

# **Annual Report 2004-2005**

*This Report is available on the Governor's Establishment Website: [www.govhouse.wa.gov.au](http://www.govhouse.wa.gov.au)*

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## GOVERNOR'S ESTABLISHMENT

Certification of Financial Statements  
For the year ended 30 June 2005

The accompanying financial statements of the Governor's Establishment have been prepared in compliance with the provisions of the *Financial Administration and Audit Act 1985* from proper accounts and records to present fairly the financial transactions for the year ended 30 June 2005 and the financial position as at 30 June 2005

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



ACCOUNTABLE OFFICER

12 August 2005



PRINCIPAL ACCOUNTING OFFICER

12 August 2005

## **ESTABLISHMENT OVERVIEW**

The office of Governor of Western Australia is enshrined in the Constitution Act 1889 (WA) and the Constitution Acts Amendment Act 1899 (WA) which establish the legal and operational framework of the system of Parliamentary democracy.

Section 2(2) of the Constitution Act 1889 (WA) states “The Parliament of Western Australia consists of The Queen and the Legislative Council and the Legislative Assembly.” In accordance with Section 50(1), “The Queen’s representative in Western Australia is the Governor who shall hold office during Her Majesty’s pleasure.”

The Governor’s Establishment Act 1992 was enacted to make the Governor the employer of the staff of the Governor’s Establishment and for related matters. The authority for employment of the staff has been delegated by the Governor, under Section 9, to the Official Secretary who has the responsibility for employing and determining remuneration for all staff.

The Establishment is structured into three main areas which report ultimately to the Official Secretary in the capacity of the Chief Executive Officer. An organisational chart is at Appendix 1.

## **Outlook for 2005-06**

The Governor’s Establishment will continue to provide effective, direct and personal support to the Governor in relation to his constitutional, ceremonial and representational roles.

The House will provide a high level of official hospitality for visits by overseas dignitaries, Diplomatic and Consular representatives.

The Governor, Lieutenant General John Sanderson AC, will retire from the office of Governor with effect from 31 October 2005. The Governor designate, Dr Ken Michael AM, will be sworn in as Governor in January 2006. The Governor’s Establishment will continue to provide support to the State Administrator during the interregnum period.

## REPORT ON OPERATIONS

This annual report is focussed on the performance of the Governor's Establishment and is not an extensive account of the Governor's activities, which are reported daily in the Vice Regal notices in the newspaper and at [www.govhouse.wa.gov.au](http://www.govhouse.wa.gov.au). It is, however, relevant to note some key events that had a significant bearing on the level of support provided by the staff of the Governor's Establishment throughout the year.

### Support to the Governor – Service 1

- Appointments of the Hon. David K Malcolm AC, Lieutenant Governor and Chief Justice of Western Australia, as Administrator or as deputy of the Governor; the Hon. Justice Neville Owen, the Hon. Justice Geoffrey Miller, the Hon. Justice Anthony Templeman and the Hon. Justice John Roderick McKechnie, as deputy of the Governor during the Governor's periods of absence from Perth: -

<u>Period of Acting as Administrator (inclusive dates)</u>	<u>Person Acting</u>
10 December 2004 – 11 December 2004	Malcolm
<u>Period of Acting as deputy of the Governor (inclusive dates)</u>	<u>Person Acting</u>
19 July 2004 – 23 July 2004	Owen
24 August 2004 – 30 August 2004	Malcolm
16 October 2004 – 20 October 2004	Malcolm
31 October 2004 – 7 November 2004	Malcolm
15 November 2004 – 16 November 2004	Malcolm
6 January 2005 – 20 January 2005	Malcolm
24 March 2005 – 3 April 2005	Malcolm
4 May 2005 – 7 May 2005	Miller
14 May 2005 – 21 May 2005	Templeman
28 May 2005 – 31 May 2005	Templeman
13 June 2005 – 18 June 2005	McKechnie

- Granting Royal Assent – 76 Bills were processed for Royal Assent by the Governor and 36 Messages were submitted to the Parliament.
- Presiding over Executive Council – 26 scheduled and 20 special meetings of the Executive Council were conducted in Government House.
- Receiving 29 members of the Diplomatic, Consular Corps and other dignitaries during their official visits or postings to Western Australia.

- **OPENING OF PARLIAMENT**

The Governor opened the First Session of the Thirty-Seventh Parliament on 29 March 2005.

- **RECONSTITUTIONS OF THE MINISTRY**

The Governor presided over three Reconstitutions of the Ministry.

- ❖ 16 September 2004
- ❖ 21 September 2004
- ❖ 10 March 2005

- **ADDRESS IN REPLY**

- ❖ The Governor received the Speaker and Members of the Legislative Assembly for the Address in Reply on 21 June 2005.
- ❖ The Governor received the President and Members of the Legislative Council for the Address in Reply on 23 June 2005.

- **SWEARING IN CEREMONIES**

- ❖ 1 judge of the Supreme Court;
  - ❖ 1 judge of the Family Court;
  - ❖ 4 judges of the District Court;
  - ❖ 7 judges for the Court of Appeal;
  - ❖ 1 stipendiary magistrates & magistrates of the Children's Court;
  - ❖ 6 commissioners of the District Court;
  - ❖ 8 commissioners of the Supreme Court;
  - ❖ 1 magistrate of the Magistrates Court & magistrate of the Children's Court;
  - ❖ 7 magistrates of the Magistrates Court and,
  - ❖ 3 State Administrative Tribunal Appointees.
- The Governor delivered or provided 145 speeches and 24 official messages.
  - The Governor, accompanied by Mrs Sanderson undertook the following official regional tours of Western Australia:-
    - ❖ 15 – 20 October 2004 Mid-West.
    - ❖ 4 – 6 May 2005(Inclusive) Kimberley & Broome Expo.
    - ❖ 13 – 14 June 2005 Wheatbelt/Great Southern (reduced duration due to illness)
  - Supporting and assisting patronage organisations – the Governor and Mrs Sanderson, as patrons, maintained support for and involvement with 174 organisations including attendance at 262 functions or events.

## **Manage the Governor's Establishment – Service 2**

- Hospitality for 3,368 guests who attended dinners, luncheons, breakfasts and receptions at Government House, including presentations of awards for the Trust for Young Australians (formerly the Queen's Trust) and the Winston Churchill Awards.
- An estimated 23,000 people were welcomed to Government House on school tours, community group tours, education program visits, garden functions including Oz Concert, the official opening of the Perth International Arts Festival, and regular garden openings.
- Government House Ballroom was hired to 81 community, charity groups and other approved organisations for functions.
- Investiture Ceremonies were conducted to present awards to 135 recipients in The Queen's Birthday 2004 and Australia Day 2005 Honours and Awards including Bravery.
- 508 messages of congratulations were processed for anniversaries of members of the public for significant Birthdays and Wedding Anniversaries. Notification was forwarded as appropriate to The Queen, Governor-General, Prime Minister, Premier and the Leader of the Opposition.
- Human Resources Management

Nil appointments made during the reporting period.

