

Illustrative Model Annual Report

**Tier 2
(Simplified Disclosures)
Agency**

For the year ended 31 December 2023

Foreword

This **Model Annual Report** (the Model) has been designed to provide you with a guide to understand and efficiently meet your financial reporting obligations as a Tier 2 (Simplified Disclosures) reporting agency in the public sector. This model incorporates annual reporting requirements of the *Financial Management Act 2006* (FMA) and Treasurer's instructions (TIs) pertinent to the modelled agency.

Please note that the Model is for general use and is not intended to cover every potential circumstance.

This model is suitable for use by public sector agencies and streamlines financial statements by grouping notes in a functional structure. Agencies are encouraged to streamline their financial statements and this may entail following a more appropriate structuring methodology that is more relevant to their financial statements. Streamlining reduces the costs and burdens of preparing the annual report whilst improving the relevance and meaning for users.

Agencies are encouraged to consider materiality in preparing their financial statements and in determining disclosures that are relevant to the users of the financial statements. Disclosures could be omitted on the basis that they are not quantitatively or qualitatively material. Any omissions should be documented and retained as part of preparation for the annual audit process.

Further reporting requirements are specified in the WA Government website available at: [Annual report guidelines for 2022-23 \(www.wa.gov.au\)](http://www.wa.gov.au)

Instructions for using the Model

Set out below are instructions for using the Model including some key things to consider when preparing your annual financial statements:

- ✓ Highlighted disclosures must be included in agency annual reports where required by legislation or are material under accounting standards.
- ✓ Apply critical judgements in determining if the model needs to be modified to meet specific circumstances that are material to the understanding of the financial results of the agency.
- ✓ Apply operative Australian Accounting Standards and TIs, issued between publication of this Model and balance date.
- ✓ Set an appropriate materiality limit and exclude disclosures that are not material to the understanding of the financial statements.

The Model is not designed to be used as a template. Agencies need to apply its judgement and understanding of its own financial results to determine the appropriate level of disclosures that need to be made. In addition, the Model is also not designed as a replacement for referring to Australian Accounting Standards and TIs.

Significant changes to the Model

This Tier 2 Model Annual Report for the year ended 31 December 2023 reflects the initial adoption of AASB 1060 *General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities*.

Which agencies does Tier 2 reporting apply to?

Treasury has the discretion as to which agencies will report as a Tier 2 reporting entity. Tier 2 reporting entities are those that are not included in Schedule 1 of T1 1107 *Application of Tiered Reporting – Simplified Disclosures*.

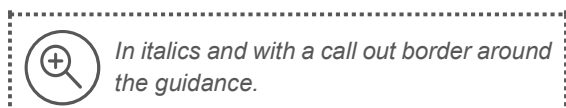
Setting out the disclosures and guidance

The reporting requirements as set out in the Model are presented as follows:

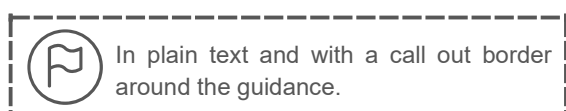
- 1) **Illustrative disclosures:** Presented first – predominantly in black text and for a fictitious agency.

These disclosures have been designed to demonstrate compliance with Australian Accounting Standards and TIs.

- 2) **Guidance (or commentary):** Guidance has been set out in the illustrative disclosures as follows:



In some instances, the Model may present illustrative examples that fit for a certain set of circumstances. In such instances the guidance may call out alternative disclosures where an agency may be faced with alternative disclosures. These are demonstrated as follows:



- 3) **References:** Highlighted throughout the illustrative disclosures and the guidance and are prefixed by **AASB..., Int..., TI..., and/or FMA...**
- 4) **Consideration points:** Throughout the Model, markers are used to indicate where additional consideration and application of materiality and factors specific to the agency should be applied.



Indicates '**stop and consider**'. Do you need to include this disclosure?



Indicates '**items for attention**'. These disclosures may be non-standard.

- 5) **Key judgements:** These statements include key judgements and estimates within the note disclosing the quantitative impact of the estimate and/or judgement. Where a sample judgement or estimate is disclosed it is marked with the icon as shown below. Agencies should ensure they consider throughout the need to disclose estimates and judgements and make the appropriate disclosures.



Sample key judgement or estimate disclosure.

Where to go for additional information

Treasury seeks to provide users of the Model with relevant and sufficient guidance to be able to apply the requirements included within the Model.

A guide to streamlining a set of financial statements is included on the following page.

A guide to continuously streamlining financial statements

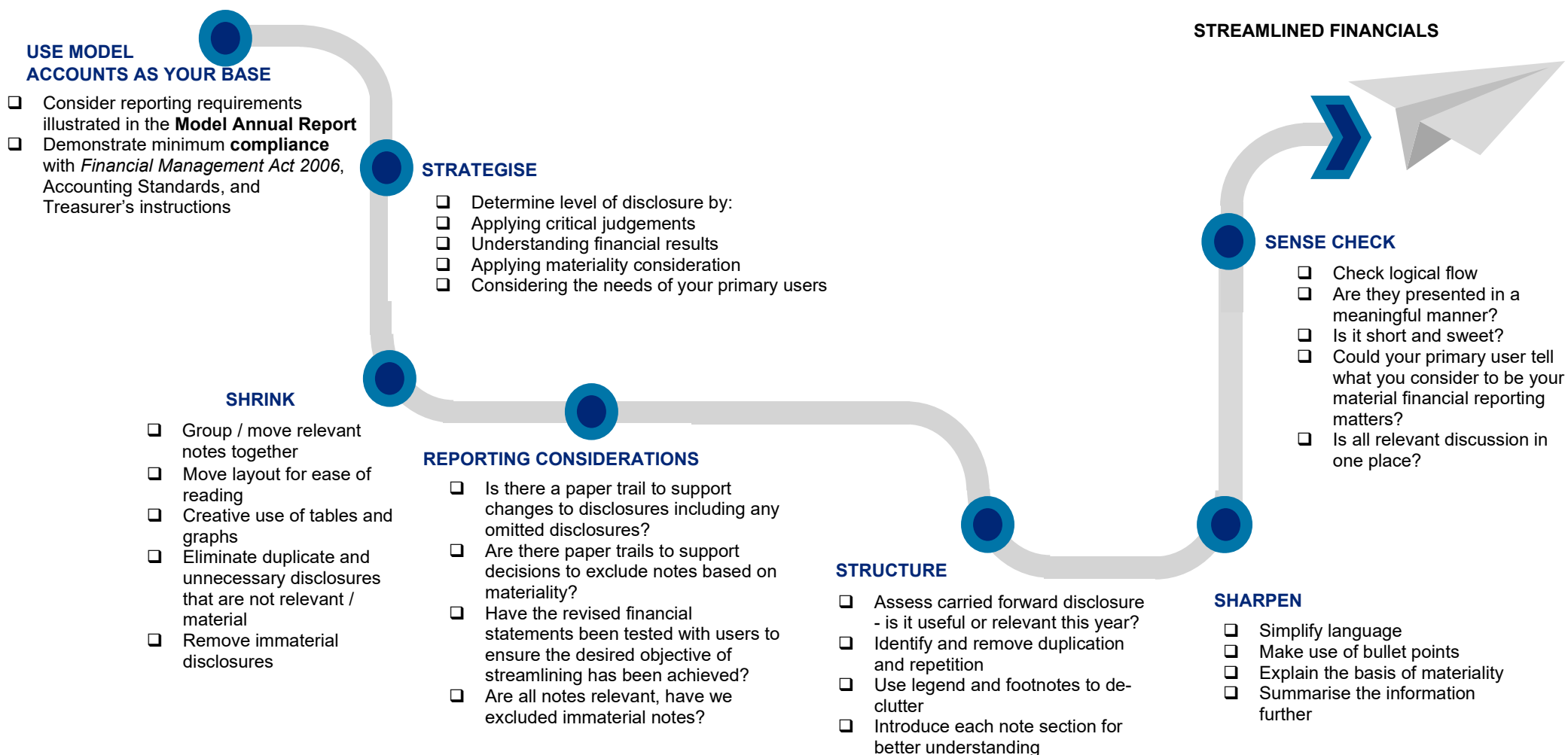


Table of contents

Foreword	2
Instructions for using the Model	2
Significant changes to the Model	2
Which agencies does Tier 2 reporting apply to?	2
Setting out the disclosures and guidance	3
Where to go for additional information	3
Table of contents	5
Statement of Compliance	7
Overview	8
Executive Summary	8
Performance highlights	8
Operational Structure	8
Enabling legislation	8
Responsible minister	8
Organisational structure	9
Administered legislation	10
Other key legislation impacting on the Agency's activities	10
Performance Management Framework	11
Outcome-based management framework	11
Changes to outcome-based management framework	11
Shared responsibilities with other agencies	11
Agency Performance	12
Report on the operations	12
Actual results versus budget targets	12
Significant Issues Impacting the Agency	16
Current and emerging issues and trends	16
Economic and social trends	16
Changes in written law	16
Likely developments and forecast results of the operations	16
Disclosures and Legal Compliance	18
Certification of financial statements	18
Financial statements	19
Statement of comprehensive income	22
Statement of financial position	25
Statement of changes in equity	27
Statement of cash flows	30
Administered Schedules (Departments only)	32
Administered income and expenses	32
Administered assets and liabilities	33

Notes to the financial statements	34
1. Basis of preparation.....	34
2. Use of our funding	37
3. Our funding sources	47
4. Key assets	56
5. Other assets and liabilities	70
6. Financing	78
7. Financial instruments and contingencies	90
8. Other disclosures.....	93
9. Explanatory Statements	105
Audited key performance indicators	115
Certification of key performance indicators	115
Detailed information in support of key performance indicators	116
Other statutory information	118
Ministerial directions	118
Other financial disclosures	119
Pricing Policies of Services Provided	119
Capital Works	119
Employment and Industrial Relations	119
Staff Development	119
Workers Compensation	119
Governance disclosures	119
Other legal requirements	120
Unauthorised use of credit cards.....	120
Government policy requirements.....	121
Contact information.....	122

Reference

TI 902

Statement of Compliance

For year ended 31 December 2023

Hon Michael Jackson

Minister for Information Technology

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 Agency for the reporting period ended 31 December 2023.

The Annual Report has been prepared in accordance with the provisions of the *Financial Management Act 2006* and [any other relevant written law].

The financial statements comply with Australian Accounting Standards – Simplified Disclosures issued by the Australian Accounting Standards Board.

(Signature)

B. King

Chief Executive Officer

1 March 2024



Guidance – Statement of Compliance

TI 902(3)(ii)

Where the accountable authority is a body, the Statement of compliance shall be signed by two members of that body.

Reference

TI 903(3)(i)

Overview

TI 903(5)

Executive Summary

Performance highlights

- The Agency received a commendation from the State Government for its services in providing assistance to public sector agencies to complement the corporate services reforms.
- Customer surveys indicated that 95% of agencies rated the services provided for the implementation of corporate services reforms as exceptional.
- The Agency's research and development project on software development for public sector accounting is on schedule and is expected to be completed in 2025.

TI 903(6)

Operational Structure

The Agency delivers services through the following divisions:


- Information Technology;
- Customer Relations; and
- Corporate Services.

Enabling legislation

The Agency was established as an agency on 1 July 2007, under the *Public Sector Management Act 1994*.

Responsible minister

The Hon. Michael Jackson, BCom MLA, Minister for Information Technology.

	Guidance – Overview
TI 903(5)	<p>Executive Summary</p> <p><i>Each agency should include a statement from the accountable authority that includes performance highlights and/or other significant events impacting on the agency. In the above example, this has been included under 'Executive Summary'.</i></p>
TI 903(6)	<p>Operational Structure</p> <p><i>Under this section, agencies should disclose a summary of activities and responsibilities for each division or its equivalent. In the above example, this has been included under 'Operational Structure'.</i></p>

Reference

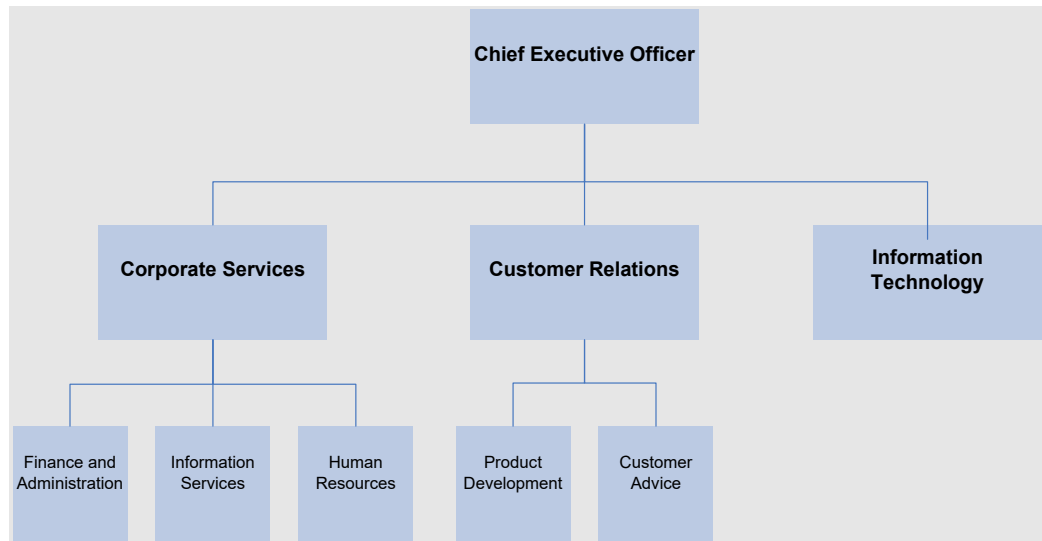
TI 903(6)

Organisational structure

Mission

To provide leadership, support and services necessary to ensure that Western Australians have easy and affordable access to a diverse range of information technology.

Organisational chart



Senior officers

Dr Bill King PhD (Chief Executive Officer)

Mr King has extensive experience in corporate management and public sector information technology.

Elliot Ng BCom CA (Director Information Technology)

Mr Ng has 7 years' public sector management experience and 15 years corporate advisory experience in the private sector.

Christy Fleming BCom FCPA (Director Corporate Services, Chief Finance Officer)

Ms Fleming has 17 years' experience in public sector finance, in addition to experience in the private sector.

Delia Smith BA (Hons) (Director Customer Relations)

Ms Smith has 10 years' experience in public sector customer relations.

	<p>Guidance – Overview</p>
	<p><i>Statutory authorities should include information about the appointment of Board members and a short biographical summary for each member of the Board whose term of appointment is pertinent to the reporting period.</i></p>

Reference

TI 903(6)

Administered legislation

The Agency assists the Minister for Information Technology in the administration of the following Acts:

- *Information Technology Act 1983*; and
- *Information Protection Act 1959*.

Other key legislation impacting on the Agency's activities

In the performance of its functions, the Agency complies with the following relevant written laws:

- *Auditor General Act 2006*;
- *Contaminated Sites Act 2003*;
- *Disability Services Act 1993*;
- *Equal Opportunity Act 1984*;
- *Financial Management Act 2006*;
- *Freedom of Information Act 1992*;
- *Industrial Relations Act 1979*;
- *Long Service Leave Act 1958*;
- *Minimum Conditions of Employment Act 1993*;
- *Occupational Safety and Health Act 1984*;
- *Procurement Act 2020*;
- *Public Sector Management Act 1994*;
- *Salaries and Allowances Act 1975*; and
- *State Records Act 2000*.



Guidance – Overview

TI 903(6)(v)-(vii)

Administered legislation

Include the name of and authority for establishment of each subsidiary, related and affiliated body and information about the legislation administered pertaining to each subsidiary and related body.

Other key legislation impacting on the agency's activities

In addition to the abovementioned legislation, where applicable, agencies may consider disclosing specialised legislation that impacts upon their operations. Although the above information is not mandatory, listing the key legislation impacting on the agency's activities provides useful information to users.

Reference

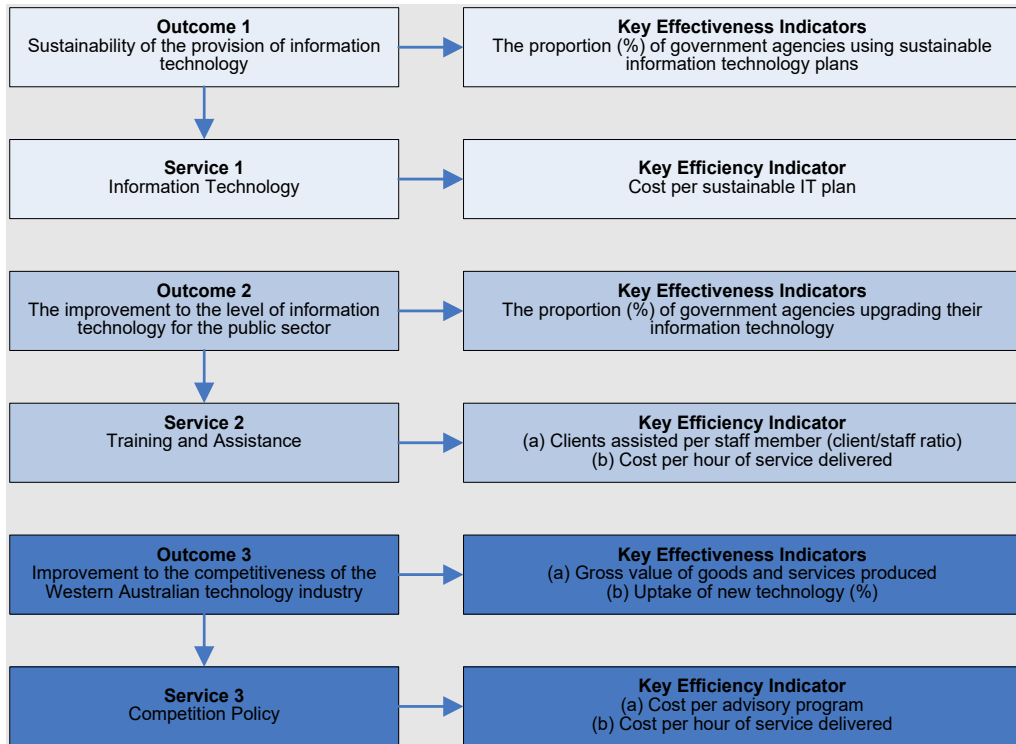
TI 903(7)

TI 904(2)

TI 903(7)(i)

Performance Management Framework

Outcome-based management framework



TI903(7)(ii)

Changes to outcome-based management framework

The Agency's outcome-based management framework did not change during 2023.

TI903(7)(iii)

Shared responsibilities with other agencies

The Agency did not share any responsibilities with other agencies in 2023.



Guidance – Performance management framework

TI 903(7)

TI 904(2)

Outcome-based management framework

Include a description of the links between the relevant government goals, agency level government desired outcomes and services.

Changes to outcome-based management framework

Include a discussion of any changes to agency level government desired outcomes, services and key performance indicators from the previous year. This segment should be included even if there is a nil return.

Shared responsibilities with other agencies

Include a statement of which services are being delivered jointly with other agencies and how the agency is contributing to other agencies' desired outcomes. This segment should be included even if there is a nil return.

Reference

TI 903(8)

FMA sec 61(2)

Agency Performance

Report on the operations

Actual results versus budget targets

TI 808(3)

Financial Targets


	2023 Target ^(A) (\$000)	2023 Actual (\$000)	Variation ⁽¹⁾ (\$000)
Total cost of services (expense limit) (details from Statement of comprehensive income)	805,979	801,497	(4,482) ^(a)
Net cost of services (details from Statement of comprehensive income)	774,912	768,048	(6,864) ^(b)
Total equity (details from Statement of financial position)	1,477,895	1,462,515	(15,380) ^(c)
Agreed/directed ^(B) salary expense level	670,435	669,757	(678)
Agreed/directed ^(B) Executive Salary Expense Limit			
Agreed borrowing limit (where applicable)	-	-	-


(1) Further explanations are contained in Notes [2.3](#), [3.2](#), [3.3](#), and [9.1](#) to the financial statements.

(a) The variation is mainly due to implementing tighter cost controls, resulting in savings of \$4,482,000.

(b) In addition to the explanation above regarding expenses, the variation was mainly due to an increase in user charges and fees, and sales revenue (\$2,177,000) as a result of better than expected demand.

(c) The variation is mainly due to a lower than expected asset revaluation increments for land and buildings.

	Guidance – Financial Targets
TI 903(8)	(A) Agencies should disclose whether Targets are those set in the budget statements, resource agreements, statements of corporate intent other documents.
FMA sec 43(4), 44(1)	(B) Strike out where inapplicable, as “directed” may be the more appropriate description where a resource agreement is finalised without agreement under section 43(3).

	Guidance – Agency performance
TI 903(8)	Report on the operations The report should Include a brief discussion of agency performance, including references to key achievements and other key highlights about agency performance during the year. This can include both financial and non-financial performances as well as the agency’s vision and mission. Include any narrative necessary to explain the results and describe the agency’s performance, including any material variations and the impact of any external factors.
FMA sec 61(2)	Where an agency has a resource agreement, the extent to which the agency achieved any targets described in the resource agreement must be disclosed.
TI 808(3)	Reporting actual performance compared to resource agreement targets Where an agency has a resource agreement, the agency is required to adopt the format shown in the Guidelines to TI 808 ‘Resource Agreements’.

TI 822

Borrowing limits

The agreed borrowing limit is the total borrowings authorised by the Treasurer during, or subsequent to, the budget process due to impact on the State's Net Debt. Accountable authorities should refer to TI 822 Borrowings, which provides background on borrowing limits and provides guidance on amounts included in the agency borrowing limit.

Reference

Working cash targets

TI 808(3)

	2023 Agreed limit (\$000)	2023 Target /Actual (\$000)	Variation (\$000)
Agreed working cash limit (at Budget)	9,934	9,934	-
Agreed working cash limit (at Actuals)	8,074	6,808 ^(a)	(1,266) ^(b)

(a) The actual working cash balance at the close of the 2023 financial year is \$6,808,000. This amount consists of the cash and cash equivalents of \$8,308,000, as identified in the Statement of financial position as at 30 June 2023, minus the \$1,500,000 for Asset Investment Program milestone payments due early in the first month of the successive reporting period. The milestone payments relate to capital works projects which are omitted from the calculation of working cash limit.

(b) The variation is mainly due to *[insert narrative]*.



Guidance – Working cash targets

The 'Agreed working cash limit (at Budget)' is calculated by multiplying budgeted recurrent payments (total operating and financing) by 5%. Further information on the working cash limit may be found in the Cash Management Policy (2007) at:

https://www.wa.gov.au/system/files/2020-02/cash_management_policy.pdf

Reference

Summary of key performance indicators

TI 903(8)

	2023 Target	2023 Actual	Variation	Result (1)
<p><i>Outcome 1: Sustainability of the provision of information technology</i></p> <p>Key effectiveness indicator(s): The proportion (%) of government agencies using sustainable information technology plans</p> <p>Service 1: <i>Information technology</i></p> <p>Key efficiency indicator(s): Cost per sustainable IT plan</p>	85%	86%	1%	✓
<p><i>Outcome 2: The improvement to the level of information technology for the public sector</i></p> <p>Key effectiveness indicator(s): The proportion (%) of government agencies upgrading their information technology</p> <p>Service 2: <i>Training and assistance</i></p> <p>Key efficiency indicator(s): Clients assisted per staff member (client/staff ratio) Cost per hour of service delivered</p>	75%	76%	1%	✓
<p><i>Outcome 3: Improvement to the competitiveness of the Western Australian technology industry</i></p> <p>Key effectiveness indicator(s): Gross value of goods and services produced Uptake of new technology (%)</p> <p>Service 3: <i>Competition policy</i></p> <p>Key efficiency indicator(s): Cost per advisory program Cost per hour of service delivered</p>	\$200m 66%	\$206m 68%	\$6m 2%	✓

(1) The following symbols indicate the outcome of the key performance indicators:

- ✓ Performance target achieved or exceeded
- × Performance target not achieved

TI 904(3)(v)

Explanations for the variations between target and actual results are:

- (a) The variation is mainly due to *[insert narrative]*.
- (b) The variation is mainly due to *[insert narrative]*.

