



FINANCIAL STATEMENT

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Statement of Financial Performance for the year ended 30 June 2004

	Note	2004 (\$'000)	2003 (\$'000)
Cost of services			
Expenses from ordinary activities			
Employee expenses	4	47,556	55,882
Depreciation and amortisation expenses	5	4,220	4,526
Administration expenses	6	22,739	26,289
Accommodation expenses	7	8,780	9,733
Capital user charge	8	3,191	4,221
Carrying cost of non-current assets disposed	9	29	21
Total cost of services	2(y)	86,515	100,672
Revenues from ordinary activities			
Revenue from operating activities			
User charges and fees	10	61,179	54,491
Proceeds from the sale of maps and plans	11	3,381	2,597
Proceeds from DOLA International Projects	12	85	76
Other revenue	13	1,095	3,612
Revenue from non-operating activities			
Proceeds from disposal of non-current assets	9	10	6
Total revenues from ordinary activities		65,750	60,782
Net cost of services		20,765	39,890
Revenues from State Government			
Output Appropriation	14	25,483	37,568
Resources received free of charge	15	78	342
Liabilities assumed by the Treasurer	16	1,155	1,520
Total revenues from State Government		26,716	39,430
Change in net assets		5,951	(460)
Net increase/(decrease) in asset revaluation reserve	28	0	(695)
Total changes in equity other than those resulting from transactions with WA State Government as owners		5,951	(1,155)

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

Statement of Financial Position as at 30 June 2004

	Note	2004 (\$'000)	2003 (\$'000)
Current assets			
Cash assets	17	23,935	14,770
Restricted cash assets	18	1,913	1,994
Inventories - maps		221	224
Receivables	19	6,166	6,013
Amounts receivable for outputs	20	1,573	2,070
Prepayments	21	984	831
Accrued revenue	22	3,361	1,972
Total current assets		38,153	27,874
Non-current assets			
Amounts receivable for outputs	20	9,524	6,836
Equipment, software and furniture	23(a)	25,180	21,052
Land	24	0	37,047
Total non-current assets		34,704	64,935
Total assets		72,857	92,809
Current liabilities			
Payables	25	344	1,084
Provisions	26	6,828	7,345
Other liabilities	27	11,368	7,326
Total current liabilities		18,540	15,755
Non-current liabilities			
Provisions	26	4,570	4,736
Total non-current liabilities		4,570	4,736
Total liabilities		23,110	20,491
Equity			
Accumulated surplus	28	33,559	42,666
Contributed equity		0	13,464
Asset revaluation reserve		16,188	16,188
Total equity		49,747	72,318
Total liabilities and equity		72,857	92,809

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

Statement of Cash Flows for the year ended 30 June 2004

	Note	2004 (\$'000) Inflows (Outflows)	2003 (\$'000) Inflows (Outflows)
Cash flows from State Government			
Output appropriations		20,723	32,768
Capital contributions		9,471	1,550
Distribution To Owner		(2,422)	0
Holding Account drawdowns		1,915	755
Net cash provided by State Government		29,687	35,073
Utilised as follows:			
Cash flows from operating activities			
Payments			
Employee costs		(40,970)	(47,213)
Superannuation		(4,093)	(6,243)
Administration		(19,780)	(24,324)
Accommodation		(8,755)	(8,902)
Capital user charge		(3,191)	(4,221)
GST payments on purchases		(3,536)	(4,494)
GST payments to taxation authority		(166)	31
Capital transferred to administered - (Minor Works)		0	(252)
Receipts			
User charges and fees		59,636	60,064
GST receipts on sales		1,050	2,526
GST receipts from taxation authority		2,834	1,757
Other receipts		4,509	3,488
Net cash provided by (used in) operating activities	29(b)	(12,462)	(27,783)
Cash flows from investing activities			
Proceeds from sale of non-current physical assets		10	6
Purchase of non-current physical assets		(8,513)	(5,604)
Net cash provided by (used in) investing activities		(8,503)	(5,598)
Cash flows from financing activities			
Repayable grant received		465	51
Repayable grant paid		(103)	0
Net cash provided by (used in) financing activities		362	51
Net increase/(decrease) in cash held		9,084	1,743
Cash assets at the beginning of the financial year		16,764	15,021
Cash assets at the end of the financial year	29(a)	25,848	16,764

