Government of **Western Australia**
Department of **Treasury and Finance**

Illustrative Model Annual Report

Tier 2 (Simplified Disclosures) Agency

For the year ended 31 December 2026

Illustrative Model Annual Report – Tier 2 (Simplified Disclosures) Agency

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Further information relating to this report may be obtained by emailing
Financial.Policy@dtf.wa.gov.au

Foreword

This **Model Annual Report** (the Model) has been designed to guide you in understanding and meeting your financial reporting obligations as a Tier 2 (Simplified Disclosures) reporting agency in the public sector. The Model incorporates annual reporting requirements of the Australian Accounting Standards (accounting standards), *Financial Management Act 2006* (FMA) and Treasurer's instructions (TIs).

The Model is designed for a broad application and is not intended to cover every conceivable circumstance.

The Model is suitable for use by public sector agencies. It 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.

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 supporting evidence for the annual audit process. For assistance in assessing materiality when preparing financial statements in accordance with the accounting standards, agencies can refer to the AASB Practice Statement 2: *Making Materiality Judgements*.

Additional guidance to help public sector agencies prepare their annual reports can be found at: Annual Reporting Information 2025-26.

Instructions for using the Model

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

- 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 report and reporting date.
- Exercise judgement about the materiality of information and exclude disclosures that are not material to the understanding of the financial statements.

The Model is not designed as a replacement for referring to accounting standards or TIs. Nor is it designed to be used as a template; agencies must apply their judgement and understanding of their own financial results to determine the appropriate level of disclosures that need to be made.

Significant changes to this Model Annual Report

This Model Annual Report reflects the updates for relevant standards applicable to the public sector. It also incorporates updates to references to the TIs and Treasurer's Guidance (TGs), and it includes commentary on the impacts of climate on reporting in the WA Public Sector.

The Summary of significant changes – December 2026 provides a summary of such updates made in the Model Annual Report for the December 2026 financial year.

Summary of significant changes – December 2026

Area of significant changes	Page number	Revisions
Disclosure – Tier 3 Valuation narratives	60	Aligned narrative disclosure to reflect application of highest and best use (HBU) in revaluation in accordance with AASB 13.
Guidance – Initial application of Australian Accounting Standards	95	Added new Australian Accounting Standards that will be applicable to the Model Annual Reports for year ending 31 December 2026.

Minor typographical and editorial changes that do not impact reporting requirements or user experience have not been included in the table above.

Which agencies does Tier 2 reporting apply to?

Agencies listed in Schedule 1 of TI 9 *Financial Statements* – Requirement 7 *Application of Tiered Reporting – Simplified Disclosures* must report as Tier 1 reporting entities.

Agencies not listed in the schedule can report as Tier 2 but may need to apply Tier 1 reporting requirements for the following Australian Accounting Standards:

- AASB 12 *Disclosure of Interests in Other Entities*
- AASB 140 *Investment Property*
- AASB 141 *Agriculture*; and
- AASB 1059 *Service Concession Arrangements: Grantors*.

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 accounting standards and TIs.

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

   

   In italics and with a call out border around the guidance.

   In some instances, the Model may present illustrative examples that are fit for a given 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:

   

   In plain text and with a call out border around the guidance.

3) **References:** Highlighted throughout the illustrative disclosures and the guidance and are prefixed by **AASB…, Int…, TI…, TG…, 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.

Additional guidance

The Department of Treasury and Finance 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

1. Use the model accounts as your base

- Consider reporting requirements illustrated in the Model Annual Report
- Adapt the model to your agency's circumstances when necessary
- Demonstrate compliance *with Financial Management Act 2006*, Accounting Standards, and Treasurer's instructions

2. Strategise

- Determine level of disclosure by:
  - applying critical judgements
  - understanding the financial results
  - considering and applying materiality
  - considering the needs of your primary users

3. Assess reporting considerations

- Is there a paper trail to support changes to disclosures including any omitted disclosures?
- Are there paper trails to support decisions to exclude notes based on materiality?
- Are all notes relevant and have immaterial notes been excluded?

4. Consider structure

- Group relevant notes together
- Adjust the layout for ease of reading
- Use tables and graphs where possible
- Eliminate duplication and any irrelevant or immaterial disclosure
- Use legend and footnotes to de-clutter
- Introduce each note section for better understanding

5. Sharpen

- Simplify language
- Make use of bullet points
- Explain the basis of materiality
- Summarise the information further

6. Sense check

- Is there a logical flow
- Is the information presented in a meaningful manner?
- Is the information concise?
- Are the material financial reporting matters understandable?
- Is all relevant discussion located in the same place?

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Statement of compliance

Reference	
FMA sec 63	
TI 8(2)	**For year ended 31 December 2026** **HON MICHAEL JACKSON** **MINISTER FOR INFORMATION TECHNOLOGY**
TI 8(2.1)	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 financial year ended 31 December 2026. 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.
TI 8(2.2)	(*Signature*) B. King Chief Executive Officer 1 March 2027

	Guidance – Statement of compliance
TI 8(2.2)(ii)	*For agencies whose accountable authority is a body, the statement must be signed by two members of that body.*

Overview

Reference

TG 8(1.3)

TG 8(1.4.1)

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 2027.

TG 8(1.4.2)

Operational structure

The Agency delivers services through the following divisions:

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

TG 8(1.4.2)

Enabling legislation

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

TG 8(1.4.2)

Responsible minister

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

	Guidance – Overview
TG 8(1.4.1)	***Executive summary*** *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'.*
TG 8(1.4.2)	***Operational structure*** *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'.*

Reference

TG 8(1.4.2)

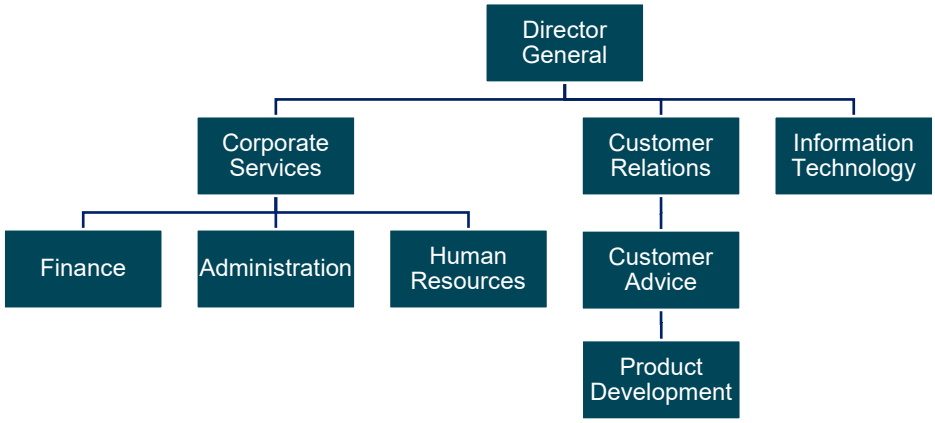
Organisational structure

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.

TG 8(1.4.2)

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.

	Guidance – Overview
TG 8(1.4.2)	*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.*

Reference

Administered legislation

TG 8(1.4.2)

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;*
- *Procurement Act 2020;*
- *Public Sector Management Act 1994;*
- *Salaries and Allowances Act 1975;*
- *State Records Act 2000; and*
- *Work Health and Safety Act 2020.*

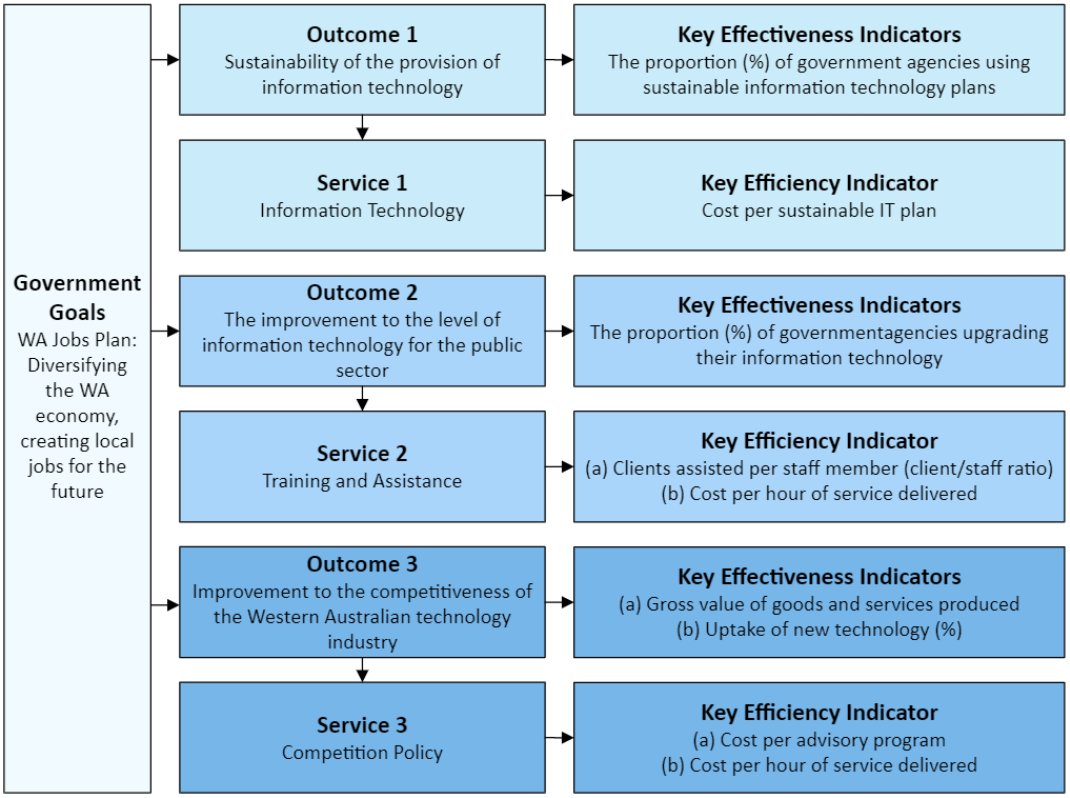
	Guidance – Overview
TG 8(1.4.2)	**Administered legislation** *Include the name of and authority for establishment of each subsidiary, related and affiliated body, with information about the legislation administered pertaining to each subsidiary and related body.* **Other key legislation impacting on 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

Performance management framework

TG 8(1.4.3)

Outcome-based management framework



TG 8(1.4.3)

Changes to outcome-based management framework

The Agency's outcome-based management framework did not change during 2025-26.

TG 8(1.4.3)

Shared responsibilities with other agencies

The Agency did not share any responsibilities with other agencies in 2025-26.