Additional performance information is detailed at the [Detailed information in support of key performance indicators](#).



Guidance – Summary of key performance indicators

TI 903(8) (11)
TI 904

Additional information, including long term trends and supporting footnotes, may be disclosed either in this section or in the section 'Disclosures and Legal Compliance'. The report on the operations shall include any narrative necessary to explain the results and describe the agency's performance, including any material variations and the impact of any external factors.

If additional information is disclosed elsewhere, a cross reference to the page number would be required.

Agencies should indicate clearly whether a key performance target has been met. The indication must be compliant with accessibility standards.

Where there is no resource agreement, the key performance indicators approved under TI 904 Key Performance Indicators can be disclosed in the section 'Disclosures and Legal Compliance' together with the additional information.



An annual report should clearly identify those key performance indicators that are audited by the Auditor General. Audited information should have the previous year's comparative result.

Significant Issues Impacting the Agency

Current and emerging issues and trends

The rapid pace of technological advancements is leading to a reduction in the Agency costs and creates opportunities to deliver enhanced services.

Economic and social trends

There is an expectation in society that services delivered by the Agency will be enhanced to take advantage of technological advances.

Changes in written law

There were no changes in any written law that affected the Agency during the reporting period.

Likely developments and forecast results of the operations

It is likely that the Agency operations will undergo a period of consolidation during 2024 as a result of the full impact of changes made during the 2023 reporting period. The most significant areas for change will be in relation to:

- the continuation of the research and development project on software development for public sector accounting. This project is expected to deliver significant cost savings to the public sector; and
- the measures taken in the current period with respect to information technology services, which should begin to deliver significant cost savings and greater sales growth.



Guidance – Significant issues impacting the agency

TI 903(9)

Include a brief description of current and emerging issues and trends impacting on the agency's operations, as well as the operations of any subsidiary and/or related bodies, and how the agency and bodies intend to address them. This may include economic and social trends and changes in any written law and significant judicial decisions affecting the agency or bodies.

Any likely developments in the operations of the agency or bodies and the forecast results of those developments should also be disclosed, unless the disclosure is likely to be prejudicial to the agency.



Climate change is an emerging risk with possible future implications that could impact on the welfare of communities and economies, both domestically and globally. Agencies should consider current and emerging impacts that climate-related risks could have to its operations from:

- physical risks, both direct and indirect, that could impact on the physical assets, and financial and non-financial performance of agencies. It can be either event-driven or the result from longer-term shifts in climate patterns;
- transition risks as a result of transitioning to a lower-carbon economy. This could be in the form of policy, regulatory, legal, reputation, technological and market changes;
- liability risks that are associated with people or businesses seeking compensation for losses suffered due to climate change; and
- climate-related opportunities, such as improved operational efficiency, savings on energy costs, adaptive capacity to respond to climate change, capitalise on shifting consumer preferences, etc.

Climate reporting has gained increasing momentum with the release of the International Sustainability Standard Board's global sustainability standards:

- *General Requirements for disclosure of Sustainability-related Financial Information* (IFRS S1); and
- *Climate-related Disclosures* (IFRS S2).

IFRS S1 sets out requirements and guidelines for broader sustainability reporting and IFRS S2 for climate reporting specifically. Both standards fully incorporate the recommendations of the *Task Force on Climate-related Financial Disclosures* (TCFD).

The Australian Accounting Standards Board (AASB) is developing Australian equivalent sustainability standards and intends to address climate as the first sustainability reporting topic. They will be based on the international sustainability standards but adapted to Australian matters and requirements. Draft standards are expected to focus on the for-profit sector with not-for-profit public sector requirements to be developed at a later stage.

WA Government policy discussing transitioning to a lower-carbon economy and benefiting from climate-related opportunities including strategies and guidance on how to perform climate risk assessment may be accessed at:

- [Western Australian Climate Change Policy](#);
- [Sectoral Emissions Reduction Strategies](#);
- [Climate Adaptation Strategy](#); and
- [Climate change risk management guide \(interim\)](#).

Reference

Disclosures and Legal Compliance

TI 903(10)-(16)

Certification of financial statements

FMA sec 62(2)
TI 947

For the reporting period ended 31 December 2023

The accompanying financial statements of the Agency have been prepared in compliance with the provisions of the *Financial Management Act 2006* from proper accounts and records to present fairly the financial transactions for the reporting period ended 31 December 2023 and the financial position as at 31 December 2023.

AASB 110.17

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

TI 947(3)

(Signature)

C. Fleming
Chief Finance Officer
1 March 2023

(Signature)

B. King
Accountable Authority
1 March 2023



Guidance – Disclosures and legal compliance

FMA sec 62(1)

Financial statements are to be prepared in accordance with accounting standards and other requirements issued by the Australian Accounting Standards Board.

FMA sec 62(2)

Financial statements include any financial statements and information prescribed by Treasurer's instructions and any other financial information required by a written direction given by the Minister.

AASB 1060.186

Disclose the date when the financial statements were authorised for issue and who gave that authorisation. If the agency's owners or others have the power to amend the financial statements after issue, the agency shall disclose that fact.

TI 947(2)(ii)

Where the accountable authority is a body, the statement shall be signed by two members of that body.

Financial statements

The Agency has pleasure in presenting its audited general purpose financial statements for the reporting period ended 31 December 2023 which provides users with the information about the Agency's stewardship of resources entrusted to it. The financial information is presented in the following structure:

Financial statements	19
Statement of comprehensive income	22
Statement of financial position.....	25
Statement of changes in equity	27
Statement of cash flows	30
Administered Schedules (Departments only)	32
Administered income and expenses	32
Administered assets and liabilities	33
Notes to the financial statements	34
1. Basis of preparation.....	34
Statement of compliance	34
Basis of preparation.....	34
Accounting for Goods and Services Tax (GST).....	34
Contributed equity	35
Administered items (Departments only)	35
Comparative information	35
Judgements and estimates	35
2. Use of our funding	37
2.1(a) Employee benefits expenses	38
2.1(b) Employee related provisions.....	40
2.2 Grants and subsidies.....	44
2.3 Other expenditure	45
3. Our funding sources	47
3.1 Income from State Government	48
Summary of consolidated account appropriations	49
3.2 User charges and fees	51
3.3 Sale of goods.....	52
3.4 Commonwealth grants	54
3.5 Other income	55
4. Key assets	56
4.1 Infrastructure, property, plant and equipment	57
4.2 Intangible assets.....	64
4.3 Right-of-use assets.....	67
4.4 Service Concession Assets.....	69
5. Other assets and liabilities.....	70
5.1 Receivables	71
5.2 Amounts receivable for services (Holding Account).....	72

5.3 Other assets	73
5.4 Payables	73
5.5 Capital grant liabilities	74
5.6 Other provisions	75
5.7 Other liabilities	77
6. Financing	78
6.1 Borrowings.....	79
6.2 Lease liabilities	81
6.3 Service concession liabilities.....	84
6.4 Assets pledged as security.....	86
6.5 Finance costs	87
6.6 Cash and cash equivalents	88
6.7 Capital commitments	89
7. Financial instruments and contingencies	90
7.1 Financial instruments.....	91
Additional disclosures for financial Instruments	91
7.2 Contingent assets and liabilities	92
8. Other disclosures.....	93
8.1 Events occurring after the end of the reporting period	94
8.2 Changes in accounting policy.....	95
8.3 Key management personnel	97
8.4 Related party transactions.....	98
8.5 Related bodies.....	100
8.6 Affiliated bodies	100
8.7 Special purpose accounts	101
8.8 Remuneration of auditors	102
8.9 Non-current assets classified as assets held for sale	103
8.10 Supplementary financial information	104
9. Explanatory Statements	105
9.1 Explanatory statement for controlled operations.....	106
9.2 Explanatory statement for administered items (Departments only)	113



Guidance – Financial report structure

AASB 1060.25
TI 1102(5)(iii)

A complete set of financial statements comprises the following:

- a Statement of comprehensive income;
- a Statement of financial position;
- a Statement of changes in equity;
- a Statement of cash flows; and
- notes, comprising material accounting policy information and other explanatory information.

AASB 1060.90-94

Contents of the notes to the financial statements

The notes to the financial statements of an agency shall:

- present information about the basis of preparation of the financial statements and the specific accounting policies used;
- disclose the information required by AASB 1060 General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities that is not presented in the face of the financial statements;
- provide information that is not presented elsewhere in the financial statements but is relevant to an understanding of any of them; and
- be presented in a systematic manner with cross references to each item in the financial statements to any related information in the notes.

The TI 945 Explanatory Statement and AASB 1060 require agencies to disclose the following in their complete set of financial statements:

Statutory authorities and departments

AASB 1060.238-241
AASB 1060.222, 225
TI 945(3)

- Summary of consolidated account appropriations;
- Explanatory statements disclosing original budgets versus actual results; and
- Explanatory statements disclosing current year actual results versus prior year comparative results for the agency.

Departments

AASB 1060.219-220
AASB 1060.223, 225
TI 945(4)

- Schedules for administered income, expenses, assets and liabilities;
- Explanatory statements for administered items disclosing original budgets versus actual results; and
- Explanatory statements for administered items disclosing current year actual results versus prior year comparative results for the agency.

Reference

Statement of comprehensive income

TI 1102(7)

For the year ended 31 December 2023

	Notes	2023 (\$000)	2022 (\$000)
Cost of services			
Expenses			
TI 1102(7)(i)			
TI 1102(7)(i)(a)	2.1(a)	669,757	599,002
TI 1102(7)(i)(e)	2.3	60,980	56,345
	4.1		
TI 1102(7)(i)(b)	4.2	35,764	36,448
	4.3		
TI 1102(7)(i)(c)	6.5	613	568
TI 1102(7)(i)(e)	2.3	6,963	6,330
TI 1102(7)(i)(e)	2.2	9,801	8,910
TI 1102(7)(i)(e)	3.3	5,560	3,700
TI 1102(7)(i)(e)	2.3	12,059	12,782
TI 1102(7)(i)(g)		801,497	724,085
Income			
TI 1102(7)(ii)			
TI 1102(7)(ii)(a)	3.2	15,912	14,997
TI 1102(7)(ii)(f)	3.3	14,267	12,970
TI 1102(7)(ii)(b)	3.4	1,100	1,000
TI 1102(7)(ii)(c)		-	-
TI 1102(7)(ii)(g)	3.5	2,170	6,300
		33,449	35,267
TI 1102(7)(iii)		768,048	688,818
Income from State Government			
TI 1102(7)(iv)			
TI 1102(7)(iv)(a)	3.1	803,846	713,701
TI 1102(7)(iv)(b)	3.1	-	-
TI 1102(7)(iv)(c)	3.1	-	-
TI 1102(7)(iv)(d)	3.1	1,595	1,450
	3.1	-	-
TI 1102(7)(iv)(e)		805,441	715,151
TI 1102(7)(vi)		37,393	26,333
Other comprehensive income			
<i>Items not reclassified subsequently to profit or loss</i>			
TI 1102(7)(vii)(a)	4.1	100,000	25,500
		100,000	25,500
TI 1102(7)(viii)		137,393	51,833


The Statement of comprehensive income should be read in conjunction with the accompanying notes.



Guidance – Presentation of the Statement of comprehensive income


Income and expense items are classified within the Statement of comprehensive income depending on whether they arise from ‘transactions’ or ‘other comprehensive income’. In addition, the Statement of comprehensive income also presents movements due to changes in non-owner equity under ‘other comprehensive income’. All owner changes in equity in their capacity as owners can be found in the Statement of changes in equity.

In the ‘Total cost of services’ section:	In the ‘Net cost of services’ section:	In the ‘Total income from State Government’ section:	In the ‘Other comprehensive income’ section:
<p>Transactions are those economic flows that arise as a result of policy decisions, usually interactions between two entities by mutual agreement, and also flows within an agency. Transactions can be in cash or in kind. In simple terms, transactions arise from the policy decisions of the government.</p> <p>Please note the following:</p> <ul style="list-style-type: none"> • <i>Supplies and services - include administrative expenses.</i> • <i>Finance costs - include borrowing costs, including costs incurred in the borrowing of funds (AASB 123.5), and the effect of unwinding of discounting of items measured at present value (AASB 5.17 and AASB 137.45) and the interest component of the lease liability repayments (AASB 16.49).</i> • <i>The discounting of employee benefits should be recognised under employee benefits expense rather than separately as a finance cost.</i> 	<p>This section includes changes in the volume or value of an asset or liability that do not result from transactions. It includes:</p> <ul style="list-style-type: none"> • <i>Revaluations and impairments of physical and intangible assets;</i> • <i>Fair value changes of financial instruments through profit or loss;</i> • <i>Gains and losses attributable to agricultural assets (AASB 141.26-29);</i> • <i>Share of the profit or loss of equity accounted investments;</i> • <i>A single amount for the total of discontinued operations; and</i> • <i>Other income</i> 	<p>This section includes:</p> <ul style="list-style-type: none"> • <i>Service appropriation;</i> • <i>Income from other public sector entities;</i> • <i>Liabilities assumed;</i> • <i>Resources received; and</i> • <i>Royalties for Regions Fund.</i> <p>Please note the following:</p> <ul style="list-style-type: none"> • <i>Resources received includes assets transferred - made at the transferor agency’s discretion and represents an expense to the transferor and income to the transferee.</i> 	<p>This section presents line items for amounts classified by nature. These items are then grouped into those that:</p> <ul style="list-style-type: none"> • <i>Will not be reclassified subsequently to profit or loss; or</i> • <i>Will be reclassified subsequently to profit or loss when specific conditions are met.</i> <p>It includes:</p> <ul style="list-style-type: none"> • <i>Changes in physical asset revaluation surpluses;</i> • <i>Share of movements of other comprehensive income of equity accounted investments; and</i> • <i>Changes in fair value of financial instruments through OCI.</i> <p>This model illustrates only items that will not be subsequently reclassified to the profit and loss. Certain items do get re-classified to profit or loss and appropriate disclosures would need to be made if agencies hold such items as listed below:</p> <ul style="list-style-type: none"> • <i>Exchange differences reserves.</i> • <i>Financial instruments measured at fair value through OCI.</i>

	<p>Guidance – Presentation of the Statement of comprehensive income</p>
<p>AASB 1060.21</p>	<p>Classification of expenses by nature or function:</p>
<p>TI 1102(7)(i)(e)</p>	<p>Expenses must be classified and presented (either in the Statement of comprehensive income or in the related notes) based on either their nature or their function, whichever provides information that is reliable and more relevant.</p> <p>In the illustrative disclosures, the agency classifies its expenses by nature, with the exception of sale of goods which is a functional classification. Expenses are recorded on the face of the Statement of comprehensive income and further disaggregated in the notes.</p>
<p>AASB 1060.21-22</p>	<p>When items of income and expense are material, their nature and amount shall be disclosed separately either in the Statement of comprehensive income or in the notes to the financial statements. TI 1102 prescribes the minimum disclosure required in the Statement of comprehensive income.</p>
<p>AASB 1060.52(g)</p>	<p>Further, an agency shall disclose, either in the Statement of comprehensive income or in the notes, any amounts related to components of other comprehensive income that are reclassified to net result in the current period, that were previously recognised in other comprehensive income in the current or previous periods.</p>
<p>AASB 1060.56</p>	<p>Additional disclosures such as additional line items, headings and subtotals shall be presented on the face when it is relevant to an understanding of the financial performance of the agency.</p>



Note that ‘Other expenditure’, for which no description of the nature is disclosed, cannot exceed 10% of total expenses. Agencies should review their categories of expenses and ensure that they are providing users with the appropriate level of detail to understand how the agency is utilising its funding.

	<p>Guidance – Income from other public sector entities</p>
<p>TI 1102 Guidelines</p>	<p>Public sector entities refer to ‘wholly-owned public sector entities’ as defined in TI 955 Contributions by Owners Made to Wholly Owned Public Sector Entities. Recurrent (service) appropriations received through a central department (controlled and/or administered) should be classified as ‘Income from other public sector entities’. They include, for example, ‘indirect appropriations’ from the Department of Health to Health Service Providers (HSPs) and administered appropriations from Treasury to HSPs. They may also include funding from Treasurer’s special purpose accounts such as Royalties for Regions Fund. Finally, they might include funding from other wholly owned public sector entities (including funding from agency special purpose accounts such as Road Trauma Trust Account). Furthermore, income from other public sector entities should include amounts paid by other public sector entities on a charge out basis <u>if material</u>. However, operating subsidies should be classified as sales revenue in relation to trading operations or revenues from the provision of goods and/or services (and not as income from other public sector entities) as they are considered payments made on behalf of an external party.</p> <p>Furthermore, income from other public sector entities should not include National Specific Purpose Payments and National Partnership Payments received through Treasury. These payments should be classified as grants and contributions from the Commonwealth Government under the heading Income as they are made under pass through arrangements.</p>

Reference

Statement of financial position

TI 1103(4)

As at 31 December 2023

	Notes	2023 (\$000)	2022 (\$000)
Assets			
Current Assets			
TI 1103(5)			
TI 1103(5)(i)	6.6	8,308	6,435
TI 1103(7)	6.6	3,590	970
AASB 1060.35(d)		15,333	15,375
AASB 1060.35(b)	5.1	9,097	9,189
	5.2	17,139	19,795
AASB 1060.36	5.3	550	560
AASB 1060.35(r)	8.9	2,900	2,628
TI 1103(5)(iv)		56,917	54,952
TI 1103(6)			
TI 1103(7)	5.1	60	50
	5.2	55,725	41,707
AASB 1060.35(e)	4.1	1,369,572	1,246,992
AASB 1060.35(g)	4.2	1,008	1,402
TI 1103(6)(ii)	4.3	22,005	24,598
TI 1103(6)(iii)	4.4	-	-
AASB 1060.36	5.3	-	60
TI 1103(6)(iv)		1,448,370	1,314,809
TI 1103(8)		1,505,287	1,369,761
Liabilities			
Current Liabilities			
TI 1103(9)			
AASB 1060.35(k)	5.4	4,207	4,791
AASB 1060.44(d)		638	895
AASB 1060.233	5.6	574	718
AASB 1060.35(l)	6.1	-	-
TI 1103(9)(ii)	6.2	5,979	6,562
		2,400	7,970
AASB 1060.35(o)	2.1(b)	13,758	13,950
AASB 1060.35(o)	5.6	62	45
AASB 1060.36	5.7	-	-
TI 1103(9)(iv)		27,618	34,931
TI 1103(10)			
AASB 1060.233	5.5	2,298	2,872
TI 1103(10)(ii)	6.2	11,317	17,296
TI 1103(10)(iii)	6.3	-	-
AASB 1060.35(o)	2.1(b)	989	1,015
AASB 1060.35(o)	5.6	550	525
AASB 1060.36	5.7	-	-
TI 1103(10)(iv)		15,154	21,708
TI 1103(11)		42,772	56,639
TI 1103(12)		1,462,515	1,313,122
TI 1103(13)			
TI 1103(13)(i)		100,960	88,960
TI 1103(13)(ii)		305,500	205,500
TI 1103(13)(iii)		1,056,055	1,018,662
TI 1103(14)		1,462,515	1,313,122

The Statement of financial position should be read in conjunction with the accompanying notes.



Guidance – Statement of financial position

AASB 1060.37-41

Current/non-current distinction

Assets and liabilities shall be classified as either current or non-current. Tier 2 reporting reflects the same liquidity distinction requirements imposed on Tier 1 reporters under AASB 101.60.

AASB 1060.44

Sub-classification of line items

Depending on the size, nature and function of the amounts involved and requirements of Australian Accounting Standards, the Statement of financial position line items must be sub-classified in a manner appropriate to the agency's operations (either in the Statement of financial position or in the related notes).

AASB 1060.40, 185

Refinancing liabilities – classification

Financial liabilities shall be categorised as current when they are due to be settled within 12 months of the reporting period, even if:

- (a) the original term was for a period longer than 12 months; and
- (b) an agreement to refinance, or to reschedule payments, beyond 12 months, is completed after the reporting period and before the financial statements are authorised for issue.

Where material, information to be presented includes:

AASB 1060.21, 35-36

Assets:

- Investment property;
- Biological assets;
- Investments in associates;
- Investments in joint ventures;
- Current tax assets; and
- Deferred tax assets.

Liabilities:

- Current tax liabilities;
- Deferred tax liabilities; and
- Liabilities included in disposal groups classified as held for sale under AASB 5 Non-current Assets Held for Sale and Discontinued Operations.

It must be noted that the line items need only be presented where the agency recognises such an asset or liability. This model includes additional line items as examples only.

If an agency holds additional assets/liabilities and the presentation of these is important for the understanding of the financial results they must be disclosed on the face of the Statement of financial position.

AASB 1053.9

Simplified Disclosures

Agencies applying Tier 2 simplified disclosure requirements are exempted from the requirement of preparing a third statement of financial position (i.e. a third column) when they apply an accounting policy retrospectively, make a retrospective restatement of items in their financial statements or reclassify items in their financial statements.

AASB 1060.104,
125-128, 129-131

Interests in Other Entities

Where the financial statements consolidate another entity or recognise investments in associates or joint ventures, specific disclosures are required. This model excludes these disclosures.

Reference

Statement of changes in equity

AASB 1060.25(c)

For the year ended 31 December 2023

	Contributed equity	Reserves	Accumulated surplus/ (deficit)	Total equity
	(\$000)	(\$000)	(\$000)	(\$000)
Balance at 1 January 2022	33,650	180,000	992,329	1,205,979
<i>Changes in accounting policy or correction of prior period errors</i>				
Restated balance at 1 January 2022	33,650	180,000	992,329	1,205,979
Surplus/(deficit)	-	-	26,333	26,333
Other comprehensive income	-	25,500	-	25,500
Total comprehensive income for the period	-	25,500	26,333	51,833
<i>Transactions with owners in their capacity as owners:</i>				
Capital appropriation	65,000	-	-	65,000
Royalties for Regions Fund – Regional Infrastructure and Headworks Account	-	-	-	-
Other contributions by owners	1,500	-	-	1,500
Distributions to owners	(11,190)	-	-	(11,190)
Total	55,310	-	-	55,310
Balance at 31 December 2023	88,960	205,500	1,018,662	1,313,122
Balance at 1 January 2022	88,960	205,500	1,018,662	1,313,122
Surplus/(deficit)	-	-	37,393	37,393
Other comprehensive income	-	100,000	-	100,000
Total comprehensive income for the period	-	100,000	37,393	137,393
<i>Transactions with owners in their capacity as owners:</i>				
Capital appropriation	12,000	-	-	12,000
Royalties for Regions Fund – Regional Infrastructure and Headworks Account	-	-	-	-
Other contributions by owners	-	-	-	-
Distributions to owners	-	-	-	-
Total	12,000	-	-	12,000
Balance at 31 December 2023	100,960	305,500	1,056,055	1,462,515

The Statement of changes in equity should be read in conjunction with the accompanying notes.

