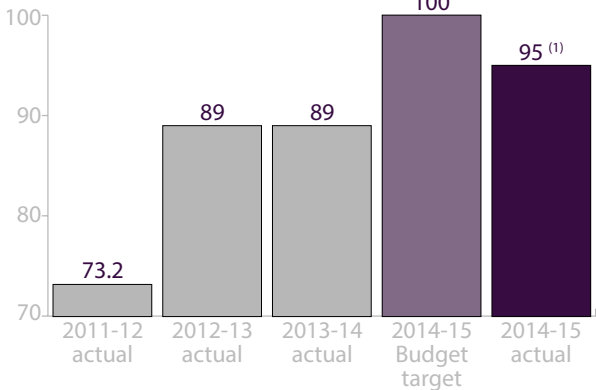
Public Utilities Office and Economic Reform

Key effectiveness indicators

Outcome 5: A sustainable, efficient, secure and affordable energy sector

The delivery of impartial, high-quality advice on matters in the energy portfolio assists government to make well-informed decisions that contribute to a sustainable, efficient, secure and affordable energy sector.

The extent to which policy and program development objectives for the year are achieved (%)^(a)



^(a) The results are calculated by monitoring the priorities set for a year. If the Government's priorities change, for example there is a ministerial request to undertake a new policy project or cease working on an existing priority, this is taken into account in determining the number of items completed as planned. The results are presented as a percentage of planned priorities completed.

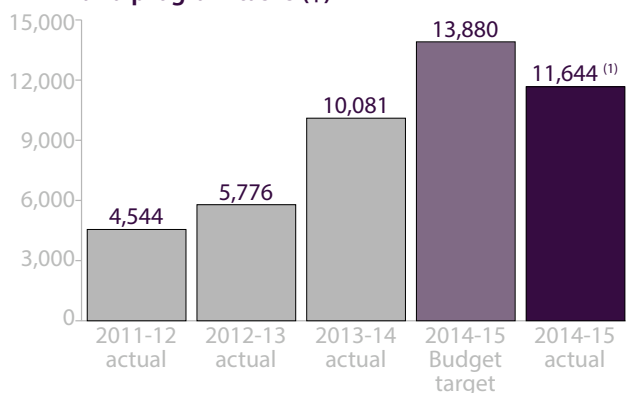
1. The target was not achieved due to changing priorities and some projects being more complex and resource intensive than expected; however efficiencies have resulted in an improvement over the 2013-14 results.

Key efficiency indicators

Service 5: Development and implementation of energy policy and programs; assessment of proposed policy changes and the impact on regulatory functions

The delivery of energy policy and programs that enable the Public Utilities Office to perform its role as a change agent leading development and implementation of policy to meet the State's energy needs and advice to government on Commonwealth and State economic issues and reforms and assessment of the impact and adequacy of proposed regulation.

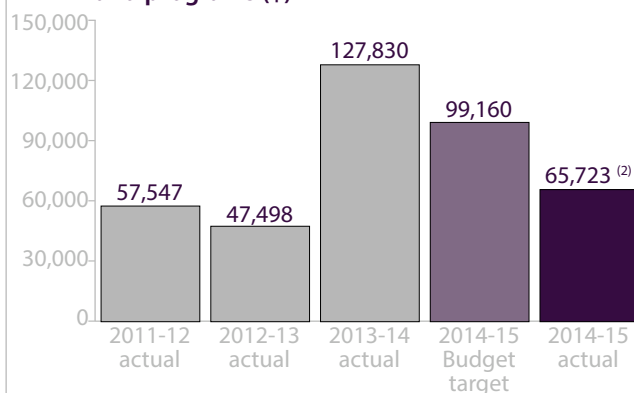
Average cost of routine energy policy and program tasks (\$) ^(a)



^(a) This indicator reports the average cost of policy and program tasks, such as ministerial correspondence, which are more routine in nature and require a modest investment of time and effort. Cost allocation is undertaken using staff time as the identified cost driver.

1. The majority of routine policy tasks are undertaken at the direction of the Government. Less staffing resources were allocated to routine tasks in 2014-15 than anticipated in the target. There were less routine tasks compared to the 2013-14 actual.

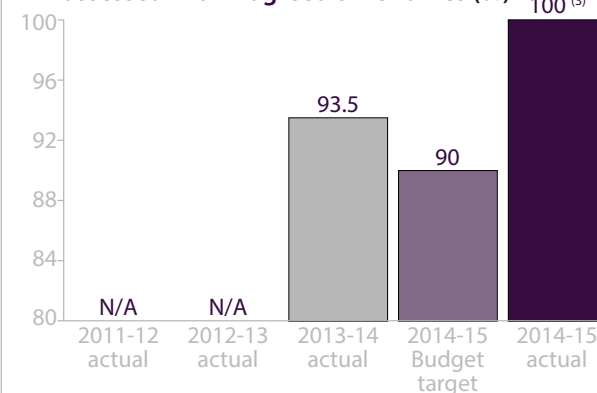
Average cost of energy policy projects and programs (\$) ^(b)



^(b) This indicator reports the average cost of policy and programs, such as Cabinet Submissions, which are more significant in nature and require a considerable investment of time and effort. Cost allocation is undertaken using staff time as the identified cost driver.

2. A higher number of projects were completed against a reducing resource base, which drove the average cost down of the 2014-15 target and to a greater extent for the 2014-15 actual.

Percentage of Regulatory Impact Statements assessed within agreed timeframes (%) ^(c)



^(c) This indicator is for the Regulatory Gatekeeping Unit (RGU) and illustrates the percentage of submissions received that are responded to within 10 working days. Prior to 2013-14 this indicator appeared in the annual report for the Department of Treasury.

3. Overall efficiencies have improved to achieve a 100 per cent outcome for 2014-15.

Certification of financial statements

Certification of financial statements

For the year ended 30 June 2015

The accompanying financial statements of the Department of Finance have been prepared in compliance with the provisions of the *Financial Management Act 2006* from proper accounts and records to present fairly the financial transactions for the financial year ended 30 June 2015 and the financial position as at 30 June 2015.

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.



Anne Nolan
Director General
2 September 2015



Liam Carren
Chief Finance Officer
2 September 2015

Independent audit opinion



Auditor General

INDEPENDENT AUDITOR'S REPORT

To the Parliament of Western Australia

DEPARTMENT OF FINANCE

Report on the Financial Statements

I have audited the accounts and financial statements of the Department of Finance.

The financial statements comprise the Statement of Financial Position as at 30 June 2015, 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.

Director General's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In my opinion, the financial statements are based on proper accounts and present fairly, in all material respects, the financial position of the Department of Finance at 30 June 2015 and its financial performance and cash flows for the year then ended. They are in accordance with Australian Accounting Standards and the Treasurer's Instructions.

Page 1 of 3

7th Floor Albert Factory House 469 Wellington Street Perth MAIL TO: Perth SC PO Box 8489 Perth WA 6849 TEL: 08 6557 7500 FAX: 08 6557 7600

Report on Controls

I have audited the controls exercised by the Department of Finance during the year ended 30 June 2015.

Controls exercised by the Department of Finance are those policies and procedures established by the Director General 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.

Director General's Responsibility for Controls

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

Auditor's Responsibility

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

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

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

Opinion

In my opinion, the controls exercised by the Department of Finance 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 2015.

Report on the Key Performance Indicators

I have audited the key performance indicators of the Department of Finance for the year ended 30 June 2015.

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

Director General's Responsibility for the Key Performance Indicators

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

Auditor's Responsibility

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

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

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

Opinion

In my opinion, the key performance indicators of the Department of Finance are relevant and appropriate to assist users to assess the Department's performance and fairly represent indicated performance for the year ended 30 June 2015.

Independence

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

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

This auditor's report relates to the financial statements and key performance indicators of the Department of Finance for the year ended 30 June 2015 included on the Department's website. The Department's management is responsible for the integrity of the Department's website. This audit does not provide assurance on the integrity of the Department'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
7 September 2015

Statement of Comprehensive Income For the year ended 30 June 2015

	Note	2015 \$000	2014 \$000
COST OF SERVICES			
Expenses			
Employee benefits expense	7	136,610	145,872
Supplies and services	8	1,060,765	1,167,504
Depreciation and amortisation expense	9	83,187	136,341
Finance costs	10	4,824	4,990
Accommodation expenses	11	35,481	45,716
Grants and subsidies	12	64,228	5,396
Loss on disposal of non-current assets	15	2	299
Other expenses	13	1,538	9,410
Total cost of services		1,386,636	1,515,528
Income			
<i>Revenue</i>	14		
User charges and fees		1,149,378	1,233,502
Commonwealth grants and contributions		1,376	7,186
Interest revenue		262	279
Other revenue		8,018	7,857
Total revenue		1,159,034	1,248,824
<i>Gains</i>			
Gain on disposal of non-current assets	15	1,422	3,199
Total gains		1,422	3,199
Total income other than income from State Government		1,160,456	1,252,023
NET COST OF SERVICES		(226,180)	(263,505)

	Note	2015 \$000	2014 \$000
Income from State Government	17		
Service appropriations		178,026	275,810
Services received free of charge		14,065	13,348
Royalties for Regions Fund		189	149
Total income from State Government		192,280	289,307
SURPLUS/(DEFICIT) FOR THE PERIOD		(33,900)	25,802
OTHER COMPREHENSIVE INCOME			
<i>Items not reclassified subsequently to profit or loss</i>			
Changes in the revaluation surplus	33	(14,182)	13,581
Total other comprehensive income		(14,182)	13,581
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		(48,082)	39,383

Refer also to the Schedule of Income and Expenses by Service.

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

Statement of Financial Position As at 30 June 2015

	Note	2015 \$000	2014 \$000
ASSETS			
Current assets			
Cash and cash equivalents	18	58,905	165,048
Restricted cash and cash equivalents	19	14,887	6,625
Receivables	20	305,511	311,215
Finance lease receivables	21	560	725
Inventories	22	88	89
Amounts receivable for services	23	1,469	1,688
Other current assets	24	25,565	23,328
Total current assets		406,985	508,718
Non-current assets			
Restricted cash and cash equivalents	19	-	4,547
Finance lease receivables	21	1,588	1,861
Amounts receivable for services	23	380,682	325,475
Property, plant, equipment and vehicles	25	804,702	839,416
Intangible assets	27	30,385	29,872
Other non-current assets	24	1,170	13
Total non-current assets		1,218,527	1,201,184
TOTAL ASSETS		1,625,512	1,709,902

	Note	2015 \$000	2014 \$000
LIABILITIES			
Current liabilities			
Payables	29	316,057	400,337
Borrowings	30	39,413	42,072
Provisions	31	30,200	30,126
Lease incentive	32	5,747	5,761
		391,418	478,296
Non-current liabilities			
Borrowings	30	103,681	77,861
Provisions	31	7,250	7,137
Lease incentive	32	39,120	31,913
Total non-current liabilities		150,052	116,911
Total liabilities		541,470	595,207
NET ASSETS		1,084,042	1,114,695
EQUITY			
Contributed equity	33	996,594	979,165
Reserves		18,665	32,848
Accumulated surplus		68,783	102,682
TOTAL EQUITY		1,084,042	1,114,695

Refer also to the Schedule of Assets and Liabilities by Service.

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 2015

	Note	Contributed equity \$000	Reserves \$000	Accumulated surplus \$000	Total equity \$000
	33				
Balance at 1 July 2013		956,880	19,267	82,767	1,058,914
Changes in accounting policy or correction of prior period errors		-	-	(5,887)	(5,887)
Restated balance at 1 July 2013		<u>956,880</u>	<u>19,267</u>	<u>76,880</u>	<u>1,053,027</u>
Surplus		-	-	25,802	25,802
Other comprehensive income		-	13,581	-	13,581
Total comprehensive income for the period		-	13,581	25,802	39,383
Transactions with owners in their capacity as owners:					
Capital appropriations		22,269	-	-	22,269
Other contributions by owners		16	-	-	16
Distributions to owners		-	-	-	-
Total		<u>22,285</u>	-	-	<u>22,285</u>
Balance at 30 June 2014		<u>979,165</u>	<u>32,848</u>	<u>102,682</u>	<u>1,114,695</u>
Balance at 1 July 2014		979,165	32,848	102,682	1,114,695
Deficit		-	-	(33,900)	(33,900)
Other comprehensive income		-	(14,182)	-	(14,182)
Total comprehensive income for the period		-	(14,182)	(33,900)	(48,082)
Transactions with owners in their capacity as owners:					
Capital appropriations		15,353	-	-	15,353
Other contributions by owners		2,077	-	-	2,077
Distributions to owners		-	-	-	-
Total		<u>17,430</u>	-	-	<u>17,430</u>
Balance at 30 June 2015		<u>996,594</u>	<u>18,665</u>	<u>68,783</u>	<u>1,084,042</u>

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 2015

	Note	2015 \$000	2014 \$000
CASH FLOWS FROM STATE GOVERNMENT			
Service appropriations		121,485	190,125
Capital appropriations		15,853	22,285
Holding account drawdowns		1,553	1,402
Receipts from Treasurer's advance		100,000	60,000
Payments to Treasurer's advance		(100,000)	(60,000)
Royalties for Regions Fund		189	149
Net cash provided by State Government		139,080	213,961
Utilised as follows:			
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Employee benefits		(137,905)	(151,537)
Supplies and services ^(a)		(1,018,899)	(1,166,196)
Finance costs		(4,884)	(5,052)
Accommodation ^(a)		(26,793)	(25,585)
Grants and subsidies		(5,172)	(5,396)
GST payments on purchases		(120,741)	(122,389)
GST payments to taxation authority		(4,044)	(13,212)
Other payments		(4,036)	(11,322)
Receipts			
User charges and fees		995,128	1,286,832
Commonwealth grants and contributions		1,376	7,186
Interest received		269	321
GST receipts on sales		125,241	125,076
GST receipts from taxation authority		23,182	9,635
Other receipts		19,292	16,469
Net cash used in operating activities	34	(157,987)	(55,172)

	Note	2015 \$000	2014 \$000
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments			
Purchase of non-current physical assets		(103,042)	(99,301)
Receipts			
Proceeds from sale of non-current physical assets		47,619	39,719
Net cash used in investing activities		(55,424)	(59,582)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments			
Repayment of borrowings		(28,857)	(19,815)
Receipts			
Proceeds from borrowings		17	2,334
Finance Leases Receipts		742	991
Net cash used in financing activities		(28,098)	(16,490)
Net increase/(decrease) in cash and cash equivalents		(102,429)	82,717
Cash and cash equivalents at the beginning of the period		176,220	93,503
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	34	73,792	176,220

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

^(a) The 2014 Supplies and services is lower by \$10,184,000 as stated in the 2014 financial statements as a result of the removal of accommodation related expenditure from Supplies and services category to Accommodation category.

