STATEMENT OF COMPLIANCE

Hon Colin Holt MLC
Minister for Housing


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

Paul Whyte
Acting Director General
15 September 2015
OVERVIEW

Responsible Minister

The Department of Housing (the Department) is responsible to the Hon Colin Holt MLC, Minister for Housing.

About the Department

The Department is established under the Public Sector Management Act 1994. It began as the Department of Housing and Works during the early 2000s. It was designated as the Department of Housing under section 35(1) Public Sector Management Act 1994, effective from 1 February 2009, following the transfer of the ‘Works’ function to the Finance portfolio.

The Department sits within the Housing portfolio. The portfolio also includes:

→ the Housing Authority, established under the Housing Act 1980. The Housing Authority also performs portfolio functions under the Government Employees Housing Act 1964

→ the Keystart Housing Scheme. Keystart is a wholly-owned State enterprise with the Chief Executive Officer of the Housing Authority as its sole shareholder

→ The Country Housing Authority established under the Country Housing Act 1998. The Authority is administered through Keystart.

Under the Housing Act 1980, the Housing Authority performs the primary functions of the portfolio including:

→ Rental of social housing
→ Rental of government officer housing in regional areas
→ Residential land development
→ Housing construction and improvement
→ Residential mortgage lending (via Keystart).

Details are provided in the Housing Authority’s Annual Report, which is available on its website.
Director General

The positions of Director General of the Department and Chief Executive Officer of the Housing Authority are held by the same officer. Both positions report to the Minister for Housing and may provide advice to, and receive instructions or directions from, the Minister.

Mr Grahame Searle held these positions since 2008-09. Mr Searle resigned in June 2015, following a period of leave, to take up another senior appointment in State Government. Mr Paul Whyte was directed by the Public Sector Commissioner to act in both positions in the interim.

Paul Whyte
Acting Director General
(March 2015 – ongoing)

Paul has broad experience in the private and public sectors. Before joining the Housing Authority in September 2009, he was acting Chief Executive Officer at Landgate and held the permanent position of Executive Director, Business Development.

Paul was with Landgate (formerly the Department of Land Information and before that the Department of Land Administration) from 2001. Prior to this, he was a member of the Corporate Executive at the Valuer General’s Office.

Paul has held the position of policy adviser to the Western Australian Treasury Corporation and has worked in the private sector as a managing director of a number of successful established and start-up businesses. Paul holds a Bachelor of Commerce and Master of Business Administration, and is a Certified Practising Accountant. He is a board member of Ocean Springs Pty Ltd (Butler Joint Venture) and a member of the Department of Planning’s Infrastructure Coordinating Committee and the Western Australian Planning Commission.
Grahame Searle  
Former Director General  
(October 2008 - February 2015)

Grahame is a respected public servant with extensive experience in service delivery and public administration. Grahame has a Bachelor of Business and extensive experience in service delivery, leadership and organisational change.

During his time as Chief Executive Officer, Grahame was focused on forging new and innovative ways to meet the increasing demand for housing, including establishing new partnerships with the private sector and community housing organisations across the State.

Grahame has a strong background in information technology and, in particular, integrating computer systems for customer service delivery. He has extensive experience in managing information technology projects in Victoria and Western Australia.

In the decade from 1998 to 2008, he drove the transformation of the former Department of Land Administration from its origins as a traditional public service agency to Landgate, a statutory authority.

Grahame is an honorary fellow of the Spatial Sciences Institute of Australia and a board member of the Western Australian Treasury Corporation. He is a past president of the Institute of Public Administration (WA Division). In June 2012, the Institute of Public Administration Australia (WA Division) recognised Grahame’s accomplishments by honouring him with the Patrons Award for his outstanding contribution over a substantial number of years towards excellence in public sector administration and management.
AGENCY PERFORMANCE

The Department did not receive an appropriation within the State Budget. The Department did not conduct any operational or financial activities for this financial year.


Report on Operations

Nil.

Significant Trends and Issues

There has been no change in the activities of the Department during the financial year, nor are any changes anticipated in the foreseeable future.
DISCLOSURES AND LEGAL COMPLIANCE

Ministerial Directives
Nil

Performance Indicators
Nil

Other Financial Disclosures
Nil

Employment and Industrial Relations
Nil

Governance Disclosures
Nil

Other Legal Requirements
Nil

Government Policy Requirements
Nil
INDEPENDENT AUDITOR’S REPORT

To the Parliament of Western Australia

DEPARTMENT OF HOUSING

Report on the Financial Statements

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

The financial statements comprise the Statement of Financial Position as at 30 June 2015, the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and Notes comprising a summary of significant accounting policies and other explanatory information.

