



# State Supply Commission

**Annual Report 2016-17**

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# Statement of Compliance

## For the year ended 30 June 2017

To the Honourable Ben Wyatt MLA, Treasurer; Minister for Finance; Energy; Aboriginal Affairs.

In accordance with section 63 of the *Financial Management Act 2006*, I hereby submit for your information and presentation to Parliament, the Annual Report of the State Supply Commission for the Financial Year ended 30 June 2017.

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



Anne Nolan  
ACTING CHIEF EXECUTIVE OFFICER  
STATE SUPPLY COMMISSION

23 August 2017

# Overview

## Summary

The *State Supply Commission Act 1991* (the Act) established the State Supply Commission. The State Supply Commission exists primarily to regulate the State's procurement of goods and services, through the creation of supply policy.

In recognition of the maturing capabilities of the public sector in procurement, the State Supply Commission policies underwent a major review in 2015-16. New policies were effective from 2 May 2016.

The new policies allow Western Australian Government agencies subject to the Act more flexibility, especially when conducting lower value procurement activities.

While the new policies set the procurement rules to be followed by agencies, the State Supply Commission acknowledges that work now needs to be done on reviewing the legislative framework for goods and services procurement in Western Australia. The State Supply Commission continues to critically examine the framework and undertakes to provide options to its Minister on a replacement framework for the State Supply Commission legislation.

The State Supply Commission received three complaints from suppliers to government. Of the two complaints that fell within the State Supply Commission's jurisdiction one was proven unfounded and the other resulted in some minor practice improvements.

## Operational Structure

### Enabling Legislation

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

### Responsible Minister

The State Supply Commission is responsible to the Honourable Ben Wyatt MLA, Treasurer; Minister for Finance; Energy; Aboriginal Affairs.

### Mission

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

### Board of the State Supply Commission

The Minister responsible for the *State Supply Commission Act 1991* appoints members to the State Supply Commission Board. The Commission's Board did not meet this financial year.

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

# Agency Performance and Disclosures

## Performance indicators

Nil.

## Significant issues impacting the agency

Nil. There has been no change in the activities of the State Supply Commission during the financial year.

## Ministerial directives

Nil.

## Other financial disclosures

Nil.

## Employment and industrial relations

Nil.

## Governance disclosures

Nil.

## Other legal requirements

Nil.

## Government policy requirements

A review of the State Supply Commission policies was undertaken during the 2015-16 period. Changes came into effect on 2 May 2016.

## Financial Statements

### Certification of Financial Statements

#### For the year ended 30 June 2017

The accompanying financial statements of the State Supply Commission have been prepared in compliance with the provisions of the *Financial Management Act 2006* from proper accounts and records to present fairly the financial transactions for the financial year ended 30 June 2017 and the financial position as at 30 June 2017.

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



Dominick Geraghty  
Chief Finance Officer

23 August 2017



Anne Nolan  
Accountable Authority

23 August 2017

**Statement of Comprehensive Income**  
**For the year ended 30 June 2017**

|   | Note | 2017<br>\$ | 2016<br>\$          |
|---|------|------------|---------------------|
| <b>COST OF SERVICES</b>                                     |      |            |                     |
| <b>Expenses</b>   |      |            |                     |
| Other Expense   | 4    | -          | 570                 |
| <b>Total cost of services</b>                               |      | <u>-</u>   | <u>570</u>          |
| <br>  |      |            |                     |
| <b>Total income other than income from State Government</b> |      | <u>-</u>   | <u>-</u>            |
| <b>NET COST OF SERVICES</b>                                 |      |            | <u>570</u>          |
| <br>  |      |            |                     |
| <b>(DEFICIT) FOR THE PERIOD</b>                             |      |            | <u><u>(570)</u></u> |
| <br>  |      |            |                     |
| <b>OTHER COMPREHENSIVE INCOME</b>                           |      |            |                     |
| <b>Total other comprehensive income</b>                     |      | <u>-</u>   | <u>-</u>            |
| <b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>            |      |            | <u><u>(570)</u></u> |

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

## Statement of Financial Position

As at 30 June 2017

|                             | Note | 2017<br>\$     | 2016<br>\$     |
|-----------------------------|------|----------------|----------------|
| <b>ASSETS</b>               |      |                |                |
| <b>Current Assets</b>       |      |                |                |
| Cash and cash equivalents   | 5    | 377,524        | 377,524        |
| <b>Total Current Assets</b> |      | <b>377,524</b> | <b>377,524</b> |
| <b>TOTAL ASSETS</b>         |      | <b>377,524</b> | <b>377,524</b> |
| <b>TOTAL LIABILITIES</b>    |      | -              | -              |
| <b>NET ASSETS</b>           |      | <b>377,524</b> | <b>377,524</b> |
| <b>EQUITY</b>               |      |                |                |
| Contributed equity          |      | 112,000        | 112,000        |
| Accumulated surplus         |      | 265,524        | 265,524        |
| <b>TOTAL EQUITY</b>         |      | <b>377,524</b> | <b>377,524</b> |