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

Output Schedule of Expenses and Revenues for the year ended 30 June 2004

Output	Land Information		Valuation Services		Access to Government Geographic Information		Crown Land Services		Total	
	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cost of Services										
Expenses from ordinary activities										
Employee expenses	34,125	36,009	12,735	11,313	696	536	0	8,024	47,556	55,882
Depreciation and amortisation expense	3,433	3,268	751	680	36	31	0	547	4,220	4,526
Administration expenses	20,194	15,038	1,821	3,768	724	717	0	6,766	22,739	26,289
Accommodation expenses	7,407	7,534	1,298	811	75	172	0	1,216	8,780	9,733
Capital user charge	2,730	2,021	441	540	20	18	0	1,642	3,191	4,221
Carrying cost of non-current assets disposed	29	17	0	2	0	1	0	1	29	21
Total cost of services	67,918	63,887	17,046	17,114	1,551	1,475	0	18,196	86,515	100,672
Revenues from ordinary activities										
Revenues from operating activities										
User charges and fees	53,780	46,569	7,327	5,446	72	48	0	2,428	61,179	54,491
Net proceeds from the sale of maps and plans	3,033	1,454	321	1,143	27	0	0	0	3,381	2,597
Proceeds from DOLA International Projects	10	76	75	0	0	0	0	0	85	76
Other revenues	1,092	3,566	2	46	1	0	0	0	1,095	3,612
Revenues from non-operating activities										
Proceeds from the disposal of non-current assets	10	6	0	0	0	0	0	0	10	
Total revenues from ordinary activities	57,925	51,671	7,725	6,635	100	48	0	2,428	65,750	60,782
Net cost of services	9,993	12,216	9,321	10,479	1,451	1,427	0	15,768	20,765	39,890
Revenues from State Government										
Output appropriation	12,294	10,813	11,741	9,999	1,448	1,394	0	15,362	25,483	37,568
Resources received free of charge	56	292	22	49	0	1	0	0	78	342
Liabilities assumed by the Treasurer	992	979	160	308	3	15	0	218	1,155	1,520
Total revenues from State Government	13,342	12,084	11,923	10,356	1,451	1,410	0	15,580	26,716	39,430
Change in net assets	3,349	(132)	2,602	(123)	0	(17)	0	(188)	5,951	(460)
Net increase/(decrease) in asset revaluation reserve	0	0	0	0	0	0	0	(695)	0	(695)
Total changes in equity other than those resulting from transactions with WA State Government as owners	3,349	(132)	2,602	(123)	0	(17)	0	(883)	5,951	(1,155)

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

Summary of Consolidated Fund Appropriations and Revenue Estimates for the year ended 30 June 2004