	Guidance – Performance management framework
TG 8(1.4.3)	**Outcome-based management framework** *Include a description of the links between the relevant government goals (if applicable), 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 (KPIs) 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.*

Agency Performance

Reference

TG 8(1.5)
FMA sec 61(1)(c)

Report on the operations

Actual results versus budget targets

FMA sec 61(2)
TI 3(2.2)
TG 13
Template 5

Financial Targets

	2026 Target[(A)] ($000)	2026 Actual ($000)	Variation[(1)] ($000)
Total cost of services (expense limit) (sourced from Statement of comprehensive income)	805,979	801,497	(4,482)[(a)]
Net cost of services (sourced from Statement of comprehensive income)	774,912	768,048	(6,864)[(b)]
Total equity (sourced from statement of financial position)	1,477,895	1,421,355	(56,540)[(c)]
Agreed/directed[(B)] salary expense level	670,435	669,757	(678)
Agreed/directed(B) Executive Salary Expense Limit	28,775	27,895	(880)
Agreed borrowing limit (where applicable)	22,721	21,627	(1,094)

(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
TG 8(1.5) *FMA sec 43(4), 44(1)*	*(A) Agencies should indicate whether Targets are those set in the budget statements, resource agreements, statements of corporate intent or another document.* *(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
FMA sec 61(1)(c) *TG 8(1.5)*	**Report on the operations** *The report should Include a brief discussion of agency performance, including references to 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 3(2.2)	**Reporting actual performance compared to resource agreement targets** *Where an agency has a resource agreement, the agency is required to adopt the format cited in TI 3 – Requirement 2.2 with the attachment shown in TG 13 – Template 5.*
TI 3(4.1)	**Borrowing limits** *The agreed borrowing limit is the total amount of borrowings authorised by the Treasurer during, or subsequent to, the budget process that is expected to impact the State's Net Debt. Accountable authorities should refer to TI 3 – Requirement 4.1, which provides background on borrowing limits and provides guidance on amounts included in the agency borrowing limit.*

Reference

TG 13 Template 5

Working cash targets

	2026 Agreed limit ($000)	2026 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 2025-26 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 31 December 2026, 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).

Reference

Summary of key performance indicators

TG 13
Template 5

	2026 Target(1)	2026 Actual	Variation	Result (2)
Outcome 1: Sustainability of the provision of information technology				
Key effectiveness indicator(s):				
The proportion (%) of government agencies using sustainable information technology plans	85%	86%	1%	✓
Service 1: Information technology				
Key efficiency indicator(s):				
Cost per sustainable IT plan	<$22,700	$21,950	$750	✓
Outcome 2: The improvement to the level of information technology for the public sector				
Key effectiveness indicator(s):				
The proportion (%) of government agencies upgrading their information technology	75%	76%	1%	✓
Service 2: Training and assistance				
Key efficiency indicator(s):				
Clients assisted per staff member	0.36	0.39	0.03	✓
Cost per hour of service delivered	<$5,000	$5,311	($311)	×
Outcome 3: Improvement to the competitiveness of the Western Australian technology industry				
Key effectiveness indicator(s):				
Gross value of goods and services produced	$200m	$206m	$6m	
Uptake of new technology (%)	66%	68%	2%	✓
Service 3: Competition policy				
Key efficiency indicator(s):				
Cost per advisory program	<$19,300	$18,900	$400	✓
Cost per hour of service delivered	<$5,000	$5,155	($155)	×

(1) Targets for each respective key performance indicator are reported in *[insert source]*.

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

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

TI 3(5.1)(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 information is provided at the Detailed information in support of key performance indicators.

Guidance – Summary of KPIs

TI 3(5)
TG 8(1.5), (1.7)

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

Include page-references if additional information is disclosed elsewhere.

Agencies should clearly indicate whether key performance targets have been met. The indication must be compliant with accessibility standards.

Where there is no resource agreement, the KPIs approved under TI 3 – Requirement 5 can be disclosed in the section 'Disclosures and legal compliance' together with the additional information.

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

Significant issues impacting the agency

Reference

TG 8(1.6)

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 2027 as a result of the full impact of changes made during the 2026 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
TG 8(1.6)	*Describe current and emerging issues and trends affecting the operations of the agency and any subsidiary or related bodies, explaining how the agency intends 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

Climate change presents both risks and opportunities, with potential future implications that could significantly impact the welfare of communities and economies globally.

Impacts can arise from the following risks and opportunities:

- physical risks, both direct and indirect, that could impact on the physical assets, and financial and non-financial performance of agencies. They can be either event-driven or they can result from long-term shifts in climate patterns;
- transition risks, as a result of transitioning to a lower-carbon economy. These 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.

To be able to manage these risks and leverage opportunities, agencies must develop the capability necessary to identify and assess them.

Climate reporting in Australia

In October 2025, the Australian Accounting Standards Board (AASB) issued the Australian Sustainability Reporting Standards, which govern sustainability and climate-related information disclosed in annual reports outside the Financial Statements. The standards are focussed on the private sector, aligned to the IFRS Sustainability Disclosure Standards but adapted for use in Australia.

S1	Sets out the overarching requirements for disclosing sustainability-related financial information, guiding entities in reporting material risks and opportunities that could influence their financial performance over time.	Voluntary
S2	Focuses specifically on climate-related disclosures, outlining the expectations for reporting how climate risks and opportunities may affect an entity's financial position, performance, and resilience.	Mandatory, **but only for** entities reporting under Chapter 2M of the *Corporations Act 2001 (Cth)* and which meet certain criteria.

Climate-related reporting for the Western Australia Public Sector

Public sector entities governed by the *Financial Management Act 2006* are not within the scope of Chapter 2M, and there is currently no mandatory requirement for them to comply with. It is recommended that agencies do not adopt AASB S2 until the Department of Treasury and Finance has concluded on how climate-related reporting should be applied within the WA public sector.

The Department of Treasury and Finance and the Department of Water and Environmental Regulation continue to progress the Climate Risk Framework, which will outline the policy framework for the management of agency priority climate risks and determine how climate risk reporting will apply across the WA public sector.

If an agency chooses to include climate-related disclosures in the unaudited section of its annual report, it is essential that all statements are supportable and evidence-based. Agencies must ensure that any such disclosures can be substantiated to avoid unintended consequences, such as allegations of greenwashing or misleading reporting.

Climate-related risks in the Financial Statements

Irrespective of the current non-mandatory status of the AASB Sustainability Reporting Standards, agencies may need to disclose climate-related risks in their financial statements if the risks materially affect accounting estimates or judgments. The approach is consistent with how other risks are assessed under Australian Accounting Standards. Agencies can refer to the AASB/AUASB joint discussion paper for guidance. In addition, agencies can also refer to AASB 2026-1 Amendments to Australian Accounting Standards - Disclosures about Uncertainties in the Financial Statements for any additional relevant disclosures.

Western Australian Climate-related Policies and Initiatives

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

- Western Australian Climate Change Policy;
- Sectoral Emissions Reduction Strategies; and
- Climate Adaptation Strategy

Agencies seeking guidance on how to conduct an initial climate risk assessment can use the guidance and supporting tools that can be found at:

- Managing climate risk in the public sector | Western Australian Government (www.wa.gov.au)

Disclosures and legal compliance

Reference

TI 8(3), TG 8(1.7)

Certification of financial statements

FMA sec 62(2)
TI 9(2.1)

For the financial year ended 31 December 2026

The accompanying financial statements of the Agency [*include "*and the accompanying consolidated financial statements*" if applicable*] have been prepared in compliance with the provisions of the *Financial Management Act 2006* from proper accounts and records to present fairly the financial transactions for the financial year ended 31 December 2026 and the financial position as at 31 December 2026.

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 9(2.2)

(Signature)	*(Signature)*
C. Fleming	B. King
Chief Finance Officer	Accountable Authority
1 March 2027	1 March 2027

	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 9(2.2)(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 2026 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:

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	***Guidance – Financial report structure***
AASB 1060.25	*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 on 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 3 – Requirement 7 Explanatory Statement and AASB 1060 require agencies to disclose the following in their complete set of financial statements:*
AASB 1060.238-241 *AASB 1060.222, 225* *TI 3(7.2)*	**Departments and Statutory authorities** • *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.*
AASB 1060.219-220 *AASB 1060.223, 225* *TI 3(7.3)*	**Departments** • *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.*

Statement of comprehensive income

Reference

FMA sec 61(1)(a), 62(1), TI 9(5), TG 9(4.6)

For the year ended 31 December 2026

		Notes	2026 ($000)	2025 ($000)
	COST OF SERVICES			
TG 9(4.6)(i)	**Expenses**			
TG 9(4.6)(i)(a)	Employee benefits expenses	2.1(a)	669,757	599,002
TG 9(4.6)(i)(e)	Supplies and services	2.3	60,980	56,345
TG 9(4.6)(i)(b)	Depreciation and amortisation expenses	4.1, 4.2, 4.3	35,764	36,448
TG 9(4.6)(i)(c)	Finance costs	6.5	613	568
TG 9(4.6)(i)(e)	Accommodation expenses	2.3	6,963	6,330
TG 9(4.6)(i)(e)	Grants and subsidies	2.2	9,801	8,910
TG 9(4.6)(i)(e)	Cost of Sales	3.3	5,560	3,700
TG 9(4.6)(i)(e)	Other expenses	2.3	12,059	12,782
TG 9(4.6)(i)(g)	**Total cost of services**		**801,497**	**724,085**
TG 9(4.6)(ii)	**Income**			
TG 9(4.6)(ii)(a)	User charges and fees	3.2	15,912	14,997
TG 9(4.6)(ii)(f)	Sale of goods	3.3	14,267	12,970
TG 9(4.6)(ii)(b)	Commonwealth grants	3.4	1,100	1,000
TG 9(4.6)(ii)(c)	Interest income		-	-
TG 9(4.6)(ii)(g)	Other income	3.5	2,170	6,300
	Total income		**33,449**	**35,267**
TG 9(4.6)(iii)	**Net cost of services**		**768,048**	**688,818**
TG 9(4.6)(iv)	**Income from State Government**			
TG 9(4.6)(iv)(a)	Service appropriation	3.1	803,846	713,701
TG 9(4.6)(iv)(b)	Income from other public sector entities	3.1	-	-
TG 9(4.6)(iv)(c)	Liabilities assumed	3.1	-	-
TG 9(4.6)(iv)(d)	Resources received	3.1	1,595	1,450
	Royalties for Regions Fund	3.1	-	-
TG 9(4.6)(iv)(e)	**Total income from State Government**		**805,441**	**715,151**
TG 9(4.6)(vi)	**Surplus/(deficit) for the period**		**37,393**	**26,333**
TG 9(4.6)(vii)	**Other comprehensive income**			
	Items not reclassified subsequently to profit or loss			
TG 9(4.6)(vii)(a)	Changes in asset revaluation surplus	4.1	60,000	23,500
	Total other comprehensive income		**60,000**	**23,500**
TG 9(4.6)(viii)	**Total comprehensive income for the period**		**97,393**	**49,833**

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

Guidance – Presentation of the Statement of comprehensive income

Statement of comprehensive income comprises the following:

TG 9(4.6)(i)

Total cost of services

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.