Schedule of Income and Expenses by Service For the year ended 30 June 2015

	Service 1		Service 2		Service 3		Service 4	
	2015 \$000	2014 \$000	2015 \$000	2014 \$000	2015 \$000	2014 \$000	2015 \$000	2014 \$000
COST OF SERVICES								
Expenses								
Employee benefits expense	29,219	28,703	35,929	36,008	4,178	4,395	57,426	55,210
Supplies and services	19,062	19,039	12,173	6,818	2,041	3,056	1,022,569	1,113,537
Depreciation and amortisation expense	2,985	2,078	52,010	54,773	390	106	27,557	24,344
Finance costs	-	-	3,752	4,990	-	-	1,072	-
Accommodation expenses	5,009	3,956	2,626	3,518	523	3,624	26,410	32,488
Grants and subsidies	-	-	-	227	-	-	59,074	52
Loss on disposal of non-current assets	-	-	-	85	-	-	2	-
Other expenses	143	321	660	449	133	176	533	6,428
Total cost of services	56,418	54,097	107,150	106,868	7,265	11,357	1,194,643	1,232,059
Income								
User charges and fees	3,205	3,409	74,645	73,439	2	-	1,071,525	1,154,303
Commonwealth grants and contributions	75	206	-	26	-	25	1,301	6,922
Interest revenue	-	-	262	304	-	-	-	-
Other revenue	295	286	5,435	2,883	26	15	2,133	1,526
Gain on disposal of non-current assets	-	-	596	3,199	-	-	826	-
Other gains	-	-	-	-	-	-	-	-
Total income other than income from State Government	3,575	3,901	80,938	79,851	28	40	1,075,785	1,162,751
NET COST OF SERVICES	(52,843)	(50,196)	(26,212)	(27,017)	(7,238)	(11,317)	(118,858)	(69,308)
INCOME FROM STATE GOVERNMENT								
Service appropriations	46,941	50,573	31,510	37,977	7,098	11,357	70,171	69,445
Resources received free of charge	12,763	12,185	165	44	140	10	718	920
Royalties for Regions Fund	-	-	-	-	-	-	189	149
Total income from State Government	59,704	62,758	31,675	38,021	7,238	11,367	71,078	70,515
Surplus/(Deficit) for the period	6,862	12,562	5,463	11,004	-	50	(47,780)	1,206

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

Service 1: Revenue assessment and collection, and grants and subsidies administration.

Service 2: Development and management of common use contract arrangements, State Fleet leasing and disposal, and providing facilitation service for agency specific contracts.

Service 3: Corporate Services to the Department of Treasury. There are no assets and liabilities for the services provided to the Department of Treasury.

Service 4: Leads the planning, delivery, management and maintenance of government buildings, projects and office accommodation.

	Service 5		Discontinued		Total	
	2015 \$000	2014 \$000	2015 \$000	2014 \$000	2015 \$000	2014 \$000
COST OF SERVICES						
Expenses						
Employee benefits expense	9,858	9,974	-	11,582	136,610	145,872
Supplies and services	4,920	5,021	-	20,033	1,060,765	1,167,504
Depreciation and amortisation expense	245	36	-	55,004	83,187	136,341
Finance costs	-	-	-	-	4,824	4,990
Accommodation expenses	913	1,000	-	1,130	35,481	45,716
Grants and subsidies	5,154	5,117	-	-	64,228	5,396
Loss on disposal of non-current assets	-	-	-	214	2	299
Other expenses	69	1,875	-	161	1,538	9,410
Total cost of services	21,159	23,023	-	88,124	1,386,636	1,515,528
Income						
User charges and fees	1	-	-	2,351	1,149,378	1,233,502
Commonwealth grants and contributions	-	7	-	-	1,376	7,186
Interest revenue	-	-	-	(25)	262	279
Other revenue	130	2,345	-	802	8,018	7,857
Gain on disposal of non-current assets	-	-	-	-	1,422	3,199
Other gains	-	-	-	-	-	-
Total income other than income from State Government	131	2,352	-	3,128	1,160,456	1,252,023
NET COST OF SERVICES	(21,028)	(20,671)	-	(84,996)	(226,180)	(263,505)
INCOME FROM STATE GOVERNMENT						
Service appropriations	22,306	20,825	-	85,632	178,026	275,810
Resources received free of charge	279	189	-	-	14,065	13,348
Royalties for Regions Fund	-	-	-	-	189	149
Total income from State Government	22,585	21,014	-	85,632	192,280	289,307
Surplus/(Deficit) for the period	1,557	343	-	636	(33,900)	25,802

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

Service 5: Development and implementation of energy policy and economic reform; assessment of proposed policy changes and the impact on regulatory functions.
Discontinued: Project management, decommissioning of the whole-of-government shared Corporate Services reform.

Schedule of Assets and Liabilities by Service As at 30 June 2015

	Service 1		Service 2		Service 3		Service 4	
	2015 \$000	2014 \$000	2015 \$000	2014 \$000	2015 \$000	2014 \$000	2015 \$000	2014 \$000
Assets								
Current assets	26,114	63,650	39,223	85,692	-	-	335,409	340,658
Non-current assets	114,368	91,300	352,729	364,153	-	-	729,181	724,336
Total assets	140,482	154,950	391,952	449,847	-	-	1,064,590	1,064,994
Liabilities								
Current liabilities	15,919	32,531	63,299	92,703	-	-	307,747	340,601
Non-current liabilities	1,849	1,603	58,981	79,848	-	-	88,715	34,907
Total liabilities	17,768	34,134	122,280	172,550	-	-	396,462	375,508
NET ASSETS	122,714	120,816	269,672	277,297	-	-	668,128	689,486
	Service 5		Discontinued		Total			
	2015 \$000	2014 \$000	2015 \$000	2014 \$000	2015 \$000	2014 \$000		
Assets								
Current assets	6,238	18,717	-	-	406,985	508,718		
Non-current assets	22,248	21,395	-	-	1,218,527	1,201,184		
Total assets	28,486	40,112	-	-	1,625,512	1,709,902		
Liabilities								
Current liabilities	4,453	12,459	-	-	391,418	478,296		
Non-current liabilities	505	553	-	-	150,052	116,911		
Total liabilities	4,958	13,013	-	-	541,470	595,207		
NET ASSETS	23,528	27,098	-	-	1,084,042	1,114,695		

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

Service 1: Revenue assessment and collection, and grants and subsidies administration.

Service 2: Development and management of common use contract arrangements, State Fleet leasing and disposal, and providing facilitation service for agency specific contracts.

Service 3: Corporate Services to the Department of Treasury. There are no assets and liabilities for the services provided to the Department of Treasury.

Service 4: Leads the planning, delivery, management and maintenance of government buildings, projects and office accommodation.

Service 5: Development and implementation of energy policy and economic reform; assessment of proposed policy changes and the impact on regulatory functions.

Discontinued: Project management, decommissioning of the whole-of-government shared Corporate Services reform.

Summary of Consolidated Account Appropriations and Income Estimates

For the year ended 30 June 2015

	2015 estimate \$000	2015 actual \$000	Variance \$000	2015 actual \$000	2014 actual \$000	Variance \$000
CONTROLLED TRANSACTIONS						
Delivery of services						
Item 113 net amount appropriated to deliver services	173,920	176,401	2,481	176,401	274,185	(97,784)
Amount authorised by other statutes:						
<i>Salaries and Allowances Act 1975</i>	1,625	1,625	-	1,625	1,625	-
Total appropriations provided to deliver services	175,545	178,026	2,481	178,026	275,810	(97,784)
Capital						
Item 165 capital appropriations	41,995	15,353	(26,642)	15,353	22,269	(6,916)
Total capital appropriations provided to deliver services	41,995	15,353	(26,642)	15,353	22,269	(6,916)
ADMINISTERED TRANSACTIONS						
Community service obligation payments						
Item 114 Amount provided for Administered Grants, Subsidies and Other Transfer Payments	182,753	148,030	(34,723)	148,030	257,352	(109,322)
Amount authorised by other statutes:						
<i>First Home Owner Grant Act 2000</i>	91,975	115,904	23,929	115,904	114,220	1,684
Total administered transactions	274,728	263,934	(10,794)	263,934	371,572	(107,638)
GRAND TOTAL	492,268	457,313	(34,955)	457,313	669,651	(212,338)

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

Note 43 'Explanatory statement' and Note 45 'Explanatory statement for Administered Items' provide details of any significant variations between estimates and actual results for 2015 and between the actual results for 2015 and 2014.

Summary of Consolidated Account Appropriations and Income Estimates (continued)

For the year ended 30 June 2015

	2015 estimate \$000	2015 actual \$000	Variance \$000	2015 actual \$000	2014 actual \$000	Variance \$000
Details of expenses by service						
Revenue assessment and collection, and grants and subsidies administration	57,202	56,418	(784)	56,418	54,097	2,321
Development and management of common use contract arrangements, State Fleet leasing and disposal, and providing facilitation service for agency specific contracts	127,268	107,150	(20,118)	107,150	106,868	282
Project management, decommissioning of the whole-of-government shared Corporate Services reform	-	-	-	-	88,124	(88,124)
Corporate Services to the Department of Treasury	6,788	7,265	477	7,265	11,357	(4,092)
Leads the planning, delivery, management and maintenance of government buildings, projects and office accommodation	1,216,638	1,194,643	(21,995)	1,194,643	1,232,059	(37,416)
Development and implementation of energy policy and economic reform; assessment of proposed policy changes and the impact on regulatory functions	27,500	21,159	(6,341)	21,159	23,023	(1,864)
Total details of expenses by service	1,435,396	1,386,636	(48,761)	1,386,636	1,515,528	(128,893)
Less total income	1,247,353	1,159,034	(88,319)	1,159,034	1,248,824	(89,790)
Net cost of services	188,043	226,180	38,137	226,180	263,505	(37,325)
Adjustments	(12,498)	(48,154)	(35,656)	(48,154)	12,305	(60,459)
Total appropriations provided to deliver services	175,545	178,026	2,481	178,026	275,810	(97,784)
Details of capital expenditure						
Purchase of non-current physical assets	167,686	103,042	(64,644)	103,042	99,301	3,741
Repayment of borrowings	78,038	28,857	(49,181)	28,857	19,815	9,042
Adjustments for other funding sources	(203,729)	(116,546)	87,183	(116,546)	(96,847)	(19,699)
Capital appropriations	41,995	15,353	(26,642)	15,353	22,269	(6,916)

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

Note 43 'Explanatory statement' and Note 45 'Explanatory statement for Administered Items' provide details of any significant variations between estimates and actual results for 2015 and between the actual results for 2015 and 2014.

	2015 estimate \$000	2015 actual \$000	Variance \$000	2015 actual \$000	2014 actual \$000	Variance \$000
DETAILS OF ADMINISTERED INCOME ESTIMATES						
Taxation						
Insurance Duty	638,100	603,788	(34,312)	603,788	579,780	24,008
Land Tax	752,637	741,642	(10,995)	741,642	659,163	82,479
Metropolitan Region Improvement Tax	92,600	92,811	211	92,811	87,551	5,260
Payroll Tax	3,819,846	3,592,020	(227,826)	3,592,020	3,558,915	33,105
Racing and Wagering Western Australia Tax	43,678	42,409	(1,269)	42,409	42,411	(2)
Transfer Duty	1,823,100	1,598,411	(224,689)	1,598,411	1,776,242	(177,831)
Landholder Duty	122,600	100,794	(21,806)	100,794	192,718	(91,924)
Vehicle Licence Duty	442,300	362,952	(79,348)	362,952	384,721	(21,769)
Other duties	5	5	-	5	17	(12)
Commonwealth Mirror Taxes	48,310	44,450	(3,860)	44,450	43,199	1,251
Total taxation	7,783,176	7,179,280	(603,896)	7,179,280	7,324,717	(145,437)
Other revenue						
Office lease rental revenue	41,602	41,768	166	41,768	39,988	1,780
Other income	52,950	63,230	10,280	63,230	54,912	8,318
Total other revenue	94,552	104,998	10,446	104,998	94,900	10,098
Appropriations						
<i>First Home Owner Grant Act 2000</i>	91,975	115,904	23,929	115,904	114,220	1,684
Administered grants and transfer payments	182,753	148,030	(34,723)	148,030	257,352	(109,322)
	274,728	263,934	(10,794)	263,934	371,572	(107,638)
TOTAL INCOME ESTIMATES	8,152,456	7,548,213	(604,243)	7,548,213	7,791,189	(242,976)

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

Note 43 'Explanatory statement' and Note 45 'Explanatory statement for Administered Items' provide details of any significant variations between estimates and actual results for 2015 and between the actual results for 2015 and 2014.

Notes to the financial statements For the year ended 30 June 2015

Note 1. Australian Accounting Standards

General

The Department's financial statements for the year ended 30 June 2015 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 Department has adopted any applicable new and revised Australian Accounting Standards from their operative dates.

Early adoption of standards

The 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 Australian Accounting Standards that have been issued or amended (but not operative) by the Department for the annual reporting period ended 30 June 2015.

Note 2. Summary of significant accounting policies

(a) General statement

The 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, except for land and buildings which have been measured at fair value.

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).

(c) Reporting entity

The reporting entity is the Department of Finance.

Vision

A high performing public sector empowered and enabled by our advice and services.

Services

The Department provides the following services:

Service 1: Revenue assessment and collection, and grants and subsidies administration.

Service 2: Development and management of common use contract arrangements, State Fleet leasing and disposal, and providing facilitation service for agency specific contracts.

Service 3: Corporate Services to the Department of Treasury.

Service 4: Leads the planning, delivery, management and maintenance of government buildings, projects and office accommodation.

Service 5: Development and implementation of energy policy and economic reform; assessment of proposed policy changes and the impact on regulatory functions.

(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 T1 955 Contributions by Owners made to Wholly-Owned Public Sector Entities and have been credited directly to Contributed Equity.

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

(e) Income

Revenue recognition

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

Sale of goods

Revenue is recognised from the sale of goods and disposal of other assets when the significant risks and rewards of ownership transfer to the purchaser and can be measured reliably.

Provision of services

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

Vehicle fleet lease rentals

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

Vehicle bailment revenues

Revenue is recognised on receipt of sale proceeds of vehicles held under bailment rights.

Interest

Revenue is recognised as the interest accrues.

Revenue recognition - administered

Revenues resulting from taxation, territorial revenue, regulatory fees and fines, sale of goods and services, rent and interest are, where possible, recognised when the transaction or event giving rise to the revenue occurs. In some instances however, the revenue is not measurable until the cash is received.