**Guidance – Statement of changes in equity**

AASB 1060.61

This statement is included to present a reconciliation between the various classes of equity at the beginning of the period to the end of the period.

Where material, the following information must be disclosed:

- (a) total comprehensive income for the period, showing separately the total amounts attributable to owners of the parent and to non-controlling interests;*
- (b) for each component of equity, the effects of retrospective application or retrospective restatement recognised in accordance with AASB 108; and*
- (c) for each component of equity, a reconciliation between the carrying amount at the beginning and the end of the period, separately disclosing changes resulting from:
 - (i) profit or loss;*
 - (ii) other comprehensive income; and/or*
 - (iii) transactions with owners in their capacity as owners, showing separately contributions by and distributions to owners and changes in ownership interests in subsidiaries that do not result in a loss of control.**



Guidance – Contributed equity

Capital appropriations

TI 955(3)(i)

TI 955 Contributions by Owners Made to Wholly Owned Public Sector Entities designates capital appropriations as contributions by owners in accordance with Interpretation 1038 Contributions by Owners Made to Wholly-Owned Public Sector Entities.

Transfer of net assets from other agencies

AASB 1060.216-218

AASB 1004 Contributions requires transfers of net assets as a result of a restructure of administrative arrangements to be accounted for as contributions by owners and distributions to owners.

Where activities are transferred from one agency to another agency as a result of a restructure of administrative arrangements, AASB 1004 (paragraph 57) requires the transferee agency to disclose the expenses and income attributable to the transferred activities for the reporting period, showing separately those expenses and income recognised by the transferor agency during the reporting period. Furthermore, AASB 1060 (paragraph 217) requires disclosures by class for each material transfer of assets and liabilities in relation to a restructure of administrative arrangements, together with the name of the counterparty transferor/transferee agency. In respect of transfers that are individually immaterial, the assets and liabilities are to be disclosed on an aggregate basis.

TI 955(3)(ii)

TI 955 designates non-discretionary and non-reciprocal transfers of net assets between state government agencies as contributions by owners in accordance with Interpretation 1038. Where the transferee agency accounts for a non-discretionary and non-reciprocal transfer of net assets as a contribution by owners, the transferor agency accounts for the transfer as a distribution to owners.

Distribution to owners

TI 955(5)

TI 955 requires non-reciprocal transfers of net assets to the Government to be accounted for as distribution to owners in accordance with Interpretation 1038 Contributions by Owners Made to Wholly-Owned Public Sector Entities.

Reference


AASB 1060.25(d)
TI 1101(8)(i)(a)

Statement of cash flows

For the year ended 31 December 2023

	Notes	2023 (\$000)	2022 (\$000)
		Cash flows from the State Government	
TI 1101(8)(i)(a)(dd)			
TI 1101(8)(i)(b)(aa)		741,242	681,212
TI 1101(8)(i)(b)(aa)		12,000	65,000
TI 1101(8)(i)(b)(bb)		-	-
		19,795	7,688
		-	-
		773,037	753,900
		<i>Utilised as follows:</i>	
		Cash flows from operating activities	
		Payments	
AASB 1060.67(d)		(637,715)	(592,654)
AASB 1060.67(c)		(68,267)	(60,666)
AASB 1060.82		(175)	(270)
		(6,292)	(5,720)
		(9,801)	(8,910)
		(7,336)	(6,829)
		-	-
		(6,618)	(6,016)
		Receipts	
AASB 1060.67(a)		9,989	9,081
AASB 1060.67(b)		15,497	14,997
		4,640	1,000
AASB 1060.82		-	-
		2,345	1,730
		4,056	3,034
		1,067	970
		(698,610)	(650,253)
		Cash flows from investing activities	
		Payments	
AASB 1060.68(a)		(58,727)	(96,992)
		Receipts	
AASB 1060.68(b)		2,798	10,100
		(55,929)	(86,892)
		Cash flows from financing activities	
		Payments	
AASB 1060.69(e)		(6,025)	(1,090)
		-	(11,190)
AASB 1060.69(d)		(7,970)	(1,160)
		(10)	(10)
		Receipts	
		-	-
		(14,005)	(13,450)
		4,493	3,305
		7,405	4,100
		11,898	7,405

The Statement of cash flows should be read in conjunction with the accompanying notes.

	<p>Guidance – Statement of cash flows</p>
<p>TI 1101(8)(i)</p>	<p>TI 1101 mandates an additional classification within an Agency's Statement of cash flows. The category of cash flows from/to State Government in terms of paragraph (8)(i)(b) of this instruction is intended to include only those from or to the State Government. This includes appropriations and funds from other public sector entities. Non-repayable grants and contributions received from the Commonwealth (not re-appropriated through the Consolidated Account) are cash flows from operating activities. Treasurer's Advances should be classified as cash flows from financing activities as they are repayable to the Treasurer.</p>
<p>TI 1101(14)</p>	<p>Purchase of non-current assets – due to the capitalisation threshold where assets below \$5,000 are to be expensed, the cash flows under investing activities represent the extent to which expenditure has been made for resources that are initially recognised as an asset in the Statement of financial position. Therefore, expenditure on items below \$5,000 is to be accounted for under operating activities.</p>
<p>TI 916(3)</p>	<p>Principal elements of lease payments – due to the threshold where leases below \$5,000 are to be expensed, the cash flows under financing activities represent the extent of amounts recognised as lease liabilities in the Statement of financial position. Therefore, expenditure on items below \$5,000 is to be accounted for under operating activities.</p> <p>Cash and cash equivalent assets transferred to/from an agency as part of a distribution to/contribution by owners should be reported under 'Cash flows from State Government'.</p>
<p>TI 1101(7)(i)</p>	<p>While AASB 1060 permits the use of either the direct or the indirect method for reporting cash flows from operating activities, TI 1101 Application of Australian Accounting Standards and Other Pronouncements mandates application of the direct method.</p>
<p>AASB 1060.86</p>	<p>Non-cash transactions</p> <p>An entity shall exclude from the Statement of cash flows investing and financing transactions that do not require the use of cash or cash equivalents. An entity shall disclose such transactions elsewhere in the financial statements in a way that provides all the relevant information about those investing and financing activities.</p>



Where finance costs represent service concession interest expenses, leasing interest expenses or borrowing interest expenses, agencies have a policy choice as to where to present these. In the model above they are shown as operating activities as the model assumes the costs are in relation to the operations of the agency as opposed to financing or investing matters of the agency.

These models have highlighted common cash flow line items. In some instances, such as interest received, these line items are not populated. Where an agency does not have values to populate against line items, these line items should not be shown.

Administered Schedules (Departments only)

Reference

Administered income and expenses

For the year ended 31 December 2023

AASB 1060.219(a)-(b)

	Notes	2023 (\$'000)	2022 (\$'000)
Income			
For transfer:			
Regulatory fees and charges		4,855	4,050
Other revenue		1,140	1,080
Total administered income		5,995	5,130
Expenses			
Supplies and services		560	520
Grants and subsidies	9.2	3,570	2,530
Transfer payments ^(a)	9.2	1,505	250
Total administered expenses		5,635	3,300

Transfer payments represent the transfer of non-retainable regulatory fees to the Consolidated Account.

Further explanations of variances are contained in [note 9.2](#) 'Explanatory statement for administered items'.



Guidance – Disclosure of administered income and expenses

TI 955 Guidelines

When an administering department retains the capital appropriation and administers the funds on behalf of central government, i.e. the appropriation is not transferred to a department (controlled agency), the department administering the capital appropriations should disclose the administered item in the notes as administered revenue called 'non-repayable capital appropriation'.

AASB 1060.220

In respect of administered payments to eligible recipients, the details of the broad categories of recipients and the amounts transferred to those recipients shall be disclosed.

Each major class of administered income and administered expenses that are reliably attributable to each of the department's activities and those not attributable to activities must be disclosed. Where a department is unable to reliably attribute administered income and administered expenses to the department's activities after making every reasonable effort to do so, this fact should be disclosed together with a brief explanation.

Where central agencies act as a conduit in connection with payments to an agency, they should not recognise administered income as those payments are made under pass-through arrangements.

Reference

Administered assets and liabilities**As at 31 December 2023**

AASB 1060,219(c), (d)

Current assets

Cash and cash equivalents

1,850 1,490

Receivables

430 320

Other items as required

- -

Total administered current assets**2,280 1,810****Non-current assets**

Property, Plant and equipment

280 260

Other items as required

- -

Total administered non-current assets**280 260****Total administered assets****2,560 2,070****Current liabilities**

Payables

1,200 950

Other items as required

- -

Total administered current liabilities**1,200 950****Non-current liabilities**

Other items as required

- -

Total administered non-current liabilities**- -****Total administered liabilities****1,200 950*****Additional disclosures required for administered assets and liabilities***

Disclose any administered contingent assets and/or liabilities here.

In the rare circumstance that an administering department receives a repayable administered capital appropriation or an administered loan (e.g. an administered Treasurer's Advance), these administered items should be classified as administered borrowings here.

Notes to the financial statements

Reference

1. Basis of preparation

- AASB 1060.11(b), 32(a) The Agency is a WA Government entity and is controlled by the State of Western Australia, which is the ultimate parent. The Agency is a not-for-profit entity (as profit is not its principal objective).
- AASB 1060.32(b) A description of the nature of its operations and its principal activities have been included in the 'Overview' which does not form part of these financial statements.
- AASB 1060.186 These annual financial statements were authorised for issue by the accountable authority of the Agency on 1 March 2024.


Statement of compliance

- AASB 1060.10, 11(a) TI 1101(12)-(13) The financial statements constitute general purpose financial statements that have been prepared in accordance with Australian Accounting Standards, the Framework, Statement of Accounting Concepts and other authoritative pronouncements of the Australian Accounting Standards Board as applied by Treasurer's instructions. Several of these are modified by Treasurer's instructions to vary application, disclosure, format and wording.

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

Basis of preparation

- TI 1101(3), (5) AASB 1060.31(d),(e), 95(a) These financial statements are presented in Australian dollars applying the accrual basis of accounting and using the historical cost convention. Certain balances will apply a different measurement basis (such as the fair value basis). Where this is the case the different measurement basis is disclosed in the associated note. All values are rounded to the nearest thousand dollars (\$'000).

	Additional disclosures – Fair Values
AASB 1060.115; AASB 1060.128; AASB 1060.131 AASB 1060.132(a) AASB 1060.140(c) AASB 1060.204(b)	Agencies applying fair value to various assets and liabilities are required to provide qualitative disclosures concerning the basis of the valuation, assumptions and unobservable inputs affecting the values. The following references should be reviewed, where relevant: <ul style="list-style-type: none"> • <i>Financial assets and liabilities;</i> • <i>Investment in associates;</i> • <i>Investments in joint ventures;</i> • <i>Investment property;</i> • <i>Intangible assets; and</i> • <i>Biological assets</i>

Accounting for Goods and Services Tax (GST)

- Int 1031.6-11 Income, expenses and assets are recognised net of the amount of goods and services tax (GST), except that the:

- (a) amount of GST incurred by the Agency as a purchaser that is not recoverable from the Australian Taxation Office (ATO) is recognised as part of an asset's cost of acquisition or as part of an item of expense; and

receivables and payables are stated with the amount of GST included.

Cash flows are included in the Statement of cash flows on a gross basis. However, the GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

Contributed equity

Int 1038

TI 955

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, as designated as contributions by owners (at the time of, or prior to, transfer) 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.

Administered items (Departments only)

AASB 1060.219

The Department administers, but does not control, certain activities and functions for and on behalf of Government that do not contribute to the Department's services or objectives. It does not have discretion over how it utilises the transactions in pursuing its own objectives.

Transactions relating to the administered activities are not recognised as the Department's income, expenses, assets and liabilities, but are disclosed in the accompanying schedules as 'Administered income and expenses', and 'Administered assets and liabilities'.

The accrual basis of accounting and applicable Australian Accounting Standards have been adopted.



This model contains disclosures for Administered items which applies only to Departments. Statutory authorities should remove this item, along with [note 9.2 Explanatory statement for administered items \(Departments only\)](#).

Comparative information

AASB 1060.20

Except when an Australian Accounting Standard permits or requires otherwise, comparative information is presented in respect of the previous period for all amounts reported in the financial statements. AASB 1060 provides relief from presenting comparatives for:

- Property, Plant and Equipment reconciliations;
- Intangible Asset reconciliations; and
- Right-of-Use Asset reconciliations.

Judgements and estimates

AASB 1060.96, 97

Judgements, estimates and assumptions are required to be made about financial information being presented. The significant judgements and estimates made in the preparation of these financial statements are disclosed in the notes where amounts affected by those judgements and/or estimates are disclosed. Estimates and associated assumptions are based on professional judgements derived from historical experience and various other factors that are believed to be reasonable under the circumstances.



Guidance – Basis of preparation and reporting entity

AASB 1060.96

Judgements, estimates and assumptions:

In preparing financial statements, the nature of significant judgements, estimates and assumptions made by management need to be disclosed. The following disclosures are required:

- the fact that significant assumptions, judgements and estimates were made;
- the nature of the significant assumptions, judgements and estimates; and
- how these were made (the method used).

Examples include lease commitments, valuation of investments and impairment of Infrastructure, property, plant and equipment etc.

In these financial statements where judgements have been made they have been included in the relevant note along with the policy description.

Agencies should consider carefully where there are material judgements and estimates they are making in the recognition and measurement of financial statement items. Agencies may have more judgements and estimates than are disclosed in these model statements.

AASB 1060.97

Key sources of estimation uncertainty

Agencies shall disclose in the notes information about the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. In respect of those assets and liabilities, the notes shall include details of:

- (a) their nature; and
- (b) their carrying amount at the end of the reporting period.

AASB 1060.97

Determining the carrying amounts of some assets and liabilities requires estimation of the effects of uncertain future events on those assets and liabilities at the end of the reporting period.

These disclosures are not required for assets and liabilities with a significant risk that their carrying amounts might change materially within the next financial year if, at the end of the reporting period, they are measured at fair value based on recently observed market prices.

Reference

2. Use of our funding

Expenses incurred in the delivery of services

This section provides additional information about how the Agency's funding is applied and the accounting policies that are relevant for an understanding of the items recognised in the financial statements. The primary expenses incurred by the Agency in achieving its objectives and the relevant notes are:

	Notes
Employee benefits expenses	2.1(a)
Employee related provisions	2.1(b)
Grants and subsidies	2.2
Other expenditure	2.3

Reference

2.1(a) Employee benefits expenses

	2023	2022
	(\$000)	(\$000)
AASB 1060.58(a)	635,757	569,002
AASB 1060.174	1,000	-
AASB 1060.172	33,000	30,000
	669,757	599,002
TI 916(8)	5,000	4,000
APG 6	(2,000)	(1,600)
	672,757	601,402

AASB 119.11,13,153

TI 1101 Guidelines

Employee benefits include wages, salaries and social contributions, accrued and paid leave entitlements and paid sick leave, and non-monetary benefits recognised under accounting standards other than AASB 16 (such as medical care, housing, cars and free or subsidised goods or services) for employees.

AASB 119.165

TI 1101 Guidelines

Termination benefits are payable when employment is terminated before normal retirement date, or when an employee accepts an offer of benefits in exchange for the termination of employment. Termination benefits are recognised when the Agency is demonstrably committed to terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

AASB 119.51-52

TI 1101 Guidelines

Superannuation is the amount recognised in profit or loss of the Statement of comprehensive income comprises employer contributions paid to the GSS (concurrent contributions), the WSS, other GESB schemes or other superannuation funds.

TI 916(8), Guidelines,
APG 6

AASB 16 non-monetary benefits are non-monetary employee benefits, predominantly relating to the provision of vehicle and housing benefits that are recognised under AASB 16 and are excluded from the employee benefits expense.

TI 1103 Guidelines

Employee contributions are contributions made to the Agency by employees towards employee benefits that have been provided by the Agency. This includes both AASB 16 and non-AASB 16 employee contributions.



Where an agency has more than one defined benefit plan, TI 1101 *Application of Australian Accounting Standards and Other Pronouncements* mandates that disclosures shall be made separately for each plan.

Termination benefits have been included as a line item, and the associated policy note has also been included above. If the agency does not have such expenses in a given reporting period these should be excluded from the annual report.

For each category of termination benefits that an entity provides to its employees, the entity shall disclose the nature of the benefit, the amount of its obligation and the extent of funding at the reporting date.

When there is uncertainty about the number of employees who will accept an offer of termination benefits, a contingent liability exists. The Agency shall disclose information about its contingent liabilities in accordance with the section on Provisions and Contingencies in AASB 1060 unless the possibility of an outflow in settlement is remote.



Guidance – Non-monetary benefits provided to employees

TI 916(8)
TI 1103 Guidelines

An agency that provides employee benefits in the form of non-monetary benefits, and the employees' right to those benefits do not accrue in proportion to their periods of service and do not accumulate. The agency recognises the cost incurred in providing the benefits on a gross basis in the period the benefits are taken by employees. Employee contributions towards these benefits are recognised as income to the agency.

For non-monetary benefits provided to employees that are subject to leases recognised in the Statement of financial position, the total cost of providing these benefits is interest and depreciation expenses recognised in accordance with AASB 16 Leases. A notional reconciliation will be required to enable the employee benefits expenses note to the financial statements to show the total cost of employee benefits incurred by the agency and the net benefits provided to employees. Refer to TI 916 Leases for further advice on accounting for leases.

In the notes to the financial statements, employee benefits expenses should show both the total cost of employee benefits incurred by an agency (employer) and the net benefits provided to employees.

Reference

2.1(b) Employee related provisions

AASB 1060.44(e)

	2023 (\$000)	2022 (\$000)
Current		
<u>Employee benefits provisions</u>		
Annual leave	9,136	10,124
Long service leave	2,614	2,326
Deferred salary scheme	50	102
	11,800	12,552
<u>Other provisions</u>		
Employment on-costs	1,958	1,398
Total current employee related provisions	13,758	13,950
Non-current		
<u>Employee benefits provisions</u>		
Long service leave	500	666
<u>Other provisions</u>		
Employment on-costs	489	349
Total non-current employee related provisions	989	1,015
Total employee related provisions	14,747	14,965

AASB 119.13

Provision is made for benefits accruing to employees in respect of annual leave and long service leave for services rendered up to the reporting date and recorded as an expense during the period the services are delivered.

AASB 1060.40(d)

Annual leave liabilities are classified as current as there is no right at the end of the reporting period to defer settlement for at least 12 months after the reporting period.

The provision for annual leave is calculated at the present value of expected payments to be made in relation to services provided by employees up to the reporting date.



This model is prepared with the expectation that it is unlikely for annual leave to be settled wholly within 12 months after the end of the reporting period.

AASB 119.8, 155

Therefore, the model characterises annual leave as 'other long-term employee benefits', recognising and measuring the liability for employee benefits at present value.

AASB 119.8, 11

Where annual leave is expected to be settled wholly within 12 months after the end of the reporting period, the liability may be recognised and measured at nominal amounts.

AASB 1060.40(d)

Long service leave liabilities are unconditional long service leave provisions and are classified as current liabilities as the Agency does not have the right at the end of the reporting period to defer settlement of the liability for at least 12 months after the reporting period.

Pre-conditional and conditional long service leave provisions are classified as non-current liabilities because the Agency has the right to defer the settlement of the liability until the employee has completed the requisite years of service.

AASB 119.11, 155


The provision for long service leave is calculated at present value as the Agency does not expect to wholly settle the amounts within 12 months. The present value is measured taking into account the present value of expected future payments to be made in relation to services provided by employees up to the reporting date. These payments are estimated using the remuneration rate expected to apply at the time of settlement and 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.

AASB 1060.40(d)

Deferred salary scheme liabilities are classified as current where there is no right at the end of the reporting period to defer settlement for at least 12 months after the reporting period.

AASB 1060.153(b)-(d) **Employment on-costs** involve settlements of annual and long service leave liabilities which gives rise to the payment of employment on-costs including workers' compensation insurance. The provision is the present value of expected future payments.

Employment on-costs, including workers' compensation insurance premiums, 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, [note 2.3](#) (apart from the unwinding of the discount (finance cost))' and are not included as part of the Agency's 'employee benefits expense'. The related liability is included in 'Employment on-costs provision'.

	Guidance – Employment on-costs
TI 1103 Guidelines	<p><i>Employment on-costs are recognised in other expenses at note 2.3 Other expenditure.</i></p> <p><i>Where a claim has been accepted, the amount of workers' compensation an agency pays its employee is considered to be made for and on behalf of the insurer (e.g. RiskCover). As such, the agency will account for the payment as a receivable and apply the subsequent recoups against that receivable.</i></p>

AASB 1060.153(a)	2023
Employment on-costs provision	(\$000)
Carrying amount at start of period	1,747
Additional/(reversals of) provisions recognised	6,040
Payments/other sacrifices of economic benefits	(5,400)
Unwinding of the discount	60
Carrying amount at end of period	2,447




Key sources of estimation uncertainty – long service leave

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.

Several estimates and assumptions are used in calculating an agency's long service leave provision. These 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 amount of the long service leave provision. Any gain or loss following revaluation of the present value of long service leave liabilities is recognised as employee benefits expense.

	Guidance – Deferred salary
TI 1101 Guidelines	<p><i>Deferred salary schemes represent agreements between the agency and individual employees, whereby the employee sacrifices salary to purchase additional leave. The liability for leave is measured on a discounted basis by calculating the present value of estimated future cash outflows.</i></p> <p><i>Disclose any 48/52 leave arrangements in place as a separate line item similar to the Deferred salary scheme.</i></p> <p><i>Accumulating, non-vesting sick leave entitlements should be recognised as sick leave provisions, where appropriate, and disclosed as a separate line item.</i></p>



Guidance – Employee benefits

AASB 119.9, 153

Distinction between short-term and long-term employee benefits

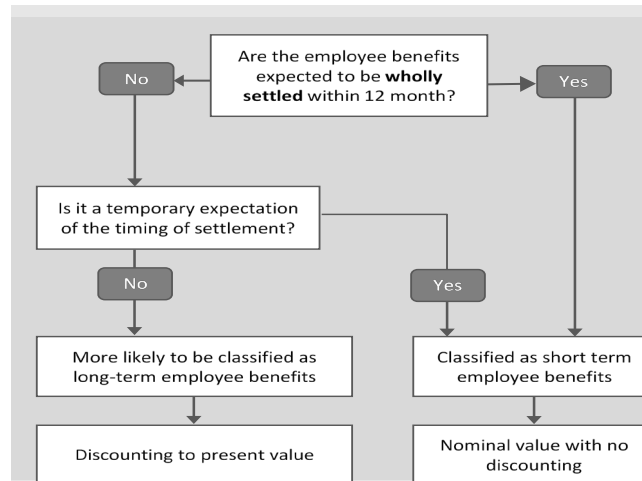
Employee benefits are classified as short-term when they are expected to be settled wholly within 12 months after the employees render the related services. For instance, the characterisation of annual leave benefit is mutually exclusive and it cannot be apportioned to ‘short-term benefits’ and ‘other long-term benefits’.

Government agencies should review their current short-term employee benefits to ensure their classification remains appropriate.

AASB 119.11, 155

Measurement of short-term and long-term employee benefits

Short-term employee benefits are accounted for on an undiscounted basis in the period in which the related service is rendered. For employee benefits that are classified as long-term, the obligations are measured at present value (discounted basis). The decision tree below highlights the process considering the ‘short-term/long-term’ classification and measurement. It is generally expected that accrued annual leave will not be wholly settled before the end of the next annual reporting period, so that the provisions will need to be measured at present value (on a discounted basis).