All employment Agreements are current and due for renewal 1 January 2006



## COMPLIANCE WITH STATUTORY REQUIREMENTS

- Advertising - \$12,973 (includes advertising for WA On Show - \$4425) was expended for newspaper advertising for Open Days. This figure includes payment for the exhibition stand at WA On Show.
- EEO programs and initiatives are implemented within the scope of the Governor's Establishment Act 1992.
- Disability Services – in view of the level of public access to the Government House Ballroom and Gardens on a regular basis, there is full commitment, with constant review, for ensuring access to services for people with disabilities. Improvements were made to Ballroom access for people with disabilities.
- Recycling practices have been implemented to ensure all recyclable materials are collected and processed accordingly.
- Risk Management (nil incidents)  
There is an ongoing commitment to risk identification and training in the workplace for the health and safety of staff and the public. Training undertaken by staff included first aid courses conducted by St John Ambulance.
- Record keeping Plan
  - ❖ The following information is supplied in compliance with section 19 of the *State Records Act 2000*, which requires that each agency have a Record Keeping Plan.
  - ❖ The Governor's Establishment has been evaluating its record keeping systems, processes and training responsibilities on an ongoing basis with particular emphasis in the past 12 months on record keeping needs.
  - ❖ A customised information tracking system provides increased efficiency and effectiveness of the Governor's Establishment's record keeping.
  - ❖ Record keeping training, including individual roles and responsibilities, will be provided to staff on an ongoing basis but a formal training program has not yet been developed.
  - ❖ A Retention and Disposal process and a staff training program in record keeping which is agency specific will be developed and implemented in the 2005/2006 year.

## **ACKNOWLEDGMENTS**

The staff of the Governor's Establishment are the most valuable and important resource in providing effective support to the Governor and effective management of the State's number one heritage asset.

I take this opportunity to thank Mrs Carol Buckley, Deputy Official Secretary; Mr Ian Blacklaw, House Manager; Mr Andrew Newland RVM, Executive Chef; Mr Mark Evans, Garden Manager; and all staff, including the Honorary Aides de Camp, for their outstanding contribution and support in maintaining the standards of excellence at the Governor's Establishment.

In the effective operation of this office, it is essential to maintain a co-operative and reliable liaison with the Executive, Public Service, Judiciary and the Parliament and this office is most grateful to those senior public officials for the ongoing assistance and co-operation extended throughout the reporting year.

Particular thanks to the Chief Justice of Western Australia and the Senior Puisne Judge and other Supreme Court Justices who acted as deputy of the Governor. Thanks also to the Solicitor General, Officers of the Parliament and staff, in particular the Parliamentary Services Finance Unit and the Human Resources Department, Auditor General and the Director General, Department of the Premier and Cabinet.

## **GOVERNOR'S ESTABLISHMENT**

### **CERTIFICATION OF PERFORMANCE INDICATORS**

*The Outcome of the Governor's Establishment is to support the Office of Governor and manage the Governor's Establishment.*

*The Establishment has provided effective administrative support to enable the Office of Governor to undertake the Constitutional, Ceremonial and Community responsibilities and duties of the Vice Regal role. These have included:-*

*Timely and effective meetings and briefings;  
Balanced program of functions;  
Effective planning of tours and visit itineraries;  
Maintenance of high standards of functions/events for visiting dignitaries and callers.*

#### **Effectiveness Indicator – Service 1**

*I certify the Governor's Establishment has effectively supported the Office of Governor and has effectively managed Government House.*



**GOVERNOR**

*12 August 2005*

## GOVERNOR'S ESTABLISHMENT

### **CERTIFICATION OF PERFORMANCE INDICATORS**

#### **Efficiency Indicator – Service 1**

The total cost per year to support the Governor.

	00/01	01/02	02/03	03/04	04/05
Total cost of Output 1 (\$'000)	471	534	557	626	814

#### **Efficiency Indicator – Service 2**

The total cost per year to manage the Governor's Establishment.

	00/01	01/02	02/03	03/04	04/05
Total cost of Output 2 (\$'000)	1,951	2,500	2,717	2,700	2,400

Variations in the costs between years are largely attributable to variations in the extent of capital works completed during the year. Slight fluctuations also occur with variation in demand for services by the Governor. The increase in costs for 2001-2005 (inclusive) is due to the Capital User Charge and depreciation charged against the refurbishment of the ballroom.



**Kevin Skipworth**  
**OFFICIAL SECRETARY & ACCOUNTABLE OFFICER**

12 August 2005

## GOVERNOR'S ESTABLISHMENT

### **PERFORMANCE INDICATORS FOR THE YEAR ENDED 30 JUNE 2005**

#### Certification

*I hereby certify the Performance Indicators are based on proper records and are relevant and appropriate for assisting users to assess the performance of the Governor's Establishment and fairly represent the indicated performance for the twelve months ending 30 June 2005.*



**Kevin Skipworth**  
**OFFICIAL SECRETARY & ACCOUNTABLE OFFICER**

**12 August 2005**

1 November 2005

The Hon. Dr Geoff Gallop, MLA  
Premier of Western Australia  
Office of the Premier  
197 St George's Terrace  
PERTH WA 6000

Dear Premier

In accordance with Section 62 of the Financial Administration and Audit Act 1985, I hereby submit for your information and presentation to Parliament the Report of the Governor's Establishment for the reporting period 1 July 2004 to 30 June 2005.

The Report has been prepared in accordance with the provisions of the Financial Administration and Audit Act 1985.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Kevin Skipworth', written in a cursive style.

Kevin Skipworth  
**OFFICIAL SECRETARY & ACCOUNTABLE OFFICER**

**GOVERNOR'S ESTABLISHMENT**  
**Statement of Financial Performance**  
**for the year ended 30 June 2005**

		<b>2004/05</b>	<b>2003/04</b>
	<b>Note</b>	<b>(\$000)</b>	<b>(\$000)</b>
<b>COST OF SERVICES</b>			
<b>Expenses from ordinary activities</b>			
Employee expenses	<b>4</b>	1 432	1 316
Supplies and services	<b>5</b>	949	847
Depreciation and amortisation expense	<b>6</b>	530	258
Accommodation expenses	<b>7</b>	83	56
Capital user charge	<b>8</b>	220	848
Carrying amount of non current assets		-	-
<b>Total cost of services</b>		<b>3 214</b>	<b>3 325</b>
<b>Revenue from ordinary activities</b>			
Revenue from operating activities			
User charges and fees	<b>9</b>	45	5
<b>Revenue from non operating activities</b>			
Proceeds from disposal of non-current assets	<b>10</b>	-	2
<b>Total revenues from ordinary activities</b>		<b>45</b>	<b>7</b>
<b>NET COST OF SERVICES</b>		<b>3 169</b>	<b>3 318</b>
<b>REVENUES FROM STATE GOVERNMENT</b>			
	<b>11</b>		
Service appropriation		2 713	3 202
Liabilities assumed by the Treasurer		5	4
Resources received free of charge		25	58
<b>Total revenues from State Government</b>		<b>2 743</b>	<b>3 264</b>
<b>CHANGE IN NET ASSETS</b>		<b>(426)</b>	<b>(54)</b>
Net increase/(decrease) in asset revaluation reserve		649	3 522
<b>Total revenues, expenses and valuation adjustments recognised directly in equity</b>		<b>649</b>	<b>3 522</b>
<b>TOTAL CHANGES IN EQUITY OTHER THAN THOSE RESULTING FROM TRANSACTIONS WITH THE STATE OF WA AS OWNERS</b>		<b>223</b>	<b>3 468</b>