Service Appropriations

Service Appropriations are recognised as revenues at fair value in the period in which the Department gains control of the appropriated funds. The Department gains control of appropriated funds at the time those funds are deposited to the Department's bank account or credited to the *Amounts receivable for services (holding account)* held at Treasury.

Net appropriation determination

The Treasurer may make a determination providing for prescribed receipts to be retained for services under the control of the Department. In accordance with the determination specified in the 2014-15 Budget Statements, the Department retained \$1,160 million in 2015 (\$1,252 million in 2014) from the following:

- proceeds from fees and charges
- sale of goods
- Commonwealth specific-purpose grants and contributions

- rental revenue recognised in accordance with lease agreements entered into with State Government agencies, statutory authorities and other State Government entities and vehicle bailment revenue held under bailment rights
- provision of contract services and rental income sufficient to cover outgoings paid for government owned buildings
- interest and other departmental revenue.

Grants, donations, gifts and other non-reciprocal contributions

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

Other non-reciprocal contributions that are not contributions by owners are recognised at their fair value. Contributions of services are only recognised when a fair value can be reliably determined and the services would be purchased if not donated.

Royalties for Regions funds are recognised as revenue at fair value in the period in which the Department obtains control over the funds. The Department obtains control of the funds at the time the funds are deposited into the Department's bank account.

Gains

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

Notes to the financial statements For the year ended 30 June 2015

(f) Borrowing costs

Borrowing costs are expensed when incurred.

(g) Property, plant and equipment and vehicles

Capitalisation/expensing of assets

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

Initial recognition and measurement

Property, plant and equipment and motor vehicles are initially recognised at cost.

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

Subsequent measurement

Subsequent to initial recognition of an asset, the revaluation model is used for the measurement of land and buildings and historical cost for all other property, plant and equipment and motor vehicles. Land and buildings are carried at fair value less accumulated depreciation (buildings only) and accumulated impairment losses. All other items of property, plant and

equipment and motor vehicles are stated at historical cost less accumulated depreciation and accumulated impairment losses.

Where market-based evidence is available, the fair value of land and buildings is determined on the basis of current market values determined by reference to recent market transactions. When buildings are revalued by reference to recent market transactions, the accumulated depreciation is eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount.

In the absence of market-based evidence, fair value of land and buildings is determined on the basis of existing use. This normally applies where buildings are specialised or where land use is restricted. Fair value for existing use buildings is determined by reference to the cost of replacing the remaining future economic benefits embodied in the asset, that is, the depreciated replacement cost. Where the fair value of buildings is determined on the depreciated replacement cost basis, the gross carrying amount and the accumulated depreciation are restated proportionately. Fair value for restricted use land is determined by comparison with market evidence for land with similar approximate utility (high restricted use land) or market value of comparable unrestricted land (low restricted use land).

Land and buildings are independently valued annually by the Western Australian Land Information Authority (Valuation Services) and recognised annually to ensure that the carrying

amount does not differ materially from the asset's fair value at the end of the reporting period.

The most significant assumptions and judgements in estimating fair value are made in assessing whether to apply the existing use basis to assets and in determining estimated economic life. Professional judgement by the valuer is required where the evidence does not provide a clear distinction between market type assets and existing use assets.

De-recognition

Upon disposal or de-recognition of an item of property, plant and equipment and motor vehicles, any revaluation surplus relating to that asset is retained in the asset revaluation surplus.

Asset revaluation surplus

The asset revaluation surplus is used to record increments and decrements on the revaluation of non-current assets as described in Note 25 'Property, plant and equipment and vehicles'.

Depreciation

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

State Fleet motor vehicles are leased to other agencies mainly as operating leases. Taking into account the residual values, the vehicles are depreciated on a straight line basis over the term of the vehicle lease.

Land is not depreciated.

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

Buildings	30 to 40 years
Heritage assets	100 years
Plant and equipment	10 to 15 years
Office equipment	5 years
Software ^(a)	3 to 10 years
Office fit-outs	3 to 15 years or remaining lease term, whichever is lower
Motor vehicles	6 months to 5 years

^(a) Software that is integral to the operation of related hardware.

(h) Intangible assets

Capitalisation/expensing of assets

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

Intangible assets are initially recognised at cost. For assets acquired at no cost or for nominal cost, the cost is their fair value at the date of acquisition.

The cost model is applied for subsequent measurement requiring the asset to be carried at cost less any accumulated amortisation and accumulated impairment losses.

Amortisation for intangible assets with finite useful lives is calculated for the period of the expected benefit (estimated useful life which is reviewed annually) on the straight line basis. All intangible assets controlled by the Department have a finite useful life and zero residual value.

The expected useful lives for each class of intangible asset are:

Licences	up to 10 years
Software ^(a)	3 to 13 years

^(a) Software that is not integral to the operation of any related hardware.

Licences

Licences have a finite useful life and are carried at cost less accumulated amortisation and accumulated impairment losses.

Computer software

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

(i) Impairment of assets

Property, plant and equipment, motor vehicles and intangible assets are tested for any indication of impairment at the end of each reporting period. Where there is an indication of impairment, the recoverable amount is estimated. As the Department is a not-for-profit entity, unless a specialised asset has been identified as a surplus asset, the recoverable

amount is the higher of an asset's fair value less costs to sell and depreciated replacement cost.

Each relevant class of assets is reviewed annually to verify that the accumulated depreciation/amortisation reflects the level of consumption or expiration of the assets' future economic benefits and to evaluate any impairment risk from falling replacement costs.

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

Refer to Note 28 'Impairment of assets' for outcome of impairment review.

(j) Non-current assets (or disposal groups) classified as held for sale

The Department does not have non-current assets held for sale.

(k) Leases

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

Notes to the financial statements For the year ended 30 June 2015

The 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.

Lease income from operating leases where the Department is a lessor is recognised as income on a straight line basis over the lease term.

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.

(l) Financial instruments

In addition to cash, the 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
 - Restricted cash and cash equivalents
 - Receivables
 - Finance lease receivables
 - Amounts receivable for services.
- Financial liabilities
 - Payables
 - WATC borrowings
 - Heritage Maintenance borrowings
 - Amounts due to the Treasurer.

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.

(m) Cash and cash equivalents

For the purpose of the Statement of Cash Flows, cash and cash equivalent (and restricted 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.

(n) Accrued salaries

Accrued salaries (refer to Note 29 'Payables') represent the amount due to staff but unpaid at the end of the financial year. Accrued salaries are settled within a fortnight of the financial year end. The Department considers the carrying amount of accrued salaries to be equivalent to its fair value.

The accrued salaries suspense account (refer to Note 19 'Restricted cash and cash equivalents') consists of amounts paid annually into a suspense account over a period of 10 financial years to largely meet the additional cash outflow in each eleventh year when 27 pay days occur instead of the normal 26. No interest is received on this account.

(o) Amounts receivable for services (holding account)

The Department receives funding on an accrual basis. The appropriations are paid partly as an asset (holding account receivable). The accrued amount receivable is accessible on the emergence of the cash funding requirement to cover leave entitlements and asset replacement.

(p) Inventories

Inventories are measured at the lower of cost and net realisable value. Costs are assigned by the method most appropriate for each particular class of inventory, with the majority being measured on an average cost method.

Inventories not held for resale are measured at cost unless they are no longer required, in which case they are measured at net realisable value.

(q) Receivables

Receivables are recognised at original invoice amount less an allowance for any uncollectible amounts (that is, 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 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.

(r) Payables

Payables are recognised at the amounts payable when the 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.

(s) 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.

(t) Provisions

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

Provisions - employee benefits

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

Annual leave

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

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

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

The provision for annual leave is classified as a current liability as the 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 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 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

Notes to the financial statements For the year ended 30 June 2015

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 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 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 Department to GESB extinguishes the agency's obligations to the related superannuation liability.

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

See also Note 2(u) 'Superannuation expense'.

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

Remediation costs

A provision is recognised where the Department has a legal or constructive obligation to undertake remediation work. Estimates are based on the present value of expected future cash outflows.

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

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

Assets or services received free of charge or for nominal cost that the 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.

(w) Construction work in progress

Construction work in progress is stated at the aggregate of contract costs incurred to date plus recognised profits less recognised losses and progress billings. If there are contracts where progress billing exceeds the aggregate costs incurred plus profits less losses, the net amounts are presented under other payables. Contract costs include all costs directly related to specific contracts, costs that are specifically chargeable to the customer under the terms of the contract and an allocation of overhead expenses incurred in connection with the Department's construction activities in general.

(x) Lease incentives

In instances where the lessor has provided incentives for the Department to enter into an operating lease, the Department has recognised the aggregate benefit of incentives as a reduction of rental expense over the lease term, on a straight line basis. Examples of lease incentives include up-front cash payments or the reimbursement or assumption by the lessor of costs of the lease such as leasehold improvements.

Note 3. Comparative figures

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

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 Department evaluates these judgements regularly.

Operating lease commitments

The Department has entered into a number of leases for buildings for branch office accommodation. Some of these leases relate to buildings of a temporary nature and it has been determined that the lessor retains substantially all the risks and rewards incidental to ownership. Accordingly, these leases have been classified as operating leases.

Note 5. Key sources of estimation uncertainty

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

Waste disposal site

An environmental analysis to provide a quantifiable estimate of the amount required to rehabilitate the Mt Walton East intractable waste disposal site was obtained for the 2014-15 financial year. Calculations performed in assessing

the restoration costs provision incorporate a number of key estimates. Calculation of the provision will be conducted annually and adjusted using the most up-to-date information available.

Long service leave

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

Note 6. Disclosure of changes in accounting policy and estimates

Initial application of an Australian Accounting Standard

The Department has applied the following Australian Accounting Standards effective for annual reporting periods beginning on or after 1 July 2014 that impacted on the Department.

Int 21 Levies

This Interpretation clarifies the circumstances under which a liability to pay a government levy imposed should be recognised. There is no financial impact for the Department at reporting date.

AASB 10 Consolidated Financial Statements

This Standard, issued in August 2011, supersedes AASB 127 *Consolidated and Separate Financial Statements* and Int 112 *Consolidation – Special Purpose Entities*, introducing a number of changes to accounting treatments.

The adoption of the new Standard has no financial impact for the Department as it does not impact accounting for related bodies and the Department has no interests in other entities.

AASB 11 Joint Arrangements

This Standard, issued in August 2011, supersedes AASB 131 *Interests in Joint Ventures*, introduces new principles for determining the type of joint arrangement that exists, which are more aligned to the actual rights and obligations of the parties to the arrangement.

There is no financial impact for the Department as the new standard continues to require recognition of the Department's share of assets and share of liabilities for the unincorporated joint operation.

AASB 12 Disclosure of Interests in Other Entities

This Standard, issued in August 2011, supersedes disclosure requirements in AASB 127 *Consolidated and Separate Financial Statements*, AASB 128 *Investments in Associates* and AASB 131 *Interests in Joint Ventures*. There is no financial impact.

AASB 127 Separate Financial Statements

This Standard, issued in August 2011, supersedes AASB 127 *Consolidated and Separate Financial Statements* removing the consolidation requirements of the earlier standard while retaining accounting and disclosure requirements for the preparation of separate financial statements. There is no financial impact.

Notes to the financial statements For the year ended 30 June 2015

AASB 128 Investments in Associates and Joint Ventures

This Standard supersedes AASB 128 *Investments in Associates*, introducing a number of clarifications for the accounting treatments of changed ownership interest.

The adoption of the new Standard has no financial impact for the Department as it does not hold investments in associates and joint ventures.

AASB 1031 Materiality

This Standard supersedes AASB 1031 (February 2010), removing Australian guidance on materiality not available in IFRSs and refers to guidance on materiality in other Australian pronouncements. There is no financial impact.

AASB 1055 Budgetary Reporting

This Standard requires specific budgetary disclosures in the general purpose financial statements of not-for-profit entities within the General Government Sector. The Department will be required to disclose additional budgetary information and explanations of major variances between actual and budgeted amounts, though there is no financial impact.

AASB 2011-7 Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards [AASB 1, 2, 3, 5, 7, 101, 107, 112, 118, 121, 124, 132, 133, 136, 138, 139, 1023 & 1038 and Int 5, 9, 16 & 17]

This Standard gives effect to consequential changes arising from the issuance of AASB 10, AASB 11, AASB 127 *Separate Financial*

Statements and AASB 128 *Investments in Associates and Joint Ventures*. There is no financial impact for the Department.

AASB 2012-3 Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities [AASB 132]

This Standard adds application guidance to AASB 132 to address inconsistencies identified in applying some of the offsetting criteria, including clarifying the meaning of “currently has a legally enforceable right of set-off” and that some gross settlement systems may be considered equivalent to net settlement. There is no financial impact.

AASB 2013-3 Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets

This Standard introduces editorial and disclosure changes. There is no financial impact.

AASB 2013-4 Amendments to Australian Accounting Standards – Novation of Derivatives and Continuation of Hedge Accounting [AASB 139]

This Standard permits the continuation of hedge accounting in circumstances where a derivative, which has been designated as a hedging instrument, is novated from one counter party to a central counterparty as a consequence of laws or regulations. The Department does not routinely enter into derivatives or hedges, therefore there is no financial impact.

AASB 2013-8 Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities – Control and Structured Entities [AASB 10, 12 & 1049]

The amendments, issued in October 2013, provide significant guidance in determining whether a not-for-profit entity controls another entity when financial returns are not a key attribute of the investor’s relationship. The Standard has no financial impact in its own right, rather the impact results from the adoption of the amended AASB 10.

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

Part B of this omnibus Standard makes amendments to other Standards arising from the deletion of references to AASB 1031 in other Standards for periods beginning on or after 1 January 2014. It has no financial impact.

AASB 2014-1 Amendments to Australian Accounting Standards

Part A of this Standard consists primarily of clarifications to Accounting Standards and has no financial impact for the Department.

Part B of this Standard has no financial impact as the Department contributes to schemes that are either defined contribution plans, or deemed to be defined contribution plans.

Part C of this Standard has no financial impact as it removes references to AASB 1031 *Materiality* from a number of Accounting Standards.

Voluntary changes in accounting policy

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

Future impact of Australian Accounting Standards not yet operative

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

Operative for reporting periods beginning on/after 1 January 2015

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

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

AASB 2014-1 Amendments to Australian Accounting Standards

Part E of this Standard makes amendments to AASB 9 and consequential amendments

to other Standards. It has not yet been assessed by the Department to determine the application or potential impact of the Standard.

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

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

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

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

Operative for reporting periods beginning on/after 1 January 2016

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

The 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 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. The Department has not yet determined the application or the potential impact of the Standard.

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]

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 Department has not yet determined the application or the potential impact of the Standard.