Unit of account

The definition of short-term employee benefits introduces the notion of ‘wholly’. The expectation of the timing of settlement is based on the agency level, not at the individual employee level.

It is unnecessary for agencies to obtain detailed information of each employee’s anticipated timing for their leave settlement. However, they should form their own reasonable expectations and document the timing of expected annual leave settlement. Expectations of characterisation of annual leave benefits being construed as ‘short-term employee benefits’ requires a greater onus of evidence to justify the calculation of the benefit at nominal values without discounting.

This Model assumes the annual leave accrued by the agency as at 31 December 2023 is not expected to be settled wholly within 12 months thereafter. Accordingly, the provision for annual leave is classified as ‘other long-term benefits’ for measurement purposes, and is discounted to its present value.

The Model assumes the discounting method is done on an annual basis, and entities are encouraged to adopt similar assumptions to ensure the consistency of agency reports.

Provision for on-costs

On-costs, such as payroll tax and workers’ compensation insurance, are recognised as liabilities when the employment to which they relate has occurred. They are not employee benefits and are to be disclosed separately from provisions for employee benefits.



Guidance – Employee benefits

AASB 1060.40(d)

Current/non-current classification of employee benefits

All annual leave and unconditional vested long service leave are disclosed as a current liabilities. This is based on the assumption that the agency cannot avoid settling these liabilities within 12 months.

Conditional long service leave (less than seven years of continuous service) is disclosed as a non-current liability.

In measuring employee benefits, consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. 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 timing of benefit payments.



Guidance – Casual employees and long service leave

TI 1101 Guidelines

Government Sector Labour Relations (GSLR) confirmed and communicated in September 2019, that casual employees under the Public Service Award or Government Officers Salaries Allowances and Conditions (GOSAC) awards are entitled to long service leave (LSL). The entitlement arises even if the applicable award provides casual loading in lieu of LSL. Prior to this, agencies were required to calculate LSL for casual employees under the Long Service Leave Act 1958 (LSL Act).

GSLR has released guidance information to assist agencies with the transition from calculating casual employees LSL entitlements under the LSL Act to an applicable award.

When undertaking an assessment of their casual employees LSL entitlements agencies should take into consideration the following:

- the transitional arrangements and worked examples provided from the GSLR;
- the extent to which GSLR's guidance applies to the agency;
- the term 'continuous service' and the application of this to current and former employees;
- what time period the entitlement should be calculated back to (i.e. a retrospective approach); and
- whether legal advice is required.

If the LSL entitlements for their casual employees can be quantified, an agency should include it as part of their LSL provision.

Further guidance is available on the GSLR's website: <https://www.commerce.wa.gov.au/labour-relations/casuals-and-long-service-leave>

Agencies may wish to contact their Labour Relations Advisor at the Department of Energy, Mines, Industry Regulation and Safety's Government Sector Labour Relations unit if there are any queries on the implementation and transition to any new industrial agreements or related matters.

Reference

AASB 1060.58

2.2 Grants and subsidies

	2023 (\$000)	2022 (\$000)
Recurrent		
Function A	6,095	5,544
Agency A	164	146
Royalties for Regions Fund – Regional Infrastructure and Headworks Account	77	70
	-	-
Capital		
Function B	935	850
Industry group	2,530	2,300
Total grants and subsidies	9,801	8,910

Transactions in which the Agency provides goods, services, assets (or extinguishes a liability) or labour to another party without receiving approximately equal value in return are categorised as 'Grant or subsidy expenses'. These payments or transfers are recognised at fair value at the time of the transaction and are recognised as an expense in the reporting period in which they are paid. They include transactions such as: grants, subsidies, personal benefit payments made in cash to individuals, other transfer payments made to public sector agencies, local government, non-government schools, and community groups.

The model agency is not responsible for administering a government subsidy scheme.



Guidance – Grants and subsidies

Broad categories of recipients must be disclosed in the notes to the financial statements under 'Grants and Subsidies', where material. Presentation of grants and subsidies expenditures should be tailored to the needs of users reliant on general purpose financial statements and reflect discharge of accountability requirements. To achieve this, a mixture of classifications may be required. These classifications can be based on sector, function, project, destination/recipient or a combination of these classifications, as appropriate.

Disclosure of the nature of the grants or subsidies expenditures is appropriate, for example:

- *whether grants are for general purposes, that are not subject to conditions regarding their use, or for specific purposes which are paid for a particular purpose and/or have conditions attached regarding their use;*
- *whether grants are for operating or capital uses; and/or*
- *which government program gives rise to the subsidy.*

Classification by sector may entail distinguishing public sector, private sector, private sector NFP recipients. Alternatively, the profile of the sector might be significant for transparency purposes (e.g. schools, households or sporting clubs).

Functional classification may incorporate differentiation between grants for research, targeted subsidy schemes, donations and sponsorships. Grants for research can be further disaggregated by area of research, distinguishing differences in the funding of aquaculture research, environmental research or digital system research.



Have you identified and disclosed all grants and subsidies? Agencies should ensure adequate line item disclosure is made for material grants on issue by the government. E.g. Royalties for Regions Funds – Regional Community Services Account.

Reference

2.3 Other expenditure

	2023	2022
	(\$000)	(\$000)
Supplies and services		
Communications	16,302	14,820
Consultants and contractors	15,318	13,925
Consumables	8,910	8,100
Materials	18,591	17,810
Other supplies and services expenses	1,859	1,690
Total supplies and services expenses	60,980	56,345
Accommodation expenses		
Office rental	6,306	5,770
Other accommodation expenses	657	560
Total accommodation expenses	6,963	6,330
Other expenses		
Repairs and maintenance	5,225	5,420
Expected credit losses expense	100	100
Employment on-costs	6,040	5,491
Research and development costs expensed	-	-
Other [<i>List type of other material expenses</i>]	694	1,771
Total other expenses	12,059	12,782
Total other expenditure	80,002	75,457

AASB 9.5.5.15,
B5.5.35

AASB 1060.139

AASB 1060.95

Supplies and services expenses are recognised as an expense in the reporting period in which they are incurred. The carrying amounts of any materials held for distribution are expensed when the materials are distributed.

Office rental is expensed as incurred as Memorandum of Understanding Agreements between the Agency and the Department of Finance for the leasing of office accommodation contain significant substitution rights.

Repairs, maintenance and cleaning costs are recognised as expenses as incurred.

Other operating expenses generally represent the day-to-day running costs incurred in normal operations.

Building and infrastructure maintenance and equipment repairs and maintenance costs are recognised as expenses as incurred, except where they relate to the replacement of a significant component of an asset. In that case, the costs are capitalised and depreciated.

Expected credit losses is recognised for movement in allowance for impairment of trade receivables. Please refer to [note 5.1](#) Receivables for more details.

Software modification costs are recognised as expenses as incurred.

Restoration expenses and warranties expenses are recognised as the movement in the provision for restoration costs of leased premises and warranty claims. Please refer to [note 5.6](#) for more details.

Employee on-cost includes workers' compensation insurance and other employment on-costs. The on-costs liability associated with the recognition of annual and long service leave liabilities is included at [note 2.1\(b\)](#) Employee related provisions. Superannuation contributions accrued as part of the provision for leave are employee benefits and are not included in employment on-costs.

Expenditure on research activities is recognised as an expense in the period in which it is incurred.



Note that 'Other expenditure' aggregating to more than 10% of total expenses without disclosure of the description of its nature may materially mislead users of general purpose financial statements. Agencies should review their categories of expenses and ensure that they are providing users with the appropriate level of detail to understand how the agency is utilising its funding. [AASB Practice Statement 2 Making Materiality Judgements](#) may assist agencies in determining which disclosures are appropriate.



'Other' may include short-term lease, low-value lease and variable lease payment expenses when they are immaterial. Further disclosure of these items is at [note 6.2 Lease liabilities](#).

Reference


3. Our funding sources

How we obtain our funding

This section provides additional information about how the Agency obtains its funding and the relevant accounting policy notes that govern the recognition and measurement of this funding. The primary income received by the Agency and the relevant notes are:

	Notes
Income from State Government	3.1
User charges and fees	3.2
Sale of goods	3.3
Commonwealth grants	3.4
Other income	3.5

Reference	3.1 Income from State Government	
	2023	2022
	(\$000)	(\$000)
AASB 1060.229(c)	Appropriation received during the period:	
	- Service appropriation	713,701
	Total service appropriation	713,701
AASB 1060.229(a) AASB 1060.157(b)	Income received from other public sector entities during the period:	
	- IT Training	-
	- IT Support	-
	Total income from other public sector entities	-
AASB 1060.215	Liabilities assumed by the Treasurer or other public sector entities during the period:	
	[List of liabilities]	-
	Total liabilities assumed	-
	Resources received from other public sector entities during the period:	
	- Assets transferred in	1,000
	- Services received free of charge	450
	Total resources received	1,450
AASB 1060.229(a)	Royalties for Regions Fund:	
	- Regional Infrastructure and Headworks Fund	-
	- Regional Community Services Fund	-
	Total Royalties for Regions Fund	-
	Total income from State Government	805,441
AASB 1058.10	Service Appropriations are recognised as income at the fair value of consideration received in the period in which the Agency gains control of the appropriated funds. The Agency gains control of the appropriated funds at the time those funds are deposited in the bank account or credited to the holding account held at Treasury.	
AASB 1058.10 AASB 15.31	Income from other public sector entities is recognised as income when the Agency has satisfied its performance obligations under the funding agreement. If there is no performance obligation, income will be recognised when the Agency receives the funds.	
TI 1102(11)(i)	Liabilities assumed by the Treasurer or other public sector entities are recognised as income for an amount equivalent to the liability assumed when the liability is assumed.	
TI 1102(11)(ii)	Resources received from other public sector entities is recognised as income equivalent to the fair value of assets received, or the fair value of services received that can be reliably determined and which would have been purchased if not donated.	
AASB 1058.10, 16	The Regional Infrastructure and Headworks Fund, and, Regional Community Services Fund are sub-funds within the over-arching 'Royalties for Regions Fund'. The recurrent funds are committed to projects and programs in WA regional areas and are recognised as income when the Agency receives the funds.	

	Guidance – Income from State Government
APG 5	Agencies should assess whether a Royalties for Regions agreement contains any performance obligations that are sufficiently specific. Such performance obligations will be recognised as contract liabilities under AASB 15 Revenue from Contracts with Customers when the fund is received. Revenue will then be recognised when (or as) the performance obligations are satisfied.

Reference

Summary of consolidated account appropriations

AASB 1060.239

For the year ended 31 December 2023

	2023	2023	2023	2023	2023
	Budget	Supple- mentary funding	Revised budget	Actual	Variance
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
<u>Delivery of Services</u>					
Item X Net amount appropriated to deliver services	802,950	-	802,950	803,846	896
Section 25 Transfer of service appropriation	-	-	-	-	-
Amount authorised by other statutes	-	-	-	-	-
- <i>Salaries and Allowances Act 1975</i>	150	-	150	200	50
Total appropriations provided to deliver services	803,100	-	803,100	804,046	946
<u>Capital</u>					
Item Y Capital appropriations	11,000	-	11,000	12,000	1,000
<u>Administered Transactions</u>					
Item XX Administered grants, subsidies and other transfer payments	1,085	-	1,085	1,085	-
Item YY Administered capital appropriations	-	-	-	-	-
Total administered transactions	1,085	-	1,085	1,085	-
Total consolidated account appropriations	815,185	-	815,185	817,131	1,946



Guidance – Summary of consolidated account appropriations

AASB 1060.239(a)(ii)

The total of any supplementary amounts appropriated and amounts authorised other than by way of appropriation (e.g. by the Governor under section 27(1) of the Act) received by the agency must be separately disclosed.

Agencies which:

- *receive an appropriation identified by an item number;*
- *submit a separate cash disbursement profile for funding from the Consolidated Account; or*
- *appear as a single Division of the Consolidated Account Expenditure Estimates,*

must prepare a summary of consolidated account appropriations. Statutory authorities that receive their funding as a grant from a department under an agreement (e.g. service agreement, or delivery and performance agreement) are not required to present the summary. Those grants are not service appropriations and should not be presented as such in their Statement of Comprehensive Income.

Where a department and statutory authorities form a single Division of the Consolidated Account Expenditure Estimates, the department prepares the summary of consolidated account appropriations and includes both controlled appropriations and administered appropriations passed through the department to the statutory authorities.

Reference

3.2 User charges and fees

	2023 (\$000)	2023 (\$000)
AASB 1060.157(b)		
User charges and fees		
- IT Training	15,207	14,382
- IT Support	705	615
	15,912	14,997

AASB 15.31, 46

Revenue is recognised at the transaction price when the Agency transfers control of the services to customers.

AASB 1060.157(a)

Revenue is recognised at a point-in-time for IT training [*insert description of the nature of the services that the Agency has promised to transfer*]. The performance obligations for these user fees and charges are satisfied when services have been provided [*Disclose the significant judgements made in evaluating when a customer obtains control of the services*].

AASB 1060.157(a), 158

Revenue is recognised over-time for IT support [*insert description of the nature of the services that the Agency has promised to transfer*]. The Agency typically satisfies its performance obligations in relation to these user fees and charges when [*disclose the methods used to recognise revenue which may include the description of the output methods or input methods used and how these methods are applied*].



Please note that the accounting policy for user charges and fees, as noted above, is a generic accounting policy and should be tailored to suit your relevant agency.

If applicable, agencies should include information on the significant payment terms, obligations for returns, refunds and other similar obligations and types of warranties and related obligations from their revenue from contracts with customers (AASB 1060.157(a)).

**Guidance – Fees and charges**

APG 5

Fees and charges in subsidiary legislation are generally set annually at a level that is authorised by statute under which the subsidiary legislation is made.

Agencies should ensure that their fees and charges are a reasonable reflection of costs, though factors such as competitive neutrality and government policy objectives may alter this situation.

Most public sector fees and charges are recognised at a point in time (or over a relatively short period of time, e.g. a trip of public transport) when the services have been provided and payments are received. For example, the motor vehicle record fee will be recognised on the grant, renewal or variation of a vehicle licence and that is generally when a motorist makes the payment. If payments are not received, agencies will recognise a receivable. Note that trade receivables are subject to 'expected credit losses' under AASB 9 Financial Instruments.

Where fees and charges are recognised over-time (e.g. water and electricity charges), agencies may recognise revenue at the end of a period when they have provided the services to customers. This may coincide with their billing cycle. Revenue and receivables would be recognised on the issuance of the bills. If the periods of providing the services fall within a reporting period (e.g. school fees), subject to materiality, agencies may recognise all revenue at the end of the reporting period. That is, contract liabilities will be recognised on payments received during a reporting period and revenue would not be recognised at the end of the reporting period for the amount of the contract liabilities that is outstanding.

Reference

3.3 Sale of goods

	2023	2022
	(\$000)	(\$000)
Sale of goods:		
- IT booklets	2,435	1,934
- IT equipment	11,832	11,036
	14,267	12,970
Cost of Sales:		
Opening Inventory	(16,375)	(11,300)
Purchases	(4,518)	(7,775)
	(20,893)	(19,075)
Closing Inventory	15,333	15,375
Cost of Goods Sold	(5,560)	(3,700)
Gross profit	8,707	9,270
Closing Inventory comprises:		
<u>Current Inventories</u>		
Raw materials & stores (at cost)	6,123	6,365
Work in progress (at cost)	2,510	2,495
Finished goods:		
- At cost	4,570	4,545
- At net realisable value	2,130	1,970
Total current inventories	15,333	15,375
<u>Non-current Inventories</u>		
[List classes of inventories]	-	-
Total non-current inventories	-	-
Total Inventories	15,333	15,375

AASB 15.31, 46
AASB 1060.157(a)**Sale of Goods**

Revenue from the sales of goods is recognised at the transaction price when the Agency transfers control of the goods to customers. [Disclose any obligations for returns, refunds and warranties].

AASB 102.9, 25
AASB 1060.123(a)**Inventories**

Inventories are measured at the lower of cost and net realisable value. Costs are assigned by the method most appropriate for each class or inventory, with the majority being measured on a first in first out basis.


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.



Please note that the accounting policy for sale of goods and inventories, as noted above, are generic accounting policies and should be tailored to suit your relevant agency.

Note that these models do not include inventory impairment losses recognised or reversed in profit or loss (AASB 1060.123(d)). Agencies should ensure they consider their inventory valuations and make the appropriate disclosures should they result in such an impairment.

	<h3>Guidance – Sale of goods</h3>
<p>APG 5</p>	<p>A sale of goods results in the goods being transferred to the customer or to other parties on behalf of the customer (i.e. reciprocal). Therefore, revenue from sale of goods will be recognised in accordance with AASB 15 Revenue from Contracts with Customers.</p> <p>Sale of goods in the public sector will generally be recognised at a point in time when the goods have been transferred and payments are received.</p> <p>Where a sale of goods contains a significant financing component, agencies shall discount the promised amount of consideration to its present value. This is to recognise revenue at an amount that reflects the price a customer would pay for the goods if the customer paid cash on receiving the goods. The discount rate should reflect the credit characteristics of the customer as well as any collateral or security provided. That is, the discount rate should take into account any 'expected credit losses' from the customer. As a result, trade receivables that have been discounted should not be re-assessed year by year for expected credit losses, unless there are significant increases in credit risk.</p> <p>As a practical expedient, an agency needs not discount the promised amount of consideration for the effects of a significant financing component if the agency expects it will receive the payments within a year.</p>

	<h3>Guidance – Inventories</h3>
<p>AASB 1060.123</p> <p>AASB 102.Aus9.1</p>	<p>The financial statements shall disclose:</p> <ul style="list-style-type: none"> (a) the accounting policies adopted in measuring inventories, including the cost formula used; (b) the total carrying amount of inventories and the carrying amount in classifications appropriate to the agency; (c) the amount of inventories recognised as an expense during the period; (d) impairment losses recognised or reversed in profit or loss in accordance with AASB 102 Inventories; and (e) the total carrying amount of inventories pledged as security for liabilities. <p>Other considerations:</p> <p>Inventories 'held for distribution' by not-for-profit entities must be disclosed separately in the notes and measured at cost, adjusted when applicable for any loss of service potential.</p>

Reference

3.4 Commonwealth grants

	2023	2022
	(\$000)	(\$000)
National Partnership Payments		
AASB 1060.229(a) - Recurrent grants	50	30
AASB 1060.233 - Capital grants	1,050	970
Total commonwealth grants	1,100	1,000

AASB 1058.10

Recurrent grants are recognised as income when the grants are receivable.

AASB 1060.234-237

Income from grants to acquire/construct a recognisable non-financial asset to be controlled by the Agency is recognised when the Agency satisfies its obligations under the transfer. The Agency satisfies the obligations under the transfer to construct assets over time as the non-financial assets are being constructed. The Agency typically satisfies the obligations under the transfer when it achieves milestones specified in the grant agreement and amounts received in advance of obligation satisfaction are reported at [note 5.5](#).



Please note that the accounting policy for commonwealth grants, as noted above, are generic accounting policies and should be tailored to suit your relevant agency.

**Guidance – National Partnership Payments**

APG 5

National Partnership Payments (NPP) are generally be accounted for in accordance with AASB 1058. However, this would not necessarily result in cash accounting. For example, in relation to the Disaster Recovery Funding Arrangements where the Commonwealth will provide financial assistance to the State in certain circumstances (usually in the form of partial reimbursement of the State's expenditure and estimated reconstruction costs), the State would be able to recognise income under AASB 1058 when it incurs eligible expenses (prior to receiving the Commonwealth payments). This accrual accounting is possible because of the 'enforceable' Intergovernmental Agreement.


Note that NPPs for capital purposes shall be accounted for in accordance with paragraphs 15-16 of AASB 1058. For example, in relation to the NPP on Land Transport Infrastructure Projects where the Commonwealth provides funding for land transport infrastructure projects administered under the National Land Transport Act 2014, a capital grant liability will be recognised for any Commonwealth payments received in-advance. The State (through its agencies) will then recognise income when it achieves agreed project milestones.

Reference

3.5 Other income

	2023	2022
	(\$000)	(\$000)
APG 6		
Employee Contributions ^(a)	2,000	1,600
	2,000	1,600
Net proceeds from disposal of non-current assets		
Land	990	-
Plant, equipment and vehicles	1,808	11,190
Carrying amount of non-current assets disposed		
Land	(690)	-
Plant, equipment and vehicles	(1,938)	(6,490)
TI 1102(7)(ii)(e)		
Net gains/(losses) on disposal of non-current assets	170	4,700
AASB 1060.119		
[List types of other material gains/(losses)]	-	-
Other gains/(losses)	-	-
Total other income	2,170	6,300

(a) Income received by the Agency from subleasing of right-of-use assets relates to lease payments received from operating leases. The Agency has leased a number of right-of-use assets from the Government Regional Officer Housing (GROH), which it subleases out to employees at a subsidised rate. Information on the Agency's leasing arrangements with GROH can be found in [note 2.1\(a\)](#).

	Guidance – Gains/(losses) on disposal
TI 1102(6)(iv)(a), (7)(iv)	<p><i>Net disposal proceeds are gross proceeds less costs to sell. Costs to sell (e.g. sales commissions; netted from agency receipts) are ordinarily immaterial. Where the amounts are material, additional disclosure is warranted.</i></p> <p><i>Insured non-current assets written-off as a result of an insurable event should be treated as other expenses (write-off of assets destroyed by fire/storm/earthquake etc.). The subsequent insurance recovery is to be treated as 'Income from State Government' when it is received or receivable.</i></p> <p><i>TI 1102(7)(i) & (ii) requires any material net gain/(loss), other income or other expense components of this note disclosure to be presented on the face of the Statement of comprehensive income. The amounts recognised in these models is immaterial and presentation in the notes is compliant with the required treatment.</i></p>



Did you have instances of:

- Material reversals of impairments; and
- Revaluation increments (offsetting decrements previously expensed).

These will need to be disclosed as other income.

Reference

4. Key assets

This section includes information regarding the key assets the Agency utilises to gain economic benefits or provide service potential. The section sets out both the key accounting policies and financial information about the performance of these assets:

	Notes
Infrastructure, property, plant and equipment	4.1
Intangibles	4.2
Right-of-use assets	4.3
Service concession assets	4.4

4.1 Infrastructure, property, plant and equipment

Year ended 31 December 2023	Land	Buildings	Buildings under construction	Plant, equipment and vehicles	Office equipment	Infrastructure	Works of art	Total
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
1 January 2023								
Gross carrying amount	97,910	494,164	96,090	23,751	800	624,079	150	1,336,944
Accumulated depreciation	-	(55,454)	-	(11,402)	(94)	(23,002)	-	(89,952)
Accumulated impairment loss	-	-	-	-	-	-	-	-
Carrying amount at start of period	97,910	438,710	96,090	12,349	706	601,077	150	1,246,992
Additions	-	22,400	20,000	16,327	-	-	-	58,727
Transfers ^(a)	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
Reclassification of assets held for sale	-	-	-	(3,370)	-	-	-	(3,370)
Revaluation increments/(decrements)	15,000	45,000	-	-	-	40,000	-	100,000
Impairment losses ^(b)	-	-	-	-	-	-	-	-
Impairment losses reversed ^(b)	-	-	-	-	-	-	-	-
Depreciation	-	(17,939)	-	(6,091)	(160)	(8,587)	-	(32,777)
Carrying amount at end of period	112,910	488,171	116,090	19,215	546	632,490	150	1,369,572
Gross carrying amount	112,910	561,564	116,090	36,708	800	664,079	150	1,492,301
Accumulated depreciation	-	(73,393)	-	(17,493)	(254)	(31,589)	-	(122,729)
Accumulated impairment loss	-	-	-	-	-	-	-	-

(a) The Department of Planning, Lands and Heritage (DPLH) is the only Department with the power to sell Crown land. The land is transferred to DPLH for sale and the Agency accounts for the transfer as a distribution to owner.

