Statement of Compliance

Hon. Peter Tinley AM MLA
Minister for Housing

For the year ended 30 June 2017

In accordance with sections 63 and 68 of the Financial Management Act 2006, I hereby submit for your information and presentation to Parliament, the Final Report of the Department of Housing for the financial year ending 30 June 2017.

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

Lorne O’Mara
Reporting Officer
24 August 2017
Overview

Responsible Minister

The Department of Housing (the Department) is responsible to the Hon. Peter Tinley AM MLA, Minister for Housing.

About the Department

The Department was 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’s 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.

On 28 April 2017 the Premier announced the amalgamation of government agencies to be effective from 1 July 2017. The Housing Authority’s functions are subsumed into the new Department of Communities and the Department of Housing was abolished on 30 June 2017.

This is the final report for the Department.
Director General

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

Paul Whyte
Acting Director General

Paul commenced the role of Acting Chief Executive Officer for the Authority in March 2015 and remained in the role throughout 2016-17. Concurrently, he held the role of Acting Director General of the Department of Housing. Before joining the Authority in September 2009, he was acting Chief Executive Officer at Landgate and held the permanent position of Executive Director, Business Development.

Prior to joining Landgate in 2001, Paul was a member of the Valuer General’s Office Corporate Executive, and Policy Adviser to the Western Australian Treasury Corporation. In the private sector, Paul has been 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 member of the Western Australian Planning Commission, City of Perth Planning Committee, Government Council for Family and Domestic Violence, Aboriginal Affairs Coordinating Committee and the Strategic Regional Advisory Council supporting the Regional Services Reform Unit.
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.
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

Opinion
I have audited the financial statements of the Department of Housing which comprise the Statement of Financial Position as at 30 June 2017, 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.

In my opinion, the financial statements are based on proper accounts and present fairly, in all material respects, the operating results and cash flows of the Department of Housing for the year ended 30 June 2017 and the financial position at the end of that period. They are in accordance with Australian Accounting Standards, the Financial Management Act 2006 and the Treasurer’s Instructions.

Basis for Opinion
I conducted my audit in accordance with the Australian Auditing Standards. My responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Department in accordance with the Auditor General Act 2006 and the relevant ethical requirements of the Accounting Professional and Ethical Standards Board’s APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to my audit of the financial statements. I have also fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibility of the Reporting Officer for the Financial Statements
The Department of Housing ceased to exist as a department under the Financial Management Act 2006 on 30 June 2017. The Treasurer appointed a Reporting Officer under section 68 of the Act who was responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards, the Financial Management Act 2006 and the Treasurer’s Instructions that are free from material misstatement, whether due to fraud or error.

Auditor’s Responsibility for the Audit of the Financial Statements
As required by the Auditor General Act 2006, my responsibility is to express an opinion on the financial statements. The objectives of my audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.
As part of an audit in accordance with Australian Auditing Standards, I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the agency's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Reporting Officer.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Other Matter
After consultation with the Treasurer, I dispensed with the audit of the Department for the financial year ended 30 June 2016 under section 14 of the Auditor General Act 2006. The Department did not operate during that period and I considered that it was not in the public interest to incur the cost of the audit. I audited the Department this financial year because the Department of Housing ceased to exist as a department under the Financial Management Act 2006 after 30 June 2017, as a result of the Machinery of Government changes.

Report on Controls

Opinion
I have undertaken a reasonable assurance engagement on the design and implementation of controls exercised by the Department of Housing. The controls exercised by the Department 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 (the overall control objectives).

My opinion has been formed on the basis of the matters outlined in this report.

In my opinion, in all material respects, the controls exercised by the Department of Housing are sufficiently adequate to provide reasonable assurance that the receipt, expenditure and investment of money, the acquisition and disposal of property and the incurring of liabilities have been in accordance with legislative provisions during the year ended 30 June 2017.

The Director General's Responsibilities
The Director General was responsible for designing, implementing and maintaining controls to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities are in accordance with the Financial Management Act 2006, the Treasurer's Instructions and other relevant written law.


**Auditor General's Responsibilities**

As required by the Auditor General Act 2006, my responsibility as an assurance practitioner is to express an opinion on the suitability of the design of the controls to achieve the overall control objectives and the implementation of the controls as designed. I conducted my engagement in accordance with Standard on Assurance Engagements ASAE 3150 Assurance Engagements on Controls issued by the Australian Auditing and Assurance Standards Board. That standard requires that I comply with relevant ethical requirements and plan and perform my procedures to obtain reasonable assurance about whether, in all material respects, the controls are suitably designed to achieve the overall control objectives and the controls, necessary to achieve the overall control objectives, were implemented as designed.

An assurance engagement to report on the design and implementation of controls involves performing procedures to obtain evidence about the suitability of the design of controls to achieve the overall control objectives and the implementation of those controls. The procedures selected depend on my judgement, including the assessment of the risks that controls are not suitably designed or implemented as designed. My procedures included testing the implementation of those controls that I consider necessary to achieve the overall control objectives.

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

**Limitations of Controls**

Because of the inherent limitations of any internal control structure it is possible that, even if the controls are suitably designed and implemented as designed, once the controls are in operation, the overall control objectives may not be achieved so that fraud, error, or noncompliance with laws and regulations may occur and not be detected. Any projection of the outcome of the evaluation of the suitability of the design of controls to future periods is subject to the risk that the controls may become unsuitable because of changes in conditions.