Notes to the financial statements For the year ended 30 June 2015

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 Department has not yet determined the application or the potential impact of the Standard.

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. The

Department has not yet determined the application of the Standard, though there is no financial impact.

Operative for reporting periods beginning on/after 1 January 2017

AASB 15 Revenue from Contracts with Customers

This Standard establishes the principles that the Department shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. The Department has not yet determined the application or the potential impact of the Standard.

AASB 2014-5 Amendments to Australian Accounting Standards arising from AASB 15

This Standard gives effect to the consequential amendments to Australian Accounting Standards (including Interpretations) arising from the issuance of AASB 15. The Department has not yet determined the application or the potential impact of the Standard.

Operative for reporting periods beginning on/after 1 January 2018

AASB 9 Financial Instruments

This Standard supersedes AASB 139 *Financial Instruments: Recognition and Measurement*, introducing a number of changes to accounting treatments.

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 *Amendments to Australian Accounting Standards*. The Department has not yet determined the application or the potential impact of the Standard.

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]

This Standard makes consequential amendments to other Australian Accounting Standards and Interpretations as a result of issuing AASB 9 in December 2010.

The mandatory application date of this Standard has been amended by AASB 2012-6 and AASB 2014-1 to 1 January 2018. The Department has not yet determined the application or the potential impact of the Standard.

AASB 2014-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2014)

This Standard gives effect to the consequential amendments to Australian Accounting Standards (including Interpretations) arising from the issuance of AASB 9 (December 2014). The Department has not yet determined the application or potential impact of the standard.

Changes in accounting estimates

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

Note 7. Employee benefits expense

	2015 \$000	2014 \$000
Wages and salaries	94,365	104,299
Superannuation ^(a)	12,834	12,400
Long service leave ^(b)	4,250	2,226
Annual leave ^(b)	18,229	17,744
Severance payments ^(c)	4,154	5,771
Other related expenses	2,778	3,432
	136,610	145,872

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

^(b) Includes a superannuation contribution component.

^(c) The total severance gross payout for 2015 was \$5,736,000, with \$1,584,000 related to leave entitlements (i.e. Note 31).

The employment on-costs liability is included at Note 31 'Provisions'.

Note 8. Supplies and services

	2015 \$000	2014 \$000
Managed contracts	1,003,551	1,089,082
Communications	2,538	2,858
Consultants and contractors	42,358	62,028
Consumables	906	1,039
Repairs and maintenance	250	277
Travel	419	922
Legal costs	2,339	2,161
Other	8,404	9,137
	1,060,765	1,167,504

Note 9. Depreciation and amortisation expense

	2015 \$000	2014 \$000
<i>Depreciation</i>		
Office fit-out	14,180	14,121
Computer equipment	952	1,239
Vehicles	50,047	53,567
Buildings	5,796	5,639
Leasehold improvements	5,506	4,088
Office equipment	56	55
Total depreciation	76,537	78,709
<i>Amortisation</i>		
Computer software	3,759	55,739
Licence	2,890	1,893
Total amortisation	6,649	57,632
Total depreciation and amortisation	83,187	136,341

Note 10. Finance costs

	2015 \$000	2014 \$000
Western Australian Treasury Corporation - interest on borrowings	3,752	4,990
Interest on Heritage Maintenance Payments	1,072	-
	4,824	4,990

Note 11. Accommodation expenses

	2015 \$000	2014 \$000
Repairs and maintenance buildings ^(a)	20,636	25,025
Cleaning and security ^(a)	3,135	5,441
Lease rentals	11,710	15,250
	35,481	45,716

^(a) The 2014 Repairs and maintenance building category is lower by \$5,292,000 as a result of the removal of Cleaning and security expenditure and transferred to Cleaning and security category.

Note 12. Grants and subsidies

	2015 \$000	2014 \$000
Grants - recurrent ^(a)	52,174	576
Grants - capital ^(b)	12,054	4,820
	64,228	5,396

^(a) Includes non-cash impact of \$52,000,000 in relation to the State's financial contribution to the redevelopment of the Old Treasury Building Hotel.

^(b) Includes non-cash impact of the accounting de-recognition of the Old Treasury Building Hotel.

Note 13. Other expenses

	2015 \$000	2014 \$000
Minor equipment	647	472
Employment on-costs ^(a)	25	(38)
Cost of goods sold	138	136
Audit fees	405	560
Refund of revenues from prior years	4	6,594
Other	319	1,686
	1,538	9,410

^(a) Includes workers' compensation insurance. The on-costs liability associated with the recognition of annual and long service leave liability is included at Note 31 'Provisions'. Superannuation contributions accrued as part of the provision for leave are employee benefits and are not included in employment on-costs. Refer also to Note 7 'Employee benefits expense'.

Notes to the financial statements For the year ended 30 June 2015

Note 14. Income

	2015 \$000	2014 \$000
User charges and fees		
Sales	1,106	1,052
Rents for government office accommodation	242,622	236,046
Managed building works	821,573	909,589
Vehicle fleet lease rental	64,927	66,597
Other	19,150	20,218
	1,149,378	1,233,502
Commonwealth grants and contributions		
Commonwealth grants and contributions	1,376	7,186
	1,376	7,186
Interest revenue		
Interest revenue	262	279
	262	279
Other revenue		
Recoups	6,161	4,450
Government vehicle schemes (GVS-SOVS)	91	103
Other	1,767	3,304
	8,018	7,857
	1,159,034	1,248,824

Note 15. Net gain on disposal of non-current assets

	2015 \$000	2014 \$000
Gain on disposal of non-current assets		
<i>Proceeds from disposal of non-current assets</i>		
Sunset Hospital - land	8,276	-
Motor vehicles	39,332	39,465
	47,608	39,465
<i>Carrying amount of non-current assets disposed</i>		
Sunset Hospital - land	7,450	-
Motor vehicles	38,736	36,266
	46,186	36,266
Loss on disposal of non-current assets		
<i>Proceeds from disposal of non-current assets</i>		
Office fit-out	-	-
Computer software	-	-
Sunset Hospital - building	28	-
Motor vehicles	-	-
	28	0
<i>Carrying amount of non-current assets disposed</i>		
Office fit-out	-	214
Computer software	-	85
Sunset Hospital - building	30	-
Motor vehicles	-	-
	30	299
	2	299
Net gain on disposal of non-current assets	1,420	2,900

Note 16. Other gains

There were no gains on the revaluation of buildings for 2014 and 2015.

Note 17. Income from State Government

	2015 \$000	2014 \$000
Appropriation received during the period:		
Service appropriations ^(a)	178,026	275,810
Services received free of charge from other State Government agencies during the period:		
Department of the Attorney General	1,906	1,609
Landgate	11,693	11,100
Department of Treasury	334	438
Department of the Premier and Cabinet	131	201
	<u>14,065</u>	<u>13,348</u>
Royalties for Regions Fund:		
Regional Infrastructure and Headworks Account ^(b)	189	149
	<u>189</u>	<u>149</u>
	<u>192,280</u>	<u>289,307</u>

^(a) Service appropriations fund the net cost of services delivered. Appropriation revenue comprises a cash component and a receivable (asset). The receivable (holding account) comprises the budgeted depreciation expense for the year and any agreed increase in leave liabilities during the year.

^(b) State Government Royalties for Regions funds have been used to fund the increase in district allowance payments for eligible regional public sector employees.

Note 18. Cash and cash equivalents

	2015 \$000	2014 \$000
<i>Current</i>		
Cash at bank	58,896	165,038
Cash on hand	9	10
	<u>58,905</u>	<u>165,048</u>

Note 19. Restricted cash and cash equivalents

	2015 \$000	2014 \$000
<i>Current</i>		
Conservation Fund	-	97
Indian Ocean Territories Trust Fund	344	187
Renewable Remote Power Generation Program	-	1,816
Royalties for Regions ^(a)	415	-
Anzac Interpretive Centre projects ^(b)	815	4,384
Sunset Reserve Account ^(c)	8,512	141
Accrued salaries suspense account ^(d)	4,801	-
	<u>14,887</u>	<u>6,625</u>
<i>Non-current</i>		
Accrued salaries suspense account ^(d)	-	4,547
	<u>14,887</u>	<u>11,172</u>

^(a) Unspent funding provided from Royalties for Regions relating to the Karratha Government Office Co-Location Project (The Quarter).

^(b) Commonwealth Government funded program.

^(c) Refer to Note 44 'Special Purpose Account'.

^(d) Amount held in the suspense account for 27th pay.

Notes to the financial statements For the year ended 30 June 2015

Note 20. Receivables

	2015 \$000	2014 \$000
<i>Current</i>		
Receivables	50,963	58,252
Accrued revenue	16,235	8,234
GST receivable	1,515	12,875
Interest receivable	31	32
Trust account ^(a)	5,734	5,709
	74,478	85,102
Underbillings ^(b)	231,033	226,113
Total current	305,511	311,215
Total receivables	305,511	311,215

^(a) Relates to funds held in trust by the Department's corporate property manager for management of rental services, management of Fremantle Prison Café, and consumables and incidental costs relating to the Western Australia Government's occupation of Gordon Stephenson House.

^(b) Contract costs incurred but not yet billed to clients.

The Department does not hold any collateral as security or other credit enhancements relating to receivables.

Note 21. Finance lease receivables

The Department leases vehicles to Western Australian State Government agencies and entities. The majority of leases are operating leases, the balance are finance leases.

Finance lease receivables

At balance date, the term of existing finance lease contracts varies between four and five years. A contract is subject to a fixed market rate of interest set at the time the contract is established. All contracts contain a renewal option and are secured by the underlying vehicle. Residual values are guaranteed by the relevant contracting agency or the entity.

	2015 \$000	2014 \$000
Gross investment in finance lease contracts	2,366	2,903
Less: Unearned finance income	(218)	(317)
Net investment in finance lease contracts	2,148	2,586
Less: Unguaranteed residual values of the finance leases at the balance date	-	-
Present value of the future minimum lease payment receivables	2,148	2,586
Accumulated allowances for unallocated minimum lease payment receivables	-	-

As at balance date, the gross investment and present value of receivables relating to the future minimum lease payments under non-cancellable finance lease arrangements were distributed as follows:

<i>Current</i>		
Not later than 1 year	560	725
<i>Non-current</i>		
Later than 1 year and not later than 5 years	1,583	1,775
Later than 5 years	4	86
	1,588	1,861
	2,148	2,586

Note 22. Inventories

	2015 \$000	2014 \$000
Inventories held for resale	88	89
	88	89

Note 23. Amounts receivable for services (Holding Account)

	2015 \$000	2014 \$000
Current	1,469	1,688
Non-current	380,682	325,475
Total	382,151	327,163

Represents the non-cash component of service appropriations. It is restricted in that it can only be used for asset replacement or payment of leave liability.

Note 24. Other assets

	2015 \$000	2014 \$000
<i>Current</i>		
Prepayments	25,565	23,328
	25,565	23,328
<i>Non-current</i>		
Prepayments	1,170	13
	1,170	13

Note 25. Property, plant, equipment and vehicles

	2015 \$000	2014 \$000
<i>Land</i>		
At fair value ^(a)	174,665	182,088
	174,665	182,088
<i>Buildings</i>		
At fair value ^(a)	247,379	273,748
Accumulated depreciation	(4,581)	(4,342)
	242,798	269,406
<i>Leasehold improvements</i>		
At cost	43,119	31,171
Accumulated depreciation	(15,526)	(10,020)
	27,593	21,151
<i>Office equipment</i>		
At cost	315	282
Accumulated depreciation	(186)	(152)
	129	130

Computer equipment

At cost	5,687	5,325
Accumulated depreciation	(4,303)	(3,416)
	1,384	1,909

Office fit-out

At cost	123,444	118,378
Accumulated depreciation	(48,680)	(34,501)
	74,764	83,877

Motor vehicles

At cost	392,028	405,582
Accumulated depreciation	(133,913)	(129,183)
	258,115	276,399

Works in progress

At cost	25,254	4,456
	25,254	4,456

Total

At fair value/cost	1,011,891	1,021,030
Accumulated depreciation	(207,189)	(181,614)
	804,702	839,416

^(a) Land and buildings were revalued as at 1 July 2014 by the Western Australian Land Information Authority (Valuation Services). The valuations were performed during the year ended 30 June 2015 and recognised at 30 June 2015. In undertaking the revaluation, fair value was determined by reference to market values for land: \$62,840,000 (2014: \$70,513,000) and buildings: \$161,710,000 (2014: \$175,075,000). For the remaining balance, fair value of buildings was determined on the basis of depreciated replacement cost and fair value of land was determined on the basis of comparison with market evidence for land with low level utility (high restricted use land). Information on fair value measurement is provided in Note 26 'Fair value measurement'.

Notes to the financial statements For the year ended 30 June 2015

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

	Land \$000	Buildings \$000	Leasehold improvements \$000	Office equipment \$000	Computer equipment \$000	Office fit-out \$000	Motor vehicles \$000	Work in progress \$000	Total \$000
2015									
Carrying amount at start of period	182,088	269,406	21,151	130	1,909	83,877	276,399	4,456	839,416
Additions	480	-	11,948	55	618	1,831	70,789	23,844	109,564
Transfers ^(a)	-	(7,054)	-	-	(190)	3,236	(290)	(3,046)	(7,344)
Other disposals	(7,450)	(30)	-	-	-	-	(38,736)	-	(46,217)
Revaluations	(453)	(13,729)	-	-	-	-	-	-	(14,182)
Depreciation	-	(5,794)	(5,506)	(56)	(952)	(14,180)	(50,047)	-	(76,535)
Carrying amount at end of period	174,665	242,798	27,593	129	1,384	74,764	258,115	25,254	804,702
2014									
Carrying amount at start of period	175,974	266,693	21,368	165	2,566	96,537	278,646	1,433	843,382
Additions	-	-	3,871	20	582	-	88,188	5,583	98,244
Transfers ^(b)	-	885	-	-	-	1,675	(602)	(2,560)	(602)
Other disposals	-	-	-	-	-	(214)	(36,266)	-	(36,480)
Revaluations	6,114	7,467	-	-	-	-	-	-	13,581
Depreciation	-	(5,639)	(4,088)	(55)	(1,239)	(14,121)	(53,567)	-	(78,709)
Carrying amount at end of period	182,088	269,406	21,151	130	1,909	83,877	276,399	4,456	839,416

^(a) Motor vehicles transfers for finance leases to Department of Education for \$272,000 and Department of Sport and Recreation for \$18,000. A transfer from Work in progress to Office fit-out of \$3,046,000. Computer equipment reclassification for \$190,000. Building disposal of \$7,054,000 refers to the accounting de-recognition of the Old Treasury Building Hotel.