(b) Recognised in the Statement of comprehensive income. Where an asset measured at cost is written down to recoverable amount, an impairment loss is recognised in profit or loss. Where a previously revalued asset is written down to recoverable amount, the loss is recognised as a revaluation decrement in other comprehensive income.



Guidance – Infrastructure, property, plant and equipment

AASB 1060.134(e)

A reconciliation of the carrying amount of infrastructure, property, plant and equipment for the comparative period is not required under Tier 2 reporting requirements.

AASB 1060.169

Impairment losses and reversal of impairment losses for each class of asset shall be disclosed.

Reference

Initial recognition

AASB 1060.134(a)
AASB 116.Aus15.1

Items of property, plant and equipment and infrastructure, costing \$5,000 or more are measured initially at cost. Where an asset is acquired for no cost or significantly less than fair value, the cost is valued at its fair value at the date of acquisition. Items of property, plant and equipment and infrastructure costing less than \$5,000 are immediately expensed direct to the Statement of comprehensive income (other than where they form part of a group of similar items which are significant in total).

The cost of a leasehold improvement is capitalised and depreciated over the shorter of the remaining term of the lease or the estimated useful life of the leasehold improvement.

Subsequent measurement

AASB 1060.136

Subsequent to initial recognition of an asset, the revaluation model is used for the measurement of:

- land; and
- buildings.

Land is carried at fair value.

Buildings are carried at fair value less accumulated depreciation and accumulated impairment losses.

Infrastructure, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses.

AASB 1060.136

Land and buildings are independently valued annually by the Western Australian Land Information Authority (Landgate) 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.

Land and buildings were revalued as at 1 January 2023 by Landgate. The valuations were performed during the year ended 31 December 2023 and recognised at 31 December 2023. In undertaking the revaluation, fair value was determined by reference to market values for land: \$108,000,000 (2022: \$93,640,000) and buildings: \$348,821,000 (2022: \$320,969,000). For the remaining balance, unobservable (level 3) inputs were used to determine the fair value. As at 31 December 2023, there were no indications of impairment to property, plant and equipment or infrastructure.

AASB 1060.136(c)

Unobservable (level 3) inputs used to determine fair values of Infrastructure, property, plant and equipment are:

Infrastructure:	<p><i>Historical cost per cubic metre (m³)</i></p> <p>The costs of construction of infrastructure are extracted from financial records of the Agency and indexed by movements in construction costs by quantity surveyors.</p>
Land:	<p>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).</p>
Buildings:	<p><i>Historical cost per square metre floor area (m²)</i></p> <p>The costs of constructing specialised buildings with similar utility are extracted from financial records of the Model Department, then indexed by movements in CPI.</p> <p><i>Consumed economic benefit/obsolescence of asset</i></p> <p>These are estimated by the Western Australian Land Information Authority (Valuation Services).</p>



The above wording is provided on an example basis only. Agencies should be tailoring these disclosures to meet their facts and circumstances.



Significant assumptions and judgements: 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.

AASB 13.B2



Guidance – Infrastructure, property, plant and equipment

AASB 116.Aus15.1

Initial recognition:

AASB 116.16

The following guidance is relevant in relation to the initial recognition and measurement of assets:

TI 1102(11)(ii)

- Assets acquired for significantly less than fair value should be initially recognised at their fair value.
- All other assets are initially measured at cost. AASB 116 provides guidance around the elements of cost. Agencies should refer to that guidance when acquiring and/or developing new assets.

Agencies should consider their capitalisation thresholds when recognising new assets and/or elements of cost that make up new assets.

TI 954(4)

Subsequent measurement:

Land and buildings are mandated by TI 954 Revaluation of Non-Current Physical Assets to be subsequently measured at fair value. In addition, land and buildings where AASB 140 Investment Property applies must also subsequently be measured at fair value.

The adoption of the fair value basis for subsequent measurement of infrastructure, plant and equipment is at the agency's discretion.

All assets within a class (i.e. buildings) must have the same measurement principles applied to it.

In this model, the agency has recognised revaluations annually. However, AASB 116 only requires revaluations to be made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period.

AASB 116.35

On revaluation:

Agencies may elect to either:

- restate the gross carrying amount by reference to observable market data (gross method); or
- eliminate accumulated depreciation against the gross carrying amount of the asset and restate the net carrying amount to the revalued amount (net method).

TI 954 Guidelines

This model is prepared on the **gross basis** and the disclosure above reflects this election. By retaining useful information the basis provides a better disclosure outcome, though it may not always be practicable.

Reference

AASB 1060.134(b)-(c)

AASB 116.51, 52

Useful lives

All infrastructure, property, plant and equipment 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. The exceptions to this rule include assets held for sale, land and investment properties.

Depreciation is generally calculated on a straight-line basis, at rates that allocate the asset's value, less any estimated residual value, over its estimated useful life. Typical estimated useful lives for the different asset classes for current and prior years are included in the table below:

Asset	Useful life
Building	20 to 40 years
Plant and equipment	10 to 15 years
Office equipment	5 years
Software ^(a)	3 to 5 years
Motor vehicles	3 to 7 years
Infrastructure	55 to 80 years

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

The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period, and adjustments should be made where appropriate.

Land and works of art, which are considered to have an indefinite life, are not depreciated. Depreciation is not recognised in respect of these assets because their service potential has not, in any material sense, been consumed during the reporting period.



The useful lives illustrated in the Model are for illustrative purposes only. Agencies should determine appropriate useful lives for asset classes.

Other agencies may comment on indefinite lives of earthworks, land under roads, and core cultural assets where those assets are germane to their Statement of financial position.

Impairment

AASB 136.9, 59

Non-financial assets, including items of infrastructure, plant and equipment, are tested for impairment whenever there is an indication that the asset may be impaired. Where there is an indication of impairment, the recoverable amount is estimated. Where the recoverable amount is less than the carrying amount, the asset is considered impaired and is written down to the recoverable amount and an impairment loss is recognised.

AASB 136.60

Where an asset measured at cost and is written down to its recoverable amount, an impairment loss is recognised through profit or loss.

AASB 136.Aus61.1

Where a previously revalued asset is written down to its recoverable amount, the loss is recognised as a revaluation decrement through other comprehensive income to the extent that the impairment loss does not exceed the amount in the revaluation surplus for the class of asset.

AASB 136.Aus5.1

As the Agency is a not-for-profit agency, the recoverable amount of regularly revalued specialised assets is anticipated to be materially the same as fair value.

If there is an indication that there has been a reversal in impairment, the carrying amount shall be increased to its recoverable amount. However, this reversal should not increase the asset's carrying amount above what would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised in prior years.



Consider the policy wording above. It includes policy descriptions for impairment reversals. Agencies should ensure they tailor policies to their circumstances.



Guidance – Depreciation and impairment

Depreciation

AASB 116 Property, Plant and Equipment and AASB 138 Intangible Assets require that the consumption of physical or intangible assets by wear over time is classified as either depreciation or amortisation expense.

Agencies should be electing depreciation policies and useful lives that best reflect the pattern of use.

Agencies should ensure they are reviewing at least annually, the depreciation methods, useful lives and residual values of their physical or intangible assets.

Where adjustments are required, these should be treated as adjustments to an estimate. The change in depreciation only affects prospective Statements of comprehensive income. Changes to previously recognised depreciation expenses are expressly prohibited.

Impairment

Steps to follow to determine whether an asset is impaired:

- Each agency shall apply AASB 136 Impairment of Assets to determine whether an asset is impaired and to account for any impairment loss identified.
- Each agency shall assess at the end of each reporting period whether there is any indication that an asset may be impaired.
- AASB 136.12 sets out potential indicators of impairment.
- Indicators can be external and internal to the organisation and include factors such as:
 - evidence of obsolescence or damage
 - changes in Government policy
 - technological changes

AASB 136.12

Agencies should consider all factors and evidence available to them when assessing for indicators of impairment.

If any such indication exists, the agency shall estimate the recoverable amount of the asset.

- Recoverable amount is the higher of fair value less costs of disposal and value in use.
- For not-for-profit agencies regularly revaluing specialised assets, the recoverable amount is anticipated to be materially the same as fair value.

Please note that the above is generic and each agency should refer to AASB 136 and their individual circumstances to determine if impairment exists.

AASB 136.59, 60

Steps to follow after it was concluded that the asset is impaired:

- If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount.
- An impairment loss is recognised immediately in profit or loss for items carried at historical cost.
- If the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease and accounted for in other comprehensive income.

AASB 136.117, 119

Steps to follow if there is a reversal in an impairment loss previously recognised:

- *When an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount. The increased carrying amount cannot exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years.*
- *A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.*
- *If the above is the case, please refer to AASB 136 for further guidance.*

Reference

4.2 Intangible assets

AASB 1060.137

Year ended 31 December 2023	Licences (\$000)	Computer Software (\$000)	Total (\$000)
1 January 2023			
Gross carrying amount	200	1,994	2,194
Accumulated amortisation	(20)	(772)	(792)
Carrying amount at start of period	180	1,222	1,402
Additions	-	-	-
Classified as held for sale	-	-	-
Impairment losses	-	-	-
Impairment losses reversed	-	-	-
Amortisation expense	(10)	(384)	(394)
Carrying amount at end of period	170	838	1,008

Initial recognitionAASB 138.24,
Aus24.1

Intangible assets are initially recognised at cost. For assets acquired at significantly less than fair value, the cost is their fair value at the date of acquisition.

TI 1101(14)

Acquired and internally generated intangible assets costing \$5,000 or more that comply with the recognition criteria of AASB 138 *Intangible Assets* (as noted above) are capitalised.

Costs incurred below these thresholds are immediately expensed directly to the Statement of comprehensive income.

An internally generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following are demonstrated:

- (a) the technical feasibility of completing the intangible asset so that it will be available for use or sale;

an intention to complete the intangible asset, and use or sell it;

the ability to use or sell the intangible asset;

the intangible asset will generate probable future economic benefit;

the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and

the ability to measure reliably the expenditure attributable to the intangible asset during its development.

AASB 1060.139

Costs incurred in the research phase of a project are immediately expensed.



This note should be tailored to meet the requirements of your agency. TI 1101(14) permits agencies to make a policy election for the unit of account for intangible assets, stipulating that the minimum recognised asset be \$5,000 or greater.

Research and development expenditures require separate disclosure.


Subsequent measurement

AASB 1060.140

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



This note should be tailored to meet the requirements of your agency. There may be elements of the policy wording that can be omitted or summarised depending on your agency's circumstances.

	Guidance – Intangibles (disclosures)
AASB 1060.137(e)	A reconciliation of the carrying amount of intangibles for the comparative period is not required under Tier 2 reporting requirements.

Reference

AASB 1060.137(a)

Useful lives

Amortisation of finite life intangible assets is calculated on a straight-line basis at rates that allocate the asset's value over its estimated useful life. All intangible assets controlled by the Agency have a finite useful life and zero residual value. Estimated useful lives are reviewed annually.

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

Asset	Useful life
Licences	Up to 10 years
Development Costs	3 to 5 years
Software(a)	3 to 5 years
Website Costs	3 to 5 years


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

Impairment of intangible assets

AASB 138.108

Intangible assets with indefinite useful lives are tested for impairment annually or when an indication of impairment is identified. As at 30 June 2023 there were no indications of impairment to intangible assets.

The policy in connection with testing for impairment is outlined in [note 4.1](#).

	Guidance – Intangibles
APG 2	The following is relevant for the recognition and measurement of intangibles:
TI 1101(14)	<ul style="list-style-type: none"> Agencies should assess their own circumstances in determining capitalisation thresholds for intangible assets (TI 1101 requires a minimum threshold of \$5,000).
AASB 138.75-78	<ul style="list-style-type: none"> Intangible assets can only be revalued to fair value where an active market exists. Please note that it is exceptionally rare that an active market exists for intangible assets and it is therefore unlikely that intangible assets will be revalued to fair value.
AASB 138.107-108	<ul style="list-style-type: none"> Intangible assets that have an indefinite useful life are not subject to amortisation but must be tested annually for impairment.
AASB 138.97	<ul style="list-style-type: none"> Amortisation is allocated on a systemic basis over the useful life when the intangible asset becomes available for use. It ceases when the asset is classified as held-for-sale or where the asset is derecognised.
	Disclosure of amortisation
AASB 1060.137(d)	An agency shall disclose the line item(s) of the Statement of comprehensive income in which any amortisation of intangible assets is included.
AASB 1060.138(a)	An agency shall also disclose a description, the carrying amount and remaining amortisation period of any individual intangible asset that is material to the financial statements.
	Additional disclosures for indefinite useful life Intangible assets
AASB 1060.141	An agency shall disclose, for an intangible asset assessed as having an indefinite useful life, the carrying amount of that asset and the reasons supporting the assessment of an indefinite useful life. In giving these reasons, the agency shall describe the factor(s) that played a significant role in determining that the asset has an indefinite useful life.



Additional disclosures – Intangibles

The following are examples of policy notes that may be applicable for some agencies:

Licences

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

Website Costs

Website costs are expensed when incurred unless they directly relate to the acquisition or development of an intangible asset. In this instance they may be capitalised and amortised. Generally, costs in relation to feasibility studies during the planning phase of a website, and ongoing costs of maintenance during the operating phase are expensed. Costs incurred in building or enhancing a website that can be reliably measured, are capitalised to the extent that they represent probable future economic benefits.

Research and Development Costs

Research costs are expensed as incurred. Development costs incurred for an individual project are carried forward when the future economic benefits can be reasonably regarded as assured and the cost base exceeds the agency's asset recognition threshold. Other development costs are expensed as incurred.

Computer Software

Software that is an integral part of the related hardware is recognised as part of the tangible asset. 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.

Reference

4.3 Right-of-use assets

Year ended 31 December 2023

	Buildings	Vehicles	Residential Housing	Concessionary Leases	Total
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
Carry amount at beginning of period	22,418	2,130	-	-	24,598
AASB 1060.145 Additions	58	-	-	-	-
AASB 1060.145 Impairment losses	-	-	-	-	-
AASB 1060.145 Impairment losses reversed	-	-	-	-	-
AASB 1060.145 Depreciation	(1,890)	(703)	-	-	-
Net carrying amount as at end of period	20,578	1,427	-	-	22,005

AASB 1060.144(a)

AASB 1060.144(c)

The Agency has leases for vehicles, office and residential housing. The lease contracts are typically made for fixed periods of 1-10 years with an option to renew the lease after that date. Lease payments for buildings not leased through the Department of Finance are renegotiated every five years to reflect market rentals.

The Agency subleases residential housing to employees at a subsidised rate. The Agency recognises lease payments from operating leases as income on a straight-line basis over the term of the lease.

The Agency has also entered into a Memorandum of Understanding Agreements with the Department of Finance for the leasing of office accommodation. These are not recognised under AASB 16 because of substitution rights held by the Department of Finance and are accounted for as an expense as incurred.



Are fixed periods of 1-10 years appropriate for the agency? If not, adjust disclosure as appropriate.

Initial recognition

AASB 16.23, 24

At the commencement date of the lease, the Agency recognises right-of-use assets and a corresponding lease liability for most leases. The right-of-use assets are measured at cost comprising of:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs, and
- restoration costs, including dismantling and removing the underlying asset.

The corresponding lease liabilities in relation to these right-of-use assets have been disclosed in [note 6.2](#)

AASB 16.5, 6

TI 916(3)

The Agency has elected not to recognise right-of-use assets and lease liabilities for short-term leases (with a lease term of 12 months or less) and low value leases (with an underlying value of \$5,000 or less). Lease payments associated with these leases are expensed over a straight-line basis over the lease term.

Subsequent Measurement

AASB 16.29

The cost model is applied for subsequent measurement of right-of-use assets, requiring the asset to be carried at cost less any accumulated depreciation and accumulated impairment losses and adjusted for any re-measurement of lease liability.

Depreciation and impairment of right-of-use assets

AASB 16.30, 31

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the underlying assets.

AASB 16.32

If ownership of the leased asset transfers to the Agency at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

AASB 16.33

Right-of-use assets are tested for impairment when an indication of impairment is identified. The policy in connection with testing for impairment is outlined in [note 4.1](#).



This note should be tailored to meet the requirements of your agency. There may be elements of the policy wording that can be omitted or summarised depending on your agency's circumstances.

**Guidance – Right-of-use assets under concessionary leases**

TI 916(5)

TI 916 Leases mandates that right-of-use assets resulting from concessionary leases are measured at cost, comprising of:

AASB 16.23, 24

- *the amount of the initial measurement of lease liability;*
- *any lease payments made at or before the commencement date less any lease incentives received;*
- *any initial direct costs; and*
- *restoration costs, including dismantling and removing the underlying asset.*

AASB 1060.151

Therefore, in accordance with AASB 16 Leases, where the lessee is a not-for-profit entity and where the leases have below-market terms and conditions principally to enable the entity to further its objectives (concessionary leases) and measures a class or classes of concessionary lease right-of-use assets at initial recognition at cost, the lessee shall disclose additional qualitative and quantitative information about those leases necessary to meet the disclosure objectives. This is to ensure users understand the effects of these leases on the entity's financial position, financial performance and cash flows.

This additional information shall include, but is not limited to, information that helps users of financial statements to assess:

- (a) *the entity's dependence on leases that have significantly below-market terms and conditions principally to enable the entity to further its objectives; and*
- (b) *the nature and terms of the leases, including:*
 - (i) *the lease payments;*
 - (ii) *the lease term;*
 - (iii) *a description of the underlying assets; and*
 - (iv) *restrictions on the use of the underlying assets specific to the entity.*



Paragraphs 147 and 148 of AASB 1060 *General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* contain disclosures for lessors with finance and operating leases. Agencies sub-leasing GROH properties are excluded from the scope of paragraph 148(a).



4.4 Service Concession Assets

AASB 1060.242, 243

The following is an example of the disclosure and policy note for a service concession asset.

Determining whether an arrangement is a service concession requires significant judgement and should be assessed on an asset by asset basis. There is no one size fits all approach and the characteristics of each potential service concession arrangement should be considered. Agencies may seek external accounting advice to assist them with determining whether they have arrangements that fall under this Standard.

Name of the service concession asset (SCA)	Service concession asset 1	Service concession asset 2
Description of the arrangements		
Terms of the arrangement		
Period of the arrangement		
Rights and obligations		
Existing assets reclassified to SCA in the period ending 31 December 2023		
Changes in the arrangements occurred in the period ended 31 December 2023		
Carrying amount as at 31 December 2023		

Recognition and measurement

AASB 1059.7

For arrangements within the scope of AASB 1059 *Service Concession Assets: Grantor*, the entity recognises a service concession asset when it controls the asset. Where the asset is provided by the operator, or is an upgrade to or a major component replacement of an existing asset of the entity, the asset is recognised at current replacement cost based on AASB 13 *Fair Value Measurement* principles.

AASB 1059.11

At the same time the Agency recognises a corresponding service concession liability.

AASB 1059.8

Where the asset is an existing asset of the grantor, the asset is reclassified as a service concession asset and remeasured at current replacement cost at the date of reclassification. Any difference at that date between the carrying amount of the asset and its current replacement cost is recognised as if it is a revaluation of the asset.

AASB 1059.9(a)

Subsequent to initial measurement, service concession assets are depreciated over the useful life in accordance with AASB 116 *Property, Plant and Equipment* or AASB 138 *Intangible Assets*, as appropriate, with any impairment recognised in accordance with AASB 136 *Impairment of Assets*.

AASB 1059.10

At the end of the term of the service concession arrangement, the Agency accounts for the asset in accordance with other Australian Accounting Standards and:

- (a) reclassifies the asset based on its nature or function;
- (b) references to fair value in other Australian Accounting Standards shall no longer be read as references to current replacement cost; and
- (c) derecognises the asset in accordance with AASB 116 or AASB 138 when the Agency loses control of the asset.

Reference

5. Other assets and liabilities

This section sets out those assets and liabilities that arose from the Agency's controlled operations and includes other assets utilised for economic benefits and liabilities incurred during normal operations:

	Notes
Receivables	5.1
Amounts receivable for services	5.2
Other assets	5.3
Payables	5.4
Capital grant liabilities	5.5
Other provisions	5.6
Other liabilities	5.7

Reference

5.1 Receivables

	2023	2022
	(\$000)	(\$000)
Current		
Trade receivables	8,794	8,793
Allowance for impairment of trade receivables	(118)	(18)
Accrued revenue	-	-
GST receivable	421	414
	9,097	9,189
Loans and advances:		
Other debtors	-	-
	-	-
Total current	9,097	9,189
Non-current		
Accrued salaries account ^(a)	60	50
	60	50
Loans and advances:		
Other debtors	-	-
Total non-current	-	-
Total receivables at end of the period	9,157	9,239

(a) Funds held in the special purpose account for the purpose of meeting the 27th pay in a reporting period that occurs every 11th year. This account is classified as non-current for 10 out of 11 years.

AASB 9.5.1.1, 5.1.3,
4.1.2, 5.4.1

Trade receivables are initially recognised at their transaction price or, for those receivables that contain a significant financing component, at fair value. The Agency holds the receivables with the objective to collect the contractual cash flows and therefore subsequently measured at amortised cost using the effective interest method, less an allowance for impairment.

AASB 9.5.5.1,
B3.2.16(r)

The Agency recognises a loss allowance for expected credit losses (ECLs) on a receivable not held at fair value through profit or loss. The ECLs based on the difference between the contractual cash flows and the cash flows that the entity expects to receive, discounted at the original effective interest rate. Individual receivables are written off when the Agency has no reasonable expectations of recovering the contractual cash flows.


AASB 9.5.5.15, B5.5.35

For trade receivables, the Agency recognises an allowance for ECLs measured at the lifetime expected credit losses at each reporting date. The Agency has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. Please refer to [note 2.3](#) for the amount of ECLs expensed in this financial year.




This note should be tailored to meet the requirements of your agency. There may be elements of the policy wording that can be omitted or summarised depending on your agency's circumstances.

Accrued salaries consist of amounts paid annually into a Treasurer's special purpose account to meet the additional cash outflow for employee salary payments in reporting periods with 27 pay days instead of the normal 26. No interest is received on this account.

	Guidance – Receivables
AASB 1060.116	<p>An agency shall disclose at each reporting date for each class of transferred financial assets that are not derecognised (including those that are not derecognised in their entirety):</p> <ul style="list-style-type: none"> (a) the nature of the transferred assets; (b) the nature of the risks and rewards of ownership to which the agency is exposed; and (c) the carrying amounts of the assets and of any associated liabilities that the entity continues to recognise.



The above is included for example purposes. Agencies should ensure they tailor this note to fit their circumstances. Where a receivable balance is not material, the agency should consider whether disclosure is necessary.