Please note the following:

- *Supplies and services include administrative expenses;*
- *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); and*
- *The discounting of employee benefits should be recognised under employee benefits expense rather than separately as a finance cost.*

TG 9(4.6)(ii)

Total income

This section includes:

- *Sales revenue from the provision of goods and services in relation to trading operations;*
- *Sales revenue from the provision of goods and service other than those relating to trading operations;*
- *Non-payable grants and/or contributions from the Commonwealth Government;*
- *Interest income;*
- *Share dividend income; and*
- *Gains on disposal of non-current assets.*

Operating subsidies should be classified as sales revenue in relation to trading operations or from provision of good and services (and not as income from other public sector entities) as they are considered payments made on behalf of external parties.

TG 9(4.6)(iv)

Total income from State Government

This section includes:

- *Service appropriation;*
- *Income from other public sector entities;*
- *Liabilities assumed;*
- *Resources received; and*
- *Royalties for Regions Fund.*

Please note that resources received includes assets transferred. This is made at the transferor agency's discretion and represents an expense to the transferor (generally income to the transferee).

TG 9(4.6)(vii)

Other comprehensive income

This section presents line items for amounts classified by nature. These items are then grouped into those that:

- *Will not be reclassified subsequently to profit or loss; or*
- *Will be reclassified subsequently to profit or loss when specific conditions are met.*

	It includes: • *Revaluations and impairments of physical and intangible assets;* • *Fair value changes of financial instruments through profit or loss;* • *Gains and losses attributable to agricultural assets (AASB 141.26-29);* • *Share of the profit or loss of equity accounted investments;* • *A single amount for the total of discontinued operations; and* • *Other income.* *This model illustrates only items that will not be subsequently reclassified to the profit and loss. Certain items do get reclassified to profit or loss and appropriate disclosures must be made if agencies hold such items as listed below:* • *Exchange differences reserves; and* • *Financial instruments measured at fair value through other comprehensive income.*
AASB 1060.21 *TG 9(4.6)(i)(e)*	**Classification of expenses by nature or function:** *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.* *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.*
AASB 1060.21-22	*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 9 – Requirement 5 with further guidance in TG 9 – Chapter 4 prescribes the minimum disclosure required in the Statement of comprehensive income.*
AASB 1060.52(g)	*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.*
AASB 1060.56	*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.*

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.

	***Guidance – Income from other public sector entities***
TG 9(4.9)	*The term 'Public sector entities' refers to 'wholly-owned public sector entities' as defined in TI 8 – Terms and definitions.* *Recurrent (service) appropriations received through a central department (controlled and/or administered) should be classified as income from other public sector entities. Examples include:* • *Indirect appropriations received from Treasury Administered;* • *Indirect appropriations received by Health Services Providers from the Department of Health;* • *Funding an agency receives from Treasurer's special purpose accounts, such as the Royalties for Regions Fund; and* • *Funding an agency receives from another wholly-owned public sector entity, including from another agency's special purpose accounts, such as the Road Trauma Trust Account.* *Income from other public sector entities should include amounts paid by other public sector entities on a charge out basis (such as professional and management fees) **if material**. 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.* *Income from other public sector entities should not include National Specific Purpose Payments and National Partnership Payments received through the Department of Treasury and Finance. 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.*

Statement of financial position

As at 31 December 2026

Reference		Notes	2026 ($000)	2025 ($000)
	Assets			
TG 9(5.4.1)(1)	**Current Assets**			
TG 9(5.4.1)(1)(i)	Cash and cash equivalents	6.6	8,308	6,435
TG 9(5.4.1)(3)	Restricted cash and cash equivalents	6.6	3,590	970
AASB 1060.35(d)	Inventories		15,333	15,375
AASB 1060.35(b)	Receivables	5.1	9,097	9,311
	Amounts receivable for services	5.2	17,139	19,750
AASB 1060.36	Other current assets	5.3	550	483
AASB 1060.35(r)	Non-current assets classified as held for sale	8.9	2,900	2,628
TG 9(5.4.1)(1)(iv)	**Total Current Assets**		**56,917**	**54,952**
TG 9(5.4.1)(2)	**Non-Current Assets**			
TG 9(5.4.1)(3)	Receivables	5.1	60	50
	Amounts receivable for services	5.2	55,725	45,060
AASB 1060.35(e)	Infrastructure, property, plant and equipment	4.1	1,329,572	1,244,992
AASB 1060.35(g)	Intangible assets	4.2	1,008	1,402
TG 9(5.4.1)(2)(ii)	Right-of-use assets	4.3	22,005	21,245
TG 9(5.4.1)(2)(iii)	Service concession assets	4.4	-	-
AASB 1060.36	Other non-current assets	5.3	-	60
TG 9(5.4.1)(2)(iv)	**Total Non-Current Assets**		**1,408,370**	**1,312,809**
	Total Assets		**1,465,287**	**1,367,761**
	Liabilities			
TG 9(5.4.2)(1)	**Current Liabilities**			
AASB 1060.35(k)	Payables	5.4	4,207	4,791
AASB 1060.44(d)	Contract liabilities		638	895
AASB 1060.233	Capital grant liabilities	5.5	574	718
AASB 1060.35(l)	Borrowings	6.1	-	-
TG 9(5.4.2)(1)(ii)	Lease liabilities	6.2	5,979	6,562
	Amounts due to the Treasurer		2,400	7,970
AASB 1060.35(o)	Employee related provisions	2.1(b)	13,758	13,950
AASB 1060.35(o)	Other provisions	5.6	62	45
AASB 1060.36	Other current liabilities	5.7	-	-
TG 9(5.4.2)(1)(iv)	**Total Current Liabilities**		**27,618**	**34,931**
TG 9(5.4.2)(2)	**Non-Current Liabilities**			
AASB 1060.233	Capital grant liabilities	5.5	2,298	2,872
TG 9(5.4.2)(2)(ii)	Lease liabilities	6.2	11,317	17,296
TG 9(5.4.2)(2)(iii)	Service concession liabilities	6.3	-	-
AASB 1060.35(o)	Employee related provisions	2.1(b)	989	1,015
AASB 1060.35(o)	Other provisions	5.6	550	525
AASB 1060.36	Other non-current liabilities	5.7	1,160	1,160
TG 9(5.4.2)(2)(iv)	**Total Non-Current Liabilities**		**16,314**	**22,868**
	Total Liabilities		**43,932**	**57,799**
	Net Assets		**1,421,355**	**1,309,962**
TG 9(5.4.3)	**Equity**			
TG 9(5.4.3)(i)	Contributed equity		99,800	87,800
TG 9(5.4.3)(ii)	Reserves		265,500	203,500
TG 9(5.4.3)(iii)	Accumulated surplus/(deficit)		1,056,055	1,018,662
	Total Equity		**1,421,355**	**1,309,962**

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 subclassified 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.

AASB 1060.21, 35-36

Where material, information to be presented includes:

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 are 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.

Statement of changes in equity

For the year ended 31 December 2026

Reference		Contributed equity ($000)	Reserves ($000)	Accumulated surplus/ (deficit) ($000)	Total equity ($000)
FMA sec 61(1)(a), 62 AASB 1060.25(c)	**Balance at 1 January 2026**	33,650	180,000	992,329	1,205,979
AASB 1060.61(b)	*Changes in accounting policy or correction of prior period errors*	-	-	-	-
	Restated balance at 1 January 2026	33,650	180,000	992,329	1,205,979
AASB 1060.61(c)(i)	Surplus/(deficit)	-	-	26,333	26,333
AASB 1060.61(c)(ii)	Other comprehensive income	-	23,500	-	23,500
AASB 1060.61(a)	**Total comprehensive income for the period**	**-**	**23,500**	**26,333**	**49,833**
AASB 1060.61(c)(iii)	*Transactions with owners in their capacity as owners:*				
TI 8(8.1)	Capital appropriation	65,000	-	-	65,000
	Royalties for Regions Fund – Regional Infrastructure and Headworks Account	-	-	-	-
AASB 1004.48	Other contributions by owners	1,500	-	-	1,500
AASB 1004.49	Distributions to owners	(12,350)	-	-	(12,350)
	Total	**54,150**	**-**	**-**	**54,150**
	Balance at 31 December 2025	**87,800**	**203,500**	**1,018,662**	**1,309,962**
	Balance at 1 January 2026	87,800	205,500	1,018,662	1,311,962
AASB 1060.61(c)(i)	Surplus/(deficit)	-	-	37,393	37,393
AASB 1060.61(c)(ii)	Other comprehensive income	-	60,000	-	60,000
AASB 1060.61(a)	**Total comprehensive income for the period**	**-**	**60,000**	**37,393**	**97,393**
AASB 1060.61(c)(iii)	*Transactions with owners in their capacity as owners:*				
TI 8(8.1)	Capital appropriation	12,000	-	-	12,000
	Royalties for Regions Fund – Regional Infrastructure and Headworks Account	-	-	-	-
AASB 1004.48	Other contributions by owners	-	-	-	-
AASB 1004.49	Distributions to owners	-	-	-	-
	Total	**12,000**	**-**	**-**	**12,000**
	Balance at 31 December 2026	**99,800**	**265,500**	**1,056,055**	**1,421,355**

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



Guidance – Statement of changes in equity

AASB 1060.61

TI 9(4)

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 8(8.1)(i) *Int 1038*	*TI 8 – Requirement 8.1(i) 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 1004.57 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 1060.217 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 8(8.1)(ii)	*TI 8 – Requirement 8.1(ii) 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 nondiscretionary and nonreciprocal 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 8(8.2) *Int 1038*	*TI 8 – Requirement 8.2 requires non-reciprocal transfers of net assets to the government to be accounted for as distribution to owners in accordance with Interpretation 1038.*