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



## Statement of Changes in Equity

For the year ended 30 June 2017

|  | Contributed<br>equity<br>\$ | Accumulated<br>surplus<br>\$ | Total<br>equity<br>\$ |
|--|-----------------------------|------------------------------|-----------------------|
| <b>Balance at 1 July 2015</b>                | 112,000                     | 266,094                      | 378,094               |
| Total comprehensive income for<br>the period | -                           | (570)                        | (570)                 |
| <b>Balance at 30 June 2016</b>               | <b>112,000</b>              | <b>265,524</b>               | <b>377,524</b>        |
| <b>Balance at 1 July 2016</b>                | 112,000                     | 265,524                      | 377,524               |
| Total comprehensive income for<br>the period | -                           | -                            | -                     |
| <b>Balance at 30 June 2017</b>               | <b>112,000</b>              | <b>265,524</b>               | <b>377,524</b>        |

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

## Statement of Cash Flows

For the year ended 30 June 2017

|  | Note | 2017<br>\$     | 2016<br>\$     |
|--|------|----------------|----------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                |      |                |                |
| <b>Payments</b>  |      |                |                |
| Supplies and services                                      |      |                | (6,270)        |
| <b>Receipts</b>  |      |                |                |
| Other receipts   |      |                | -              |
| <b>Net cash provided by/(used in) operating activities</b> | 5    |                | <b>(6,270)</b> |
| Net increase/(decrease) in cash and cash equivalents       |      |                | (6,270)        |
| Cash and cash equivalents at the beginning of the period   |      | 377,524        | 383,794        |
| <b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>  |      | <b>377,524</b> | <b>377,524</b> |

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

## Notes to the Financial Statements

For the year ended 30 June 2017

### **Note 1. Australian Accounting Standards**

#### **General**

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

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

#### **Early adoption of standards**

The Commission cannot early adopt an Australian Accounting Standard unless specifically permitted by TI 1101 *Application of Australian Accounting Standards and Other Pronouncements*. Partial exemption permitting early adoption of AASB 2015-7 *Amendments to Australian Accounting Standards – Fair Value Disclosures of Not-for-Profit Public Sector Entities* has been granted. Aside from AASB 2015-7, there has been no early adoption of any other Australian Accounting Standards that have been issued or amended (but not operative) by the Commission for the annual reporting period ended 30 June 2017.

### **Note 2. Summary of significant accounting policies**

#### **(a) General statement**

The Commission 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* 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, buildings and infrastructure 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.

#### **(c) Reporting entity**

The reporting entity comprises solely of the State Supply Commission.

**(d) Contributed equity**

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

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

**(e) Income**

Revenue recognition

Revenue is recognised and measured at the fair value of consideration received or receivable.

**(f) Financial instruments**

The Commission's financial instruments consist of cash at bank.

**(g) 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.

**(h) Amounts receivable for services (holding account)**

The Commission has paid all its leave obligations and disposed of all its property, plant and equipment. The Commission does not intend employing staff or replacing assets. The account has a nil balance.

**(i) Comparative figures**

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

**Note 3. Disclosure of changes in accounting policy and estimates**

The Commission has not applied any Australian Accounting Standards effective for annual reporting periods beginning on or after 1 July 2016 as there have been no additional standards or interpretations that have affected the Commission.

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

The Commission cannot early adopt an Australian Accounting Standard unless specifically permitted by TI 1101 *Application of Australian Accounting Standards and Other Pronouncements*. Consequently, the Commission has not applied early any Australian Accounting Standards that have been issued that may impact the Commission.

**Note 4. Other Expense**

|               | 2017 | 2016       |
|---------------|------|------------|
|               | \$   | \$         |
| Other Expense |      | 570        |
|               |      | <u>570</u> |

**Note 5. 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:

|                           | 2017           | 2016           |
|---------------------------|----------------|----------------|
|                           | \$             | \$             |
| Cash and cash equivalents | 377,524        | 377,524        |
|                           | <u>377,524</u> | <u>377,524</u> |

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

|  | 2017 | 2016                  |
|--|------|-----------------------|
|  | \$   | \$                    |
| Net cost of services                           |      | (570)                 |
| <u>Increase/(decrease) in liabilities:</u>     |      |                       |
| Current payables                               |      | (5,700)               |
| <b>Net cash (used in) operating activities</b> |      | <u><b>(6,270)</b></u> |

**Note 6. Commitments****Other Expenditure Commitments**

The Commission does not have any expenditure commitments at 30 June 2017.

**Non-Cancellable Operating Lease Commitments**

The Commission does not have any operating lease commitments at 30 June 2017.

## **Note 7. Financial instruments**

### **Financial risk management objectives and policies**

Financial instruments held by the Commission are cash at bank. The Commission has limited or no exposure to financial risks.

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

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

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

#### Interest rate exposure

|                           | Non-interest<br>bearing | Carrying<br>Amount |
|---------------------------|-------------------------|--------------------|
|                           | \$                      | \$                 |
| <b>2017</b>               |                         |                    |
| <u>Financial Assets</u>   |                         |                    |
| Cash and cash equivalents | 377,524                 | 377,524            |
|                           | <u>377,524</u>          | <u>377,524</u>     |
| <br>                      |                         |                    |
| <b>2016</b>               |                         |                    |
| <u>Financial Assets</u>   |                         |                    |
| Cash and cash equivalents | 377,524                 | 377,524            |
|                           | <u>377,524</u>          | <u>377,524</u>     |

## **Note 8. Remuneration of senior officers**

### **Remuneration of Members of the Commission**

The State Supply Commission has three appointed board members and one appointed substitute board member, none of whom are remunerated by the Commission.

## **Note 9. Contingent liabilities and contingent assets**

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

## **Note 10. Events occurring after the end of the reporting period**

No events to report occurred after the reporting date.