	Guidance – Expected credit losses
AASB 9.5.5.17	<p>An agency shall measure expected credit losses of a financial instrument in a way that reflects:</p> <ul style="list-style-type: none"> • an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes; • the time value of money; and • reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.
AASB 9.B5.5.35	<p>An agency would use its historical credit loss experience (adjusted as appropriate) for trade receivables to estimate the lifetime expected credit losses. A provision matrix might, for example, specify fixed provision rates depending on the number of days that a trade receivable is past due (for example, 1 per cent if not past due, 2 per cent if less than 30 days past due, 3 per cent if more than 30 days but less than 90 days past due, 20 per cent if 90-180 days past due etc.). Depending on the diversity of its customer base, the agency would use appropriate groupings if its historical credit loss experience shows significantly different loss patterns for different customer segments. Examples of criteria that might be used to group assets include geographical region, product type, customer rating, collateral or trade credit insurance and type of customer (such as wholesale or retail).</p>

Reference

5.2 Amounts receivable for services (Holding Account)

	2023 (\$000)	2022 (\$000)
Current	17,139	19,795
Non-current	55,725	44,335
Total Amounts receivable for services at end of period	75,864	64,130

AASB 1060.112

TI 1101 Guidelines

Amounts receivable for services represent 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.

The amounts receivable for services are financial assets at amortised cost, and are not considered impaired. (i.e. there is no expected credit loss of the holding accounts).

5.3 Other assets

	2023 (\$000)	2022 (\$000)
Current		
Prepayments		-
Other [describe]	550	560
Total current	550	560
Non-current		
Other [describe]	-	60
Total non-current	-	60
Total other assets at end of period	550	620



Entities should be applying materiality to all note disclosures to determine if their disclosure is relevant for the understanding of the financial statements.

Reference

5.4 Payables

	2023 (\$000)	2022 (\$000)
Current		
Trade payables	1,028	1,350
Other payables	528	480
Accrued expenses	201	160
Accrued salaries	2,450	2,801
Other [describe]	-	-
Total payables at end of period	4,207	4,791

AASB 1060.112

Payables are recognised at the amounts payable when the Agency 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 for the Agency is generally within 15-20 days.

Accrued salaries represent the amount due to staff but unpaid at the end of the reporting period. Accrued salaries are settled within a fortnight after the reporting period. The Agency considers the carrying amount of accrued salaries to be equivalent to its fair value.



The above are included for example purposes. Agencies should ensure they tailor this note to fit their circumstances. Where a payable balance is not material, the agency should consider whether disclosure is necessary.

TI 323 *Timely Payment of Accounts* requires payments for goods, services and for works or construction of less than \$1 million and not subject to an exemption, to be paid within 20 days. Payments for invoices over \$1 million are required to be settled within 30 calendar days of the receipt of a correctly rendered invoice, or provision of goods or services.

Guidance – Statutory Liabilities

AASB 132.AG12

Payables that are not contractual (such as payables that arise as a result of statutory requirements) are not financial instruments. Therefore, although these payables are similar to financial instruments, they are in fact not in the scope of AASB 7 'Financial Instruments: Disclosures'. However, entities who wish to apply disclosure requirements similar to those from AASB 7 to such payables may do so at their own discretion.

Classification of financial instruments

When the Statement of financial position presentation of a financial instrument differs from the instrument's legal form, it is desirable for an agency to explain in the notes the nature of the financial instrument.

5.5 Capital grant liabilities


AASB 1060.233

	2023 (\$000)	2022 (\$000)
Reconciliation of changes in capital grant liabilities		
Opening balance at the beginning of the period	3,590	-
Additions	-	4,640
Income recognised in the reporting period.	(718)	(1,050)
Closing balance at the end of period	2,872	3,590
Current	574	718
Non-current	2,298	2,872

AASB 1058.16

The Agency recognises a capital grant liability for the excess of the initial carrying amount of a financial asset received in a transfer to enable the entity to acquire or construct a recognisable non-financial asset that is to be controlled by the entity.

When (or as) the obligations of the capital grant liability are satisfied under the transfer, the Agency recognises income in profit or loss. Information on the Agency's obligations can be found in [note 3.4](#).

	Guidance – Capital grant liabilities
AASB 1058.16	<i>The agency will need to determine if obligations attached to a capital grant require deferral of income until the obligations are satisfied.</i>

Reference

5.6 Other provisions

	Notes	2023 (\$000)	2022 (\$000)
Current			
Warranties	5.6.1	62	45
Restoration provision	5.6.2	-	-
Total current		62	45
Non-current			
Warranties	5.6.1	-	-
Restoration provision	5.6.2	550	525
Total non-current		550	525
Balance at end of period		612	570

AASB 1060.153(b)-(d)

5.6.1 Provision for warranty claims

The provision for warranty claims represents the present value of the directors' best estimate of the future outflow of economic benefits that will be required under the Agency's obligations for warranties under local sale of goods legislation. The estimate has been made on the basis of historical warranty trends and may vary as a result of new materials, altered manufacturing processes or other events affecting product quality.

Provision is made for the estimated warranty claims in respect of products sold which are still under warranty at the end of the reporting period. These claims are expected to be settled within two reporting periods, but this may be extended if claims are made late in the warranty period and are subject to confirmation by suppliers that component parts are defective.

5.6.2 Restoration (make good) provision

Some leased premises are required to be restored to their original condition at the end of their respective lease terms. A provision needs to be recognised for the present value of the estimated expenditure required to remove any leasehold improvements. These costs are capitalised as part of the cost of leasehold improvements or right-of-use assets and are amortised over the shorter of the lease term and the useful life of the assets.

Under [*detail circumstances*] the Agency has a legal or constructive obligation to dismantle [*detail the property*] and restore the site.

The estimated future obligations include the costs of [*removing facilities, abandoning sites/wells and restoring the affected areas*].

The provision for future restoration costs is the best estimate of the present value of the expenditure required to settle the restoration obligation at the reporting date [*based on current legal and other requirements and technology*]. Future restoration costs are reviewed annually and any changes in the estimate are reflected in the present value of the restoration provision at each reporting date.



Agencies should also detail expected timing of payments, any significant uncertainties regarding the timing and amounts of payments required to settle the obligations.

Reference

5.6.3 Movement in provisions

AASB 1060.153(a)

	2023 (\$000)
Movements in each class of provision during period	
<u>Warranty provisions</u>	
Carrying amount at start of period	45
Additional/(reversals of) provisions recognised	42
Payments	(28)
Unwinding of the discount	3
Carrying amount at end of period	62
<u>Restoration provisions</u>	
Carrying amount at start of period	525
Additional/(reversals of) provisions recognised	-
Payments	-
Unwinding of the discount	25
Carrying amount at end of period	550

**Guidance – Provisions (recognition)**

AASB 137.14

A provision shall be recognised when:

- (a) an agency has a present obligation (legal or constructive) as a result of a past event;
- (b) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- (c) a reliable estimate can be made of the amount of the obligation.

If these conditions are not met, no provision shall be recognised.

AASB 137.15

In rare cases it is not clear whether there is a present obligation. In these cases, a past event is deemed to give rise to a present obligation if, taking account of all available evidence, it is more likely than not that a present obligation exists at the end of the reporting period.

AASB 1060.154

For a liability to qualify for recognition there must be not only a present obligation but also the probability of an outflow of resources embodying economic benefits to settle that obligation. For the purpose of AASB 137 Provisions, Contingent Liabilities and Contingent Assets, an outflow of resources or other event is regarded as probable if the event is more likely than not to occur, that is, the probability that the event will occur is greater than the probability that it will not. Where it is not probable that a present obligation exists, an agency discloses a contingent liability, unless the possibility of an outflow of resources embodying economic benefits is remote.



Guidance – Provisions (disclosures)

AASB 1060.153(a)

For each class of provision, an agency shall disclose:

- (a) the carrying amount at the beginning and end of the period;
- (b) amounts used (that is, incurred and charged against the provision) during the period;
- (c) unused amounts reversed during the period; and

Comparative information is not required.

AASB 1060.153(b), (c)

An agency shall disclose the following for each class of provision:

- (a) a brief description of the nature of the obligation and the expected timing of any resulting outflows of economic benefits; and
- (b) an indication of the uncertainties about the amount or timing of those outflows.

Exemptions

AASB 1060.156

In extremely rare cases, disclosure of some or all of the information required by AASB 137 Provisions, Contingent Liabilities and Contingent Assets can be expected to prejudice seriously the position of the agency in a dispute with other parties on the subject matter of the provision. In such cases, an agency need not disclose the information, but shall disclose the general nature of the dispute, together with the fact that, and reason why, the information has not been disclosed.

Regardless of how sensitive certain information about provisions may be, this exemption from disclosure does not affect the requirement to recognise provisions that satisfy the criteria for recognition set out in AASB 137.

Reference

5.7 Other liabilities

	2023 (\$000)	2022 (\$000)
<u>Current</u>		
Other [describe]	-	-
Total current	-	-
<u>Non-current</u>		
Other [describe]	-	-
Total non-current	-	-
Balance at end of period	-	-

AASB 1060.112
AASB 9.5.1.1

Other financial liabilities are recognised initially at fair value, net of transaction costs incurred, and are subsequently measured at amortised cost.



The above table is included for example purposes. Agencies should ensure they tailor this note to fit their circumstances. Where a balance is not material, the agency should consider whether disclosure is necessary.

Reference

6. Financing

This section sets out the material balances and disclosures associated with the financing and cashflows of the Agency.

	Notes
Borrowings	6.1
Lease liabilities	6.2
Service concession liabilities	6.3
Assets pledged as security	6.4
Finance costs	6.5
Cash and cash equivalents	6.6
Capital commitments	6.7

Reference

6.1 Borrowings

AASB 1060.113

TI 1103(9)

	2023 (\$000)	2022 (\$000)
<u>Current</u>		
Other [describe]	-	-
Total current	-	-
<u>Non-current</u>		
Other [describe]	-	-
Total non-current	-	-
Balance at end of period	-	-

AASB 9.5.1.1

Borrowings refer to interest bearing liabilities mainly raised through Western Australian Treasury Corporation.


Interest bearing financial liabilities are classified at amortised cost are initially recognised at fair value of the consideration received less directly attributable transactions costs.

Subsequent to initial recognition the borrowings are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised and through the amortisation process.

The Agency designates the financial instruments at fair value through profit or loss upon initial recognition when the designation eliminates, or significantly reduces, measurement or recognition inconsistency that would otherwise arise.

The Agency has not designated any financial liabilities at fair value through profit or loss.

The changes in fair value of financial liabilities designated at fair value through profit or loss are recognised in profit or loss with movements in fair value due to changes in the Agency's own credit risk recognised in other comprehensive income.

	Guidance – Borrowings
	<p>Classification of financial instruments</p> <p>When the Statement of financial position presentation of a financial instrument differs from the instrument's legal form, it is desirable for an agency to explain in the notes the nature of the financial instrument.</p> <p>Disclosure requirements of AASB 1060.113 require separate disclosures for specified classes of financial instruments, whilst paragraph 9 of TI 1103 Statements of Financial Position requires agencies to distinguish interest bearing and non-interest bearing borrowings.</p> <p>Collateral</p> <p>When an agency has pledged financial assets as collateral for liabilities or contingent liabilities, it shall disclose the following:</p> <ul style="list-style-type: none"> (a) the carrying amount of the financial assets pledged as collateral; and (b) the terms and conditions relating to its pledge.
<p>AASB 1060.117</p>	<p>Assets pledged as security</p> <p>The Agency shall disclose the following for assets pledged as security:</p> <ul style="list-style-type: none"> (a) the total carrying amount of inventories pledged as security for liabilities; (b) the existence and carrying amounts of infrastructure, property, plant and equipment which the entity has pledged as security for liabilities; and (c) the existence and carrying amounts of intangible assets which the entity has pledged as security for liabilities.
<p>AASB 1060.123, 135, 138(c)</p>	<p>Defaults and breaches on loans payable</p> <p>For loans payable recognised at the reporting date for which there is a breach of terms or a default of principal, interest, sinking fund or redemption terms that have not been remedied by the reporting date, an agency shall disclose the following:</p> <ul style="list-style-type: none"> (i) details of that breach or default; (ii) the carrying amount of the related loans payable at the reporting date; and (iii) whether the breach or default was remedied, or the terms of the loans payable were renegotiated, before the financial statements were authorised for issue.

Reference

6.2 Lease liabilities

AASB 1060.144(b)

	2023 (\$'000)	2022 (\$'000)
Not later than one year	5,979	6,562
Later than one year and not later than five years	11,317	17,296
Later than five years	-	-
	17,296	23,858
Current	5,979	6,562
Non-current	11,317	17,296
	17,296	23,858

AASB 16.26

At the commencement date of the lease, the entity recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, the Agency uses the incremental borrowing rate provided by Western Australia Treasury Corporation.

AASB 16.27

Lease payments included by the Agency as part of the present value calculation of lease liability include:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that depend on an index or a rate initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options (where these are reasonably certain to be exercised);
- payments for penalties for terminating a lease, where the lease term reflects the agency exercising an option to terminate the lease; and
- periods covered by extension or termination options are only included in the lease term by the Agency if the lease is reasonably certain to be extended (or not terminated).

The interest on the lease liability is recognised in profit or loss over the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. Lease liabilities do not include any future changes in variable lease payments (that depend on an index or rate) until they take effect, in which case the lease liability is reassessed and adjusted against the right-of-use asset.

AASB 16.38(b)

Variable lease payments, not included in the measurement of lease liability, that are dependent on sales, an index or a rate are recognised by the Agency in profit or loss in the period in which the condition that triggers those payment occurs.

Subsequent measurement

AASB 16.36

Lease liabilities are measured by increasing the carrying amount to reflect interest on the lease liabilities; reducing the carrying amount to reflect the lease payments made; and remeasuring the carrying amount at amortised cost, subject to adjustments to reflect any reassessment or lease modifications.

This section should be read in conjunction with [note 4.3](#).



The model agency has not received any COVID-19 rent concessions and therefore has made no assessment of whether a concession is a lease modification. This assessment impacts the measurement of the lease liability and AASB 1060 requires additional consequential disclosures.

AASB 1060.146A

	2023 (\$000)	2022 (\$000)
Lease expenses recognised in the Statement of comprehensive income		
Lease interest expense	365	371
Expenses relating to variable lease payments not included in lease liabilities	232	237
<i>AASB 1060.146(b)</i> Short-term leases	-	-
<i>AASB 1060.146(b)</i> Low-value leases	118	122
<i>AASB 1060.150</i> Losses/(gains) arising from sale and leaseback transactions	-	-

AASB 16.6
T1916(3)

Short-term leases with a lease term of 12 months or less are recognised on a straight-line basis unless the lessor is an agency within the Western Australian public sector.

Low-value leases with an underlying value of \$5,000 or less are recognised on a straight-line basis.

AASB 16.38(a)

Variable lease payments that are not included in the measurement of the lease liability are recognised in the period in which the event or condition that triggers those payments occurs.



Agencies should ensure they tailor this note to fit their circumstances and delete if not relevant to the facts and circumstances of the agency.

AASB 1060.146 (a)

If commitments for short-term leases are for a portfolio of leases different from the portfolio of short-term leases disclosed in the above table, the Agency is required to disclose prospective short-term lease payments in accordance with the periods at AASB 1060.144(b).



Did you have instances of licences that are in substance leases or contain leases?

These will be within the scope of AASB 16 Leases and paragraphs 151-152 of AASB 1060



Guidance – Leases

Recognition of lease contract

AASB 16.9

At inception, an agency should assess whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

AASB 16.12, 15

TI 916(7)

When a lease contract contains a lease component and non-lease component, and if the non-lease component is material, agencies account for the amount of the non-lease component separately, where practicable from the lease amount by applying other applicable Standards. Immaterial non-lease component(s) may be included in the lease amount, and accounted for as a single lease, by the agency.

Reassessment of lease liability


AASB 16.40-43

Agencies are required to remeasure a lease liability where there has been a change in lease payments, change in the lease term or a change in the assessment of an option to purchase the underlying asset. These remeasurements are referred to as lease reassessments and the revised lease payments are discounted using a revised discount rate. In some situations, change in lease payments will require the use of an unchanged discount rate.

Lease modifications

AASB 16.44-46

Agencies may also encounter lease modifications. Lease modifications will either be accounted for as a separate lease or as part of the existing lease. A separate lease is distinguished where the scope of the lease is increased by adding the right to use one or more underlying assets, and the consideration for a lease increase by an amount commensurate with the stand-alone price of the increase in scope.

	6.3 Service concession liabilities																					
	<p>AASB 1060.242</p>	<p>The below illustrative disclosure is only intended to demonstrate how agencies could satisfy their disclosure obligations under AASB 1059 <i>Service Concession Arrangements: Grantors</i>.</p> <table border="1" data-bbox="352 309 1447 636"> <thead> <tr> <th></th> <th style="text-align: right;">2023 (\$000)</th> <th style="text-align: right;">2022 (\$000)</th> </tr> </thead> <tbody> <tr> <td colspan="3">Current</td> </tr> <tr> <td>Service concession financial liability</td> <td></td> <td style="text-align: right;">-</td> </tr> <tr> <td>Service concession liability - GORTO</td> <td></td> <td style="text-align: right;">-</td> </tr> <tr> <td colspan="3">Non-current</td> </tr> <tr> <td>Service concession financial liability</td> <td></td> <td style="text-align: right;">-</td> </tr> <tr> <td>Service concession liability - GORTO</td> <td></td> <td style="text-align: right;">-</td> </tr> </tbody> </table> <p>Service concession financial liability</p> <p>A financial liability, measured at amortized cost, is recognised where the State has a contractual obligation to pay the operator under the service concession arrangement for the provision of service concession assets and/or services. The liability is increased by interest charges (note 6.4), based on the interest rate implicit in the arrangement. The liability is reduced by any payments made by the State to the Operator as required under the contract.</p> <p>These payments take the form of Contributions (also referred to as capital contributions/capital payments) and other periodic payments (referred to as “Service Payments”). The capital payments are usually made during the construction phase of the asset and are associated with the design, construction, and financing of the service concession asset. The service payments compensate the operator for delivery of services such as ongoing operation, maintenance, replacement, and other costs.</p> <p>Grant of a right to the operator (GORTO) liability</p> <p>A grant of a right to the operator (GORTO) liability is recognised where the agency does not have a contractual obligation to pay cash or another financial asset but grants the right to the operator to earn revenue from the public use of the asset (note 4.4).</p>		2023 (\$000)	2022 (\$000)	Current			Service concession financial liability		-	Service concession liability - GORTO		-	Non-current			Service concession financial liability		-	Service concession liability - GORTO	
	2023 (\$000)	2022 (\$000)																				
Current																						
Service concession financial liability		-																				
Service concession liability - GORTO		-																				
Non-current																						
Service concession financial liability		-																				
Service concession liability - GORTO		-																				
<p>AASB 1059.11-12</p> <p>AASB 1059.14, B51, B56</p>	<p>Guidance – Service concession liabilities</p> <p>Where the grantor recognises a service concession asset in accordance with AASB 1059 <i>Service Concession Arrangements Grantors</i>, the grantor shall:</p> <ol style="list-style-type: none"> recognise a liability for the amount initially recognised as the service concession asset (i.e. current replacement cost), adjusted by the amount of any other considerations; and not recognise a liability when an existing asset of the grantor is reclassified as a service concession asset, except in circumstances where additional consideration is provided by the operator. <p>Depending on the nature of the service concession arrangement, the grantor recognises a liability based on the ‘financial liability’ model, ‘grant of right to the operator’ model or a combination of both.</p> <p>Types of consideration</p> <p>Depending on the terms of the service concession arrangement, the grantor may compensate the operator for the service concession asset and service provision by any combination of the following:</p> <ol style="list-style-type: none"> making payments to the operator; and compensating the operator through non-monetary exchange. 																					

Initial and subsequent measurementFinancial liability model

AASB 1059.15 Where the grantor has a contractual obligation to compensate the operator for the construction, development, acquisition or upgrade of the service concession asset, through the delivery of cash or another financial asset, the grantor shall recognise a financial liability.

AASB 1059.17 The financial liability shall be recognised and disclosed in accordance with AASB 9 Financial Instruments, AASB 132 Financial Instruments: Presentation and AASB 7 Financial Instruments: Disclosures, unless otherwise specified by the Standard.

AASB 1059.B64 For compensation in the form of predetermined payment or series of payments, the grantor shall determine the financial liability under such arrangement using the contractually specified interest rate in the arrangement to measure the financial liability. If this is not practical the grantor shall use the prevailing market rate(s) of interest.

Grant of a right to the operator model

AASB 1059.21 Where the operator is compensated through non-monetary means by the granting of the right to earn revenue from third-party users from the service concession asset or access to another revenue generating asset, the grantor shall recognise a liability.

AASB 1059.22 The liability is recognised as unearned revenue at the inception of the service concession arrangement and subsequently reduced as revenue is recognised according to the economic substance of the service concession arrangement. Usually the service concession asset is provided to the operator over the term of the service concession arrangement.

Hybrid arrangement

AASB 1059.24 A hybrid arrangement is a service concession arrangement consisting of a portion related to the financial liability model and a portion related to the grant of a right to the operator model. Under such an arrangement, each portion of the total liability related to the grantor's consideration must be accounted for separately.

AASB 1059.25 In apportioning the hybrid arrangement, the grantor will first measure and account for the financial liability portion under the hybrid arrangement, before allocating the remaining portion of the liability to the grant of a right to the operator model.

Example disclosure

The example disclosure below is only intended to demonstrate how agencies could satisfy their disclosure obligations under AASB 1059 Service Concession Arrangements: Grantors.

	2023 (\$000)	2022 (\$000)
<u>Current</u>		
Service concession financial liability	-	-
Service concession liability - GORTO	-	-
<u>Non-current</u>		
Service concession financial liability	-	-
Service concession liability - GORTO	-	-

Reference

6.4 Assets pledged as security

AASB 7.14, 7.15

	2023 (\$000)	2022 (\$000)
Assets pledged as security		
The carrying amounts of non-current assets pledged as security are:		
Inventories	2,130	2,851
Total assets pledged as security	2,130	2,851

The Agency has secured the right-of-use assets against the related lease liabilities. In the event of default, the rights to the leased assets will revert to the lessor.



Agencies should ensure they tailor this note to fit their circumstances and delete if not relevant to the facts and circumstances of the agency.

**Guidance – Assets pledged as security**

The financial statements shall disclose the following for assets pledged as security:

AASB 102.36(h)

(a) *the carrying amount of inventories pledged as security for liabilities;*

AASB 138.122(d)

(b) *the existence and carrying amounts of intangible assets whose title is restricted and the carrying amounts of intangible assets pledged as security for liabilities;*

AASB 116.74(a)

(c) *the carrying amount of the infrastructure, property, plant and equipment pledged and the related existence and amounts of restrictions on title;*

AASB 140.75(g)

(d) *the existence and amounts of restrictions on the realisability of investment property or the remittance of income and proceeds of disposal; and*

AASB 7.14

(e) *the carrying amount of financial assets pledged as collateral for liabilities or contingent liabilities and any material terms and conditions relating to assets pledged as collateral.*

Reference

6.5 Finance costs

AASB 1060.161

AASB 101.82(b)

AASB 1060.153(a)(ii)

	2023 (\$000)	2022 (\$000)
Interest expense		
Interest expense on lease liabilities	365	371
Interest expense on service concession assets	-	-
Other interest expense	160	120
Total interest expense	525	491
Other finance costs		
Unwinding of discounts applied to provisions	88	77
Total other finance costs	88	77
Total finance costs expended	613	568

Finance cost includes the interest component of lease liability repayments, interest component of service concession financial liabilities and the increase in financial liabilities and non-employee provisions due to the unwinding of discounts to reflect the passage of time.