Director General’s Responsibility for the Financial Statements

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

Auditor’s Responsibility

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

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

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

Opinion

In my opinion, the financial statements are based on proper accounts and present fairly, in all material respects, the financial position of the Department of Housing at 30 June 2015 and its financial performance and cash flows for the year then ended. They are in accordance with Australian Accounting Standards and the Treasurer’s Instructions.
Other Matter
After consultation with the Treasurer, I dispensed with the audits of the Department for the financial years ended 30 June 2013 and 30 June 2014 under section 14 of the Auditor General Act 2006. The Department did not operate during these periods and I considered that it was not in the public interest to incur the cost of these audits. I audited the Department this financial year because the Auditor General Act 2006 does not allow an audit to be dispensed with for three consecutive years.

Report on Controls
I have audited the controls exercised by the Department of Housing during the year ended 30 June 2015.

Controls exercised by the Department of Housing are those policies and procedures established by the Director General to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with legislative provisions.

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

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

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

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

Opinion
In my opinion, the controls exercised by the Department of Housing sufficiently adequate to provide reasonable assurance that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with legislative provisions during the year ended 30 June 2015.

Independence
In conducting this audit, I have complied with the independence requirements of the Auditor General Act 2006 and Australian Auditing and Assurance Standards, and other relevant ethical requirements.
Matters Relating to the Electronic Publication of the Audited Financial Statements

This auditor’s report relates to the financial statements of the Department of Housing for the year ended 30 June 2015 included on the Department’s website. The Department’s management is responsible for the integrity of the Department’s website. This audit does not provide assurance on the integrity of the Department’s website. The auditor’s report refers only to the financial statements described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these financial statements. If users of the financial statements are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial statements to confirm the information contained in this website version of the financial statements.

COLIN MURPHY
AUDITOR GENERAL
FOR WESTERN AUSTRALIA
Perth, Western Australia
7 August 2015
Financial Statements

Certification of Financial Statements

Department of Housing Financial Statements for the year ended 30 June 2015.

The accompanying financial statements of the Department of Housing and the accompanying consolidated Financial Statements 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 ending 30 June 2015 and the financial position as at 30 June 2015.

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

Paul Whyte  
Acting Director General  
28 July 2015

Lorne O’Mara  
Chief Finance Officer  
28 July 2015
## DEPARTMENT OF HOUSING
### STATEMENT OF COMPREHENSIVE INCOME
#### FOR THE YEAR ENDED 30 JUNE 2015

<table>
<thead>
<tr>
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<th>2015</th>
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<tr>
<td><strong>COST OF SERVICES</strong></td>
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<td>Supplies and services</td>
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<td>Employee benefits expenses</td>
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<td>Grants and Subsidies</td>
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<td>Depreciation and amortisation expense</td>
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<td><strong>Total cost of services</strong></td>
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<td><strong>Income</strong></td>
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<td>Revenue</td>
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<td>User charges and fees</td>
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<td>Commonwealth grants and contributions</td>
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<td>Other revenue</td>
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<td><strong>Total revenue</strong></td>
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<td><strong>Total income other than income from State Government</strong></td>
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<td><strong>NET COST OF SERVICES</strong></td>
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<td><strong>INCOME FROM STATE GOVERNMENT</strong></td>
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<td>Service appropriation</td>
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<td>Resources received free of charge</td>
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<td><strong>Total income from State Government</strong></td>
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**DEPARTMENT OF HOUSING**

**STATEMENT OF COMPREHENSIVE INCOME**

**FOR THE YEAR ENDED 30 JUNE 2015**

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<tr>
<td>Other expenses</td>
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<td><strong>Total income from State Government</strong></td>
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<td><strong>SURPLUS FOR THE PERIOD</strong></td>
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</table>
## DEPARTMENT OF HOUSING

### STATEMENT OF FINANCIAL POSITION

**AS AT 30 JUNE 2015**

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<tr>
<th>Note</th>
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<th>2014</th>
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<tbody>
<tr>
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</tbody>
</table>

### ASSETS

**Current Assets**
- Cash and cash equivalents: -
- Restricted cash and cash equivalents: -
- Receivables: -
- Inventories: -
- Amounts receivable for services: -

**Total Current Assets**: -

**Non-Current Assets**
- Restricted cash and cash equivalents: -
- Amounts receivable for services: -
- Property, plant and equipment: -
- Intangible assets: -