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

## GOVERNOR'S ESTABLISHMENT

### Statement of Financial Position as at 30 June 2005

		2004/05 (\$000)	2003/04 (\$000)
<b>Current Assets</b>			
Cash assets	12	303	863
Restricted cash assets	13	-	47
Receivables	14	-	47
Other current assets	15	4	-
<b>Total Current Assets</b>		<b>307</b>	<b>957</b>
<b>Non-Current Assets</b>			
Amounts receivable for services	16	531	336
Property, plant and equipment	17	14 188	13 598
<b>Total Non-Current Assets</b>		<b>14 719</b>	<b>13 934</b>
<b>TOTAL ASSETS</b>		<b>15 026</b>	<b>14 891</b>
<b>Current Liabilities</b>			
Payables	18	72	143
Provisions	19	203	193
Other liabilities	20	-	45
<b>Total Current Liabilities</b>		<b>275</b>	<b>381</b>
<b>Non-Current Liabilities</b>			
Provisions	19	111	93
<b>Total Non-Current Liabilities</b>		<b>111</b>	<b>93</b>
<b>TOTAL LIABILITIES</b>		<b>386</b>	<b>474</b>
<b>Equity</b>	21		
Contributed equity		2 635	2 635
Reserves		12 100	11 451
Accumulated surplus/ (deficiency)		(95)	331
<b>Total Equity</b>		<b>14 640</b>	<b>14 417</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>15 026</b>	<b>14 891</b>

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



**GOVERNOR'S ESTABLISHMENT**  
**Statement of Cash Flows**  
**For the year ended 30 June 2005**

	<b>Note</b>	<b>2004/05 (\$000) (OUTFLOWS) INFLOWS</b>	<b>2003/04 (\$000) (OUTFLOWS) INFLOWS</b>
<b>CASH FLOWS FROM STATE OF WA</b>			
Service appropriation		1 181	1 683
Special Acts		1 337	1 324
Capital contribution		-	1 040
Holding account drawdowns		-	195
<b>Net cash provided by State of WA</b>		<b>2 518</b>	<b>4 242</b>
<b>Utilised as follows:</b>			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Payments</b>			
Employee costs		(1 333)	(1 354)
Superannuation		(111)	(103)
Supplies and services		(1 082)	(638)
Capital user charge		(220)	(848)
GST payments on purchases		(145)	(301)
<b>Receipts</b>			
User charges and fees		45	4
GST receipts from taxation authority		192	263
<b>Net Cash Used in Operating Activities</b>	<b>22 (b)</b>	<b>(2 654)</b>	<b>(2 977)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from sale of non-current physical assets		-	-
Purchase of non-current physical assets		(471)	(2 404)
<b>Net cash used in investing activities</b>		<b>(471)</b>	<b>(2 404)</b>
<b>Net increase/(decrease) in cash held</b>		<b>(607)</b>	<b>(1 139)</b>
<b>Cash assets at the beginning of the financial year</b>		<b>910</b>	<b>2 049</b>
<b>CASH ASSETS AT THE END OF THE FINANCIAL YEAR</b>	<b>22 (a)</b>	<b>303</b>	<b>910</b>

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

**GOVERNOR'S ESTABLISHMENT**

**Output Schedule of Expenses and Revenues by Service**

**For the year ended 30 June 2005**

Program	Support to Governor		Management of Governor's Establishment		Total	
	2004/05 \$000's	2003/04 \$000's	2004/05 \$000's	2003/04 \$000's	2004/05 \$000's	2003/04 \$000's
<b>COST OF SERVICES</b>						
<b>Expenses from ordinary activities</b>						
Employee expenses	813	626	619	690	1 432	1 316
Supplies and services	1	-	948	847	949	847
Depreciation	-	-	530	258	530	258
Accommodation expenses	-	-	83	56	83	56
Capital user charge	-	-	220	848	220	848
Carrying amount of non current assets	-	-	-	-	-	-
<b>Total cost of services</b>	<b>814</b>	<b>626</b>	<b>2 400</b>	<b>2 699</b>	<b>3 214</b>	<b>3 325</b>
<b>Revenues from ordinary activities</b>						
User charges and fees	-	-	45	7	45	7
Proceeds from disposal of non current assets	-	-	-	-	-	-
<b>Total revenues from ordinary activities</b>	<b>-</b>	<b>-</b>	<b>45</b>	<b>7</b>	<b>45</b>	<b>7</b>
<b>NET COST OF SERVICES</b>	<b>814</b>	<b>626</b>	<b>2 355</b>	<b>2 692</b>	<b>3 169</b>	<b>3 318</b>
<b>REVENUES FROM STATE GOVERNMENT</b>						
Service appropriation	737	790	1 976	2 412	2 713	3 202
Liabilities assumed by the Treasurer	-	-	5	4	5	4
Resources received free of charge	-	-	25	58	25	58
<b>Total Revenues by State Government</b>	<b>737</b>	<b>790</b>	<b>2 006</b>	<b>2 474</b>	<b>2 743</b>	<b>3 264</b>
<b>Change in net assets</b>	<b>(77)</b>	<b>164</b>	<b>(349)</b>	<b>(218)</b>	<b>(426)</b>	<b>(54)</b>

The Schedule of Expenses and Revenues by Service should be read in conjunction with the accompanying notes.

## GOVERNOR'S ESTABLISHMENT

### Summary of Consolidated Fund Appropriations and Revenue Estimates for the year ended 30 June 2005

	2004/05 Estimate \$000's	2004/05 Actual \$000's	Variance \$000's	2004/05 Actual \$000's	2003/04 Actual \$000's	Variance \$000's
<b>DELIVERY OF OUTPUTS</b>						
Item 7 Net amount appropriated to deliver outputs	1 946	1 376	570	1 376	1 878	(502)
Amounts Authorised by Other Statutes						
Governor's Establishment Act 1992	1 163	1 163	-	1 163	1 163	-
Salaries and Allowances Act 1975	167	174	(7)	174	161	13
<b>Total appropriations provided to deliver outputs</b>	<b>3 276</b>	<b>2 713</b>	<b>563</b>	<b>2 713</b>	<b>3 202</b>	<b>(489)</b>
<b>CAPITAL</b>						
Item 113 Capital contribution	-	-	-	-	1 040	(1 040)
<b>GRAND TOTAL OF APPROPRIATIONS</b>	<b>3 276</b>	<b>2 713</b>	<b>563</b>	<b>2 713</b>	<b>4 242</b>	<b>(1 529)</b>
<b>Details of Expenditure by Service</b>						
- Effective support to the Governor	800	814	(14)	835	626	209
- Effective management of the Governor's Establishment	2 482	2 400	82	2 413	2 699	(286)
Total Cost of Services	3 282	3 214	68	3 248	3 325	(77)
Less total revenues from ordinary activities	(30)	(45)	15	(45)	(7)	(38)
Net cost of services	3 252	3 169	83	3 203	3 318	(115)
Adjustments (i)	24	(456)	480	(490)	(116)	(374)
<b>Total appropriations provided to deliver services</b>	<b>3 276</b>	<b>2 713</b>	<b>563</b>	<b>2 713</b>	<b>3 202</b>	<b>(489)</b>
<b>Capital Expenditure</b>						
Purchase of non-current physical assets	-	-	-	-	2 419	(2 419)
Adjustment for other funding sources	-	-	-	-	1 379	(1 379)
<b>Capital Contribution (appropriation)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1 040</b>	<b>(1 040)</b>
<b>GRAND TOTAL OF APPROPRIATIONS</b>	<b>3 276</b>	<b>2 713</b>	<b>563</b>	<b>2 713</b>	<b>4 242</b>	<b>(1 529)</b>

(i) Adjustments are related to movements in cash balances and other accrual items such as receivables, payables and superannuation

The Summary of Consolidated Fund Appropriations, Variance to Actual and Budget should be read in conjunction with the accompanying notes.