AASB 1060.162, 163

Agencies should ensure they tailor this note to fit their circumstances and delete if not relevant to the facts and circumstances of the agency.

The agency may elect to recognise borrowing costs as an expense, even where they are directly attributable to the acquisition, construction or production of a qualifying asset (AASB 123.Aus8.1). Where they do so the policy should reflect that this is the case.

**Guidance – Finance costs**

AASB 123.5

Finance costs are interest and other costs incurred by an agency in connection with the borrowing of funds and may include:

- (a) interest expense calculated using the effective interest method as described in AASB 9 Financial Instruments;*
- (b) lease interest expense in respect of lease liabilities recognised in accordance with AASB 16 Leases;*
- (c) interest expense from the financial liability component of service concession arrangements that are calculated using the effective interest method in accordance with AASB 9; and*
- (d) exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.*

Reference

6.6 Cash and cash equivalents

AASB 1060.88

	2023	2022
	(\$000)	(\$000)
Cash and cash equivalents	8,308	6,435
Restricted cash and cash equivalents	3,590	970
Balance at end of period	11,898	7,405

AASB 1060.89

Restricted cash and cash equivalents

TI 1103(7)

	2023	2022
	(\$000)	(\$000)
Current		
Grant ^(a)	3,590	970
Non-current		
Grant	-	-

(a) Funds held for the research and development project on software development for public sector accounting.

AASB 107.6-8

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

Reference

6.7 Capital commitments

	2023	2022
	(\$000)	(\$000)
AASB 1060.135(b)		
TI 1103 Guidelines		
Capital expenditure commitments, being contracted capital expenditure additional to the amounts reported in the financial statements, are payable as follows:		
Within 1 year	27,000	35,000
Later than 1 year and not later than 5 years	41,000	53,000
Later than 5 years	-	-
	68,000	88,000



Agencies with contractual commitments for the acquisition of intangible assets will need to disclose those in accordance with AASB 1060.138(d)

**Guidance – Capital commitments**

TI 1103 Guidelines

Contracted capital commitments

Capital commitments contracted for as at the end of the reporting period do not require disclosure where the commitments have been recognised as liabilities in the Statement of financial position.

GST

The purpose of the commitment note disclosure is to inform users of the commitments for payments from a cash flow perspective and consequently includes GST as appropriate.

Reference

7. Financial instruments and contingencies

This note sets out the key risk management policies and measurement techniques of the Agency.

	Notes
Financial instruments	7.1
Contingent assets and liabilities	7.2

Reference

7.1 Financial instruments

AASB 1060.113

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


	2023 (\$000)	2022 (\$000)
Financial assets		
Cash and cash equivalents	11,898	7,405
Financial assets at amortised cost ^(a)	82,021	72,955
Total financial assets	93,919	80,360
Financial liabilities		
Financial liabilities at amortised cost ^(b)	21,503	28,649
Total financial liability	21,503	28,649

AASB 7.8(f)

(a) The amount of financial assets at amortised cost excludes GST recoverable from the ATO (statutory receivable).

The amount of financial liabilities at amortised cost excludes GST payable to the ATO (statutory payable)

	Guidance – Categories of financial assets and financial liabilities
AASB 1060.113	<p>An agency shall disclose the carrying amounts of each of the following categories of financial assets and financial liabilities at the reporting date, in total, either in the Statement of financial position or in the notes:</p> <ul style="list-style-type: none"> (a) financial assets measured at fair value through profit or loss; (b) financial assets measured at amortised cost; (c) financial liabilities measured at fair value through profit or loss; (d) financial liabilities measured at amortised cost; and (e) financial assets measured at fair value through other comprehensive income, showing separately: <ul style="list-style-type: none"> i. financial assets that are measured at fair value through other comprehensive income in accordance with paragraph 4.1.2A of AASB 9 Financial Instruments; and ii. investments in equity instruments designated as such upon initial recognition in accordance with paragraph 5.7.5 of AASB 9.

	Additional disclosures for financial Instruments
AASB 1060.114, AASB 1060.115	<p>This model has simple financial instruments that aren't fair valued.</p> <p>More complex fair-valued financial instruments would require:</p> <ul style="list-style-type: none"> • disclosure of information enabling financial statements users to evaluate the significance of financial instruments for its financial performance and position (e.g. terms, repayment schedules, interest rates); and/or • disclosure by class of instrument, assumptions concerning prepayment rates, rates of estimated credit losses, and interest rates or discount rates.

Reference

7.2 Contingent assets and liabilities

Contingent assets and contingent liabilities are not recognised in the Statement of financial position but are disclosed and, if quantifiable, are measured at the best estimate.

Contingent assets and liabilities are presented inclusive of GST receivable or payable respectively.

AASB 1060.155

7.2.1 Contingent assets

The following contingent assets are excluded from the assets included in the financial statements:

Litigation in progress

A negligence claim has been filed against a supplier for faulty materials. The potential financial effect of the success of the claim cannot be reliably measured at this time.

AASB 1060.154

7.2.2 Contingent liabilities

The following contingent liabilities are excluded from the liabilities included in the financial statements:

Litigation in progress

A plaintiff has made a claim for \$50,000 in relation to an alleged breach of copyright. Liability has been denied and any legal claim will be defended.


Native title claims

The Agency's land is subject to a number of native title claims that have yet to be assessed by the National Native Title Tribunal. The financial effect should these claims be successful cannot be estimated at this time.

Contaminated sites

Under the *Contaminated Sites Act 2003*, the Agency is required to report known and suspected contaminated sites to the Department of Water and Environmental Regulation (DWER). In accordance with the *Contaminated Sites Act 2003*, DWER 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 Agency may have a liability in respect of investigation or remediation expenses.

During the year the Agency reported three suspected contaminated sites to DWER. These have yet to be classified. The Agency 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. Whilst there is no possibility of reimbursement of any future expenses that may be incurred in the remediation of these sites, the Agency may apply for funding from the Contaminated Sites Management Account to undertake further investigative work or to meet remediation costs that may be required.

	Guidance – Contingent assets and liabilities
AASB 137.34	A contingent asset is disclosed where an inflow of economic benefits is probable.
AASB 137.28, 30	A contingent liability is disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. If it becomes probable that an outflow of future economic benefits will be required, a provision is recognised in the period in which the change in probability occurs.
AASB 137.2 AASB 9.4.2.1(c)	AASB 137 Provisions, Contingent Liabilities and Contingent Assets does not apply to financial instruments that are within the scope of AASB 9 Financial Instruments. This includes contracts or arrangements that agencies entered into as the issuer of 'financial guarantee contracts'.

Reference

8. Other disclosures

This section includes additional material disclosures required by accounting standards or other pronouncements, for the understanding of this financial report.

	Notes
Events occurring after the end of the reporting period	8.1
Correction of period errors/changes in accounting policies	8.2
Key management personnel	8.3
Related party transactions	8.4
Related bodies	8.5
Affiliated bodies	8.6
Special purpose accounts	8.7
Remuneration of auditors	8.8
Non-current assets held for sale	8.9
Supplementary financial information	8.10


Reference

8.1 Events occurring after the end of the reporting period

AASB 1060.185-188

The following table represents a summary of events occurring after the end of the reporting period:

- Provide details of the non-adjusting events that occurred after the end of the reporting period

	Guidance – events occurring after the end of the reporting period
AASB 110.3	<p><i>Events after the end of the reporting period are those events, favourable and unfavourable, that occur between the end of the reporting period and the date when the financial statements are authorised for issue. Two types of events can be identified:</i></p> <ul style="list-style-type: none"> • <i>those that provide evidence of conditions that existed at the end of the reporting period (adjusting events after the end of the reporting period); and</i> • <i>those that are indicative of conditions that arose after the end of the reporting period (non-adjusting events after the end of the reporting period).</i>
AASB 1060.185	<p><u><i>Updating disclosure about conditions at the end of the reporting period</i></u></p>
AASB 110.8-9	<p><i>Agencies applying Tier 2 simplified disclosure requirements are required to update their financial statements and related disclosures where the agency receives information after the end of the reporting period about conditions that existed at the end of the reporting period, in light of the new information.</i></p>
AASB 1060.187-188	<p><u><i>Non-adjusting Events After the End of the Reporting Period</i></u></p>
AASB 110.10-11	<p><i>If non-adjusting events after the end of the reporting period are material, non-disclosure could influence the economic decisions of users taken on the basis of the financial report. Accordingly, an agency shall disclose the following for each material category of non-adjusting event after the end of the reporting period:</i></p>
AASB 110.21	<ul style="list-style-type: none"> • <i>the nature of the event; and</i> • <i>an estimate of its financial effect, or a statement that such an estimate cannot be made.</i>

Reference

8.2 Changes in accounting policy

AASB 1060.106-110

The following table represents a summary of changes in accounting policy from initial application of accounting standards:

- Provide details of the prior period errors/changes in accounting policy.


**Guidance – Initial application of Australian Accounting Standards**


The following standards are operative for reporting periods ended on or after 31 December 2023:

- AASB 17 – Insurance Contracts (Appendix D)
- AASB 2021-2 – Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates
- AASB 2021-5 – Amendments to Australian Accounting Standards – Deferred Tax related to Assets and Liabilities arising from a Single Transaction
- AASB 2021-6 – Amendments to Australian Accounting Standards – Disclosure of Accounting Policies: Tier 2 and Other Australian Accounting Standards
- AASB 2021-7b – Amendments to Australian Accounting Standards - Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections [AASB 17 editorials
- AASB 2022-1 – Amendments to Australian Accounting Standards – Initial Application of AASB 17 and AASB 9 – Comparative Information
- AASB 2022-3 Amendments to Australian Accounting Standards – Illustrative Examples for Not-for-Profit Entities accompanying AASB 15
- AASB 2022-7 – Editorial Corrections to Australian Accounting Standards and Repeal of Superseded and Redundant Standards
- AASB 2022-8 – Amendments to Australian Accounting Standards – Insurance Contracts: Consequential Amendments
- AASB 2023-2 – Amendments to Australian Accounting Standards – International Tax Reform – Pillar Two Model Rules
- AASB 2023-4 Amendments to Australian Accounting Standards - International Tax Reform – Pillar Two Model Rules: Tier 2 Disclosures

Agencies should ensure they:

- review the list of pending standards at: [Accounting Standards \(aasb.gov.au\)](https://www.aasb.gov.au)
- identify standards with potentially material impact on the reported results of the agency;
- put in place appropriate procedures to consider and measure the potential impact; and
- provide appropriate disclosures around the expected impact of the standard.

	Guidance – Changes in accounting policies
AASB 108.21 TI 1101 Guidelines	<p>Where an agency decides to make a voluntary change in accounting policy, this shall be accounted for under AASB 1060 General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities and is to be applied retrospectively. An example of a voluntary change in accounting policy is an increase in the asset capitalisation threshold.</p>
AASB 108.22 AASB 108.17	<p>Under AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors, voluntary changes in accounting policy are adjusted against the opening balances of each affected component of equity in the comparatives. Note that changes in accounting policy under AASB 116 Property, Plant and Equipment and AASB 138 Intangible Assets in respect of the revaluation of assets are not accounted for under AASB 108. Changes to the revaluation model under these Standards are not applied retrospectively.</p>
AASB 108.22-27	<p>A change in accounting policy is applied retrospectively, the opening balance of each affected component of equity for the earliest prior period presented and the other comparative amounts disclosed for each prior period presented shall be adjusted as if the policy had always been applied, except to the extent it is impracticable to do so.</p>

	Guidance – Correction of prior period errors
AASB 108.42	<p>Where an agency has identified material prior period errors, they should be retrospectively corrected in the first complete set of financial statements authorised for issue after their discovery by:</p> <ul style="list-style-type: none"> • restating the comparative amounts for the prior period(s) presented in which the error occurred; or • if the error occurred before the earliest prior period presented, restating the opening balances of assets, liabilities and equity for the earliest prior period presented. <p>Corrections of prior period errors are adjusted against the opening balances of each affected component of equity in the comparatives.</p>
AASB 108.44, 45	<p>Exemptions to this arise when it is impracticable to measure the effect of the prior period error. In such circumstances appropriate disclosures need to be made to describe the event.</p>
AASB 1060.110(d)	<p>Whether or not the impact is measured, agencies need to provide adequate narration to the financial statements to allow for users to understand the impact of the error on the financial results.</p>


Reference

8.3 Key management personnel

The Agency has determined key management personnel to include cabinet ministers and senior officers of the Agency. The Agency does not incur expenditures to compensate Ministers and those disclosures may be found in the *Annual Report on State Finances*.

The total fees, salaries, superannuation, non-monetary benefits and other benefits for senior officers of the Agency for the reporting period are presented within the following bands:

TI 952(2)(i)(b)	Compensation band (\$)	2023	2022
	200,001 – 250,000	1	1
	150,001 – 200,000	1	-
	100,001 – 150,000	2	2
	50,001 – 100,000	1	2
	0 – 50,000	1	1
		2023	2022
		(\$000)	(\$000)
AASB 1060.194	Total compensation of senior officers	620	580

	Guidance – Key management personnel
TI 952(2)(i)(b)	<i>Departments and Statutory Authorities shall disclose the number of senior officers whose total compensation for the financial year falls within each band of income of \$50,000.</i>
TI 952(2)(i)(c)	<i>Statutory Authorities shall additionally disclose the number of members of the accountable authority, whose total compensation for the financial year falls within each band of income of \$10,000, separately from those for other senior officers.</i>
TI 952(2)(i)(d)	<i>Departments and Statutory Authorities should ensure they disclose the number of senior officers who are members of the Pension Scheme.</i>
	<i>Compensation should be determined by applying the relevant requirements under AASB 119 Employee Benefits as the basis for measuring the components of remuneration.</i>
	<i>AASB 119 distinguishes employee benefits on the basis of when the benefits are expected to be settled and the employment status at the time of that settlement.</i>

Reference

8.4 Related party transactions

AASB 1060.192

The Agency is a wholly owned public sector entity that is controlled by of the State of Western Australia.


APG 4

Related parties of the Agency include:

- all cabinet ministers and their close family members, and their controlled or jointly controlled entities;
- all senior officers and their close family members, and their controlled or jointly controlled entities;
- other agencies and statutory authorities, including related bodies, that are included in the whole of government consolidated financial statements (i.e. wholly-owned public sector entities);
- associates and joint ventures of a wholly-owned public sector entity; and
- the Government Employees Superannuation Board (GESB).

Material transactions with related parties

Outside of normal citizen type transactions with the Agency, there were no other related party transactions that involved key management personnel and/or their close family members and/or their controlled (or jointly controlled) entities.

	<i>Example of specific related party disclosure note</i>
AASB 1060.198	<p>During the year, a company controlled by a related party of a Minister, was awarded a contract under the selective tender process on terms and conditions equivalent for those that prevail in arm's length transactions under the State's procurement process. The transaction involved the provision of IT support services to support the migration of the agency's financial management system and various databases to cloud-based platforms with a total value of \$45 million spread evenly over four years. The contract imposes no further commitments.</p> <p>All other transactions that have occurred with key management personnel and other related parties have been trivial or domestic in nature.</p>



Guidance – Related party transactions

APG 4

The Western Australian Government is the parent of almost all public sector entities. However, agencies should note that there are a number of entities that are not regarded as being controlled (for example: universities, local governments, Public Trustee and Legal Contribution Trust) by the State.

The Government Employee Superannuation Board is a related party as it benefits the majority of the agency's employees in accordance with paragraph 9(b)(v) of AASB 124 Related Party Disclosures, despite not being controlled by the Western Australian Government.

Refer to note 8 'Composition of Sectors' in Appendix 1 'Detailed Financial Projections' of the Budget Paper No. 3 'Economic and Fiscal Outlook' for a list of entities included in the State's consolidated financial statements.

AASB 124 only require the disclosure of material related party transactions, including outstanding balances and commitments.

- *Materiality is subject to professional judgement and goes beyond the dollar value of the transaction or balance.*
- *Judgements should consider the objective of the Standard when determining whether quantitative or qualitative materiality justifies the disclosure, or non-disclosure, of transactions in the financial statements.*

However, it is important to note that all key management personnel need to complete the mandated declaration form.

This information is necessary to enable agencies to prepare the financial statements and external auditors to conduct the necessary audit work according to Australian Auditing Standard ASA 550 Related Parties.

This provides evidence (subject to audit) that all relevant information has been made available for the assessment and also because a transaction that may appear immaterial on its own, may in combination with other like transactions have a material effect on the State's or agency's financial statements and therefore warrants disclosure.

Reference

8.5 Related bodies

TI 951(3), (4)

The Agency had two related bodies during the financial year and meet all operating expenses of these bodies as follows:


	2023 (\$000)	2022 (\$000)
TNT Agency	6,290	6,540
ABN Agency	75	70
Total	6,365	6,610

The transactions and results of the related bodies have been included in the financial statements.

8.6 Affiliated bodies

TI 951(5), (6)

Excellent Board is a government affiliated body that received administrative support and a grant of \$2,300,000 (2022: \$1,200,000) from the Agency. The Excellent Board is not subject to operational control by the Agency.

	Guidance – Related and affiliated bodies
TI 951(3)	<i>A related body is a body that receives more than half of its funding and resources from an agency and is subject to operational control by that agency.</i>
TI 951(5)	<i>An affiliated body is a body that receives more than half its funding and resources from an agency but is not subject to operational control by that agency.</i>

Reference

8.7 Special purpose accounts

TI 1103(15)(iii)

The Prize Fund^(a)

The purpose of the account is to hold funds from donations and bequests in trust for the purpose of awarding prizes to schools and colleges in the information technology field.

	2023 (\$000)	2022 (\$000)
Balance at start of period	-	560
Receipts	390	135
Payments	(305)	(695)
Balance at end of period	85	-

The Industry Fund^(b)

The purpose of the account is to hold funds appropriated by Parliament for the development of initiatives improving the competitiveness of the Western Australian technology industry.

	2023 (\$000)	2022 (\$000)
Balance at start of period	-	-
Receipts	100	-
Payments	(50)	-
Balance at end of period	50	-


(a) Established under section 16(1)(c) of FMA.

(b) Established under section 16(1)(d) of FMA.

TI 802(6)



A copy of the approved special purpose statement or trust statement is required to be published in the annual report in the financial year it is approved or amended. This requirement was moved from TI 950 to TI 802(6) in preparation for June 2023 financial reporting.

	Guidance – Special purpose accounts
TI 1103(15)(iii)	<p>Agencies are required to provide cash-based reporting for any special purpose accounts established under section 16(1)(b), (c) or (d) of the FMA. The relevant disclosure requirements are:</p> <ul style="list-style-type: none"> • the purpose of the special purpose account; • the balance of the account at the beginning of the financial year; • total receipts; • total payments; and • the balance of the account at the end of the financial year. <p>The above information can be presented in a table format.</p>


Reference

8.8 Remuneration of auditors

AASB 1060.98, 99

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

	2023 (\$000)	2022 (\$000)
Auditing the accounts, financial statements, controls, and key performance indicators	55	50

	Guidance – Remuneration of auditors
AASB 1060.98, 99	<p>AASB 1060 <i>General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities</i> requires agencies to disclose the amounts paid or payable to:</p> <ol style="list-style-type: none"> a. the auditor of the entity for an audit or a review of the financial statements of the entity; and b. the auditor of the entity for non-audit services in relation to the entity, disclosing separately the nature and amount of each of the non-audit services provided by the auditor.

Reference

8.9 Non-current assets classified as assets held for sale

AASB 1060.47(a)

The following table represents a summary of assets held for sale


	2023 (\$000)	2022 (\$000)
Land	-	1,090
Plant, equipment and vehicles	3,370	2,038
Total assets classified as held for sale	3,370	3,028

AASB 1060.47(b)

Assets surplus to requirements were identified for orderly disposals by the Agency.



This note may be extended to include discontinued operations where relevant. However, discontinued operations does not refer to restructuring of administrative arrangements. Restructuring of administrative arrangements is out of scope of AASB 5.

	Guidance – Non-current assets held for sale
AASB 1060.47(a)	<i>Discontinued operations are rare in the public sector and therefore are not addressed in this model.</i> <i>Describe asset(s) or classes of assets, with any associated liabilities on hand for disposal at year end.</i>
AASB 1060.47(b)	<i>Describe the facts and circumstances of the disposal, and the expected manner and timing of that disposal.</i>

Reference

8.10 Supplementary financial information

TI 952(5)(i)

(a) Write-offs

During the financial year, nil (2022: \$370,000) was written off the Agency's books under the authority of:

	2023 (\$000)	2022 (\$000)
The accountable authority	-	10
The Minister	-	105
The Treasurer	-	255
	-	370

TI 952(5)(ii)

(b) Losses through theft, defaults and other causes

	2023 (\$000)	2022 (\$000)
Losses of public money, other money and public and other property through theft or default	-	-
Amounts recovered	-	-
	-	-

TI 952(5)(iii)

(c) Forgiveness of debts

	2023 (\$000)	2022 (\$000)
Forgiveness (or waiver) of debts by the Agency	-	-
	-	-

TI 952(5)(iv)

(d) Gift of public property

	2023 (\$000)	2022 (\$000)
Gift of public property by the Agency	-	-
	-	-

**Forgiveness (or waiver) of debts by the Agency**

TI 952(5)(iii)

Forgiving or waiving debts occurs under other written law administered by the Agency. Where this occurs, TI 952 then requires disclosure of amounts forgiven or waived as a total. The authority for exercising the forgiveness or waiver should be disclosed (e.g. under authority of the relevant statute).

Amounts written off under section 48 of the FMA should not be disclosed in this total.

Reference

9. Explanatory Statements

This section explains variations in the financial performance of the Agency.

	Note
Explanatory statement for controlled operations	9.1
Explanatory statement for administered items (Departments only)	9.2

Reference

9.1 Explanatory statement for controlled operations

TI 945(2)(ii)(c), (3), (4)
AASB 1060.222

This explanatory section explains variations in the financial performance of the Agency undertaking transactions under its own control, as represented by the primary financial statements.

All variances between annual estimates (original budget) and actual results for 2023, and between the actual results for 2023 and 2022 are shown below. Narratives are provided for major variances which vary more than 10% from their comparative and the variation is more than 1% of the comparative:

- 1) Estimate and actual results for the current year
 - Total Cost of Services of the annual estimates for the Statement of comprehensive income and Statement of cash flows (i.e. 1% of \$805,979,000 in the example below), and
 - Total Assets of the annual estimates for the Statement of financial position (i.e. 1% of \$1,525,003,000 in the example below).
- 2) For the previous year:
 - Total Cost of Services of the previous year for the Statements of comprehensive income and Statement of cash flows (i.e. 1% of \$724,085,000 in the example below); and
 - Total Assets of the previous year for the Statement of financial position (i.e. 1% of \$1,369,761,000 in the example below).