	2004 Estimate (\$'000)	2004 Actual (\$'000)	Variance (\$'000)	2004 Actual (\$'000)	2003 Actual (\$'000)	Variance (\$'000)
PURCHASE OF OUTPUTS						
Item 112 Net amount appropriated to deliver outputs	37,943	25,170	(12,773)	25,170	37,157	(11,987)
Amount Authorised by Other Statutes						
- Transfer of Land Act 1893	0	0	0	0	105	(105)
- Salaries and Allowances Act 1975	249	313	64	313	306	7
Total appropriations provided to purchase outputs	38,192	25,483	(12,709)	25,483	37,568	(12,085)
CAPITAL						
Item 157 Capital Contribution	8,099	9,471	1,372	9,471	1,550	7,921
GRAND TOTAL OF APPROPRIATIONS	46,291	34,954	(11,337)	34,954	39,118	(4,164)
Details of Expenses by Outputs						
Land Information	63,557	67,918	4,361	67,918	63,887	4,031
Valuation Services	17,266	17,046	(220)	17,046	17,114	(68)
Access to Government land or geographic information	1,594	1,551	(43)	1,551	1,475	76
Crown Land Services	15,181	0	(15,181)	0	18,196	(18,196)
Total Cost of Outputs	97,598	86,515	(11,083)	86,515	100,672	(14,157)
Less total revenues from ordinary activities	(59,441)	(65,750)	(6,309)	(65,750)	(60,782)	(4,968)
Net Cost of Outputs	38,157	20,765	(17,392)	20,765	39,890	(19,125)
Adjustments	35	4,718	4,683	4,718	(2,322)	7,040
Total appropriations provided to deliver outputs	38,192	25,483	(12,709)	25,483	37,568	(12,085)
Capital Expenditure						
Purchase of non-current physical assets	10,169	8,432	(1,737)	8,432	5,856	2,576
Transfer of leave entitlements	0	1,480	1,480	1,480	0	1,480
Adjustments for other funding sources	(2,070)	(441)	1,629	(441)	(4,306)	3,865
Capital Contribution (appropriation)	8,099	9,471	1,372	9,471	1,550	7,921
DETAILS OF REVENUE ESTIMATES						
Territorial						
Land - leases	2,505	0	(2,505)	0	4,286	(4,286)
Capital - asset sales						
Town and Suburban lots	2,000	0	(2,000)	0	2,002	(2,002)
Crown Grants - land sales	72,963	0	(72,963)	0	46,348	(46,348)
Departmental						
Fines & Other	0	0	0	0	29	(29)
Revenues disclosed as Administered Revenues	77,468	0	(77,468)	0	52,665	(52,665)

Explanations of variations between the current year actual results and estimates and variations from previous year actuals are set out in Note 41

Notes to the Financial Statements For the Year Ended 30 June 2004

1. Departmental mission and funding

The Department's mission is to contribute to the sustainable growth and prosperity of Western Australia through innovative land services, a world class land and property information infrastructure, and an impartial valuation service.

The Department is predominantly funded by revenue retained in accordance with a determination by the Treasurer under Section 23A of the Financial Administration and Audit Act and by annual Parliamentary appropriation from the Consolidated Fund.

The services provided by the Department are on a fee-for-service basis. The fees are charged on a full cost recovery basis. The financial statements encompass all funds through which the Department controls resources to carry on its functions.

In the process of reporting on the Department 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 Australian 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 the 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 Australian 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 Australian Accounting Standard AAS 29.

The statements have been prepared on the accrual basis of accounting using the historical cost convention, with the exception of land which subsequent to initial recognition, has been measured on the fair value basis (see Notes 2(p), 2(y) and 24).

Administered assets, liabilities, expenses and revenues are not integral to the Department in carrying out its functions and are disclosed in the notes to the financial statements, forming part of the general purpose financial report of the Department. The administered items are disclosed on the same basis as is described above for the financial statements of the Department. The administered assets, liabilities, expenses and revenues are those which the Government requires the Department to administer on its behalf. The assets do not render any service potential or future economic benefits to the Department, the liabilities do not require the future sacrifice of service potential or future economic benefits of the Department, and the expenses and revenues are not attributable to the Department.

As the administered assets, liabilities, expenses and revenues are not recognised in the principal financial statements of the Department, the disclosure requirements of Australian Accounting Standard AAS 33, Presentation and Disclosure of Financial Instruments, are not applied to Administered transactions.

There were no administered transactions during 2003/04. All these responsibilities were transferred to Department for Planning and Infrastructure (DPI) - See Note 2(y).

(a) Reporting Entity

The financial statements comprise the Department and its Related Body (refer Note 37). Consistent accounting policies have been employed in the preparation and presentation of the financial statements.

(b) Output appropriations

Output Appropriations are recognised as revenues in the period in which the Department gains control of the appropriated funds. The Department gains control of appropriated funds at the time those funds are deposited into the Department's bank account or credited to the holding account held at the Department of Treasury and Finance. (Refer to Note 14 for further information on output appropriations).

(c) 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 Government (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. Non reciprocal transfers of net assets after 1 July 2002 have also been designated as contributions by (or distributions to) owners and taken directly to Contributed Equity. All other transfers have been recognised in the Statement of Financial Performance.