Explanations of variations between the current year estimates and actual results and actual results compared with immediately preceding year are set out in Note 27.

**GOVERNOR'S ESTABLISHMENT**  
**Notes to the Financial Statements**  
**For the year ended 30 June 2005**

**1. Departmental mission and funding**

The Governor's Establishment's mission is to provide support to the Governor and management of the Governor's Establishment (the Establishment).

The Establishment is predominantly funded by Parliamentary appropriations. It also receives funds from the hiring out of the Government House ballroom on a fee-for-service basis. The fees charged are determined and approved by Government. The financial statements encompass all funds through which the Establishment controls resources to carry on its functions.

In the process of reporting on the Establishment as a single entity, all intra-entity transactions and balances have been eliminated.

**2. Significant accounting policies**

The following accounting policies have been adopted in the preparation of the financial statements. Unless otherwise stated these policies are consistent with those adopted in the previous year.

General Statement

The financial statements constitute a general purpose financial report which has been prepared in accordance with Accounting Standards, Statements of Accounting Concepts and other authoritative pronouncements of the Australian Accounting Standards Board, and Urgent Issues Group (UIG) Consensus Views 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 Administration and Audit Act and the Treasurer's Instructions are legislative provisions governing the preparation of financial statements and take precedence over Accounting Standards, Statements of Accounting Concepts and other authoritative pronouncements of the Australian Accounting Standards Board, and UIG Consensus Views. The modifications are intended to fulfil the requirements of general application to the public sector, together with the need for greater disclosure and also to satisfy accountability requirements.

If any such modification has a material or significant financial effect upon the reported results, details of that modification and where practicable, the resulting financial effect, are disclosed in individual notes to these financial statements.

Basis of Accounting

The financial statements have been prepared in accordance with Accounting Standard AAS 29.

The statements have been prepared on the accrual basis of accounting using the historical cost convention, except for certain assets and liabilities which, as noted, are measured at fair value.

(a) Output Appropriations

Output Appropriations are recognised as revenues in the period in which the Establishment gains control of the appropriated funds. The Establishment gains control of appropriated funds at the time those funds are deposited into the Establishment's bank account or credited to the holding account held at the Department of Treasury and Finance.

(b) Contributed Equity

Under UIG 38 "Contributions by Owners Made to Wholly-Owned Public Sector Entities" transfers in the nature of equity contributions must be designated by the State of WA (owners) as contributions by owners (at the time of, or prior to transfer) before such transfers can be recognised as equity contributions in the financial statements. Capital contributions (appropriations) have been designated as contributions by owners and have been credited directly to Contributed Equity in the Statement of Financial Position.

(c) Net Appropriation Determination

Pursuant to section 23A of the Financial Administration and Audit Act, the net appropriation determination by the Treasurer provides for retention of the following moneys received by the Establishment:

- ◆ proceeds from fees and charges;
- ◆ one-off revenues with a value of less than \$10,000 each derived from the sale of property other than real property; and
- ◆ other departmental revenue.

In accordance with the determination, the Establishment retained \$44,515 in 2004/05 (\$4,869 in 2003/04).

Retained revenues may only be applied to the outputs specified in the 2004-2005 Budget Statements.

(d) Grants and Other Contributions

Grants, donations, gifts and other non-reciprocal contributions are recognised as revenue when the Establishment obtains control over the assets comprising the contributions. Control is normally obtained upon their receipt.

Contributions are recognised at their fair value. Contributions of services are only recognised when a fair value can be reliably determined and the services would be purchased if not donated.

(e) Revenue Recognition

Revenue from the sale of goods and disposal of other assets and the rendering of services, is recognised when the Establishment has passed control of the goods or other assets or delivery of the service to the customer.

**GOVERNOR'S ESTABLISHMENT**  
**Notes to the Financial Statements**  
**For the year ended 30 June 2005**

(f) Acquisitions of assets

The cost method of accounting is used for all acquisitions of assets. Cost is measured as the fair value of the assets given up or liabilities undertaken at the date of acquisition plus incidental costs directly attributable to the acquisition.

Assets acquired at no cost or for nominal consideration, are initially recognised at their fair value at the date of acquisition.

During the 2004/05 financial year the criterion for capitalisation of assets was amended from a cost of \$1,000 or greater to a cost of \$5,000 or greater. This amendment resulted in items valued at \$36,767.47 being removed from the total included in the Statement of Financial Position under Property, Plant and Equipment..

(g) Depreciation of non-current assets

All non-current assets 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.

Land is not depreciated. Depreciation on other assets is calculated using the straight line method, using rates which are reviewed annually. Estimated useful lives for each class of depreciable asset are:

Buildings	100 years
Refurbishment	10 years
Furniture and Fittings	5 years
Office Equipment	3 years
Computer Equipment	3 years
Garden Equipment	5 to 10 years
Motor Vehicles	Nil

Works of art and antiques controlled by the Establishment are classified as property, plant and equipment. They are anticipated to have very long and indefinite useful lives. Their service potential has not, in any material sense, been consumed during the reporting period. As such, no amount for depreciation has been recognised in respect of them.

Works of art controlled by the Establishment are classified as heritage assets. They are anticipated to have very long and indeterminate useful lives. Their service potential has not, in any material sense, been consumed during the reporting period. As such, no amount for depreciation has been recognised in respect of them.

(h) Revaluation of Land and Buildings

The Establishment has a policy of valuing land and buildings at fair value. The annual revaluations of the Establishment's land and buildings undertaken by the Valuer General's Office are recognised in the financial statements.

**GOVERNOR'S ESTABLISHMENT**  
**Notes to the Financial Statements**  
**For the year ended 30 June 2005**

(i) Leases

The Establishment has entered into operating lease arrangements for motor vehicles where the lessor effectively retains all of the risks and benefits incident to ownership of the items held under the operating leases. Equal instalments of the lease payments are charged to the Statement of Financial Performance over the lease term as this is representative of the pattern of benefits to be derived from the leased property.

The Establishment has not entered into any finance leases.

(j) Cash

For the purpose of the Statement of Cash Flows, cash includes cash assets and restricted cash assets.

(k) Accrued Salaries

The accrued salaries suspense account (refer note 13) consists of amounts paid annually into a suspense account over a period of 10 financial years to largely meet the additional cash outflow in each eleventh year when 27 pay days occur in that year instead of the normal 26. No interest is received on this account.