9.1.1 Statement of comprehensive income variances

	Variance note	Estimate ⁽¹⁾ 2023 (\$000)	Actual 2023 (\$000)	Actual 2022 (\$000)	Variance between actual and estimate (\$000)	Variance between actual results for 2023 and 2022 (\$000)
Expenses						
Employee benefits expense	a	670,435	669,757	599,002	(678)	70,755
Supplies and services		65,487	60,980	56,345	(4,507)	4,635
Depreciation and amortisation expense		34,530	35,764	36,448	1,234	(684)
Finance costs		679	613	568	(66)	45
Accommodation expenses		6,843	6,963	6,330	120	633
Grants and subsidies		9,904	9,801	8,910	(103)	891
Cost of Sales		5,156	5,560	3,700	404	1,860
Other expenses		12,945	12,059	12,782	(886)	(723)
Total cost of services		805,979	801,497	724,085	(4,482)	77,412

Income						
User charges and fees		14,654	15,912	14,997	1,258	915
Sales		13,348	14,267	12,970	919	1,297
Commonwealth grants		1,050	1,100	1,000	50	100
Interest revenue		-	-	-	-	-
Other Income		2,015	2,170	6,300	155	(4,130)
Total income other than income from State Government		31,067	33,449	35,267	2,382	(1,818)
Net cost of services		774,912	768,048	688,818	(6,864)	79,230
Income from State Government						
Service appropriation	b	802,950	803,846	713,701	896	90,145
Income from other public sector entities		-	-	-	-	-
Liabilities assumed		-	-	-	-	-
Resources received		1,507	1,595	1,450	88	145
Royalties for Regions Fund		-	-	-	-	-
Total income from State Government		804,457	805,441	715,151	984	90,290
Surplus/(deficit) for the period		29,545	37,393	26,333	(7,848)	(11,060)
Other comprehensive income						
Items not reclassified subsequently to profit or loss						
Changes in asset revaluation surplus		95,000	100,000	25,500	5,000	74,500
Total other comprehensive income		95,000	100,000	25,500	5,000	74,500
Total comprehensive income for the period		124,545	137,393	51,833	(2,848)	63,440

(1) These estimates are published in the State Budget 2023-24, Budget Papers No.2 'Budget Statements'.

Major estimate and actual (2023) variance narratives:

Nil

Major actual (2023) and comparative (2022) variance narratives:

- a) Employee benefits expense increased by \$70.7 million (11.8%) due to *[insert narrative]*.
- b) Service appropriations increased by \$90.1 million (12.6%) due to *[insert narrative]*.

9.1.2 Statement of financial position variances

	Variance notes	Estimate ⁽¹⁾ 2023	Actual 2023	Actual 2022	Variance between actual and estimate	Variance between actual results for 2023 and 2022
		(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
Assets						
Current assets						
Cash and cash equivalents		8,154	8,308	6,435	154	1,873
Restricted cash and cash equivalents		3,210	3,590	970	380	2,620
Inventories		15,400	15,333	15,375	(67)	(42)
Receivables		8,564	9,097	9,189	533	(92)
Amounts receivable for services		17,960	17,139	19,795	(821)	(2,656)
Other current assets		590	550	560	(40)	(10)
Non-current assets classified as held for sale		2,900	2,900	2,628	-	272
Total current assets		56,778	56,917	54,952	139	1,965
Non-current assets						
Receivables		60	60	50	-	10
Amounts receivable for services		70,170	55,725	41,707	(14,445)	14,290
Infrastructure, property, plant and equipment		1,374,690	1,369,572	1,246,992	(5,118)	122,580
Intangible assets		505	1,008	1,402	503	(394)
Right-of-use assets		22,800	22,005	24,598	(795)	(2,593)
Service concession assets		-	-	-	-	-
Other non-current assets		-	-	60	-	(60)
Total non-current assets		1,468,225	1,448,370	1,314,809	(19,855)	133,561
Total assets		1,525,003	1,505,287	1,369,761	(19,716)	135,526

Liabilities					
Current liabilities					
Payables	4,106	4,207	4,791	101	(584)
Contract liabilities	908	638	895	(270)	(257)
Capital grant liabilities	980	574	718	(406)	(144)
Borrowings	-	-	-	-	-
Lease liabilities	6,826	5,979	6,562	(847)	(583)
Amounts due to the Treasurer	2,650	2,400	7,970	(250)	(5,570)
Employee related provisions	13,400	13,758	13,950	358	(192)
Other provisions	20	62	45	42	17
Other current liabilities	-	-	-	-	-
Total current liabilities	28,890	27,618	34,931	(1,272)	(7,313)
Non-current liabilities					
Capital grant liabilities	2,610	2,298	2,872	(312)	(574)
Lease liabilities	11,243	11,317	17,296	74	(5,979)
Service concession liabilities	-	-	-	-	-
Employee related provisions	865	989	1,015	124	(26)
Other provisions	600	550	525	(50)	25
Other non-current liabilities	-	-	-	-	-
Total non-current liabilities	15,318	15,154	21,708	(164)	(6,554)
Total liabilities	44,208	42,772	56,639	(1,436)	(13,867)
Net assets	1,480,795	1,462,515	1,313,122	(18,820)	149,393
Equity					
Contributed equity	100,300	100,960	88,960	660	12,000
Reserves	a 326,599	305,500	205,500	(21,099)	100,000
Accumulated surplus/(deficit)	1,053,896	1,056,055	1,018,662	2,159	37,393
Total equity	1,480,795	1,462,515	1,313,122	(18,280)	149,393

(1) These estimates are published in the State Budget 2023-24, Budget Papers No.2 'Budget Statements'.

Major estimate and actual (2023) variance narratives:

Nil

Major actual (2023) and comparative (2022) variance narratives:

Nil

9.1.3 Statement of cash flows variances

	Variance notes	Estimate ⁽¹⁾ 2023 (\$000)	Actual 2023 (\$000)	Actual 2022 (\$000)	Variance between actual and estimate (\$000)	Variance between actual results for 2023 and 2022 (\$000)
Cash flows from State Government						
Service appropriation		763,234	741,242	681,212	(21,992)	60,030
Capital appropriations	a	11,125	12,000	65,000	875	(53,000)
Funds from other public sector entities		-	-	-	-	-
Holding account drawdown	b	19,650	19,795	7,688	145	12,107
Royalties for Regions Fund		-	-	-	-	-
Net cash provided by State Government		794,009	773,037	753,900	(20,972)	19,137
Cash flows from operating activities						
Payments						
Employee benefits		(658,960)	(637,715)	(592,654)	21,245	(45,061)
Supplies and services	c	(70,766)	(68,267)	(60,666)	2,499	(7,601)
Finance costs		(191)	(175)	(270)	16	95
Accommodation		(6,843)	(6,292)	(5,720)	551	(572)
Grants and subsidies		(9,904)	(9,801)	(8,910)	103	(891)
GST payments on purchases		(7,648)	(7,336)	(6,829)	312	(507)
GST payments to taxation authority		-	-	-	-	-
Other payments		(5,973)	(6,618)	(6,016)	(645)	(602)
Receipts						
Sale of goods and services		9,626	9,989	9,081	363	908
User charges and fees		15,210	15,497	14,997	287	500
Commonwealth grants		4,640	4,640	1,000	-	3,640
Interest received		-	-	-	-	-
GST receipts on sales		2,777	2,345	1,730	(432)	615
GST receipts from taxation authority		4,506	4,056	3,034	(450)	1,022
Other receipts		1,000	1,067	970	67	97
Net cash provided by/(used in) operating activities		(722,526)	(698,610)	(650,253)	23,916	(48,357)

Cash flows from investing activities						
Payments						
Purchase of non-current assets	d	(55,783)	(58,727)	(96,992)	(2,944)	38,265
Receipts						
Proceeds from sale of non-current assets	e	2,800	2,798	10,100	(2)	(7,302)
Net cash provided by/(used in) investing activities		(52,983)	(55,929)	(86,892)	(2,946)	30,963
Cash flows from financing activities						
Payments						
Principal elements of lease payments		(6,025)	(6,025)	(1,090)	-	(4,935)
Non-retained revenue distributed to owner	f	-	-	(11,190)	-	11,190
Repayment of borrowings		(7,970)	(7,970)	(1,160)	-	(6,810)
Payment to accrued salaries account		(10)	(10)	(10)	-	-
Receipts						
Other proceeds		-	-	-	-	-
Net cash provided by/(used in) financing activities		(14,005)	(14,005)	(13,450)	-	(555)
Net increase/(decrease) in cash and cash equivalents		4,495	4,493	3,305	(2)	1,188
Cash and cash equivalents at the beginning of the period		7,405	7,405	4,100	-	3,305
Cash and cash equivalents at the end of the period		11,900	11,898	7,405	(2)	4,493


(1) These estimates are published in the State Budget 2023-24, Budget Papers No.2 'Budget Statements'.


Major estimate and actual (2023) variance narratives:


Nil

Major actual (2023) and Comparative (2022) variance narratives:

- Capital appropriation decreased by \$53.0 million (81.5%) due to *[insert narrative]*.
- Holding account drawdown increased by \$12.1 million (157.5%) due to *[insert narrative]*.
- Supplies and services decrease by \$7.6 million (12.5%) due to *[insert narrative]*.
- Purchases of non-current assets decreased by \$38.3 million (39.5%) due to *[insert narrative]*.
- Proceeds from sale of non-current assets decrease by \$2.9 million (72.3%) due to *[insert narrative]*.
- Non-retained revenue distributed to owner decreased by \$11.2 million (100.0%) due to *[insert narrative]*.

	<p>Guidance – Explanatory statement for controlled items</p>
<p>TI 945(2)(ii), (3), (4)</p>	<p>Narratives are required for major variances between actuals versus comparatives, and, actuals versus annual estimates and include commentary on:</p> <ul style="list-style-type: none"> • specified variances greater than a 10% movement of the line item and greater than the dollar aggregate calculated in accordance with TI 945 Explanatory Statement; • where qualitative evidence indicates omission of narrative information could potentially mislead readers of financial statements; or • items requiring narrative disclosure under written laws. <p>Agencies are also encouraged to incorporate variances lower than these thresholds where qualitative reasons exist.</p> <p>Explanatory variance narratives are required to disclose details of, and the reasons for, all major variances in the elements comprising the total. This includes variances that offset each other.</p>

	<p>Guidance – Disclosure of source of annual estimates (original budget)</p>
<p>TI 945 Guidelines</p>	<p>Agencies should disclose whether the annual estimates (original budget) are sourced from:</p> <ul style="list-style-type: none"> - estimates published in the budget papers; or - estimates published in accordance with TI 953 Annual Estimates; or - estimates published in the statement of corporate intent (or business/operational plan) of a statutory authority. <p>Disclosure should indicate any further particulars of the source document where relevant.</p>

	<p>This disclosure is based on an agency within scope of TI 945. Agencies within scope of TI 945P <i>Explanatory Statement for Non-GGS Agencies</i> have differing reporting obligations and this example is not always appropriate.</p>
---	--

Reference

TI 945(2)(iii)(d), (5)
AASB 1060.223

9.2 Explanatory statement for administered items (Departments only)

This explanatory section explains variations in the financial performance of the Department undertaking transactions that it does not control but has responsibility to the government for, as detailed in the administered schedules.

All variances between annual estimates and actual results for 2023, and between the actual results for 2023 and 2022 are shown below.

Narratives are provided for major variances which vary by more than 10% from their comparative and the variation is more than 1% of the of Total Administered Income of the comparative (i.e. 1% of \$5,929,000 for the current year and 1% of \$5,130,000 for the previous year in the table below).

	Variance note	Estimate 2023 (\$000)	Actual 2023 (\$000)	Actual 2022 (\$000)	Variance between estimate and actual (\$000)	Variance between actual results for 2023 and 2022 (\$000)
Income from administered items						
Income						
For transfer:						
Regulatory fees and charges	a	4,750	4,855	4,050	105	805
Other revenue		1,179	1,140	1,080	(39)	60
[Other items as required]		-	-	-	-	-
Total administered income		5,929	5,995	5,130	66	865
Expenses						
Supplies and services		539	560	520	21	40
Grants and subsidies	1,b	4,125	3,570	2,530	(555)	1,040
Transfer payments	c	1,460	1,505	250	45	1,255
[Other items as required]		-	-	-	-	-
Total administered expenses		6,124	5,635	3,300	(489)	2,335

(1) These estimates are published in the State Budget 2023-24, Budget Papers No.2 'Budget Statements'.

Major estimate and actual (2023) variance narratives:

1) Grants and subsidies decreased by \$0.6 million (13.5%) owing to lower than projected claims received in 2022-23 for eligible Information Technology grants.

Major actual (2023) and comparative (2022) variance narratives:

- Regulatory fees and charges increase by \$0.8 million (19.9%) due to more infringement notices issued than estimated.
- Grants and subsidies increased by \$1.0 million (41%) owing to new grant programs targeting Information Technology programs (65% of increase) and Training & Assisting seniors to build computing literacy skills (35% of increase).
- Transfer payments increased by \$1.3 million (502%) owing to increased non-retainable regulatory fees legally required to be remitted to the Consolidated Account.



Guidance – Explanatory statement for administered items (Departments only)

TI 945(2)(ii)(d)

Thresholds for providing narrative on major variances for items administered by departments in accordance with AASB 1055 Budgetary Reporting are stipulated in TI 945 Explanatory Statement. The monetary (quantitative) threshold is determined by reference to a 10% movement of the line item and the dollar aggregate calculated in accordance with TI 945.

Departments may also incorporate variances lower than these thresholds where:

- qualitative evidence indicates omission of narrative information could potentially mislead readers of financial statements; or
- items requiring narrative disclosure under written laws.

TI 945(4)

Explanatory variance narratives are required to disclose details of, and the reasons for, all major variances in the elements comprising the total. This includes variances that offset each other.

Audited key performance indicators

Reference

Certification of key performance indicators

TI 905


I hereby certify that the key performance indicators are based on proper records, are relevant and appropriate for assisting users to assess the Agency's performance, and fairly represent the performance of the Agency for the financial year ended 31 December 2023.


(Signature)

B. King

Accountable Authority

1 March 2024

	<p>Guidance – Audited key performance indicators</p>
<p>TI 903(8)</p>	<p>Agencies are required to include a discussion of actual results against budget targets for both financial and non-financial indicators in the agency performance section of the annual report.</p> <p>In addition to the summary information contained in the agency performance section, agencies should disclose additional information including long term trends, graphs and supporting explanatory notes, as part of this section.</p> <p>As the key performance indicators are audited, the Auditor General's opinion is usually inserted into this section.</p>
<p>TI 905(2)(ii)</p>	<p>Where the accountable authority is a body, the statement shall be signed by two members of that body.</p>

	<p>Guidance – Changes to Key performance indicators or OBM Structure</p>
<p>TI 904(4)</p>	<p>Agencies contemplating changes to their OBM structures for the Budget are encouraged to liaise with the relevant Treasury analyst as soon as possible to discuss the process and the proposed changes. Ideally, initial discussions with Treasury would occur before mid-November.</p> <p>Changes to government desired outcomes and key performance indicators require prior approval of the Under Treasurer.</p>

Reference

TI 904(3)(iv)

Additional information in support of key performance indicators

Agency level desired outcome: sustainability of the provision of information technology

Outcome 1: Sustainability of the provision of information technology	2020	2021	2022	2023
---	-------------	-------------	-------------	-------------

Key effectiveness indicator

- | | | | | |
|--|-----|-----|-----|-----|
| • The proportion (%) of government agencies using sustainable information technology plans | 82% | 83% | 85% | 86% |
|--|-----|-----|-----|-----|

Service 1: Information Technology	2020	2021	2022	2023
--	-------------	-------------	-------------	-------------

Key efficiency indicator

- | | | | | |
|--------------------------------|----------|----------|----------|----------|
| • Cost per sustainable IT plan | \$24,000 | \$23,500 | \$22,700 | \$21,950 |
|--------------------------------|----------|----------|----------|----------|

Outcome 2: The improvement to the level of information technology for the public sector	2020	2021	2022	2023
--	-------------	-------------	-------------	-------------

Key effectiveness indicator

- | | | | | |
|--|-----|-----|-----|-----|
| • The proportion (%) of government agencies upgrading their information technology | 69% | 71% | 75% | 76% |
|--|-----|-----|-----|-----|

Service 2: Training and assistance	2020	2021	2022	2023
---	-------------	-------------	-------------	-------------

Key efficiency indicators

- | | | | | |
|--|---------|---------|---------|---------|
| • Clients assisted per staff member (client/staff ratio) | 0.45 | 0.41 | 0.36 | 0.39 |
| • Cost per hour of service delivered | \$5,577 | \$5,343 | \$5,200 | \$5,311 |

Outcome 3: Improvement to the competitiveness of the Western Australian technology industry	2020	2021	2022	2023
--	-------------	-------------	-------------	-------------

Key effectiveness indicators

- | | | | | |
|--|-------|-------|-------|-------|
| • Gross value of goods and services produced (\$m) | \$195 | \$200 | \$205 | \$206 |
| • Uptake of new technology (%) | 65% | 65% | 67% | 68% |

Service 3: Competition policy	2020	2021	2022	2023
--------------------------------------	-------------	-------------	-------------	-------------

Key efficiency indicators

- | | | | | |
|--------------------------------------|----------|----------|----------|----------|
| • Cost per advisory program | \$19,300 | \$19,210 | \$18,800 | \$18,900 |
| • Cost per hour of service delivered | \$5,531 | \$5,321 | \$5,059 | \$5,155 |



Guidance – Additional key performance indicator information

TI 903 Guidelines

An example of longer-term trend data is shown above. This is also an appropriate place to provide graphs and charts.

Insert a brief description of the services provided and a statement of how each service contributes to the identified agency level government desired outcome.

Key Performance Indicators are to be disclosed in the annual report in accordance with TI 904.

In addition to the information disclosed on outcomes and services in the report on operations, all accountable authorities are required to disclose:



Guidance – Additional key performance indicator information

- the relationship between government goals, agency level government desired outcomes and services;
- key performance indicators of effectiveness; and
- key performance indicators of efficiency and cost effectiveness (if applicable).

Key effectiveness indicators provide information on the extent to which agency level government desired outcomes have been achieved through the funding and production of agreed services. For statutory authorities that are the subject of a separate division of the Consolidated Account Expenditure Estimates, the agency level government desired outcomes are those specified in the Budget Statements. For off-budget agencies, the government agency level government desired outcomes will need to be either identified within the relevant enabling legislation or specified/endorsed by the Minister.

Agencies are encouraged to supplement their reporting of effectiveness with narrative. This narrative may include comment on the projected timing of outcomes to be achieved in the long term. It is also appropriate for agencies to identify and discuss influences on achievement of outcomes other than their own services. These influences may include services provided by other agencies, or factors such as social or demographic trends.

Key efficiency indicators generally relate services to the level of resource inputs required to deliver them. In some cases, 'per unit cost' information provided in the budget process may fulfil the key performance indicator reporting requirement. In other cases, cost per unit information may need to be aggregated, or productivity indicators used.

Key cost effectiveness indicators are a type of key effectiveness indicator. They relate outcomes directly to inputs. In addition to providing key cost effectiveness indicators where there are no suitable key efficiency indicators, agencies are encouraged to also report cost effectiveness indicators where doing so adds value to reporting information.


Further information on, and discussion of, agency level government desired outcomes, services and key performance indicators are available in the Treasury publication ['Outcome Based Management: Guidelines' for Use in the Western Australian Public Sector](#).

Other statutory information

Reference

Ministerial directions

No Ministerial directives were received during the financial year.

	<p>Guidance – Ministerial directions</p>
<p>TI 903(12)</p>	<p><i>Disclose any Ministerial directives relevant to the setting of desired outcomes or operational objectives, the achievement of desired outcomes or operational objectives, investment activities, and financing activities.</i></p>

Reference

Other financial disclosures

TI 903(13)(i)

Pricing Policies of Services Provided

The Agency charges for goods and services rendered on a full or partial cost recovery basis. These fees and charges were determined in accordance with [Costing and Pricing Government Services: Guidelines for Use by Agencies in the Western Australian Public Sector](#) published by Treasury.

The current list of fees and charges were published in the Gazette on 31 December 2022 and introduced/payable from 7 January 2023. Details are available on the Agency's website at www.agency.wa.gov.au.

TI 903(13)(ii)

Capital Works

Capital project incomplete

The construction of a new building to accommodate the Agency's increasing demand for additional seminars and training sessions will be completed by January 2025. The building will also be used as a display centre for new computer equipment, which will be open to the public for viewing. The estimated total cost of the project is \$20,000,000 and the estimated remaining cost to complete the project at 31 December 2023 is \$13,000,000.

Capital projects completed

No capital projects were completed during 2023.

TI 903(13)(iii)

Employment and Industrial Relations

Staff Profile	2023	2022
Full-time permanent	260	255
Full-time contract	150	140
Part-time measured on a FTE basis	10	8
On secondment	3	2
	423	405

Staff Development

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

During the financial year, our employees received training in excess of 3,000 hours of in-house and external training. As the result of our commitment to staff training and development, we are recognised as the industry leader in the information technology area in the public sector.

Workers Compensation

Five compensation claims of a minor nature were recorded during the financial year. This compares with seven compensation claims of a minor nature recorded in 2023.


Governance disclosures


TI 903(14)

[populated by agencies in line with requirements]

Reference

Other legal requirements

	Act of grace payments
	This note header has been included as a placeholder for the disclosure of act of grace (and ex gratia) payments. Where an agency did not make the payments, this note should be omitted.

	Guidance – Act of grace payments
<p>TI 319(3)</p> <p>TI 903(15)(i)</p>	<p>An agency shall disclose all act of grace payments made by it during a reporting period in the annual report of the agency.</p> <p>The following information should be disclosed in relation to each act of grace (or ex gratia) payment:</p> <ul style="list-style-type: none"> • the payment date; • the amount of the payment; and • the purpose of the payment. <p>It may <u>not</u> be appropriate to disclose the recipient(s) of the payment. Legal advice should be sought before such a disclosure is made.</p>

TI 903(15)(ii)

Unauthorised use of credit cards

Officers of the Agency hold corporate credit cards where their functions warrant usage of this facility. Despite each cardholder being reminded of their obligations annually under the Agency's credit card policy, one employee inadvertently utilised the corporate credit card for parking at an event that they were not attending in an official capacity. The matter was not referred for disciplinary action as the Chief Finance Officer noted prompt advice and settlement of the personal use amount, and, that the nature of the expenditure was immaterial and characteristic of an honest mistake.

	2023
	\$
Number of instances the Western Australian Government Purchasing Cards have been used for personal purposes	-
Aggregate amount of personal use expenditure for the reporting period	27
Aggregate amount of personal use expenditure settled by the due date (within 5 working days)	27
Aggregate amount of personal use expenditure settled after the period (after 5 working days)	-
Aggregate amount of personal use expenditure remaining unpaid at the end of the reporting period	-
Number of referrals for disciplinary action instigated by the notifiable authority during the reporting period	-



The above disclosure is an example and agencies should consider their own circumstances in addressing the requirements of TI 903(15).

	Guidance – Other legal requirements
	<p>A comprehensive list of Other Legal Requirements is available from the WA Government website:</p> <p>Annual report guidelines for 2022-23 (www.wa.gov.au)</p>

Reference

Government policy requirements

T1 903(16)

[populated by agencies in line with requirements]



Guidance – Government policy requirements


Public sector agencies must incorporate the above disclosures in their Annual Report as required. Information on this reporting requirement is available at:

[Annual report guidelines for 2022-23 \(www.wa.gov.au\)](http://www.wa.gov.au)

Contact information

Reference

Postal	Address	Electronic
PO Box 9999	Street Address,	Internet: www.agency.wa.gov.au
Suburb, Postcode	Suburb, Postcode	Email: customer.service@agency.wa.gov.au
		Telephone: 61 8 6551 0000
		Facsimile: 61 8 6551 1111

	Guidance – Identification of the financial statements
AASB 1060.32(a)	<p>AASB 1060 General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities requires the following disclosures:</p> <ul style="list-style-type: none">• the domicile and legal form of the agency; and• its country of incorporation and the address of its registered office (or principal place of business, if different from the registered office).