Statement of cash flows

For the year ended 31 December 2026

Reference		Notes	2026 ($000)	2025 ($000)
TI 9(4.3.5)(i)(d)	**Cash flows from the State Government**			
TI 9(4.3.5)(ii)(a)	Service appropriation		768,082	677,253
TI 9(4.3.5)(ii)(a)	Capital appropriations		12,000	65,000
TI 9(4.3.5)(ii)(b)	Funds from other public sector entities		-	-
TI 9(4.3.5)(ii)(b)	Holding account drawdown		19,750	17,951
TI 9(4.3.5)(ii)(b)	Royalties for Regions Fund		-	-
	Net cash provided by the State Government		**799,832**	**760,204**
	Utilised as follows:			
TI 9(4.3.5)(i)(a)	**Cash flows from operating activities**			
	Payments			
AASB 1060.67(d)	Employee benefits		(670,326)	(599,543)
AASB 1060.67(c)	Supplies and services		(61,254)	(56,609)
AASB 1060.82	Finance costs		(525)	(491)
	Accommodation		(6,922)	(6,279)
	Grants and subsidies		(9,801)	(8,910)
	Purchases		(5,518)	(3,650)
	GST payments on purchases		(7,336)	(6,829)
	GST payments to taxation authority		-	-
	Other payments		(11,447)	(10,986)
	Receipts			
AASB 1060.67(a)	Sale of goods and services		14,316	13,069
AASB 1060.67(b)	User charges and fees		15,655	14,797
	Commonwealth grants		382	500
AASB 1060.82	Interest received		-	-
	GST receipts on sales		2,345	1,730
	GST receipts from taxation authority		5,056	5,034
	Other receipts		2,000	1,610
	Net cash provided by/(used in) operating activities		**(733,375)**	**(656,557)**
TI 9(4.3.5)(i)(b)	**Cash flows from investing activities**			
	Payments			
AASB 1060.68(a)	Purchase of non-current assets		(58,727)	(96,992)
	Receipts			
AASB 1060.68(b)	Proceeds from sale of non-current assets		2,798	10,100
	Net cash provided by/(used in) investing activities		**(55,929)**	**(86,892)**
TI 9(4.3.5)(i)(c)	**Cash flows from financing activities**			
	Payments			
AASB 1060.69(e)	Principal element of lease payments		(6,025)	(1,090)
	Non-retained revenue distributed to owner		-	(12,350)
AASB 1060.69(d)	Repayment of borrowings		-	-
	Payment to accrued salaries account		(10)	-
	Receipts			
	Other proceeds		-	-
	Net cash provided by/(used in) financing activities		**(6,035)**	**(13,440)**
	Net increase/(decrease) in cash and cash equivalents		4,493	3,315
	Cash and cash equivalents at the beginning of the period		7,455	4,090
	Adjustment for the reclassification of accrued salaries account		(50)	-
	Cash and cash equivalents at the end of the period	6.6	**11,898**	**7,405**

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

	***Guidance – Statement of cash flows***
TI 9(4.3.5)	*TI 9 – Requirement 4.3.5 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 (ii) 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.*
TI 9(4.6)	*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.*
TI 8(4.1)	*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.*
	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'.
TI 9(4.3.5)	*While AASB 1060 permits the use of either the direct or the indirect method for reporting cash flows from operating activities, TI 9 – Requirement 4 Application of Australian Accounting Standards and Other Pronouncements mandates application of the direct method.*
	Non-cash transactions
AASB 1060.86	*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.*



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, the line items are not populated. Lines should not be shown if the agency does not have values for them.

Administered schedules (departments only)

Administered income and expenses

Reference

For the year ended 31 December 2026

AASB 1060.219(a)-(b)

	Notes	2026 ($000)	2025 ($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**

(a) 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

TG 8(6.5.2)

When a department retains and administers capital appropriation on behalf of the government (i.e. retained by a department for a subsequent transfer), the administering department should disclose the administered item in the notes as administered income 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 is to be disclosed.

Departments must disclose each major class of administered income and expenses that can be attributed to each of its activities. If, after taking reasonable steps, departments cannot reliably do so, they must disclose the fact along with a brief explanation.

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

Administered assets and liabilities

Reference

AASB 1060,219(c), (d)

As at 31 December 2026

	2026 ($000)	2025 ($000)
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

1. Basis of preparation

Reference	
AASB 1060.11(b), 32(a)	The Agency is a government not-for-profit entity controlled by the State of Western Australia, which is the ultimate parent.
AASB 1060.32(b)	A description of the nature of its operations and its principal activities has 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 2027.

Statement of compliance

AASB 1060.10, 11(a) TG 9(3.10)

The financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards – Simplified Disclosures, the Conceptual Framework and other authoritative pronouncements issued by the Australian Accounting Standards Board (AASB) as modified by Treasurer's instructions. Some of these pronouncements are modified to vary their application and disclosure.

The *Financial Management Act 2006* and Treasurer's instructions, which are legislative provisions governing the preparation of financial statements for agencies, take precedence over AASB pronouncements. Where an AASB pronouncement is modified and has had a significant financial effect on the reported results, details of the modification and the resulting financial effect are disclosed in the notes to the financial statements.

Basis of preparation

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	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:
	• *Financial assets and liabilities;*
AASB 1060.128	• *Investment in associates;*
AASB 1060.131	• *Investment in joint ventures;*
AASB 1060.132(a)	• *Investment property;*
AASB 1060.140(c)	• *Intangible assets; and*
AASB 1060.204(b)	• *Biological assets.*

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

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

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

Contributed equity

Int 1038, TI 8(8) TG8(6.1)

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 8 – Requirement 8.1(i) 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, these 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 made 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 reporting period. 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.* *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 reporting period if, at the end of the reporting period, they are measured at fair value based on recently observed market prices.

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

		2026 ($000)	2025 ($000)
AASB 1060.58(a)	Employee benefits	636,757	569,002
AASB 1060.174	Termination benefits	-	-
AASB 1060.172	Superannuation – defined contribution plans	33,000	30,000
	Employee benefits expenses	**669,757**	**599,002**
TI 8(4.3)	Add: AASB 16 non-monetary benefits (not included in employee benefits expense)	5,000	4,000
TG 8(2.8.2)	Less: Employee contributions (per note 3.5 Other income)	(2,000)	(1,600)
	Total employee benefits expenses	**672,757**	**601,402**

AASB 119.11, 13, 153
TG 9(3.14)

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

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
TG 9(3.15)

Superannuation is the amount recognised in profit or loss of the Statement of comprehensive income comprising employer contributions paid to the Gold State Super (concurrent contributions), West State Super, GESB Super or other superannuation funds.

TI 8(4.3)
TG 8(2.8.2)

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.

TG 9(5.10.1)

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 9 – Requirement 3.15 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 8(4)
TG 9(5.10.1)

In the case where 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 are interest and depreciation expenses that are recognised in accordance with AASB 16. 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 8 – Requirement 4 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)

	2026 ($000)	2025 ($000)
Current		
Employee benefits provisions		
Annual leave	9,136	10,124
Long service leave	2,614	2,326
Deferred salary scheme	50	102
	11,800	**12,552**
Other provisions		
Employment on-costs	1,958	1,398
Total current employee related provisions	**13,758**	**13,950**
Non-current		
Employee benefits provisions		
Long service leave	500	666
Other provisions		
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)
TG 9(3.14.1)

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)
TG 9(3.14.2)

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, to the estimated future cash outflows.

AASB 1060.40(d)
TG 9(3.14.4)

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) TG 9(3.14.3)

Employment on-costs involve settlements of annual and long service leave liabilities giving 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 expenditure, 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 oncosts provision'.

Guidance – Employment on-costs

TG 9(3.14.3)

Employment on-costs are recognised in other expenses at note 2.3 Other expenditure.

TG 9(5.11)

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.

AASB 1060.153(a)

Employment on-costs provision	2026 ($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 reporting period.

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

TG 9(3.14.4)

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.

Disclose any 48/52 leave arrangements in place as a separate line item similar to the deferred salary scheme.

Accumulating, non-vesting sick leave entitlements should be recognised as sick leave provisions, where appropriate, and disclosed as a separate line item.

Guidance – Employee benefits

AASB 119.9, 153

Distinction between short-term and long-term employee benefits

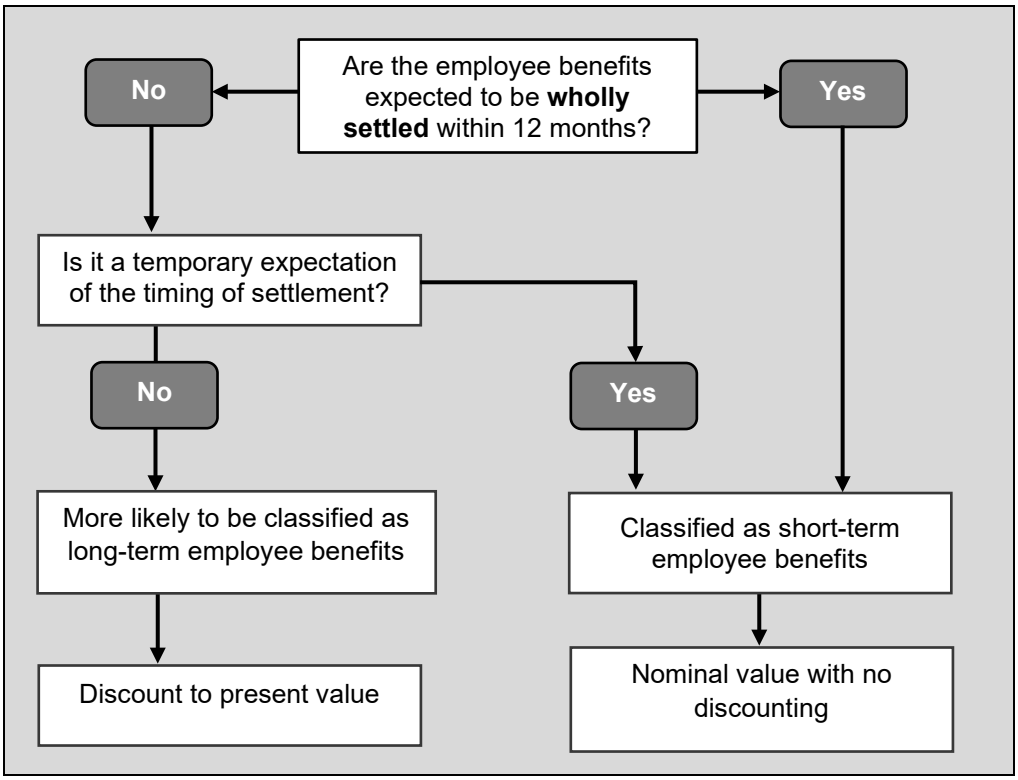
Employee benefits are classified as short-term when they are expected to be settled wholly within 12 months after the employees render the related services. For instance, the characterisation of annual leave benefit is mutually exclusive and it cannot be apportioned to 'short-term benefits' and 'other 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 2026 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.

AASB 1060.40(d)
TG 9(3.14.4)

Current/non-current classification of employee benefits

All annual leave and unconditional vested long service leave are disclosed as 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, to the estimated timing of benefit payments.