^(b) Motor vehicles transfers for finance leases to Department of Education for \$366,000, Water Corporation for \$113,000, Department of Health for \$88,000 and Department of Corrective Services \$33,000. A transfer from Work in progress to Buildings of \$885,000 and Office fit-out of \$1,675,000.

Note 26. Fair value measurement

Assets measured at fair value:	Level 1 \$000	Level 2 \$000	Level 3 \$000	Fair Value at end of period \$000
2015				
Land (Note 25)	-	62,840	111,825	174,665
Buildings (Note 25)	-	161,710	81,087	242,798
	<u>-</u>	<u>224,550</u>	<u>192,912</u>	<u>417,463</u>
2014				
Land (Note 25)	-	70,513	111,575	182,088
Buildings (Note 25)	-	175,075	94,331	269,406
	<u>-</u>	<u>245,588</u>	<u>205,906</u>	<u>451,494</u>

There were no transfers between Levels 1, 2 or 3 during the period.

Valuation techniques to derive Level 2 fair values

Level 2 fair values land and buildings (office accommodation) are derived using the market approach. Market evidence of sales prices of comparable land and buildings (office accommodation) in close proximity is used to determine price per square metre.

Non-current assets held for sale have been written down to fair value less costs to sell. Fair value has been determined by reference to market evidence of sales prices of comparable assets.

Fair value measurements using significant unobservable inputs (Level 3)

	Land \$000	Building \$000
2015		
Fair value at start of period	111,575	94,330
Additions	480	-
Transfers ^(a)	-	(7,054)
Revaluation increments recognised in <i>Other Comprehensive Income</i>	(230)	(5,125)
Depreciation expense	-	(1,064)
Fair value at end of period	<u>111,825</u>	<u>81,087</u>
2014		
Fair value at start of period	109,331	91,193
Additions	-	803
Revaluation increments recognised in <i>Other Comprehensive Income</i>	2,244	3,353
Depreciation expense	-	(1,019)
Fair value at end of period	<u>111,575</u>	<u>94,330</u>

^(a) Building disposal of \$7,054,000 refers to the recognition of capital grant in relation to the Old Treasury Building Hotel.

Valuation processes

There were no changes in valuation techniques during the period.

Transfers in and out of a fair value level are recognised on the date of the event or change in circumstances that caused the transfer. Transfers are generally limited to assets newly classified as non-current assets held for sale as Treasurer's instructions require valuations of land and buildings to be categorised within Level 3 where the valuations will utilise significant Level 3 inputs on a recurring basis.

Notes to the financial statements For the year ended 30 June 2015

Fair value for existing use specialised buildings is determined by reference to the cost of replacing the remaining future economic benefits embodied in the asset, that is, the depreciated replacement cost. Depreciated replacement cost is the current replacement cost of an asset less accumulated depreciation calculated on the basis of such cost to reflect the already consumed or expired economic benefit, or obsolescence, and optimisation (where applicable) of the asset. Current replacement cost is generally determined by reference to the market observable replacement cost of a substitute asset of comparable utility and the gross project size specifications.

Fair value for restricted use land is based on market value, by either using market evidence of sales of comparable land that is unrestricted less restoration costs to return the site to a vacant and marketable condition (low restricted use land), or, comparison with market evidence for land with low level utility (high restricted use land).

Significant Level 3 inputs used by the Department are derived and evaluated as follows:

Consumed economic benefit/obsolescence of asset

These are estimated by the Western Australian Land Information Authority (Valuation Services).

Selection of land with restricted utility

Fair value for restricted use land is determined by comparison with market evidence for land with low level utility. Relevant comparators of land with low level utility are selected by the Western Australian Land Information Authority (Valuation Services).

Information about significant unobservable inputs (Level 3) in fair value measurements

Description and fair value as at 30 June (\$000)	Valuation technique(s)	Unobservable inputs	Range of unobservable inputs (weighted average)	Relationship of unobservable inputs to fair value
2015				
Land (\$111,825)	Market Approach	Selection of land with similar approximate utility	\$0 - \$1,139 per m ² (\$822.40 per m ²)	Higher value of similar land increases estimated fair value
Buildings (\$81,087)	Depreciated Replacement Cost	Consumed economic benefit/ obsolescence of asset	0.66% - 1.64% per year (0.84% per year)	Greater consumption of economic benefit or increased obsolescence lowers fair value
2014				
Land (\$111,575)	Market Approach	Selection of land with similar approximate utility	\$0 - \$1,162 per m ² (\$856.51 per m ²)	Higher value of similar land increases estimated fair value
Buildings (\$94,331)	Depreciated Replacement Cost	Consumed economic benefit/ obsolescence of asset	0.63% - 1.53% per year (0.81% per year)	Greater consumption of economic benefit or increased obsolescence lowers fair value

Reconciliations of the opening and closing balances are provided in Note 25.

Basis of Valuation

In the absence of market-based evidence, due to the specialised nature of some non-financial assets, these assets are valued at Level 3 of the fair value hierarchy on an existing use basis. The existing use basis recognises that restrictions or limitations have been placed on their use and disposal when they are not determined to be surplus to requirements. These restrictions are imposed by virtue of the assets being held to deliver a specific community service.

Note 27. Intangible assets

	2015 \$000	2014 \$000
<i>Licence</i>		
At cost	13,782	13,286
Accumulated amortisation	(10,212)	(7,321)
	3,570	5,965
<i>Computer software</i>		
At cost	175,859	171,424
Accumulated amortisation	(154,113)	(150,354)
	21,746	21,070
<i>Work in progress</i>		
At cost	5,069	2,837
	5,069	2,837
Total		
At cost	194,710	187,547
Accumulated amortisation	(164,325)	(157,675)
	30,385	29,872

Reconciliations of the carrying amounts of intangibles at the beginning and end of the reporting period are set out in the table below.

	Licence \$000	Computer software \$000	Work in progress \$000	Total \$000
2015				
Carrying amount at start of period	5,965	21,070	2,837	29,872
Additions	102	754	6,306	7,162
Transfers to computer software and licence	393	3,681	(4,074)	-
Amortisation expense	(2,890)	(3,759)	-	(6,649)
Carrying amount at end of period	3,570	21,746	5,069	30,385
2014				
Carrying amount at start of period	6,932	76,444	970	84,346
Additions	712	148	3,335	4,195
Impairment losses recognised in Statement of Comprehensive Income	-	-	(952)	(952)
Transfers to computer software and licence	214	302	(516)	-
Other disposals	-	(85)	-	(85)
Amortisation expense	(1,893)	(55,739)	-	(57,632)
Carrying amount at end of period	5,965	21,070	2,837	29,872

Note 28. Impairment of assets

There were no indications of impairment to property, plant, equipment, motor vehicles or intangible assets at 30 June 2015. The Department held no goodwill or intangible assets with an indefinite useful life during the reporting period. At the end of the reporting period there were no intangible assets not yet available for use.

Notes to the financial statements For the year ended 30 June 2015

Note 29. Payables

	2015 \$000	2014 \$000
<i>Current</i>		
Trade payables	2,404	4,551
Accrued salaries	4,218	3,131
Accrued expenses	61,951	88,397
Unearned revenue	19,996	16,070
Interest - Western Australian Treasury Corporation	135	194
Other	541	161
	<u>89,245</u>	<u>112,504</u>
Overbillings ^(a)	226,813	287,833
Total payables	<u>316,057</u>	<u>400,337</u>

^(a) Billings to clients less contract costs incurred.

Note 30. Borrowings

	2015 \$000	2014 \$000
<i>Current</i>		
Western Australian Treasury Corporation	34,188	42,072
Heritage Maintenance Payments	5,225	-
	<u>39,413</u>	<u>42,072</u>
<i>Non-current</i>		
Western Australian Treasury Corporation	57,128	77,861
Heritage Maintenance Payments	46,553	-
	<u>103,681</u>	<u>77,861</u>
Total borrowings	<u>143,094</u>	<u>119,933</u>

Note 31. Provisions

	2015 \$000	2014 \$000
<i>Current</i>		
Employee benefits provision		
Annual leave ^(a)	11,742	11,708
Long service leave ^(b)	18,080	18,047
Deferred salary scheme ^(e)	223	184
Purchased leave	101	133
	<u>30,146</u>	<u>30,072</u>
Other provisions		
Employment on-costs ^(c)	54	54
	<u>54</u>	<u>54</u>
Total current	<u>30,200</u>	<u>30,126</u>
<i>Non-current</i>		
Employee benefits provision		
Long service leave ^(b)	6,714	6,603
	<u>6,714</u>	<u>6,603</u>
Other provisions		
Employment on-costs ^(c)	12	12
Restoration costs ^(d)	523	522
	<u>535</u>	<u>534</u>
Total non-current	<u>7,250</u>	<u>7,137</u>
Total provisions	<u>37,450</u>	<u>37,263</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 reporting period. Assessments indicate that actual settlement of the liabilities will occur as follows:

	2015 \$000	2014 \$000
Within 12 months of the end of the reporting period	8,695	8,312
More than 12 months after the reporting period	3,046	3,396
	11,742	11,708

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

	2015 \$000	2014 \$000
Within 12 months of the end of the reporting period	6,563	6,734
More than 12 months after the reporting period	18,231	17,916
	24,794	24,650

(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 13 'Other expenses'.

(d) This provision is for the rehabilitation of the Mt Walton East Intractable Waste Disposal Facility site.

(e) Deferred salary scheme 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. Actual settlement of the liabilities is expected to occur as follows:

	2015 \$000	2014 \$000
Within 12 months of the end of the reporting period	223	184
More than 12 months after the reporting period	-	-
	223	184

Movements in other provisions

	2015 \$000	2014 \$000
<i>Remediation costs provisions</i>		
Carrying amount at start of period	522	518
Additional provisions recognised	1	4
Payments/other sacrifices of economic benefits	-	-
Carrying amount at end of period	523	522
<i>Employment on-cost provision</i>		
Carrying amount at start of period	66	71
Additional provisions recognised	3	157
Payments/other sacrifices of economic benefits	(3)	(162)
Carrying amount at end of period	66	66
	589	588

Note 32. Lease incentives

	2015 \$000	2014 \$000
<i>Lease incentives</i>		
Current	5,747	5,761
Non-current	39,120	31,913
	44,867	37,674

Notes to the financial statements For the year ended 30 June 2015

Note 33. Equity

Equity represents the residual interest in the net assets of the Department. The Government holds the equity interest in the Department on behalf of the community. The asset revaluation surplus represents that portion of equity resulting from the revaluation of non-current assets.

Contributed equity

	2015 \$000	2014 \$000
Balance at start of period	979,165	956,880
<i>Contributions by owners</i>		
Capital appropriation	15,353	22,269
<i>Other contributions by owners</i>		
Transfer of staff from Department of Treasury under Machinery of Government changes	-	16
Karratha Government Office Co-Location Project	500	-
<i>Transfer of net assets from other agencies:</i>		
Transfer of Government Building Campus Network (GBCN) related assets from Department of Transport	1,097	-
Transfer of land (Burswood Stadium) from Department of Land	480	-
Total contributions by owners	<u>2,077</u>	<u>16</u>
Balance at end of period	<u>996,594</u>	<u>979,165</u>

Reserves

	2015 \$000	2014 \$000
<i>Asset revaluation surplus</i>		
Balance at start of period	32,848	19,267
Net revaluation increments/(decrements):		
Land	(453)	6,114
Buildings	(13,729)	7,467
Balance at end of period	<u>18,665</u>	<u>32,848</u>

Accumulated surplus

	2015 \$000	2014 \$000
Balance at start of period	102,682	76,880
Result for the period	(33,900)	25,802
Balance at end of period	<u>68,783</u>	<u>102,682</u>
Total equity at end of period	<u>1,084,042</u>	<u>1,114,695</u>

Note 34. Notes to the Statement of Cash Flows

Reconciliation of cash

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

	2015 \$000	2014 \$000
Cash and cash equivalents ^(a)	58,905	165,048
Restricted cash and cash equivalents ^(b)	14,887	11,172
Balance at end of period	<u>73,792</u>	<u>176,220</u>

^(a) Refer also to Note 18 'Cash and cash equivalents'.

^(b) Refer also to Note 19 'Restricted cash and cash equivalents'.

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

	2015 \$000	2014 \$000
Net cost of services	(226,180)	(263,505)
<i>Non-cash items</i>		
Depreciation and amortisation expense ^(Note 9)	83,187	136,341
Doubtful debts expense	1	-
Services received free of charge ^(Note 17)	14,065	13,348
Gain on disposal of property, plant and equipment ^(Note 15)	(1,420)	(2,900)
<i>(Increase)/decrease in assets</i>		
Current receivables ^(a)	(158,029)	61,148
Current inventories	1	(7)
Other current assets	7	-
<i>Increase/(decrease) in liabilities</i>		
Current payables ^(a)	101,355	13,858
Accrued salaries	(3,344)	212
Unearned revenues	(5,488)	(6,831)
Employee benefits	2,077	(5,881)
Other non-current liabilities	12,164	(62)
Net GST receipts/(payments) ^(b)	19,118	(4,464)
Change in GST in receivables/payables ^(c)	4,500	3,571
Net cash used in operating activities	(157,987)	(55,172)

^(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, that is, cash transactions.

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

Note 35. Services provided free of charge

During the year the following agencies were provided, free of charge, functions outside the normal operations of the Department:

	2015 \$000	2014 \$000
Department of Education	19,705	17,788
WA Police	5,772	5,332
Department of Health	4,741	4,698
Department of the Premier and Cabinet	4,364	4,154
Department of Corrective Services	2,782	2,917
Department of the Attorney General	1,268	1,032
Department of Planning	1,248	1,585
Department of Training and Workforce Development	1,165	1,235
Department for Child Protection and Family Support	1,113	1,475
Department of Transport	1,026	1,097
Department of Commerce	909	659
Department of Treasury	798	827
Department of Culture and the Arts	757	582
Department of Local Government and Communities	599	708
Disability Services Commission	590	561
Department of Aboriginal Affairs	579	570
Office of the Auditor General	503	494
Others ^(a)	4,925	4,950
	52,843	50,668

^(a) Includes 47 agencies in 2014 and 46 agencies in 2015 with individual services provided free of charge which are each less than \$500,000.

Notes to the financial statements For the year ended 30 June 2015

Note 36. Commitments

The commitments below are inclusive of GST where relevant.