Accrued salaries (refer note 20) represent the amount due to staff but unpaid at the end of the financial year, as the end of the last pay period for that financial year does not coincide with the end of the financial year. Accrued salaries are settled within a few days of the financial year end. The Establishment considers the carrying amount of accrued salaries to be equivalent to the net fair value.

(l) Receivables

Receivables are recognised at the amounts receivable as they are due for settlement no more than 30 days from the date of recognition.

Collectability of receivables is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off. A provision for doubtful debts is raised where some doubt as to collection exists and in any event where the debt is more than 60 days overdue.

(m) Intangible assets and expenditure carried forward

*(i) Software*

Significant costs associated with the acquisition or development of computer software are capitalised and amortised on a straight line basis over the periods of the expected benefit, which is assessed as three years.

*(ii) Web site costs*

Costs in relation to web sites controlled by the Establishment are charged as expenses in the period in which they are incurred unless they relate to the acquisition of an asset, in which case they are capitalised and amortised over the period of expected

## GOVERNOR'S ESTABLISHMENT

### Notes to the Financial Statements

For the year ended 30 June 2005

benefit. Generally, costs in relation to feasibility studies during the planning phase of a web site, and ongoing costs of maintenance during the operating phase are considered to be expenses. Costs incurred in building or enhancing a web site, to the extent that they represent probable future economic benefits controlled by the Establishment that can be reliably measured, are capitalised as an asset and amortised over the period of the expected benefits which is considered to be three years.

(n) Payables

Payables, including accruals not yet billed, are recognised when the Establishment becomes obliged to make future payments as a result of a purchase of assets or services. Payables are generally settled within 30 days.

(o) Employee benefits

*Annual leave*

This benefit is recognised at the reporting date in respect to employees' services up to that date and is measured at the nominal amounts expected to be paid when the liabilities are settled.

*Long service leave*

Leave benefits are calculated at current remuneration rates. A liability for long service leave is recognised after an employee has completed four years of service. An actuarial assessment of long service leave undertaken by PricewaterhouseCoopers Actuaries in 2002, determined that the liability measured using the short hand method was not materially different from the liability measured using the present value of expected future payments.

This method of measurement of the liability is consistent with the requirements of Accounting Standard AASB 1028 "Employee Benefits".

*Superannuation*

Staff may contribute to the Pension Scheme, a defined benefits pension scheme now closed to new members, or to the Gold State Superannuation Scheme, a defined benefit lump sum scheme now also closed to new members. All staff who do not contribute to either of these schemes become non-contributory members of the West State Superannuation Scheme, an accumulation fund complying with the Commonwealth Government's Superannuation Guarantee (Administration) Act 1992. All of these schemes are administered by the Government Employees Superannuation Board (GESB).

The superannuation expense comprises the following elements:

- (i) change in the unfunded employer's liability in respect of current employees who are members of the Pension Scheme and current employees who accrued a benefit on transfer from that Scheme to the Gold State Superannuation Scheme; and



**GOVERNOR'S ESTABLISHMENT**  
**Notes to the Financial Statements**  
**For the year ended 30 June 2005**

- (ii) employer contributions paid to the Gold State Superannuation Scheme and the West State Superannuation Scheme.

The superannuation expense does not include payment of pensions to retirees, as this does not constitute part of the cost of services provided by the Establishment in the current year.

A revenue "Liabilities assumed by the Treasurer" equivalent to (i) is recognised under Revenues from State Of WA in the Statement of Financial Performance as the unfunded liability is assumed by the Treasurer. The GESB makes the benefit payments and is recouped by the Treasurer.

The Establishment is funded for employer contributions in respect of the Gold State Superannuation Scheme and the West State Superannuation Scheme. These contributions were paid to the GESB during the year. The GESB subsequently paid the employer contributions in respect of the Gold State Superannuation Scheme to the Consolidated Fund.

*Employee benefit on-costs*

Employee benefit on-costs are recognised and included in employee benefit liabilities and costs when the employee benefits to which they relate are recognised as liabilities and expenses. (See note 19).

- (p) Resources Received Free of Charge or For Nominal Value

Resources received free of charge or for nominal value which can be reliably measured are recognised as revenues and as assets or expenses as appropriate at fair value.

- (q) Comparative Figures

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

- (r) Rounding of amounts

Amounts in the financial statements have been rounded to the nearest thousand dollars, or in certain cases, to the nearest dollar.

**3. Outputs of the Establishment**

Information about the Establishment's outputs, and the expenses and revenues which are reliably attributable to those outputs is set out in the Output Schedule.

The two key outputs of the Establishment :

**Output 1: Effective Support to The Governor**

Support the Head of State in performing the Constitutional, Statutory, Official, Ceremonial, Community and Civic duties associated with the Vice Regal role.

**Output 2: Management of the Governor's Establishment**

Effectively manage the financial and administrative requirements of the Establishment including capital works programs, heritage building management, planning and co-ordinating official visits and provision of hospitality on behalf of the State.

Corporate services to support the Establishment's functions are being provided in part by the Parliamentary Services Department.

**GOVERNOR'S ESTABLISHMENT**  
**Notes to the Financial Statements**  
**For the year ended 30 June 2005**

	<b>2004/05</b>	<b>2003/04</b>
	<b>(\$000)</b>	<b>(\$000)</b>
<b>4. Employee benefits expenses</b>		
Wages and salaries	1 225	1 225
Superannuation	115	109
Long service leave <sup>(a)</sup>	58	(12)
Annual leave <sup>(a)</sup>	29	(5)
Other related expenses (i)	5	(1)
	<u>1 432</u>	<u>1 316</u>
<sup>(a)</sup> includes a superannuation component		
(i) These employee expenses include superannuation and workers compensation premiums associated with the recognition of annual and long service leave liability. The related on-costs liability is included in employee benefit liabilities at Note 19.		
<b>5. Supplies and services</b>		
Communications	43	29
Consultants and contractors	347	251
Consumables	212	83
Travel	62	61
Repairs and maintenance	86	58
Other	199	365
	<u>949</u>	<u>847</u>
<b>6. Depreciation expense</b>		
Depreciation Expense		
Plant and equipment	35	14
Buildings	495	244
Total Depreciation	<u>530</u>	<u>258</u>
<b>7. Accommodation expenses</b>		
Rates	5	4
Electricity and gas	78	52
	<u>83</u>	<u>56</u>
<b>8. Capital User Charge</b>	<u>220</u>	<u>848</u>

The Government applies a levy for the use of its capital for the delivery of services. It is applied at 8% per annum on the net assets of the Establishment, excluding exempt assets, and is paid to the Department of Treasury and Finance quarterly.