Guidance – Casual employees and long service leave

TG 9(3.14.2)

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. As such, agencies were required to calculate LSL for casual employees.

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 an agency is unable to measure the amount of the LSL entitlements with sufficient reliability (e.g. agencies do not have sufficient records or systems in place for certain casual workers) then a contingent liability should be disclosed.

Agencies may wish to contact their Labour Relations Advisor at the Department of Local Government, 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

	2026 ($000)	2025 ($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, nongovernment schools, and community groups.

The 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

	2026 ($000)	2025 ($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 [*List type of other material expenses*]	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 TG 9(3.13)

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 Housing and Works 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 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.

TG 9(3.14.3)

Employee on-cost includes workers' compensation insurance and other employment oncosts. The oncosts 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 using 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.

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

		2026 ($000)	2025 ($000)
AASB 1060.229(c)	Appropriation received during the period:		
	- Service appropriation	803,846	713,701
	Total service appropriation	**803,846**	**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 TG 9(4.6)(iv)(c)	Liabilities assumed by the Treasurer or other public sector entities during the period:		
	[*List of liabilities*]	-	-
	Total liabilities assumed	-	-
TG 9(4.6)(iv)(d)	Resources received from other public sector entities during the period:		
	- Assets transferred in	1,000	1,000
	- Services received free of charge	595	450
	Total resources received	**1,595**	**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**	**715,151**

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 the Department of Treasury and Finance.

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.

TG 9(4.7)(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.

TG 9(4.7)(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
TG 8(6.4.6)	*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

AASB 1060.239

Summary of consolidated account appropriations

For the year ended 31 December 2026

	2026 Budget ($000)	2026 Section 25 transfers ($000)	2026 Additional funding* ($000)	2026 Revised budget ($000)	2026 Actual ($000)	2026 Variance ($000)
Delivery of Services						
Item X Net amount appropriated to deliver services	802,950	-	-	802,950	803,846	896
Amount authorised by other statutes:						
- *Salaries and Allowances Act 1975*	150	-	-	150	200	50
Total appropriations provided to deliver services	**803,100**	**-**		**803,100**	**804,046**	**946**
Capital						
Item Y Capital appropriations	11,000	-	-	11,000	12,000	1,000
Administered Transactions						
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**

* Additional funding includes supplementary funding and new funding authorised under section 27 of the *Financial Management Act 2006* and amendments to standing appropriations.



Guidance – Summary of consolidated account appropriations

AASB 1060.239 (a)(ii)

TG 9(4.8)

Any supplementary amounts appropriated (under section 27(3) of the FMA) and amounts authorised other than by way of appropriation (such as section 25 transfers) should be separately disclosed.

The following agencies must prepare a summary of consolidated account appropriations:

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

Statutory authorities that receive their funding from a department (including Treasury Administered) in the form of a grant under an agreement (such as a service delivery or performance agreement) are not required to present the Summary of Consolidated Account Appropriations. Nor should such grants be reported as service appropriations by the statutory authority in the Statement of comprehensive income.

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

Reference

3.2 User charges and fees

	2026 ($000)	2025 ($000)
AASB 1060.157(b) User charges and fees		
- IT Training	15,207	14,382
- IT Support	705	615
Total user charges and fees	**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

TI 6(3), TG 6(4)

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 based on the satisfaction of the performance obligation.

Reference

3.3 Sale of goods

		2026 ($000)	2025 ($000)
AASB 1060.157(b)	**Sale of goods:**		
	- IT booklets	2,435	1,934
	- IT equipment	11,832	11,036
		14,267	**12,970**
AASB 1060.123(c)	**Cost of sales:**		
	Opening inventory	(15,375)	(15,425)
	Purchases	(5,518)	(3,650)
		(20,893)	(19,075)
AASB 1060.123(b)	**Closing Inventory**	15,333	15,375
	Cost of goods sold	(5,560)	(3,700)
	Gross profit	**8,707**	**9,270**
AASB 1060.44(c)	**Closing inventory comprises:**		
	Current inventories		
	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**
	Non-current inventories		
	[*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 of 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, is a generic accounting policy 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 there be an impairment or reversal of impairment of the balance.

	***Guidance – Sale of goods***
TG 6(6.4.8)	*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 the sale of goods will be recognised in accordance with AASB 15 Revenue from Contracts with Customers.* *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.* *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.* *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.*

	***Guidance – Inventories***
AASB 1060.123	**The financial statements shall disclose:** *(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.*

Reference

3.4 Commonwealth grants

		2026 ($000)	2025 ($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 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, is a generic accounting policy and should be tailored to suit your relevant agency.

Guidance – National Partnership Payments

TG 6(6.4.9)

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 AASB 1058.15-16. 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 based on the stage of completion of the asset being constructed.

Reference

3.5 Other income

		Notes	2026 ($000)	2025 ($000)
TG 8(2.8.2)	Employee Contributions[(a)] [*Other income*]	2.1(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)
TG 9(4.6)(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

TG 9(4.5)(iv)(a), (4.6)(iv)

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.

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.

TG 9 – Chapter 4.6(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.

Does your agency have instances of:

Material reversals of impairments; and

Revaluation increments (offsetting decrements previously expensed).

These will need to be disclosed as other income.

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 these assets:

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

4.1 Infrastructure, property, plant and equipment

Year ended 31 December 2026	Land ($000)	Buildings ($000)	Buildings under construction ($000)	Plant, equipment and vehicles ($000)	Office equipment ($000)	Infrastructure ($000)	Works of art ($000)	Total ($000)
1 January 2026								
Gross carrying amount	97,910	494,164	96,090	24,505	800	624,079	150	1,337,698
Accumulated depreciation	-	(55,454)	-	(12,156)	(94)	(23,002)	-	(90,706)
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)]	-	-	-	(3,370)	-	-	-	(3,370)
Disposals	-	-	-	-	-	-	-	-
Reclassification of assets held for sale	-	-	-	-	-	-	-	-
Revaluation increments/(decrements)	15,000	45,000	-	-	-	-	-	60,000
Impairment losses[(b)]	-	-	-	-	-	-	-	-
Impairment losses reversed	-	-	-	-	-	-	-	-
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**	**592,490**	**150**	**1,329,572**
Gross carrying amount	112,910	561,564	116,090	37,462	800	624,079	150	1,453,055
Accumulated depreciation	-	(73,393)	-	(18,247)	(254)	(31,589)	-	(123,483)
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 116.15, Aus 15.1
TI 9(4.6)
TG 9(4.7)

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
TI 8(7.2)

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). The effective date was at 1 July 2026, with valuations performed during the year ended 31 December 2026 and recognised at 31 December 2026.

In addition, for buildings under the current replacement cost basis, estimated professional and project management fees are included in the valuation of current use assets.

These valuations are undertaken annually to ensure that the carrying amount of the assets do not differ materially from their fair value at the end of the reporting period.

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

AASB 13.93(d), (g)

Valuation techniques and inputs

Level 2 assets

Fair values of non-current assets held for sale, and market type land and buildings (office accommodation) are derived using the market approach. Market evidence of sales prices of comparable assets in close proximity is used to determine price per square metre.

Level 3 assets

Land assets (High utility land use assets)

High Utility land values are measured by drawing comparison between the subject asset as a going concern and market pricing data of assets having similar utility and service capacity.

The assessed Highest & Best Use Value is based upon comparable utility transactions and is adjusted for valuation deferment recognition. Valuation deferment is the practice of delaying the recognition or calculation of an asset's value until a future date, primarily used to manage uncertainty, account for value over time, restrictions on ownership and current use considerations. The value of the land reflects differences between public and private sector market associated with title conversion, time deferments, and other factors including encumbrances, title status, management orders or lease conditions.

Building assets

Fair value for current use buildings is determined by reference to the cost of replacing the remaining future economic benefits embodied in the asset. Current replacement cost is generally determined by reference to the market observable replacement cost of a substitute asset of comparable utility and the gross project size specifications, adjusted for obsolescence. Obsolescence encompasses physical deterioration, functional (technological) obsolescence and economic (external) obsolescence.

Valuation using current replacement cost utilises the significant Level 3 input of obsolescence estimated by Landgate. The fair value measurement is sensitive to the estimate of obsolescence, with higher values of the estimate correlating with lower estimated fair values of buildings.

In addition, professional and project management fees estimated and added to the current replacement costs provided by Landgate for current use buildings represent significant Level 3 inputs used in the valuation process. The fair value of these assets will increase with a higher level of professional and project management fees.

Guidance – Land assets

Level 3 estimated land values may be either: Low utility land use assets or High utility land use assets. The above illustration is for High utility land use assets.

Land assets (Low utility land use assets)

Low Utility land values are applied to land highly encumbered by community service obligations or infrastructure, where the economic highest and best alternate land use is not permitted. Land Values determined under this methodology take into consideration the legal, physical, economic and socio-political factors that inhibit economic highest and best use alternatives.

Fair value measurement of the public sector land draws on the values from the primary real estate market, based on comparable utility with an underlying going concern assumption.

Disclosures for Low utility land use assets and High utility land use assets

If the agency's fair value estimates of land comprise both Low utility land use assets and High utility land use assets, the relevant amounts and comparatives should be disclosed.

Guidance – Valuation techniques and disclosures

Cost approach (current replacement cost)

In applying the current replacement cost for valuing current use assets (buildings), both observable and unobservable inputs may be used in determining fair value. For example, Landgate may use replacement costs (per unit volume) that are observable in the market via the Cordell's Publication or the Rawlinson's Publication for constructing a similar asset. In contrast, the effective age and the consumed economic benefit of the asset is an asset specific value and unobservable to the market. Estimated professional and project management fees are also significant unobservable inputs.

Where applicable to an agency's current use assets, the following statement may be added to the above paragraph:

"For some current use buildings, the current replacement cost is determined by reference to the historical cost adjusted by relevant indices. 'Historical cost per square metre floor area (m^2)' and 'Historical cost per cubic metre (m^3)' represent significant Level 3 inputs used in the valuations of these respective buildings with higher historical costs per m^2 or m^3 correlating with higher estimated fair values."

Current replacement cost contains an implicit reference to asset optimisation, whereby the cost is determined by reference to obtaining the asset at the lowest cost at which the gross future economic benefits of that asset could currently be obtained in the normal course of business. Consequently, assets are replaced with a modern equivalent with optimisation for obsolescence and relevant surplus capacity.