Non-cancellable operating lease commitments

Commitments for minimum lease payments are payable as follows:

	2015 \$000	2014 \$000
Within 1 year	7,836	13,851
Later than 1 year and not later than 5 years	21,780	37,488
Later than 5 years	25,504	58,281
	55,120	109,620

The property leases are non-cancellable and have terms ranging from 1 year to 15 years, with rent generally payable monthly in advance. Depending on the terms and conditions of the lease concerned, rent review provisions exist which generally result in rental increases throughout the lease term. Options exist in most leases which permit leases to be extended under the prevailing lease terms and conditions, resulting in leases being extended beyond their original lease term.

Capital expenditure commitments

Capital expenditure commitments, being contracted capital expenditure additional to the amounts reported in the financial statements, are payable as follows:

	2015 \$000	2014 \$000
Within 1 year	21,823	18,894
Later than 1 year and not later than 5 years	-	1,242
	21,823	20,136

Other expenditure commitments

Other expenditure commitments contracted for at the end of the reporting period but not recognised as liabilities, are payable as follows:

	2015 \$000	2014 \$000
Within 1 year	4,616	7,219
Later than 1 year and not later than 5 years	-	861
	4,616	8,080

Other operating lease receivables

Reflects State Fleet operating lease receivables for vehicles owned to the Department. As at balance date, the future minimum lease payments under non-cancellable operating lease arrangements were distributed as follows:

	2015 \$000	2014 \$000
<i>Current</i>		
Not later than 1 year	49,994	54,507
<i>Non-current</i>		
Later than 1 year and not later than 5 years	49,693	45,817
Later than 5 years	191	125
	49,884	45,942
	99,878	100,449

Note 37. Contingent liabilities and contingent assets

Contingent liabilities

In addition to the liabilities included in the financial statements, there are the following contingent liabilities:

	2015 \$000	2014 \$000
Contract Claims in Dispute	5,715	3,388

The contingent liabilities relate to construction works.

Contaminated Sites Act 2003

Under the *Contaminated Sites Act 2003*, the Department of Finance is required to report known and suspected contaminated sites to the Department of Environment Regulation (DER). In accordance with the Act, DER classifies these sites on the basis of the risk to human health, the environment and environmental values. Where sites are classified as contaminated - remediation required or possibly contaminated - investigation required, the Department may have a liability in respect of investigation or remediation expenses.

The Department of Finance has reported one suspected contaminated site to DER. This was classified as possibly contaminated-investigation required. The Department of Finance is unable to assess the likely outcome of the classification process and accordingly it is not practicable to estimate the potential financial effect or to identify the uncertainties relating to the amount or timing of any outflows.

While there is no possibility of reimbursement of any future expenses that may be incurred in the remediation of these sites, the Department of Finance may apply for funding from the Contaminated Sites Management Account to undertake further investigative work or to meet remediation costs that may be required.

Contingent assets

Contingent assets are additional to the assets included in the financial statements.

	2015 \$000	2014 \$000
Litigation in progress	18,616	19,513

Contingent assets are mainly attributable to disputes concerning the *Construction Contract Act 2004*.

Note 38. Related Bodies and affiliated bodies

The Department has no related bodies or affiliated bodies.

Note 39. Events occurring after the end of the reporting period

As of 1 July 2015 the Fremantle Prison function will cease to be part of the Department of Finance and will be transferred to the State Heritage Office.

Note 40. Financial instruments

(a) Financial risk management objectives and policies

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

Credit risk

Credit risk arises when there is the possibility of the Department's receivables defaulting on their contractual obligations resulting in financial loss to the 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 provisions for impairment as shown in the table at Note 40(c) 'Financial instruments disclosures' and Note 20 'Receivables'.

Credit risk associated with the Department's financial assets is minimal because the main receivable is the amount receivable for services (holding account). For receivables other than government, the Department trades only with recognised, creditworthy third parties. The Department has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history. In addition, receivable balances are monitored on an ongoing basis with the result that the Department's exposure to bad debts is minimal. At the end of the reporting period there were no significant concentrations of credit risk.

Notes to the financial statements For the year ended 30 June 2015

Liquidity risk

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

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

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

The Department has a facility agreement in place with the Western Australian Treasury Corporation (WATC) to borrow up to \$250,000,000 to meet State Fleet contractual requirements, purchase vehicles and provide working capital. As at 30 June 2015 \$91,316,000 was drawn against the facility.

Market risk

Market risk is the risk that changes in market prices such as foreign exchange rates and interest rates that will affect the Department's income or the value of its holdings of financial instruments. The Department does not trade in foreign currency and is not materially exposed to other price risks (for example, equity securities or commodity prices changes). The Department's exposure to market risk for changes in interest rates relates primarily to the long-term debt obligations.

The Department's borrowings are all obtained through the WATC and are at fixed rates with varying maturities. The risk is managed by the WATC through portfolio diversification and variation in maturity dates. Other than as detailed in the interest rate sensitivity analysis table at Note 40(c), the Department is not exposed to interest rate risk because apart from minor amounts of restricted cash, all other cash and cash equivalents and restricted cash are non-interest bearing and have no borrowings other than the Treasurer's advance (non-interest bearing), WATC borrowings and finance leases (fixed interest rate).

(b) Categories of financial instruments

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

	2015 \$000	2014 \$000
<i>Financial Assets</i>		
Cash and cash equivalents	58,905	165,048
Restricted cash and cash equivalents	14,887	11,172
Receivables ^(a)	303,996	298,340
Finance lease receivables	2,148	2,586
Amounts receivable for services	382,151	327,163
	762,087	804,310
<i>Financial Liabilities</i>		
Payables ^(b)	89,245	112,504
WATC borrowings	91,316	119,933
Heritage Maintenance Payments	51,778	-
Unearned Revenue – construction project in progress	226,813	287,833
	459,152	520,270

^(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).

(c) Financial instrument disclosures

Credit risk and interest rate exposures

The following table discloses the Department's maximum exposure to credit risk, interest rate exposures and the ageing analysis of financial assets. The 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 Department.

The 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				More than 5 years \$000	Impaired financial assets \$000
			Up to 1 month \$000	1-3 months \$000	3 months to 1 year \$000	1-5 years \$000		
2015								
Cash and cash equivalents	58,905	58,905	-	-	-	-	-	-
Restricted cash and cash equivalents	14,887	14,887	-	-	-	-	-	-
Receivables ^(a)	303,996	276,841	17,745	6,087	2,480	839	4	-
Finance lease receivables	2,148	2,121	27	-	-	-	-	-
Amounts receivable for services	382,151	382,151	-	-	-	-	-	-
	762,087	734,905	17,772	6,087	2,480	839	4	-
2014								
Cash and cash equivalents	165,048	165,048	-	-	-	-	-	-
Restricted cash and cash equivalents	11,172	11,172	-	-	-	-	-	-
Receivables ^(a)	298,340	251,759	27,193	16,765	2,336	287	-	-
Finance lease receivables	2,586	2,554	32	-	-	-	-	-
Amounts receivable for services	327,163	327,163	-	-	-	-	-	-
	804,310	757,696	27,225	16,765	2,336	287	-	-

^(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 2015

Liquidity risk and interest rate exposure

The following table details the 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 liabilities.

	Weighted average effective interest rate %	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	More than 5 years \$000
2015											
<i>Financial Assets</i>											
Cash and cash equivalents	2.70	58,905	-	6,405	52,500	58,905	58,905	-	-	-	-
Restricted cash and cash equivalents	-	14,887	-	-	14,887	14,887	-	-	4,801	10,086	-
Receivables ^(a)	-	303,996	-	-	303,996	303,996	303,996	-	-	-	-
Finance lease receivables	4.93	2,148	2,148	-	-	2,148	27	133	401	1,583	4
Amounts receivable for services	-	382,151	-	-	382,151	382,151	-	266	1,203	-	380,682
		762,087	2,148	6,405	753,534	762,087	362,928	399	6,405	11,669	380,686
<i>Financial Liabilities</i>											
Payables	-	89,245	-	-	89,245	89,245	88,736	507	2	-	-
WATC borrowings	3.11	91,316	91,316	-	-	91,316	2,382	4,592	27,215	57,127	-
Heritage Maintenance Payments	12.46	51,778	51,778	-	-	51,778	106	322	979	4,715	45,656
Unearned revenue – construction projects in progress	-	226,813	-	-	226,813	226,813	226,813	-	-	-	-
		459,152	143,094	-	316,058	459,152	318,037	5,421	28,196	61,842	45,656

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

	Weighted average effective interest rate %	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	More than 5 years \$000	
2014												
<i>Financial Assets</i>												
Cash and cash equivalents	2.81	165,048	-	6,097	158,951	165,048	165,048	-	-	-	-	-
Restricted cash and cash equivalents	-	11,172	-	-	11,172	11,172	-	-	-	11,172	-	-
Receivables ^(a)	-	298,340	-	-	298,340	298,340	298,340	-	-	-	-	-
Finance lease receivables	5.34	2,586	2,586	-	-	2,586	32	180	513	1,775	86	-
Amounts receivable for services	-	327,163	-	-	327,163	327,163	130	130	1,428	-	325,475	-
		804,310	2,586	6,097	795,627	804,310	463,550	310	1,941	12,947	325,561	-
<i>Financial Liabilities</i>												
Payables	-	112,504	-	-	112,504	112,504	112,498	6	-	-	-	-
WATC borrowings	3.45	119,933	119,933	-	-	119,933	3,482	4,524	34,066	77,861	-	-
Unearned revenue – construction projects in progress	-	287,833	-	-	287,833	287,833	287,833	-	-	-	-	-
		520,270	119,933	-	400,337	520,270	403,813	4,530	34,066	77,861	-	-

^(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 2015

Interest rate sensitivity analysis

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

	Carrying amount \$000	-100 basis points		+100 basis points	
		Surplus \$000	Equity \$000	Surplus \$000	Equity \$000
2015					
<i>Financial Assets</i>					
Cash and cash equivalents	6,405	(64)	(64)	64	64
Total increase/(decrease)	6,405	(64)	(64)	64	64
2014					
<i>Financial Assets</i>					
Cash and cash equivalents	6,097	(61)	(61)	61	61
Total increase/(decrease)	6,097	(61)	(61)	61	61

Fair values

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

Note 41. Remuneration of auditor

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

	2015 \$000	2014 \$000
Auditing the accounts, financial statements and key performance indicators	368	363
	368	363

Note 42. Remuneration of senior officers

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

	2015	2014
30,001 - 40,000	1	-
80,001 - 90,000	-	1
90,001 - 100,000	1	1
120,001 - 130,000	-	1
200,001 - 210,000	1	-
210,001 - 220,000	1	-
250,001 - 260,000	-	1
260,001 - 270,000	1	-
270,001 - 280,000	-	1
310,001 - 320,000	-	1
370,001 - 380,000	-	1
380,001 - 390,000	1	-
390,001 - 400,000	1	-
470,001 - 480,000	-	1
480,001 - 490,000	1	-

	2015 \$000	2014 \$000
Cash remuneration received for the year	1,676	1,597
Adjustment for accruals	(1)	7
Annual leave and long service leave accruals	66	68
Other benefits	344	338
Total remuneration of senior officers	2,085	2,010

The total remuneration includes the superannuation expense incurred by the Department in respect of senior officers.

Note 43. Explanatory statement

Major variances between estimates (original budget) and actual results for 2015, and between the actual results for 2014 and 2015 are shown below. Major variances are considered to be those greater than 10 per cent or \$10,000,000.

Statement of Comprehensive Income For the year ended 30 June 2015

	Note	Estimate 2015 \$000	Actual 2015 \$000	Actual 2014 \$000	Variance between estimate and actual \$000	Variance between actual results for 2015 and 2014 \$000
COST OF SERVICES						
Expenses						
Employee benefits expense	1, A	149,203	136,610	145,872	(12,593)	(9,262)
Supplies and services	2, B	1,148,694	1,060,765	1,167,504	(87,929)	(106,739)
Depreciation and amortisation expense	3, C	93,464	83,187	136,341	(10,277)	(53,154)
Finance costs		4,982	4,824	4,990	(158)	(166)
Accommodation expenses	4, D	21,603	35,481	45,716	13,878	(10,235)
Grants and subsidies	5, E	5,235	64,228	5,396	58,993	58,832
Loss on disposal of non-current assets	L	-	2	299	2	(297)
Other expenses	6, F	12,215	1,538	9,410	(10,677)	(7,872)
Total cost of services		1,435,396	1,386,636	1,515,528	(48,761)	(128,893)
Income						
<i>Revenue</i>						
User charges and fees	7, G	1,230,651	1,149,378	1,233,502	(81,273)	(84,124)
Commonwealth grants and contributions	8, H	-	1,376	7,186	1,376	(5,810)
Interest revenue	13	156	262	279	106	(17)
Other revenue	9	9,725	8,018	7,857	(1,707)	161
Total revenue		1,240,532	1,159,034	1,248,824	(81,498)	(89,790)
<i>Gains</i>						
Gain on disposal of non-current assets	10, M	6,821	1,422	3,199	(5,399)	(1,777)
Total gains		6,821	1,422	3,199	(5,399)	(1,777)
Total income other than income from State Government		1,247,353	1,160,456	1,252,023	(87)	(91,567)
NET COST OF SERVICES		(188,043)	(226,180)	(263,505)	(38,136)	37,326

Notes to the financial statements For the year ended 30 June 2015

Statement of Comprehensive Income (continued) For the year ended 30 June 2015

	Note	Estimate 2015 \$000	Actual 2015 \$000	Actual 2014 \$000	Variance between estimate and actual \$000	Variance between actual results for 2015 and 2014 \$000
Income from State Government						
Service appropriations	I	175,545	178,026	275,810	2,481	(97,784)
Services received free of charge		14,491	14,065	13,348	(426)	717
Royalties for Regions Fund	11, J	103	189	149	86	40
Total income from State Government		190,139	192,280	289,307	2,141	(97,027)
SURPLUS/(DEFICIT) FOR THE PERIOD						
		2,096	(33,900)	25,802	(35,995)	(59,701)
OTHER COMPREHENSIVE INCOME						
<i>Items not reclassified subsequently to profit or loss</i>						
Changes in the revaluation surplus	12, K	-	(14,182)	13,581	(14,182)	(27,763)
Total other comprehensive income		-	(14,182)	13,581	(14,182)	(27,763)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		2,096	(48,082)	39,383	(50,177)	(87,464)

Major Estimate and Actual (2015) Variance Narratives for Controlled Operations

- 1) Reduced salary expenses due to a reduction in staffing numbers.
- 2) Reflects a significant down turn in Capital Works turnover managed by Building Management and Works on behalf of government agencies.
- 3) Reduced vehicle turnover by agencies has reduced depreciation on the Government vehicle fleet.
- 4) The estimate did not include all of the accommodation accounts, with some being classified as supplies and services. The actual included all of the correct accounts.
- 5) Recognition of the \$52,000,000 heritage component of the Old Treasury Building Hotel was brought forward from 2015-16 due to early practical completion.
- 6) The budget for \$5,000,000 of expenses relating to vehicle operating leases, administration services and advertising was shown against other expenses in the initial estimate.
- 7) Reflects a significant down turn in Capital Works turnover managed by Building Management and Works on behalf of government agencies.
- 8) One-off unbudgeted Commonwealth contributions to support services to the Indian Ocean Territories.
- 9) Miscellaneous revenue collection is highly variable with 2015 actuals being lower than estimated.
- 10) Forecasted profits on the sale of assets below estimate due to a low turnover of government vehicles.
- 11) Movements in district allowance rates approved and funded through Royalties for Regions.
- 12) Revaluation of land and buildings lower than expected.
- 13) Variations in vehicle turnover impacting interest income.