**My Independence and Quality Control Relating to the Reports on Controls**

I have complied with the independence requirements of the Auditor General Act 2006 and the relevant ethical requirements relating to assurance engagements. In accordance with ASQC 1 Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, and Other Assurance Engagements, the Office of the Auditor General maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory 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 2017 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
2 August 2017

Page 3 of 3
Financial Statements

Financial Statements for the year ended 30 June 2017

Certification of Financial Statements

The accompanying financial statements of the Department of Housing 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 2017 and the financial position as at 30 June 2017.

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

Lorne O’Mara
Reporting Officer
1 August 2017
## DEPARTMENT OF HOUSING

### STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2017

<table>
<thead>
<tr>
<th>Note</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$000</td>
<td>$000</td>
</tr>
</tbody>
</table>

### COST OF SERVICES

#### Expenses
- Supplies and services: -
- Employee benefits expenses: -
- Grants and Subsidies: -
- Depreciation and amortisation expense: -
- Accommodation expenses: -
- Other expenses: -
- **Total cost of services**: -

#### Income

**Revenue**
- User charges and fees: -
- Commonwealth grants and contributions: -
- Other revenue: -

- **Total revenue**: -

**Total income other than income from State Government**: -

**NET COST OF SERVICES**: -

### INCOME FROM STATE GOVERNMENT

- Service appropriation: -
- Resources received free of charge: -

- **Total income from State Government**: -

### SURPLUS FOR THE PERIOD

- -
# DEPARTMENT OF HOUSING

## STATEMENT OF FINANCIAL POSITION

**AS AT 30 JUNE 2017**

<table>
<thead>
<tr>
<th>Note</th>
<th>2017 $000</th>
<th>2016 $000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Current Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Restricted cash and cash equivalents</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Receivables</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Inventories</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Amounts receivable for services</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Current Assets</strong></td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Non-Current Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Restricted cash and cash equivalents</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Amounts receivable for services</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Intangible assets</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Non-Current Assets</strong></td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>LIABILITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Current Liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payables</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Provisions</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other payables</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Current Liabilities</strong></td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Non-Current Liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Provisions</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Lease incentive</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Non-Current Liabilities</strong></td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>NET ASSETS</strong></td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>EQUITY</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contributed equity</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Reserves</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Accumulated surplus</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>TOTAL EQUITY</strong></td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>TOTAL LIABILITIES AND EQUITY</strong></td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>
### DEPARTMENT OF HOUSING

**STATEMENT OF CHANGES IN EQUITY**

**FOR THE YEAR ENDED 30 JUNE 2017**

<table>
<thead>
<tr>
<th>Note</th>
<th>2017 $000</th>
<th>2016 $000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance of equity at start of period</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>CONTRIBUTED EQUITY</strong></td>
<td></td>
<td></td>
</tr>
<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>Balance at end of period</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>RESERVES</strong></td>
<td></td>
<td></td>
</tr>
<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>Balance at end of period</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>ACCUMULATED SURPLUS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance at start of period</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Surplus for the period</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Balance at end of period</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Balance of equity at end of period</strong></td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total income and expense for the period</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>
## Statement of Cash Flows

### For the Year Ended 30 June 2017

<table>
<thead>
<tr>
<th>Note</th>
<th>2017 $000</th>
<th>2016 $000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash Flows from State Government</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Service appropriation</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Capital contributions</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Holding account drawdowns</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Receipts from Treasurer's Advance</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Payments to Treasurer's Advance</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Net cash provided by State Government</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

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: -
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 2017.

1. Australian equivalents to International Financial Reporting Standards

The Department's financial statements for the year ended 30 June 2017 have been prepared in accordance with Australian equivalent to International Financial Reporting Standards (AIFRS), which comprise a Framework for the Preparation and Presentation of Financial Statements (the Framework) and Australian Accounting Standards (including the Australian Accounting Interpretations), as modified by applicable Treasurer's instructions. See note 2(a) 'General Statement'.

In preparing these financial statements the Department has adopted, where relevant to its operations, new and revised Standards and Interpretations from their operative dates as issued by the AASB and formerly the Urgent Issues Group (UIG)

Early adoption of the standards

The Department cannot early adopt an Australian Accounting Standard or Australian Accounting Interpretations unless specifically permitted by TI 1101 'Application of Australian Accounting Standards and Other Pronouncements'. No Standards and Interpretations that have been issued or amended but are not yet effective have been early adopted by the Department for the annual reporting period ended 30 June 2017.

2. Summary of significant accounting policies

   (a) General Statement

The financial statements constitute a general purpose financial report, which has been prepared in accordance with the 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 are legislative provisions governing the preparation of financial statements and take precedence over the Accounting Standards, the Framework, Statements of Accounting Concepts and other authoritative pronouncements of the Australian Accounting Standards Board.

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

   (b) Basis of preparation

The financial statements have been prepared on the accrual basis of accounting using
the historical cost convention, modified by the revaluation 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)

The judgements that have been made in the process of applying the Department’s
accounting policies that have the most significant effect on the amounts recognised in
the financial statements are disclosed in note 4 ‘Judgements made by management in
applying accounting policies’.

(c) Reporting entity

The reporting entity comprises the Department of Housing.

The Department administers assets, liabilities, income and expenses of behalf of
Government, which are not controlled by, nor integral to the function of the Department.
These administered balances and transactions are not recognised in the principal
financial statements of the Department but schedules are prepared using the same
basis as the financial statements.

(d) Contributed Equity

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

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

Transfer of net assets to/from other agencies as a result of a restructure of
administrative arrangements, are to be accounted for as a distribution to owners and
contributions by owners respectively.

3 Subsequent Events

The Department was abolished on 30 June 2017.