Income approach

Whilst TG 8 – Chapter 5.7 generally considers the income approach irrelevant for valuing current use assets in the public sector, agencies applying AASB 140 are more likely to be required to disclose inputs in this section. Where this occurs, the following example disclosure may be appropriate:

"The discounted cash flow approach takes into account the ability of the property to generate income over a 12-year period based on certain assumptions. Provision is made for leasing up periods upon the expiry of the various leases throughout the 12-year time horizon. Each year's net operating income during the period is discounted to arrive at the present value of expected future cash flows."

Additional disclosures

AASB 13.92, 94 — *Agencies may need to disclose additional information for liabilities where liabilities are measured at fair value. Liabilities of the agency are normally measured at amortised cost.*

AASB 13.97 — *Where assets or liabilities are not measured at fair value, but fair value information is provided in the notes to the financial statements the AASB 13 disclosures are required.*

AASB 13.Aus93.2
TG 8(5.3)

Basis of valuation

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

Guidance – Infrastructure, property, plant and equipment

Initial recognition:

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

AASB 116.Aus 15.1
TG 9(4.7)(ii)

- *Assets acquired for significantly less than fair value should be initially recognised at their fair value.*

AASB 116.16

- *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.*

TG 9(3.17)(ii)

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

Current replacement cost basis (subsequent measurement):

TI 8(7.2)
TG 8(5.9.3)
TG 8(9.4.1)

Land and buildings are mandated by TI 8 – Requirement 7 Revaluation of Non-Current Physical Assets to be subsequently measured at fair value. In addition, land and buildings under AASB 140 Investment Property 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.

In this model, the agency has taken 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 2022-10. BC37
TG 8.5.7.7

AASB 2022-10 Amendments to Australian Accounting Standards – Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities requires the inclusion of reasonably available professional and project management fees (PPF) in the current replacement cost of a fair valued asset. Agencies providing cost information to Landgate need to know whether PPF are inclusive or exclusive in the information provided. If PPF are inclusive and indistinguishable from the information, then adding PPF to a current replacement cost that already includes PPF results in dual counting and consequential overstatement of the fair value of the asset.

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).*

TG 8(5.10)

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

Reference

AASB 1060.134 (b)-(c)

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.

AASB 116.51, 61

The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period, and adjustments are 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 entity, 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.

AASB 116.60 — *Agencies should be electing depreciation policies and useful lives that best reflect the pattern of use.*

AASB 116.51, 61 — *Agencies should ensure they are reviewing the depreciation methods, useful lives and residual values of their physical or intangible assets at least annually.*

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

AASB 136.9, Aus61.1

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.

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

AASB 136.59, 60

- *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.*

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

AASB 136.117, 119

- *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 2026	Licences ($000)	Computer Software ($000)	Total ($000)
1 January 2026			
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 recognition

AASB 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 9(4.6)

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.

AASB 138.57

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;

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

(c) the ability to use or sell the intangible asset;

(d) the intangible asset will generate probable future economic benefit;

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

(f) 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 9(4.6) 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.

Reference

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.

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 31 December 2026, there were no indications of impairment to intangible assets.

The policy in connection with testing for impairment is outlined in note 4.2.

Guidance – Intangibles

TG 8(9.3)

The following is relevant for the recognition and measurement of intangibles:

TI 9(4.6)

- *Agencies should assess their own circumstances in determining capitalisation thresholds for intangible assets (TI 9 – Requirement 4.6 requires a minimum threshold of $5,000).*

AASB 138.75-78

- *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

- *Intangible assets that have an indefinite useful life are not subject to amortisation but must be tested annually for impairment.*

AASB 138.97

- *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 these 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 2026

	Buildings ($000)	Vehicles ($000)	Residential Housing ($000)	Concessionary Leases ($000)	Total ($000)
Carry amount at beginning of period	19,115	2,130	-	-	**21,245**
AASB 1060.145 Additions	3,353	-	-	-	3,353
AASB 1060.145 Impairment losses	-	-	-	-	-
AASB 1060.145 Impairment losses reversed	-	-	-	-	-
AASB 1060.145 Depreciation	(1,890)	(703)	-	-	(2,593)
AASB 1060.144(a) **Net carrying amount as at end of period**	**20,578**	**1,427**	**-**	**-**	**22,005**

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 Housing and Works 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 with the Department of Housing and Works for the leasing of office accommodation. These are not recognised under AASB 16 because of substitution rights held by the Department of Housing and Works 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 8(4.1) 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
AASB 136.10(a) 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

AASB 16.23, 24
TI 8(4.2)

TI 8 – Requirement 4 Leases mandates that right-of-use assets resulting from concessionary leases 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.*

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 measurement involves 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 2026		
Changes in the arrangements occurred in the period ended 31 December 2026		
Carrying amount as at 31 December 2026		

Recognition and measurement

AASB 1059.7

For arrangements within the scope of AASB 1059 *Service Concession Assets: Grantors*, 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. At the same time the Agency recognises a corresponding service concession liability.

AASB 1059.11

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 the 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.

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 (Holding Account)	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

	2026 ($000)	2025 ($000)
AASB 1060.44(b) AASB 1060.113 **Current**		
Trade receivables	9,215	9,264
AASB 1060.119(c) Allowance for impairment of trade receivables	(118)	(18)
Accrued revenue	-	-
GST receivable	-	65
	9,097	**9,311**
Loans and advances:		
Other debtors	-	-
	-	-
Total current	**9,097**	**9,311**
Non-current		
Accrued salaries account[(a)]	60	50
	60	**50**
Loans and advances:		
Other debtors	-	-
Total non-current	60	50
Total receivables at end of the period	**9,157**	**9,361**

(a) Funds transferred to the Department of Treasury and Finance for the purpose of meeting the 27th pay in a reporting period that generally occurs every 11 years. This account is classified as noncurrent except for the year before the 27th pay year.

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 reporting period.

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 account contains amounts paid annually into the Treasurer's special purpose account. It is restricted for meeting 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	*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):* *(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	*An agency shall measure expected credit losses of a financial instrument in a way that reflects:* • *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	*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).*

Reference

5.2 Amounts receivable for services (Holding Account)

	2026	2025
	($000)	($000)
Current	17,139	19,790
Non-current	55,725	45,060
Total amounts receivable for services at end of period	**75,864**	**64,810**

AASB 1060.112

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.

TG 9(3.13)

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

	2026 ($000)	2025 ($000)
Current		
Prepayments		-
Other [describe]	550	483
Total current	**550**	**483**
Non-current		
Other [describe]	-	60
Total non-current	-	60
Total other assets at end of period	**550**	**543**

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

	2026 ($000)	2025 ($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 5 – Requirement 3.1 *Timely Payment of Accounts* requires payments for goods, services and for works or construction of less than $1 million to be made 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.

Reference

5.5 Capital grant liabilities

AASB 1060.233

	2026 ($000)	2025 ($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 over any related amounts recognised in accordance with AASB 1058.

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

The agency will need to determine if obligations attached to a capital grant require deferral of income until the obligations are satisfied.

Reference

5.6 Other provisions

	Notes	2026 ($000)	2025 ($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 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)

	2026 ($000)	2025 ($000)
Movements in each class of provision during period		
Warranty provisions		
Carrying amount at start of period	45	30
Additional/(reversals of) provisions recognised	42	38
Payments	(28)	(25)
Unwinding of the discount	3	2
Carrying amount at end of period	**62**	**45**
Restoration provisions		
Carrying amount at start of period	525	500
Additional/(reversals of) provisions recognised	-	-
Payments	-	-
Unwinding of the discount	25	25
Carrying amount at end of period	**550**	**525**



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

	2026 ($000)	2025 ($000)
Current		
Other [*describe*]	-	-
Total current	**-**	**-**
Non-current		
Other [*describe*]	1,160	1,160
Total non-current	**1,160**	**1,160**
Balance at end of period	**1,160**	**1,160**

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.

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

	2026 ($000)	2025 ($000)
TG 9(5.4.2)(1)(i) **Current**		
Other [describe]	-	-
Total current	**-**	**-**
TG 9(5.4.2)(2)(i) **Non-current**		
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 and 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 or through the amortisation process.

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

Guidance – Borrowings

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.

Disclosure requirements of AASB 1060.113 require separate disclosures for specified classes of financial instruments, whilst TG 9 – Chapter 5.4.2 requires agencies to distinguish interest bearing and non-interest bearing borrowings.

Collateral

AASB 1060.117

When an agency has pledged financial assets as collateral for liabilities or contingent liabilities, it shall disclose the following:

- *(a) the carrying amount of the financial assets pledged as collateral; and*
- *(b) the terms and conditions relating to its pledge.*

Assets pledged as security

AASB 1060.123, 135, 138(c)

The Agency shall disclose the following for assets pledged as security:

- *(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.*

AASB 1060.118

Defaults and breaches on loans payable

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:

(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)

	2026 ($000)	2025 ($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**

Initial measurement

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 Australian 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).

AASB 16.37, 38(a)

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 are recognised by the Agency in profit or loss in the period in which the condition that triggers those payments 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.

		2026 ($000)	2025 ($000)
AASB 1060.146A	**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
AASB 1060.146(b)	Short-term leases	-	-
AASB 1060.146(b)	Low-value leases	118	122
AASB 1060.150	Losses/(gains) arising from sale and leaseback transactions	-	-

AASB 16.6 **Short-term leases** with a lease term of 12 months or less are recognised on a straight-line basis unless the lessor is a public sector entity.

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 as noted in AASB 1060.144(b).

Does your agency have instances of licences that are in substance leases or contain leases?

These will be within the scope of AASB 16 *Leases* and AASB 1060.151-152.



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 TG 8(2.2)

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

AASB 1060.242

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

	2026 ($000)	2025 ($000)
Current		
Service concession financial liability	-	-
Service concession liability - GORTO	-	-
Non-current		
Service concession financial liability	-	-
Service concession liability - GORTO	-	-

Service concession financial liability

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 6.5), 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.

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.

Grant of a right to the operator (GORTO) liability

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).

Guidance – Service concession liabilities

AASB 1059.11-12

Where the grantor recognises a service concession asset in accordance with AASB 1059 Service Concession Arrangements Grantors, the grantor shall:

(a) 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

(b) 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.

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.

Types of consideration

AASB 1059.14, B51, B56

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:

(a) making payments to the operator; and

(b) compensating the operator through non-monetary exchange.

Initial and subsequent measurement

Financial 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.

	2026 ($000)	2025 ($000)
Current		
Service concession financial liability	-	-
Service concession liability - GORTO	-	-
Non-current		
Service concession financial liability	-	-
Service concession liability - GORTO	-	-

Reference

AASB 7.14, 7.15

6.4 Assets pledged as security

	2026 ($000)	2025 ($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

	2026 ($000)	2025 ($000)
Interest expense		
Interest expense on lease liabilities	365	371
Interest expense on service concession arrangements	-	-
Other interest expense	160	120
Total interest expense	**525**	**491**
Other finance costs		
AASB 1060.153(a)(ii) Unwinding of discounts applied to provisions	88	77
Total other finance costs	**88**	**77**
Total finance costs expensed	**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.