Major Actual (2015) and Comparative (2014) Variance Narratives for Controlled Operations

- A) Reduced salary expenses due to a reduction in staffing numbers.
- B) Reflects a significant down turn in Capital Works turnover managed by Building Management and Works on behalf of government agencies.
- C) Reduction relates to the cessation of the Office of Shared Services and related assets.
- D) Reduction relates to the reduced accommodation costs for the Department following the cessation of the Office of Shared Services.
- E) Recognition of the \$52,000,000 heritage component of the Old Treasury Building Hotel is a once-off expense in 2015.
- F) The 2014 value includes refunds of \$6,600,000 of funding from prior years related to a variety of State and Commonwealth Government projects that were completed at a cost lower than originally anticipated.
- G) Reflects a significant down turn in Capital Works turnover managed by Building Management and Works on behalf of government agencies.
- H) Decrease due to one-off funding of \$5,700,000 for the Anzac Interpretive Centre in 2014.
- I) The balance for 2014 includes \$86,000,000 in appropriation for the Office of Shared Services that ceased operations in that year.
- J) Movements in district allowance rates approved and funded through Royalties for Regions.
- K) Revaluation of land and buildings lower than expected.
- L) Disposal of an office fit-out asset and computer software in 2014.
- M) Decreased turnover of government vehicles by agencies.

Notes to the financial statements For the year ended 30 June 2015

Statement of Financial Position As at 30 June 2015

	Note	Estimate 2015 \$000	Actual 2015 \$000	Actual 2014 \$000	Variance between estimate and actual \$000	Variance between actual results for 2015 and 2014 \$000
ASSETS						
Current assets						
Cash and cash equivalents	A	61,318	58,905	165,048	(2,413)	(106,143)
Restricted cash and cash equivalents	1, B	2,582	14,887	6,625	12,305	8,262
Receivables	2, C	354,358	305,511	311,215	(48,847)	(5,704)
Finance lease receivables	12, L	943	560	725	(383)	(165)
Inventories		82	88	89	6	(1)
Amounts receivable for services	3, D	1,676	1,469	1,688	(207)	(219)
Other current assets	13	21,018	25,565	23,328	4,547	2,237
Total current assets		441,977	406,985	508,718	(34,992)	(101,733)
Non-current assets						
Restricted cash and cash equivalents	4, M	3,925	-	4,547	(3,925)	(4,547)
Finance lease receivables	12, O	4,343	1,588	1,861	(2,755)	(273)
Amounts receivable for services	D	380,341	380,682	325,475	341	55,207
Property, plant, equipment and vehicles	5, E	848,054	804,702	839,416	(43,352)	(34,714)
Intangible assets	6	14,012	30,385	29,872	16,373	513
Other non-current assets	13, N	12	1,170	13	1,158	1,157
Total non-current assets		1,250,687	1,218,527	1,201,184	(32,160)	17,343
TOTAL ASSETS		1,692,664	1,625,512	1,709,902	(67,152)	(84,390)

	Note	Estimate 2015 \$000	Actual 2015 \$000	Actual 2014 \$000	Variance between estimate and actual \$000	Variance between actual results for 2015 and 2014 \$000
LIABILITIES						
Current liabilities						
Payables	7, F	352,596	316,057	400,337	(36,539)	(84,280)
Borrowings	8a	33,600	39,413	42,072	5,813	(2,659)
Provisions		30,724	30,200	30,126	(524)	74
Lease incentive	9a	-	5,747	5,761	5,747	(14)
		416,920	391,418	478,296	(25,503)	(86,879)
Non-current liabilities						
Borrowings	8b, G	78,362	103,681	77,861	25,319	25,820
Provisions		7,312	7,250	7,137	(62)	113
Lease incentive	9b, H	21,504	39,120	31,913	17,616	7,207
Total non-current liabilities		107,178	150,052	116,911	42,873	33,140
Total liabilities		524,098	541,470	595,207	17,370	(53,739)
NET ASSETS		1,168,566	1,084,042	1,114,695	(84,522)	(30,651)
EQUITY						
Contributed equity	10, I	1,021,144	996,594	979,165	(24,550)	17,429
Reserves	J	19,267	18,665	32,848	(602)	(14,183)
Accumulated surplus	11, K	128,155	68,783	102,682	(59,372)	(33,899)
TOTAL EQUITY		1,168,566	1,084,042	1,114,695	(84,524)	(30,653)

Notes to the financial statements For the year ended 30 June 2015

Major Estimate and Actual (2015) Variance Narratives for Controlled Operations

- 1) Reflects the realignment of 27th Payroll provision from non-current to current asset as it is to be paid out in 2016.
- 2) This reduction relates to improved debt recovery activities initiated by the Department during 2015.
- 3) Reflects the deferral of some capital projects components to 2016, predominately related to the restoration of the Dumas House facade.
- 4) Reflects the realignment of 27th Payroll provision from non-current to current asset as it is to be paid out in 2016.
- 5) Reduced vehicle replacements by government agencies and the estimate for some intangible assets was shown against property, plant and equipment in the initial 2015 estimate.
- 6) The estimate for some intangible assets was shown against property, plant and equipment in the initial 2015 estimate.
- 7) Improved payment processes have increased clearance of accounts during 2015.
- 8a) Recognition of \$5,000,000 in current liabilities for the \$52,000,000 heritage component of the Old Treasury Building Hotel was brought forward from 2016 due to early practical completion.
- 9a) Additional incentives negotiated in 2015 due to improving rental options being provided by landlords.
- 8b) Recognition of \$47,000,000 in non-current liabilities for the \$52,000,000 heritage component of the Old Treasury Building Hotel was brought forward from 2016 due to early practical completion, offset by increased repayments of State Fleet loans.
- 9b) Additional incentives negotiated in 2014-15 due to improving rental options being provided by landlords.
- 10) Reflow of capital funding for the Dumas House facade into 2016 and 2017.
- 11) Recognition of the \$52,000,000 heritage component of the Old Treasury Building Hotel was brought forward from 2016 due to early practical completion.

12) Decreased turnover of government vehicles by agencies.

13) Recognition of prepaid contracts in 2015.

Major Actual (2015) and Comparative (2014) Variance Narratives for Controlled Operations

- A) Cash decrease has been met by a commensurate reduction in payables, with the Department's overall liquidity remaining strong and static.
- B) Reflects movements in funds held in trust for specific purposes, including 27th pay provisions.
- C) Reduction relates to improved debt recovery activities initiated by the Department during 2015.
- D) Reflects movement in depreciation for government assets.
- E) Land and building valuation and the accounting de-recognition of the Old Treasury Building Hotel.
- F) Improved payment processes have increased clearance of accounts during 2015.
- G) Recognition of non-current liabilities associated with heritage component of the Old Treasury Building Hotel brought forward from 2016 due to early practical completion.
- H) Additional incentives negotiated in 2015 due to improving rental options being provided by landlords.
- I) Additional capital funding provided in 2015.
- J) Revaluation of building assets.
- K) Recognition of the \$52,000,000 heritage component of the Old Treasury Building Hotel was brought forward from 2016 due to early practical completion.
- L) Decreased turnover of government vehicles by agencies.
- M) Reflects the realignment of 27th Payroll provision from non-current to current asset as it is to be paid out in 2016.
- N) Recognition of prepaid contracts in 2015.
- O) Decreased turnover of government vehicles by agencies.

Statement of Cash Flows For the year ended 30 June 2015

	Note	Estimate 2015 \$000	Actual 2015 \$000	Actual 2014 \$000	Variance between estimate and actual \$000	Variance between actual results for 2015 and 2014 \$000
CASH FLOWS FROM STATE GOVERNMENT						
Service appropriations	A	119,004	121,485	190,125	2,481	(68,640)
Capital appropriations	1, B	41,995	15,853	22,285	(26,142)	(6,432)
Holding account drawdowns	H	1,688	1,553	1,402	(135)	151
Receipts from Treasurer's advance	2, K	-	100,000	60,000	100,000	40,000
Payments to Treasurer's advance	2, K	-	(100,000)	(60,000)	(100,000)	(40,000)
Royalties for Regions Fund	12, P	103	189	149	86	40
Net cash provided by State Government		162,790	139,080	213,961	(23,710)	(74,881)
Utilised as follows:						
CASH FLOWS FROM OPERATING ACTIVITIES						
Payments						
Employee benefits	3, C	(145,261)	(137,905)	(151,537)	7,356	13,632
Supplies and services	4, D	(1,124,432)	(1,018,899)	(1,166,196)	105,533	147,297
Finance costs		(4,810)	(4,884)	(5,052)	(74)	168
Accommodation	5	(21,502)	(26,793)	(25,585)	(5,291)	(1,208)
Grants and subsidies		(5,235)	(5,172)	(5,396)	63	224
GST payments on purchases	13	(130,681)	(120,741)	(122,389)	9,940	1,648
GST payments to taxation authority	13, L	(3,580)	(4,044)	(13,212)	(464)	9,168
Other payments	6, E	(6,314)	(4,036)	(11,322)	2,278	7,286
Receipts						
User charges and fees	7, F	1,253,636	995,128	1,286,832	(258,508)	(291,704)
Commonwealth grants and contributions	8, G	-	1,376	7,186	1,376	(5,810)
Interest received	16, M	1,398	269	321	(1,129)	(52)
GST receipts on sales	13	122,764	125,241	125,076	2,477	165
GST receipts from taxation authority	13, L	12,374	23,182	9,635	10,808	13,547
Other receipts	14, N	15,409	19,292	16,469	3,883	2,823
Net cash used in operating activities		(36,234)	(157,987)	(55,172)	(121,755)	(102,817)

Notes to the financial statements For the year ended 30 June 2015

Statement of Cash Flows (continued) For the year ended 30 June 2015

	Note	Estimate 2015 \$000	Actual 2015 \$000	Actual 2014 \$000	Variance between estimate and actual \$000	Variance between actual results for 2015 and 2014 \$000
CASH FLOWS FROM INVESTING ACTIVITIES						
Payments						
Purchase of non-current physical assets	9, H	(167,686)	(103,042)	(99,301)	64,644	(3,741)
Receipts						
Proceeds from sale of non-current physical assets	10, I	53,373	47,619	39,719	(5,754)	7,900
Net cash used in investing activities		(114,313)	(55,424)	(59,582)	58,889	4,158
CASH FLOWS FROM FINANCING ACTIVITIES						
Payments						
Repayment of borrowings	11, J	(78,038)	(28,857)	(19,815)	49,181	(9,042)
Receipts						
Proceeds from borrowings	11, J	60,000	17	2,334	(59,983)	(2,317)
Finance Leases Receipts	15, O	2,191	742	991	(1,449)	(249)
Net cash used in financing activities		(15,847)	(28,098)	(16,490)	(12,251)	(11,608)
Net increase/(decrease) in cash and cash equivalents		(3,604)	(102,429)	82,717	(98,825)	(185,146)
Cash and cash equivalents at the beginning of period		71,429	176,220	93,503	104,791	82,717
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD		67,825	73,792	176,220	5,966	(102,429)

Major Estimate and Actual (2015) Variance Narratives for Controlled Operations

- 1) Reflow of capital funding for the Dumas House facade into 2016 and 2017.
- 2) Relates to short-term cash flow management associated with the significant fluctuations in Building Management and Works turnover.
- 3) Reduced salary expenses due to a reduction in staffing numbers.
- 4) Reflects a significant down turn in Capital Works turnover managed by Building Management and Works on behalf of government agencies.

- 5) The estimate did not include all of the accommodation accounts, with some being classified as supplies and services. The actual included all of the correct accounts.
- 6) \$5,000,000 of expenses relating to vehicle operating leases, administration services and advertising have been realigned to supplies and services for the 2015 actual which was post setting of the 2015 estimate.
- 7) Reflects a significant down turn in Capital Works turnover managed by Building Management and Works on behalf of government agencies.

- 8) One-off unbudgeted Commonwealth contributions to support services to the Indian Ocean Territories.
- 9) Reflow of capital funding for the Dumas House facade into 2016 and 2017, and reduced government vehicle purchases.
- 10) Reduced turnover of government vehicle assets by agencies largely as a result of longer leases.
- 11) The repayment of borrowings and proceeds from borrowings were separate in the estimate but netted off in the actual. From a net perspective, borrowings were paid back at a level \$10,000,000 higher than the estimate due to reduced agency demand for vehicles.
- 12) Movements in district allowance rates approved and funded through Royalties for Regions.
- 13) Movement in activity levels have corresponding impacts on GST movements.
- 14) Additional lease incentive received in 2015 for the Mason Bird Building.
- 15) Reduced turnover of government vehicle assets by agencies largely as a result of longer leases.
- 16) Variations in vehicle turnover impacting interest receipts.

Major Actual (2015) and Comparative (2014) Variance Narratives for Controlled Operations

- A) The 2014 value includes \$86,000,000 in appropriation for the Office of Shared Services that ceased operations in that year.
- B) Variations in Capital Works programs between specific years.
- C) Reduced salary expenses due to a reduction in staffing numbers.
- D) Reflects a significant down turn in Capital Works turnover managed by Building Management and Works on behalf of government agencies.
- E) The 2014 value includes refunds of \$6,600,000 of funding from prior years related to a variety of State and Commonwealth Government projects that were completed at a cost lower than originally anticipated.
- F) Reflects a significant down turn in Capital Works turnover managed by Building Management and Works on behalf of government agencies.

- G) Decrease due to one-off funding of \$5,700,000 for the Anzac Interpretive Centre in 2014.
- H) Variations in Capital Works programs between specific years.
- I) Increased turnover of government vehicle assets by agencies in 2015.
- J) The repayment of borrowings and proceeds from borrowings were separated in the 2014 actual but merged in the 2015 actual. The net position is that \$11,000,000 more was repaid than the prior year. Agency vehicle demand softened, which resulted in reduced borrowings requirements.
- K) Relates to short-term cash flow management associated with the significant fluctuations in Building Management and Works turnover.
- L) Movement in activity levels have corresponding impacts on GST movements.
- M) Variations in vehicle turnover impacting interest receipts.
- N) Additional lease incentive received in 2015 for the Mason Bird Building.
- O) Decreased turnover of government vehicles by agencies.
- P) Movements in district allowance rates approved and funded through Royalties for Regions.