<b>9. User charges and fees</b>		
Ballroom Hire	<u>45</u>	<u>5</u>

**GOVERNOR'S ESTABLISHMENT**  
**Notes to the Financial Statements**  
**For the year ended 30 June 2005**

	<b>2004/05</b>	<b>2003/04</b>
	<b>(\$000)</b>	<b>(\$000)</b>
<b>10. Net gain/(loss) on disposal of non-current assets</b>		
Furniture, equipment, computers & software	-	2
<b>11. Revenues from State Government</b>		
Appropriation received during the year:		
Service appropriations <sup>(a)</sup>	1 376	1 878
Salaries and Allowances Act 1975	1 337	1 324
	<hr/> 2 713	<hr/> 3 202
The following liabilities have been assumed by the Treasurer during the financial year:		
- Superannuation <sup>(b)</sup>	5	4
	<hr/>	<hr/>
Resources received free of charge: <sup>(c)</sup>		
Determined on the basis of the following estimates provided by agencies:		
Department of Premier and Cabinet	15	58
Parliamentary Services Department	10	-
	<hr/> 25	<hr/> 58
	<hr/> 2 743	<hr/> 3 264

- (a). Service appropriations are accrual amounts reflecting the full cost of services delivered. The appropriation revenue comprises a cash component and a receivable (asset). The receivable (holding account) comprises the depreciation expense for the year and any agreed increase in leave liability during the year.
- (b). The assumption of the superannuation liability by the Treasurer is a notional revenue to match the notional superannuation expense reported in respect of current employees who are members of the pension scheme and current employees who have a transfer benefit entitlement under the Gold State superannuation scheme.
- (c). Where assets or services have been received free of charge or for nominal consideration, the Establishment recognises revenues (except where the contributions of assets or services are in the nature of contributions by owners in which case the Establishment shall make a direct adjustment to equity) equivalent to the fair value of the assets and/or the fair value of those services that can be reliably determined and which would have been purchased if not donated, and those fair values shall be recognised as assets or expenses, as applicable.

	<b>2004/05</b>	<b>2003/04</b>
	<b>(\$000)</b>	<b>(\$000)</b>
<b>12. Cash</b>		
Operating Account	301	863
Petty Cash	2	-
	<hr/> 303	<hr/> 863

**GOVERNOR'S ESTABLISHMENT**  
**Notes to the Financial Statements**  
**For the year ended 30 June 2005**

	<b>2004/05</b>	<b>2003/04</b>
	<b>(\$000)</b>	<b>(\$000)</b>
<b>13. Restricted cash assets</b>		
Accrued salaries suspense account	-	47
<b>14. Receivables</b>		
Receivables	-	-
GST Receivable	-	47
	<hr/>	<hr/>
	-	47
<b>15. Other current assets</b>		
Prepayments	4	-
	<hr/>	<hr/>
<b>16. Amounts receivable for services</b>		
Current	-	-
Non Current	531	336
	<hr/>	<hr/>
	531	336

Represents 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.

**GOVERNOR'S ESTABLISHMENT**  
**Notes to the Financial Statements**  
**For the year ended 30 June 2005**

	<b>2004/05</b>	<b>2003/04</b>
	<b>(\$000)</b>	<b>(\$000)</b>
<b>17. Property, plant and equipment</b>		
<u>Land</u>		
At Fair Value	136	136
<u>Buildings</u>		
At Fair Value	10 251	9 699
Accumulated Depreciation	(103)	(97)
	10 148	9 602
<u>Refurbishment</u>		
At Cost	3 928	3 441
Accumulated Depreciation	(926)	(534)
	3 002	2 907
<u>Furniture and Equipment</u>		
At Cost	71	131
Accumulated Amortisation	(59)	(110)
	12	21
<u>Computer Equipment</u>		
At Cost	10	51
Accumulated Depreciation	(8)	(25)
	2	26
<u>Office Equipment</u>		
At Cost	66	59
Accumulated Depreciation	(54)	(56)
	12	3
<u>Garden Equipment</u>		
At Cost	122	149
Accumulated Depreciation	(47)	(47)
	75	102
<u>Motor Vehicle</u>		
At Valuation	100	100
<u>Works of Art</u>		
At Valuation	701	701
<b>TOTAL</b>		
At Cost/Valuation	15 385	14 467
Less Accumulated Depreciation and Amortisation	(1 197)	(869)
	14 188	13 598

**GOVERNOR'S ESTABLISHMENT**  
**Notes to the Financial Statements**  
**For the year ended 30 June 2005**

**17. Property, plant and equipment (...cont)**

Reconciliation of the carrying amounts of Property, plant and equipment at the beginning and end of the current financial year are set out below.

	Land	Buildings	Refurbishment	Furniture & Equipment	Computer Equipment	Office Equipment	Garden Equipmen t	Motor Vehicle	Works of Art	Total
Carrying amount at start of year	136	9 602	2 907	21	26	3	102	100	701	13 598
Additions	-	-	521	2	3	16	-			542
Disposals/Transfers	-	-	(34)	(62)	(43)	(9)	(27)			(175)
Revaluation Increments	-	649	-	-	-	-	-			649
Write-back of depreciation	-	-	-	56	21	8	19			104
Depreciation	-	(103)	(392)	(5)	(5)	(6)	(19)			(530)
Carrying amount at end of year	136	10 148	3 002	12	2	12	75	100	701	14 188

The latest revaluation of freehold land and buildings was performed during the year ended 30 June 2005 in accordance with an independent valuation by the Department of Land Information (Valuation Services). The effective date of the valuation is 1 July 2004. Fair value of land has been determined on the basis of current use. The fair value of buildings has been determined on the basis of current use. The valuations were made in accordance with a regular policy of annual revaluation.

**GOVERNOR'S ESTABLISHMENT**  
**Notes to the Financial Statements**  
**For the year ended 30 June 2005**

	<b>2004/05</b>	<b>2003/04</b>
	<b>(\$000)</b>	<b>(\$000)</b>
<b>18. Payables</b>		
Trade payables	72	143
	<hr/>	<hr/>
<b>19. Provisions</b>		
Current		
Annual Leave	68	57
Long Service Leave	112	117
Other (On-costs) (i)	23	19
	<hr/>	<hr/>
	203	193
Non-Current		
Long Service Leave	101	85
Other (On-costs) (i)	10	8
	<hr/>	<hr/>
	111	93
	<hr/>	<hr/>
(i) The settlement of annual and long service leave liabilities gives rise to the payment of employment on-costs including superannuation and worker's compensation premiums. The liability for such on-costs is included here. The associated expense is included under Other related expenses (under Employee expenses) at Note 4.		
<b>Employee Benefit Liabilities</b>		
The aggregate employee benefit liability recognised and included in the financial statements is as follows:		
Provision for employee entitlements		
Current	203	193
Non Current	111	93
	<hr/>	<hr/>
	314	286
	<hr/>	<hr/>
<b>20. Other Liabilities</b>		
Current		
Accrued salaries	-	45
	<hr/>	<hr/>



**GOVERNOR'S ESTABLISHMENT**  
**Notes to the Financial Statements**  
**For the year ended 30 June 2005**

**21. Equity**

Equity represents the residual interest in the net assets of the Establishment. The Government of WA holds the equity interest in the Establishment on behalf of the community. The asset revaluation reserve represents that portion of equity resulting from the revaluation of non-current assets.

	<b>2004/05</b>	<b>2003/04</b>
	<b>(\$000)</b>	<b>(\$000)</b>
<b>Contributed Equity</b>		
Opening balance	2 635	1 595
Capital Contributions <sup>(a)</sup>	-	1 040
Closing balance	<u>2 635</u>	<u>2 635</u>

(a) Capital Contributions (appropriations) have been designated as contributions by owners in Treasurer's Instruction TI 955 and are credited directly to equity.