**Total Non-Current Assets**: -

**Total Assets**: -

### LIABILITIES

**Current Liabilities**
- Payables: -
- Provisions: -
- Other payables: -

**Total Current Liabilities**: -

**Non-Current Liabilities**
- Provisions: -
- Lease incentive: -

**Total Non-Current Liabilities**: -

**Total Liabilities**: -

**NET ASSETS**: -

### EQUITY

**Contributed equity**: -
**Reserves**: -
**Accumulated surplus**: -

**TOTAL EQUITY**: -

**TOTAL LIABILITIES AND EQUITY**: -
## Statement of Changes in Equity

For the Year Ended 30 June 2015

<table>
<thead>
<tr>
<th>Note</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$000</td>
<td>$000</td>
</tr>
<tr>
<td><strong>Balance of equity at start of period</strong></td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>CONTRIBUTED EQUITY</strong></td>
<td></td>
<td></td>
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<tr>
<td>Balance at start of period</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Contribution by Owners</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Capital contribution</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Balance at end of period</strong></td>
<td>-</td>
<td>-</td>
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<tr>
<td><strong>RESERVES</strong></td>
<td></td>
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<tr>
<td>Asset revaluation reserve</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance at start of period</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Gains from asset revaluation</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Balance at end of period</strong></td>
<td>-</td>
<td>-</td>
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<tr>
<td><strong>ACCUMULATED SURPLUS</strong></td>
<td></td>
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<tr>
<td>Balance at start of period</td>
<td>-</td>
<td>-</td>
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<tr>
<td>Surplus for the period</td>
<td>-</td>
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<tr>
<td><strong>Balance at end of period</strong></td>
<td>-</td>
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<tr>
<td><strong>Balance of equity at end of period</strong></td>
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<tr>
<td><strong>Total income and expense for the period</strong></td>
<td>-</td>
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### DEPARTMENT OF HOUSING

**STATEMENT OF CASH FLOWS**

**FOR THE YEAR ENDED 30 JUNE 2015**

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<thead>
<tr>
<th>Note</th>
<th>2015 $000</th>
<th>2014 $000</th>
</tr>
</thead>
</table>

#### CASH FLOWS FROM STATE GOVERNMENT

- Service appropriation - -
- Capital contributions - -
- Holding account drawdowns - -
- Receipts from Treasurer’s Advance - -
- Payments to Treasurer’s Advance - -

**Net cash provided by State Government** - -

#### Utilised as follows:

#### CASH FLOWS FROM OPERATING ACTIVITIES

**Payments**

- Employee benefits - -
- Supplies and services - -
- Accommodation - -
- Grants and subsidies - -
- GST payments on purchases - -
- Other payments - -

**Receipts**

- User charges and fees - -
- GST receipts on sales - -
- Other receipts - -

**Net cash (used in) by operating activities** - -

#### CASH FLOWS FROM INVESTING ACTIVITIES

- Purchase of non-current physical assets - -

**Net cash used in investing activities** - -

**Net increase in cash held** - -

**Cash and cash equivalents at the beginning of period** - -

**TOTAL CASH AND CASH EQUIVALENTS AT THE END OF PERIOD** - -

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Department of Housing Annual Report 2014 – 15
The Department of Housing has been redesignated as Department of Housing under section 35(1) Public Sector Management Act. Cabinet approval occurred on the 15 December 2008 with an effective date of 1 February 2009.

Due to the Government’s Works Reform Program the Department of Housing and Works non-residential building program was transferred to the Department of Treasury and Finance (DTF), effective from 1 February 2009.

There is no activity within the Department of Housing for the financial year ending 30 June 2015.

1. Australian Accounting Standards

   General
   
The Department’s financial statements for the year ended 30 June 2015 have been prepared in accordance with Australian Accounting Standards. The term ‘Australian Accounting Standards’ includes Standards and Interpretations issued by the Australian Accounting Standards Board (AASB).

   The Department has adopted any applicable new and revised Australian Accounting Standards from their Operative Dates.

   Early adoption of the standards

   The Department cannot early adopt an Australian Accounting Standard unless specifically permitted by TI 1101 Application of Australian Accounting Standards and Other Pronouncements. There has been no early adoption of Australian Accounting Standards that have been issued or amended (but not operative) by the Department for the annual reporting period ended 30 June 2015.

2. Summary of significant accounting policies

   (a) General Statement

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

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

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

   (b) Basis of preparation

   The financial statements have been prepared on the accrual basis of accounting using the historical cost convention, modified by the evaluation of land, buildings and infrastructure which have been measured at fair value.
The accounting policies adopted in the preparation of the financial statements have been consistently applied throughout all periods presented unless otherwise stated.

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

(c) Reporting entity

The reporting entity comprises the Department of Housing.

3 Commitments

The Department had no commitments at 30 June 2015.

4 Contingent liabilities and contingent assets

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

5 Events occurring after the end of the reporting period

No events to report occurred after the balance sheet date.