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 1060.162, 163

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, 6

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

	2026 ($000)	2025 ($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
TG 9(5.4.1)(3)

Restricted cash and cash equivalents	2026 ($000)	2025 ($000)
Current		
Grant[(a)]	3,590	970

AASB 107.48

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

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.

6.7 Capital commitments

AASB 1060.135 (b)

	2026 ($000)	2025 ($000)
TG 9(5.6) 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

TG 9(5.6)

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.

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:

		2026 ($000)	2025 ($000)
	Financial assets		
	Cash and cash equivalents	11,898	7,455
AASB 7.8(f)	Financial assets at amortised cost[(a)]	82,021	74,106
	Total financial assets	**93,919**	**81,561**
	Financial liabilities		
AASB 7.8(g)	Financial liabilities at amortised cost[(b)]	21,503	28,649
	Total financial liability	**21,503**	**28,649**

AASB 132.AG12

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

(b) 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

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:

(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:

(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

This model has simple financial instruments that aren't fair valued.

More complex fair-valued financial instruments would require:

AASB 1060.114,

- disclosure of information enabling financial statements users to evaluate the significance of financial instruments for the entity's financial performance and position (e.g. terms, repayment schedules, interest rates); and/or

AASB 1060.115

- 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'.*

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
Changes in accounting policy	8.2
Key management personnel	8.3
Related parties	8.4
Related bodies	8.5
Affiliated bodies	8.6
Special purpose accounts	8.7
Remuneration of auditors	8.8
Non-current assets classified as 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	*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:* • *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* • *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).*
AASB 1060.185 *AASB 110.8-9*	***Updating disclosure about conditions at the end of the reporting period*** *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.*
AASB 1060.187-188 *AASB 110.10-11* *AASB 110.21*	***Non-adjusting Events After the End of the Reporting Period*** *If non-adjusting events after the end of the reporting period are material, nondisclosure 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:* • *the nature of the event; and* • *an estimate of its financial effect, or a statement that such an estimate cannot be made.*

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
	Accounting standards adopted in the reporting period ended on 31 December 2026 require disclosure. *Agencies should ensure they:* • *review the list of pending standards at Accounting Standards (standards.aasb.gov.au);* • *identify standards with material impact on the reported results of the agency;* • *put in place appropriate procedures to consider and measure the impact; and* • *provide appropriate disclosures around the impact of the standard.*

	Guidance –Changes in accounting policies
AASB 1060.108-109 *TG 9(7.3)*	*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.*
AASB 1060. 108(c)	*To the extent practicable, voluntary changes in accounting policy are disclosed for each financial statement line item affected for the current period, each prior period presented and in aggregate for periods prior to those presented.* *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.*

	***Guidance – Correction of prior period errors***
AASB 1060. 51(a), 110	*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:* • *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.*
AASB 1060. 51(a)	*Corrections of prior period errors are adjusted against the opening balances of each affected component of equity in the comparatives.*
AASB 1060. 110(c)	*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.*
AASB 1060. 110(d)	*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.*

Reference

8.3 Key management personnel

AASB 124.17, 17A

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*.

TI 9(1.1)(i)

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:

Compensation band ($)	2026	2025
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

AASB 1060.194

	2026 ($000)	2025 ($000)
Total compensation of senior officers	**620**	**580**

Guidance – Key management personnel

TI 9(1.1)(i)

Departments and statutory authorities shall disclose the number of senior officers whose total compensation for the reporting period falls within each band of income of $50,000.

TI 9(1.1)(ii)

Statutory authorities shall additionally disclose the number of members of the accountable authority, whose total compensation for the reporting period falls within each band of income of $10,000, separately from those for other senior officers.

Compensation should be determined by applying the relevant requirements under AASB 119 Employee Benefits as the basis for measuring the components of remuneration.

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.

Reference

8.4 Related parties

AASB 1060.192

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

TG 8 (3.4.2)

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.

	Example of specific related party disclosure note
AASB 1060.198	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. All other transactions that have occurred with key management personnel and other related parties have been trivial or domestic in nature.



Guidance – Related party transactions

TG 8(3.4.3)

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 nondisclosure, 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 8(6.1), (6.2)

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

	2026 ($000)	2025 ($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 8(6.3)
TG 8(4.3)

Excellent Board is a government affiliated body that received administrative support and a grant of $2,300,000 (2025: $1,200,000) from the Agency. The Excellent Board is not subject to operational control by the Agency.

	Guidance – Related and affiliated bodies
TI 8(6.1)	*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.*
TI 8(6.3)	*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.*

Reference

8.7 Special purpose accounts

FMA sec 17
TI 9(6.2)(ii),(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.

	2026 ($000)	2025 ($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.

	2026 ($000)	2025 ($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 7(1.3)

A copy of the approved special purpose statement or trust statement is required to be published in the annual report in the reporting period it is approved or amended.

Guidance – Special purpose accounts

TI 9(6.2)(iii)

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:

- *the purpose of the special purpose account;*
- *the balance of the account at the beginning of the reporting period;*
- *total receipts;*
- *total payments; and*
- *the balance of the account at the end of the reporting period.*

The above information can be presented in a table format.

TI 9(6.2)(iv)

This disclosure requirement does not apply to a section 16(1)(b) special purpose account that is established for the purposes of the agency's operations.

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 reporting period is as follows:

	2026 ($000)	2025 ($000)
Auditing the accounts, financial statements, controls, and key performance indicators	55	50

Guidance – Remuneration of auditors

AASB 1060.98, 99

AASB 1060 General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities requires agencies to disclose the amounts paid or payable to:

(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.

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

	2026 ($000)	2025 ($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.

AASB 5.Aus2.1
AASB 1004

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 *Non-current Assets Held for Sale and Discontinued Operations*.

Guidance – Non-current assets held for sale

Discontinued operations are rare in the public sector and therefore are not addressed in this model.

AASB 1060.47 (a)

Describe asset(s) or classes of assets, with any associated liabilities on hand for disposal at year end.

AASB 1060.47 (b)

Describe the facts and circumstances of the disposal, and the expected manner and timing of that disposal.

Reference

8.10 Supplementary financial information

TI 9(1.2)(i)

(a) Write-offs

During the reporting period, nil (2025: $370,000) was written off the Agency's books under the authority of:

	2026 ($000)	2025 ($000)
The accountable authority	-	10
The Minister	-	105
The Treasurer	-	255
	-	**370**

FMA sec 49
TI 9(1.2)(ii)

(b) Losses through theft, defaults and other causes

	2026 ($000)	2025 ($000)
Losses of public money through theft or default	-	-
Total losses	-	-
Amounts recovered	-	-
Net losses	**-**	**-**

TI 9(1.2)(iii)

(c) Forgiveness of debts

	2026 ($000)	2025 ($000)
Forgiveness (or waiver) of debts by the Agency	-	-
	-	**-**

TI 9(1.2)(iv)

(d) Gift of public property

	2026 ($000)	2025 ($000)
Gift of public property by the Agency	-	-
	-	**-**

Forgiveness (or waiver) of debts by the Agency

TI 9(1.2)(iii)

Forgiving or waiving debts occurs under other written law administered by the Agency. Where this occurs, TI 9 – Requirement 1.2 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.

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 3(7.2), (7.3)
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 2026, and between the actual results for 2026 and 2025 are shown below. Narratives are provided for major variances which are more than 10% of the comparative and which are more than 1% of the following (as appropriate):

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) Actual results between the current year and 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] 2026 ($000)	Actual 2026 ($000)	Actual 2025 ($000)	Variance between actual and estimate ($000)	Variance between actual results for 2026 and 2025 ($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	60,000	23,500	(35,000)	36,500
Total other comprehensive income		**95,000**	**60,000**	**23,500**	**(35,000)**	**36,500**
Total comprehensive income for the period		**124,545**	**97,393**	**49,833**	**(42,848)**	**25,440**

1. These are annual estimates published for the financial year ended 31 December 2026.

Major estimate and actual (2026) variance narratives:

Nil

Major actual (2026) and comparative (2025) 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 2026[1] ($000)	Actual 2026 ($000)	Actual 2025 ($000)	Variance between actual and estimate ($000)	Variance between actual results for 2026 and 2025 ($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	9,311	533	(214)
Amounts receivable for services		17,960	17,139	19,750	(821)	(2,611)
Other current assets		590	550	483	(40)	67
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	45,060	(14,445)	10,665
Infrastructure, property, plant and equipment		1,374,690	1,329,572	1,244,992	(45,118)	84,580
Intangible assets		505	1,008	1,402	503	(394)
Right-of-use assets		22,800	22,005	21,245	(795)	760
Service concession assets		-	-	-	-	-
Other non-current assets		-	-	60	-	(60)
Total non-current assets		**1,468,225**	**1,408,370**	**1,312,809**	**(59,855)**	**95,561**
Total assets		**1,525,003**	**1,465,287**	**1,367,761**	**(59,716)**	**97,526**

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		-	1,160	1,160	1,160	-
Total non-current liabilities		**15,318**	**16,314**	**22,868**	**966**	**(6,554)**
Total liabilities		**44,208**	**43,932**	**57,799**	**(276)**	**(13,867)**
Net assets		**1,480,795**	**1,421,355**	**1,309,962**	**(59,440)**	**111,393**
Equity						
Contributed equity		100,300	99,800	87,800	(500)	12,000
Reserves	(a)	326,599	265,500	203,500	(61,099)	62,000
Accumulated surplus/(deficit)		1,053,896	1,056,055	1,018,662	2,159	37,393
Total equity		**1,480,795**	**1,421,355**	**1,309,962**	**(59,440)**	**111,393**

1. These are annual estimates published for the financial year ended 31 December 2026.

Major estimate and actual (2026) variance narratives:
Nil

Major actual (2026) and comparative (2025) variance narratives:
(a) Reserves increase by $62 million (30.5%) due to *[insert narrative]*.