**Asset Revaluation Reserve**

Opening balance	11 451	7 930
Net revaluation increments / (decrements):		
- Land	-	21
- Buildings	649	3 466
- Artworks	-	34
Closing balance	<u>12 100</u>	<u>11 451</u>

**Accumulated surplus / (deficit)**

Opening balance	331	385
Change in net assets	(426)	(54)
Closing balance	<u>(95)</u>	<u>331</u>

**GOVERNOR'S ESTABLISHMENT**  
**Notes to the Financial Statements**  
**For the year ended 30 June 2005**

**22. Notes to the Statement of Cash Flows**

**2004/05**  
**(\$000)**

**2003/04**  
**(\$000)**

**(a) Reconciliation of Cash**

Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Balance Sheet as follows:

Cash and cash equivalents	303	863
Restricted cash assets (refer note 13)	-	47
	<u>303</u>	<u>910</u>

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

Net cost of services	(3 203)	(3 318)
Non cash items:		
Depreciation and amortisation	530	258
Superannuation expense	5	5
Resources received free of charge	25	58
Net (gain)/loss on sale of property, plant and equipment	-	(3)
(Increase)/decrease in assets:		
Current receivables	-	-
Prepayments	(4)	1
Change in GST receivables	47	(40)
Increase/(decrease) in liabilities:		
Current payables	(71)	70
Current provisions	47	(18)
Accrued salaries	(45)	11
Non-current provisions	15	(1)
Net cash provided by/(used in) operating activities	<u>(2 654)</u>	<u>(2 977)</u>

**GOVERNOR'S ESTABLISHMENT**  
**Notes to the Financial Statements**  
**For the year ended 30 June 2005**

	2004/05 (\$000)	2003/04 (\$000)
<b>23. Resources Provided Free of Charge</b>		
During the year the following resources were provided free of charge.		
Provision of accounting services by Parliamentary Services Department	10	-
Provision of accounting services by Department of Premier and Cabinet	15	58
	<u>25</u>	<u>58</u>

**24. Commitments**

**Capital expenditure commitments**

Capital expenditure commitments, being contracted capital expenditure additional to amounts reported in the financial statements are payable as follows:

- Within one year	-	-
	<u>-</u>	<u>-</u>
The capital commitments include amounts for Buildings	-	--

**Lease commitments**

Commitments in relation to leases contracted for at the reporting date but not recognised as liabilities, payable as follows:

- Within one year	48	19
- Later than one year but not later than five years	5	5
	<u>53</u>	<u>24</u>
Representing:		
Cancellable operating leases	53	24
	<u>53</u>	<u>24</u>

**25. Contingent Liabilities**

The Establishment has no contingent liabilities.

**26. Events Occurring After Reporting Date**

There were no events occurring after reporting date which would impact on the financial statements.

**GOVERNOR'S ESTABLISHMENT**  
**Notes to the Financial Statements**  
**For the year ended 30 June 2005**

**27. Explanatory Statement**

This statement provides details of any significant variations between estimates and actual results for 2005 and between the actual results for 2004 and 2005 as presented in the financial statement titled Summary of Consolidated Fund Appropriations and Income Estimates

The following explanations are provided in accordance with Treasurer's Instruction 945. Significant variations are considered to be those variations that are greater than 10% or \$100,000.

**(i) Significant variances between estimate and actual - Total appropriation to deliver services:**

	<b>2004/05 Estimate \$000's</b>	<b>2004/05 Actual \$000's</b>	<b>Variation \$000's</b>
Total appropriation provided to deliver outputs for the year.	3 276	2 713	563
Additional funds provided for Governor's salary increase and costs associated with the visit of HRH The Prince of Wales. Capital user charge decreased due to heritage listing of Government House.			

**(ii) Significant variances between actual and prior year actual - Total appropriation to deliver services:**

	<b>2004/05 Actual \$000's</b>	<b>2003/04 Actual \$000's</b>	<b>Variation \$000's</b>
Total appropriation provided to deliver outputs for the year.	2 713	3 202	(489)
Funding provided in prior year for refurbishment of Ballroom.			

**(iii) Significant variations between estimate and actual - Capital Contribution:**

	<b>2004/05 Estimate \$000's</b>	<b>2004/05 Actual \$000's</b>	<b>Variation \$000's</b>
Capital contribution.	-	-	-

**(iv) Significant variations between actual and prior year actual - Capital Contribution:**

	<b>2004/05 Actual \$000's</b>	<b>2003/04 Actual \$000's</b>	<b>Variation \$000's</b>
Capital contribution.	-	1 040	(1 040)
There was no Capital Contribution in 2004/05			

**GOVERNOR'S ESTABLISHMENT**  
**Notes to the Financial Statements**  
**For the year ended 30 June 2005**

**28. Remuneration of Senior Officers**

The number of senior officers whose total fees, salaries, superannuation and other benefits for the financial year, fall within the following bands -

\$80,001-\$90,000	1	1
\$100,001-\$110,000	1	1
	<hr/> 2	<hr/> 2

Total remuneration of senior officers is: 

---

193      197

The superannuation included here represents the superannuation expense incurred by the Establishment in respect of senior officers.

No senior officers are members of the Pension Scheme.

**29. Remuneration of Auditor**

Remuneration to the Auditor General for the financial year is as follows:

Auditing the accounts and financial statements - \$8,500.

**30. Supplementary Information**

Write-Offs

There were no items written off during the year.

Losses Through Thefts, Defaults And Other Causes

There were no items lost by the Establishment through thefts, defaults or other causes.

Gifts of Public Property

There were no gifts of public property made by the Establishment during the financial year.

**GOVERNOR'S ESTABLISHMENT**  
**Notes to the Financial Statements**  
**For the year ended 30 June 2005**

**31. Additional Financial Instruments Disclosures**

(a) Interest Rate Risk Exposure

The following table details the Establishment's exposure to interest rate risk as at the reporting date:

	Non Interest Bearing \$	Total \$
<b>2005</b>		
Financial Assets		
Cash Resources	303	303
Restricted cash assets	-	-
Receivables - GST	-	-
Holding account	531	531
	<u>834</u>	<u>834</u>
Financial Liabilities		
Accounts Payable	72	72
Accrued Salaries	-	-
	<u>72</u>	<u>72</u>
<b>2004</b>		
Financial Assets		
Cash Resources	863	863
Restricted cash assets	47	47
Receivables - GST	47	47
Holding account	336	336
	<u>1 293</u>	<u>1 293</u>
Financial Liabilities		
Accounts Payable	143	143
Accrued Salaries	45	45
	<u>188</u>	<u>188</u>

(b) Credit risk exposure

The Department's exposure to credit risk is nil as there are no amounts receivable.