Note 44. Special Purpose Accounts - controlled

Special purpose account Section 16 of the *Financial Management Act 2006*.

	2015 \$000	2014 \$000
<i>Sunset Reserve Account</i>		
The purpose of the account is to record receipts in respect of leasings, proceeds from the disposal of the excised land, amounts appropriated by Parliament, and payments incurred in the conservation and management of Sunset Reserve.		
Balance at the start of period	141	-
Receipts	8,925	375
Payments	(554)	(234)
Balance at the end of period	8,512	141

Notes to the financial statements For the year ended 30 June 2015

Note 45. Explanatory statement – administered items

The Summary of Administered Items discloses appropriations and other statutes expenditure, the actual expenditures made and the revenue estimates and revenue earned. The following table compares budget estimates and actual results for 2015 of items having significant variations, and explanations for the variations are given below. A significant variation is one that is in excess of 10 per cent of the principal figure and \$10,000,000.

	Estimate 2015 \$000	Actual 2015 \$000	Actual 2014 \$000	Variance between estimate and actual \$000	Variance between actual results for 2015 and 2014 \$000
ADMINISTERED TRANSACTIONS					
RECURRENT ADMINISTERED					
DETAILS OF EXPENDITURE ESTIMATES					
Item 114 Amount provided for Administered Grants, Subsidies and Other Transfer Payments	182,753	148,030	257,352	(34,723)	(109,322)
<i>Authorised by Other Statutes</i>					
<i>First Home Owners Grant Act 2000</i>	91,975	115,904	114,220	23,929	1,684
DETAILS OF INCOME ESTIMATES					
<i>Taxation</i>					
Land Tax	752,637	741,642	659,163	(10,995)	82,479
Transfer Duty	1,823,100	1,598,411	1,776,242	(224,689)	(177,831)
Landholder Duty	122,600	100,794	192,718	(21,806)	(91,924)
Vehicle Licence Duty	442,300	362,952	384,721	(79,348)	(21,769)
<i>Other Revenue</i>					
Other Income	52,950	63,230	54,912	10,280	8,318
<i>Appropriations</i>					
<i>First Home Owners Grant Act 2000</i>	91,975	115,904	114,220	23,929	1,684
Administered Grants and Transfer Payments	182,753	148,030	257,352	(34,723)	(109,322)

Finance administered expenses

Explanations

Item 114 – Amount provided for Administered Grants, Subsidies and Other Transfer Payments

Administered grants, subsidies and other transfer payments were \$109,322,000 lower in 2015 than in 2014, largely due to the small number of payments for the one-off Payroll Tax Rebate in 2015. The majority of eligible recipients were paid in 2014 (\$111,200,000), compared with residual payments of just \$1,500 in 2015.

Payments for these grants, subsidies and transfers were \$34,723,000 lower than estimated at the time of the 2015 Budget, mainly reflecting:

- lower refunds of past years' revenue (down \$28,000,000), due to the average amount per refund being lower than expected, even though a similar number of refunds were processed across the revenue lines. The number and average value of refund claims is volatile from year to year, making budget forecasts difficult.
- lower pensioner concessions for local government and water rates (down \$2,500,000), with the increase in concessions paid being lower than the average increase used for the budget time estimate. The lower than expected increase in the size of concession payments was also accompanied by a very small increase in the number of claims processed.
- lower Energy Concession Extension Scheme payments (down \$2,100,000), due to lower than anticipated claims, despite the Department raising awareness of the scheme, including sending reminder notices to past recipients.

First Home Owner Grant Act 2000

First Home Owner Grant payments were \$23,929,000 higher than the 2015 Budget estimate. This reflects higher than anticipated demand from first home buyers (partly supported by the low interest rate environment) and the incentive of a higher grant for the purchase of a new home (\$10,000) compared to established homes (\$3,000). The increase in the

grant for new homes was announced as part of the 2014 Budget. In 2015, new home grants accounted for 46 per cent of all grants paid, compared to the 10 year average of 29 per cent.

Finance administered revenue

Explanations

Land Tax

Land tax collections were \$82,479,000 (or 12.5 per cent) higher in 2015 than in 2014, mainly due to a 10 per cent increase in land tax rates announced in the 2015 Budget.

Transfer Duty

Transfer duty collections were \$177,831,000 lower in 2015 than in 2014. Underlying duty fell by \$84,100,000, primarily reflecting a softening in residential property transactions and prices. Duty from large commercial transactions was also lower, by \$93,700,000. Large transactions are few in volume and are inherently volatile within and between years.

Transfer duty collections were \$224,689,000 lower than forecast in the 2015 Budget. This reflects a sharper than expected decline in residential transaction volumes, weaker than anticipated house price growth and lower than anticipated revenue from large commercial transactions.

Landholder Duty

Landholder duty collections were \$91,924,000 lower than in 2014, primarily reflecting the issuing of new interim assessments in 2014, following implementation of the Tax Administration Package (which would otherwise have only been issued as final assessments in 2015 or later years under previous arrangements). These interim assessment arrangements are also generally applied to large and highly complex transactions that are few in number and volatile within and between years.

Landholder duty collections were \$21,806,000 lower than budgeted in 2015, due mainly to lower than anticipated revenue from large and infrequent commercial transactions.

Notes to the financial statements For the year ended 30 June 2015

Vehicle Licence Duty

Vehicle licence duty collections were \$79,348,000 lower in 2015 compared with forecasts in the 2015 Budget, mainly reflecting lower than anticipated new car sales over the year.

Other Income

Other revenue was \$10,280,000 higher than forecast in the 2015 Budget, mainly reflecting higher Perth Parking Levy revenue, which was driven by increases in annual licence fees of between 20 per cent and 22.4 per cent over the rates applied in the previous year, and the impact of unbudgeted end of year accruals.

Note 46. Supplementary financial information

(a) Write-offs

During the financial year \$11,626,000 was written off by the Department under the authority of:

	2015 \$000	2014 \$000
The accountable authority	4,821	5,222
The Minister	3,212	2,832
Executive Council	3,593	4,138
	11,626	12,192

(b) Write-offs by category

	2015 \$000	2014 \$000
Public assets	1,072	928
Debts due to the State	10,554	11,264
	11,626	12,192

(c) Act of grace payments

	2015 \$000	2014 \$000
Act of grace payments	-	23
	-	23

Note 47. Service delivery arrangements Indian Ocean Territories

	2015 \$000	2014 \$000
Revenue	1,356	1,126
Commonwealth receipts	1,356	1,126
Expenditure		
Consultants and contractors	969	900
Administration and other costs	202	209
Payroll Tax and business franchise	21	32
Duties	1	1
Land Tax	1	2
Compliance	5	19
	1,199	1,163
Surplus/(deficit) for the period	157	(37)
Balance brought forward	187	224
Prior year adjustment	-	-
Balance carried forward	344	187

Note 48. Special Purpose Accounts - administered

Special purpose account Section 10 of the *Financial Management Act 2006*.

	2015 \$000	2014 \$000
<i>Departmental Receipts in Suspense – State Revenue</i>		
The purpose of the special purpose account is to hold funds pending identification of the purpose of which those moneys were received or identification of where those moneys are to be credited or paid.		
Balance at the start of period	1	101
Receipts	-	3
Payments	-	(103)
Balance at the end of period	1	1

Indian Ocean Territories

The purpose of the special account is to hold taxation collections pending transfer to the Commonwealth of Australia in accordance with the Service Level Agreement entered into with the Commonwealth.

Balance at the start of period	542	417
Receipts	4,387	5,516
Payments	(4,779)	(5,391)
Balance at the end of period	150	542

Note 49. Administered income and expenses

	2015 \$000	2014 \$000
<i>Expenses</i>		
Grants, subsidies and transfers	263,934	371,572
Other expenses	7,204,859	7,244,446
Collections transferred to other agencies	63,230	54,912
Total administered expenses	7,532,023	7,670,930

<i>Income</i>		
Taxation	7,179,280	7,324,717
Other revenue	41,768	39,988
Appropriations	263,934	371,572
Collections raised on behalf of other agencies	63,230	54,912
Total administered revenues	7,548,213	7,791,189

Note 50. Disclosure of administered income and expenses by service

	Revenue assessment and collection, and grants and subsidies administration	
	Service 1	
	2015 \$000	2014 \$000
COST OF SERVICES		
<i>Expenses</i>		
Grants, subsidies and transfers	263,934	371,572
Other expenses	7,204,859	7,244,446
Collections transferred to other agencies	63,230	54,912
Total administered expenses	7,532,023	7,670,930
<i>Income</i>		
Taxation	7,179,280	7,324,717
Other revenue	41,768	39,988
Appropriations	263,934	371,572
Collections raised on behalf of other agencies	63,230	54,912
Total administered income	7,548,213	7,791,189

Notes to the financial statements For the year ended 30 June 2015

Note 51. Administered assets and liabilities

	2015 \$000	2014 \$000
<i>Current assets</i>		
Taxation receivable	614,469	597,817
Total administered current assets	614,469	597,817
<i>Non-current assets</i>		
Other receivables	51,300	51,300
Total administered non-current assets	51,300	51,300
Total administered assets	665,769	649,117

Note 52. Administered income and expenses

	Note	Estimate 2015 \$000	Actual 2015 \$000	Actual 2014 \$000	Variance between estimate and actual \$000	Variance between actual results for 2015 and 2014 \$000
<i>Expenses</i>						
Grants, subsidies and transfers	1, A	274,728	263,934	371,572	(10,794)	(107,638)
Other expenses	2, B	7,824,778	7,204,859	7,244,446	(619,919)	(39,587)
Collections transferred to other agencies	3, C	52,950	63,230	54,912	10,280	8,318
Total administered expenses		8,152,456	7,532,023	7,670,930	(620,433)	(138,907)
<i>Incomes</i>						
Taxation	4, D	7,783,176	7,179,280	7,324,717	(603,896)	(145,437)
Other revenue		41,602	41,768	39,988	166	1,780
Appropriations	5, E	274,728	263,934	371,572	(10,794)	(107,638)
Collections raised on behalf of other agencies	6, F	52,950	63,230	54,912	10,280	8,318
Total administered revenues		8,152,456	7,548,213	7,791,189	(604,243)	(242,976)

Major Estimate and Actual (2015) Variance Narratives for Administered Operations

1) Grants, subsidies and transfers were lower compared to the 2015 estimate in the areas of:

- refunds of past years revenues \$28,000,000
- pensioner concessions \$2,500,000
- Energy Concession Extension scheme payments \$2,100,000

Offsetting the underspends was increased payments in relation to the First Home Owners Grants \$23,900,000. Refer to Note 45 for further details.

- 2) Other expenses largely relate to taxation revenue collected by the Department but paid on to the Consolidated Account. The amount of expenses will fluctuate in line with the fluctuations in taxation income.
- 3) The higher actual as compared to the estimate is a result of the increases in the annual licence fees for the Perth Parking levy as referred to in Note F below.
- 4) Taxation Income was lower than the estimate mainly in the area of Transfer Duty, Landholder Duty, Vehicle Licence Duty and Payroll Tax. Refer to Note 45 for further details.
- 5) This category of Administered Appropriations is used to fund the expenses grants, subsidies and transfer payments. The appropriations fluctuate in line with the movements in these payments. Refer also to Note 1 above.
- 6) The higher actual as compared to the estimate is a result of the increases in the annual licence fees for the Perth Parking levy referred to in Note 3 above. Refer to Note 45 for further details.

Major Actual (2015) and Comparative (2014) Variance Narratives for Administered Operations

- A) Variance is predominantly due to Payroll Tax Rebates which were \$109,300,000 lower in 2015 than in 2014, largely due to the small number of payments for the one-off Payroll Tax Rebate in 2015. The majority of eligible recipients were paid \$111,200,000 in 2014 compared with residual payments of just \$1,500 in 2015.
- B) Other expenses largely relate to taxation revenue collected by the Department but paid on to the Consolidated Account. The amount of expenses will fluctuate in line with the fluctuations in taxation income.
- C) The higher actual as compared to 2014 is a result of the increases in the annual licence fees for the Perth Parking levy as referred to in Note F below.
- D) Taxation incomes were lower in 2015 as compared to 2014 in the area of Transfer Duty, Landholder Duty, Vehicle Licence Duty and Payroll Tax collections. Refer to Note 45 for further details.
- E) The lower 2015 actual compared to 2014 is largely due to the small number of payments for the one-off Payroll Tax Rebate in 2015. Refer also to Note A above.
- F) This result was higher in 2015 in comparison to the prior year mainly reflecting higher Perth Parking Levy revenue, which was driven by increases in annual licence fees of between 20 per cent and 22.4 per cent over the rates applied in the previous year.

Legislation administered

Minister for Finance

State Revenue

Commonwealth Places (Mirror Taxes Administration) Act 1999

Duties Act 2008

First Home Owner Grant Act 2000

First Home Owner Grant Amendment Act 2003

Land Tax Act 2002

Land Tax Assessment Act 2002

Pay-roll Tax Act 2002

Pay-roll Tax Assessment Act 2002

Pay-roll Tax (Indigenous Wages) Rebate Act 2012

Pay-roll Tax Rebate Act 2010

Pay-roll Tax Rebate Act 2012

Rates and Charges (Rebates and Deferments) Act 1992

Stamp Act 1921

Stamp Amendment (Assessment) Act 2005

Stamp Amendment (Budget) Act 2002

Taxation Administration Act 2003

Taxation Administration (Consequential Provisions) Act 2002

Government Procurement

State Supply Commission Act 1991

Building Management and Works

Public Works Act 1902

Sunset Reserve Transformation Act 2014

Minister for Energy

Public Utilities Office

Dampier to Bunbury Pipeline Act 1997

Electricity Corporations Act 2005

Electricity Industry Act 2004 (all parts other than Part 9A)

Energy Arbitration and Review Act 1998

Energy Coordination Act 1994 (Act other than Parts 2 and 3)

Energy Corporations (Transitional and Consequential Provisions) Act 1994

Energy Operators (Powers) Act 1979

Electricity Transmission and Distribution Systems (Access) Act 1994

Fuel, Energy and Power Resources Act 1972

Gas Corporation (Business Disposal) Act 1999

Gas Services Information Act 2012

Gas Supply (Gas Quality Specifications) Act 2009 (Act other than Part 5, Division 2)

National Gas Access (WA) Act 2009

State Energy Commission (Validation) Act 1978

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