9.1.3 Statement of cash flow variances

	Variance notes	Estimate[1] 2026 ($000)	Actual 2026 ($000)	Actual 2025 ($000)	Variance between actual and estimate ($000)	Variance between actual results for 2026 and 2025 ($000)
Cash flows from State Government						
Service appropriation	(a)	763,234	768,082	677,253	4,848	90,829
Capital appropriations	(b)	11,125	12,000	65,000	875	(53,000)
Funds from other public sector entities		-	-	-	-	-
Holding account drawdown		19,650	19,750	17,951	100	1,799
Royalties for Regions Fund		-	-	-	-	-
Net cash provided by State Government		**794,009**	**799,832**	**760,204**	**5,823**	**39,628**
Cash flows from operating activities						
Payments						
Employee benefits	(c)	(661,930)	(670,326)	(599,543)	(8,396)	(70,783)
Supplies and services		(65,766)	(61,254)	(56,609)	4,512	(4,645)
Finance costs		(191)	(525)	(491)	(334)	(34)
Accommodation		(6,843)	(6,922)	(6,279)	(79)	(643)
Grants and subsidies		(9,904)	(9,801)	(8,910)	103	(891)
Purchases		(5,000)	(5,518)	(3,650)	(518)	(1,868)
GST payments on purchases		(7,648)	(7,336)	(6,829)	312	(507)
GST payments to taxation authority		-	-	-	-	-
Other payments		(10,973)	(11,447)	(10,986)	(474)	(461)
Receipts						
Sale of goods and services		13,626	14,316	13,069	690	1,247
User charges and fees		15,210	15,655	14,797	445	858
Commonwealth grants		640	382	500	(258)	(118)
Interest received		-	-	-	-	-
GST receipts on sales		2,777	2,345	1,730	(432)	615
GST receipts from taxation authority		4,506	5,056	5,034	550	22
Other receipts		1,000	2,000	1,610	1,000	390
Net cash provided by/(used in) operating activities		**(730,496)**	**(733,375)**	**(656,557)**	**(2,879)**	**(76,818)**

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		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 element of lease payments		(6,025)	(6,025)	(1,090)	-	(4,935)
Non-retained revenue distributed to owner	(e)	-	-	(12,350)	-	12,350
Repayment of borrowings		-	-	-	-	-
Payment to accrued salaries account		(10)	(10)	-	-	(10)
Receipts						
Other proceeds		-	-	-	-	-
Net cash provided by/(used in) financing activities		**(6,035)**	**(6,035)**	**(13,440)**	**-**	**7,405**
Net increase/(decrease) in cash and cash equivalents		4,495	4,493	3,315	(2)	1,178
Cash and cash equivalents at the beginning of the period		7,455	7,455	4,090	-	3,365
Adjustment for the reclassification of accrued salaries account		(50)	(50)	-	-	(50)
Cash and cash equivalents at the end of the period		**11,900**	**11,898**	**7,405**	**(2)**	**4,493**

1. These are annual estimates published for the financial year ended 31 December 2026.

Major estimate and actual (2026) variance narratives:
Nil.

Major actual (2026) and Comparative (2025) variance narratives:
(a) Service appropriation increased by $90.8 million (13.4%) due to *[insert narrative].*
(b) Capital appropriation decreased by $53.0 million (81.5%) due to [insert narrative.
(c) Employee benefits decreased by $70.8 million (11.8%) due to [insert narrative].
(d) Purchase of non-current assets increase by $38.3 million (39.5%) due to [insert narrative].
(e) Non-retained revenue distributed to owner increased by $12.4 million (100.0%) due to [insert narrative].

	***Guidance – Explanatory statement for controlled items***
TI 3(7.2) *TG 3(6.2.1)*	*Narratives are required for major variances between actuals versus comparatives and actuals versus annual estimates.* *They include commentary on:* • *certain variances greater than a 10% movement in the comparative and greater than the dollar aggregate calculated in accordance with TI 3 – Requirement 7.2 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.* *Agencies are also encouraged to incorporate variances lower than these thresholds where qualitative reasons exist.* *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.*

	***Guidance – Disclosure of source of annual estimates (original budget)***
TG 3(6.2.2)	*Agencies should disclose whether the annual estimates (original budget) are sourced from:* • *estimates published in the budget papers;* • *estimates published in accordance with TI 9 – Requirement 3 Annual Estimates; or* • *estimates published in the statement of corporate intent (or business/operational plan) of a statutory authority.* *Disclosure should indicate any further particulars of the source document where relevant.*



This disclosure is based on an agency within scope of TI 3. Non-GGS Agencies have differing reporting obligations and this example is not always appropriate.

Reference

TI 3(7.3)

TI 3(Terms and Definitions)

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 2026, and between the actual results for 2026 and 2025 are shown below.

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

	Variance note	Estimate 2026[1] ($000)	Actual 2026 ($000)	Actual 2025 ($000)	Variance between estimate and actual ($000)	Variance between actual results for 2026 and 2025 ($000)
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 are annual estimates published for the financial year ended 31 December 2026.

Major estimate and actual (2026) variance narratives:

(1) Grants and subsidies decreased by $0.6 million (13.5%) owing to lower than projected claims received in 2025 for eligible Information Technology grants.

Major actual (2026) and comparative (2025) variance narratives:

(a) Regulatory fees and charges increased by $0.8 million (19.9%) due to more infringement notices issued than estimated.

(b) 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).

(c) 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 3(7.3) *TI 3(Terms and Definitions)*	*Thresholds for providing narrative on major variances for items administered by departments in accordance with AASB 1055 Budgetary Reporting are stipulated in TI 3 Explanatory Statement. The monetary (quantitative) threshold is determined by reference to a 10% movement in the comparative and the dollar aggregate calculated in accordance with TI 3 – Requirement 7.3.* *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 3(7.3)	*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

Certification of key performance indicators

Reference	
TI 3(6)	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 2026.

(Signature)
B. King
Accountable Authority
1 March 2027

	***Guidance – Audited key performance indicators***
TG 8(1.5)	*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.* *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.* *As the key performance indicators are audited, the Auditor General's opinion is usually inserted into this section.*
TI 3(6.2)(ii)	*Where the accountable authority is a body, the statement shall be signed by two members of that body.*

	***Guidance – Changes to key performance indicators or OBM structure***
TI 3(5.2), (5.3)	*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 the Department of Treasury and Finance would occur before mid-November.* *Any changes that add, modify or discontinue outcomes, services or key effectiveness/efficiency indicators for a reporting period require prior approval of the Under Treasurer on or before the end of the reporting period.* *Changes that result in an agency reporting neither a key effectiveness indicator/key cost effectiveness indicator for an outcome or a key efficiency indicator for a service for a reporting period require approval of the Treasurer on or before the end of the reporting period.* *Any changes to the key performance indicators must be disclosed and explained in the annual report.*

Detailed information in support of key performance indicators

Reference

TI 3(5.1)(i), (ii), (iii))

Outcome 1: Sustainability of the provision of information technology	2023	2024	2025	2026
Key effectiveness indicator				
• The proportion (%) of government agencies using sustainable information technology plans	82%	83%	85%	86%
Service 1: Information Technology	**2023**	**2024**	**2025**	**2026**
Key efficiency indicator	$24,000	$23,500	$22,700	$21,950
• Cost per sustainable IT plan				

Outcome 2: The improvement to the level of information technology for the public sector	2023	2024	2025	2026
Key effectiveness indicator				
• The proportion (%) of government agencies upgrading their information technology	69%	71%	75%	76%
Service 2: Training and assistance	**2023**	**2024**	**2025**	**2026**
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	2023	2024	2025	2026
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	**2023**	**2024**	**2025**	**2026**
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

TG 3(5)

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 3.



Guidance – Additional key performance indicator information

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

- *the relationship between government goals (if applicable), 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 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 Department of Treasury and Finance's 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.

	***Guidance – Ministerial directions***
TI 8(3.1)	*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.*

Reference

Other financial disclosures

TG 8(1.7)

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 published by the Department of Treasury and Finance.

The current list of fees and charges was published in the Gazette on 31 December 2025 and introduced/payable from 7 January 2026. Details are available on the Agency's website at www.agency.wa.gov.au.

TG 8(1.7)

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 2028. 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 2026 is $13,000,000.

Capital projects completed

No capital projects were completed during 2026.

TG 8(1.7)

Employment and industrial relations

Staff Profile	2026	2025
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.

Work health and safety and injury management

Measures	2026	2025	2024	Targets	Comment on Outcome
Number of fatalities		0	0	0	
Incidence of work-related injury or illness				Reduce by 2% per year and 15% by 2033 compared with 2023	
Incidence rate of serious claims with one or more weeks' lost time				Reduce by 2.5% per year and 20% by 2033 compared with 2023	
Incidence rate of claims resulting in permanent impairment				Reduce by 2% per year and 15% by 2033 compared with 2023	
Incidence rate of work-related respiratory disease				Reduce by 2.5% per year and 20% by 2033 compared with 2023	
Managers and supervisors trained in: 1. work health and safety as relevant to the PCBU's risk profile; and 2. injury management.				Greater than or equal to 80% of cohort trained within last two (2) years Greater than or equal to 80% of cohort trained within last five (5) years	
Percentage of workers returned to work on full duties and hours (i) within 13 weeks (ii) within 26 weeks				No target Greater than or equal to 70% returned to work within 26 weeks	
Agency has a WHS management system that has been independently assessed in last five years				Yes	
Consultative systems: 1. Number of health and safety representatives 1. in total; 2. who have attended HSR training; 3. shown as a percentage of workers;				No target – intended for agency trend information	

4. shown as a ratio to the number of workplaces occupied by the Agency; and
2. Name/s of health and safety committees and sub-committees



Guidance – Work health and safety and injury management

Further information on this reporting requirement is available at:

https://www.wa.gov.au/organisation/department-of-local-government-industry-regulation-and-safety/annual-reporting-of-public-sector-health-safety-and-injury-management-performance

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 2025.

Governance disclosures

[populated by agencies in line with requirements]

Reference

Other legal requirements

	Act of grace payments
FMA sec 80	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
TI 8(3.2)(i)	*An agency shall disclose all act of grace payments made by it during a reporting period in the annual report of the agency.*
TG 5(4)	*The following information should be disclosed in relation to each act of grace (or ex gratia) payment:* • *the payment date;* • *the amount of the payment; and* • *the purpose of the payment.* *It may **not** be appropriate to disclose the recipient(s) of the payment. Legal advice should be sought before such a disclosure is made.*

TI 8(3.2)(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 use 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.

	2026 $
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 8 – Requirement 3.2(ii).

	Guidance – Other legal requirements
	A comprehensive list of Other Legal Requirements is available from the WA Government website: *Annual Reporting Information 2025-26*

Reference

Government policy requirements

TG 8(1.7)

[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. The content covers:* • *Work health and safety and injury management;* • *WA Multicultural Policy Framework reporting;* • *Substantive equality;* • *Workforce inclusiveness; and* • *Agency capability reviews.* *Further information on this reporting requirement is available at:* *Annual Reporting Information 2025-26*

Contact information

Reference			
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	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

	Guidance – Identification of the financial statements
AASB 1060.32 (a)	*AASB 1060 General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities requires the following disclosures:* • *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).*