## **GOVERNOR'S ESTABLISHMENT**

### **Notes to the Financial Statements**

**For the year ended 30 June 2005**

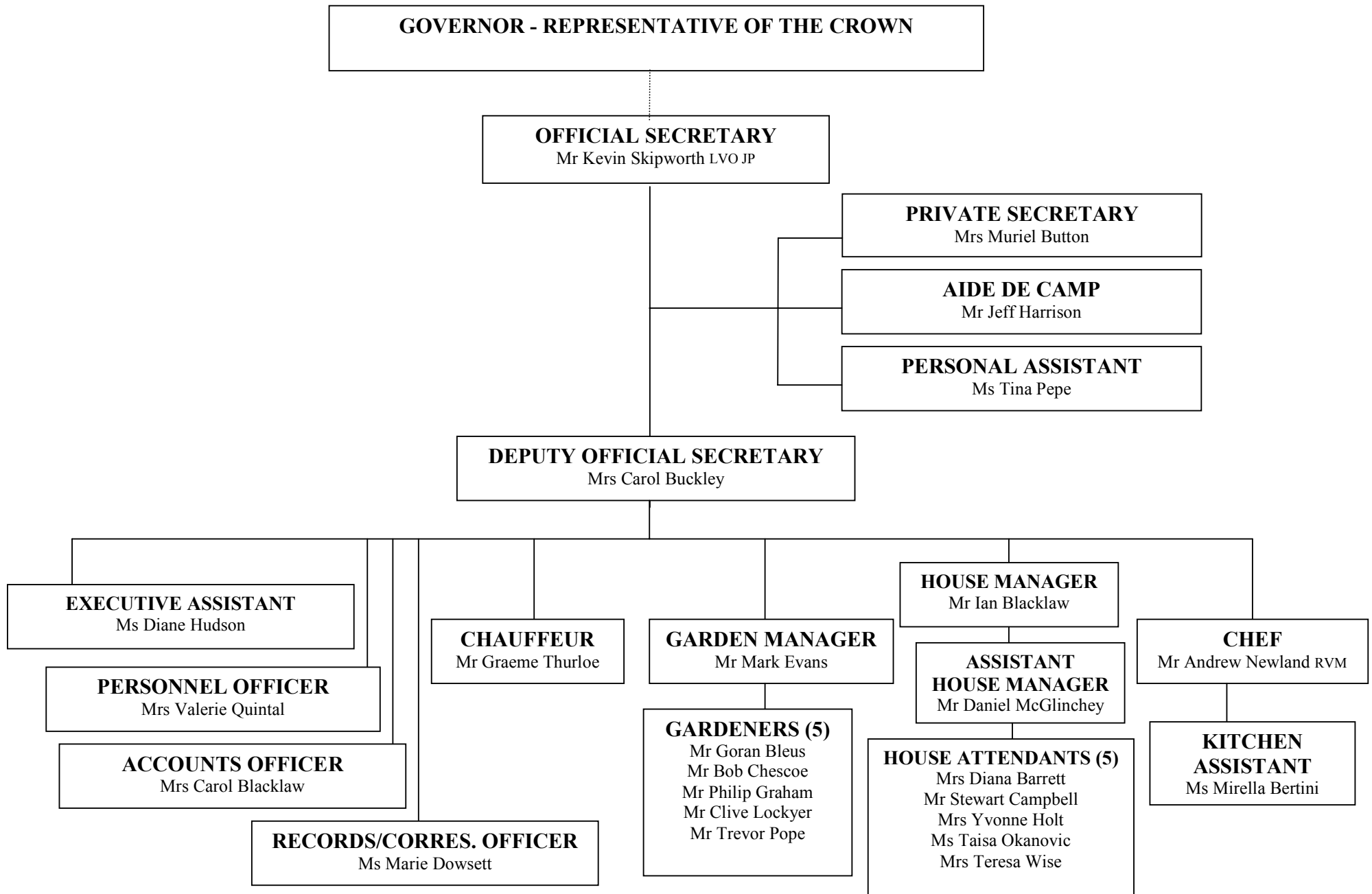
#### **32. The Impact of Adopting International Accounting Standards**

The Governor's Establishment is adopting Australian Equivalents to International Financial Reporting Standards (AIFRS).

AASB 1 requires an opening balance sheet as at 1 July 2004 and the restatement of the financial statements for the reporting period to 30 June 2005 on the International Financial Reporting Standards (IFRS) basis. These financial statements will be unpublished and will be presented as comparatives in the first annual financial report prepared on an IFRS basis for the period ending 30 June 2006.

AASB 1047 "Disclosing the Impacts of Adopting Australian Equivalents to International Financial Reporting Standards" requires financial reports for the period ending on or after 30 June 2005 to disclose any known or reliably estimable information about the impacts on the financial statements had they been prepared using AIFRS. The Governor's Establishment do not consider any material differences to arise from adopting Australian equivalents to IFRS.

# Governor's Establishment Organisational Chart







## AUDITOR GENERAL

### INDEPENDENT AUDIT OPINION

To the Parliament of Western Australia

### GOVERNOR'S ESTABLISHMENT FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2005

#### Audit Opinion

In my opinion,

- (i) the controls exercised by the Governor's Establishment provide reasonable assurance that the receipt and expenditure of moneys, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with legislative provisions; and
- (ii) the financial statements are based on proper accounts and present fairly in accordance with applicable Accounting Standards and other mandatory professional reporting requirements in Australia and the Treasurer's Instructions, the financial position of the Governor's Establishment at 30 June 2005 and its financial performance and cash flows for the year ended on that date.

#### Scope

##### *The Official Secretary's Role*

The Official Secretary is responsible for keeping proper accounts and maintaining adequate systems of internal control, preparing the financial statements, and complying with the Financial Administration and Audit Act 1985 (the Act) and other relevant written law.

The financial statements consist of the Statement of Financial Performance, Statement of Financial Position, Statement of Cash Flows, Schedule of Expenses and Revenues by Service, Summary of Consolidated Fund Appropriations and Revenue Estimates, and the Notes to the Financial Statements.

##### *Summary of my Role*

As required by the Act, I have independently audited the accounts and financial statements to express an opinion on the controls and financial statements. This was done by looking at a sample of the evidence.

An audit does not guarantee that every amount and disclosure in the financial statements is error free. The term "reasonable assurance" recognises that an audit does not examine all evidence and every transaction. However, my audit procedures should identify errors or omissions significant enough to adversely affect the decisions of users of the financial statements.

D D R PEARSON  
AUDITOR GENERAL  
7 October 2005



## AUDITOR GENERAL

### INDEPENDENT AUDIT OPINION

To the Parliament of Western Australia

### GOVERNOR'S ESTABLISHMENT PERFORMANCE INDICATORS FOR THE YEAR ENDED 30 JUNE 2005

#### **Audit Opinion**

In my opinion, the key effectiveness and efficiency performance indicators of the Governor's Establishment are relevant and appropriate to help users assess the Governor's Establishment's performance and fairly represent the indicated performance for the year ended 30 June 2005.

#### **Scope**

##### ***The Official Secretary's Role***

The Official Secretary is responsible for developing and maintaining proper records and systems for preparing performance indicators.

The performance indicators consist of key indicators of effectiveness and efficiency.

##### ***Summary of my Role***

As required by the Financial Administration and Audit Act 1985, I have independently audited the performance indicators to express an opinion on them. This was done by looking at a sample of the evidence.

An audit does not guarantee that every amount and disclosure in the performance indicators is error free, nor does it examine all evidence and every transaction. However, my audit procedures should identify errors or omissions significant enough to adversely affect the decisions of users of the performance indicators.

A handwritten signature in black ink, appearing to read 'D D R Pearson'.

D D R PEARSON  
AUDITOR GENERAL  
7 October 2005