(d) Net appropriation determination

Pursuant to section 23A of the Financial Administration and Audit Act, the net appropriation determination by the Treasurer allows the Department to retain all recurrent Departmental revenue and Commonwealth Specific Purpose Grants and apply them to the Department’s outputs as specified in the annual Budget Statements. In accordance with the determination, the Department retained \$65.750m as at 30 June 2004 (\$60.782m in 2003).

(e) Grants and other contributions

Grants, donations, gifts and other non-reciprocal contributions are recognised as revenue when the Department 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.

(f) Revenue recognition

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

Revenue from the lease of land and rental of buildings is recognised as per the terms of the lease agreement. (However, there were no transactions in 2003/04 - See Note 2(y).)

(g) 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.

Assets costing less than \$1,000 are expensed in the year of acquisition (other than where they form part of a group of similar items which are significant in total).

(h) Operating account

Amounts appropriated are deposited into the account and any revenues which are the subject of net appropriation determinations are also deposited into the account. Revenues not subject to net appropriation determinations are credited to the Consolidated Fund. (During 2003-04 all revenues of the Department were subject to a net appropriation determination). All payments of the Department are made from the operating account.

(i) Depreciation and amortisation of non-current assets

All non-current assets having a limited useful life are systematically depreciated over their useful lives in a manner which reflects the consumption of their future economic benefits. Depreciation and amortisation are calculated on the straight line basis, using rates which are reviewed annually or as set in the terms of the contract. Expected useful lives for each class of depreciable asset are:

Furniture: 11 years

Office equipment (including leasehold improvements): 8 - 15 years

Computer equipment: 3 - 5 years

Service delivery software and project costs 1 - 8 years

(j) 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

The liability for long service leave expected to be settled within 12 months of the reporting date is recognised in the provisions for employee benefits and is measured at the nominal amounts expected to be paid when the liability is settled. The liability for long service leave expected to be settled more than 12 months from the reporting date is recognised in the provisions for employee benefits and is measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given, when assessing expected future payments, to expected future wage and salary levels including relevant on costs, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

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
- (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 Department in the current year.

A revenue "Liabilities assumed by the Treasurer" equivalent to (i) is recognised under Revenues from Government in the Statement of Financial Performance as the unfunded liability that is assumed by the Treasurer.

The GESB makes the benefit payments and is recouped by the Treasurer.

The Department 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 notes 4 and 26).

(k) Leases

The Department has entered into a number of operating lease arrangements for buildings, office equipment and vehicles where the lessors effectively retain all of the risks and benefits incidental 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.

(l) Cash

For the purpose of the Statement of Cash Flows, cash includes cash assets and restricted cash assets. These include short-term deposits that are readily convertible to cash on hand and are subject to insignificant risk of changes in value.

(m) 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 exist.

Land sales (Administered)

Land sold is recognised on signing of the contract of sale where terms of payment are generally 60 days. Some contracts of sale are greater than 60 days attracting penalty interest rates. These receivables are recognised in the Schedule of Administered Items (Note 44). There were no Administered transactions during 2003-04 - See Note 2 (y).

(n) Accrued salaries

The accrued salaries suspense account (refer Note 18) 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 28) 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 Department considers the carrying amount of accrued salaries to be equivalent to the net fair value.

(o) Payables

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

(p) Land

Land is reported in the Schedule of Administered Items (see Note 44) with the exception of some land under leases (Pastoral and Other) which is reported as controlled at Note 24. (However, the Department had no Administered assets during 2003-04 - See Note 2(y)).

Items which relate directly to land are summarised below:

1) Crown land

Crown land, including land under leases, is administered by the Department under the Land Administration Act, which is valued at fair value (Valuer General's valuation) and is classified as a non-current assets.

2) Cost of sales

Cost of sales for land is reported as Administered.

i) Developed land - This item is costed at its fair value of undeveloped land plus the development cost for subdividing into lots available for sale.

ii) Undeveloped Land - This component entails Crown Grants and closed roads which are costed at sale proceeds and this reflects fair value.

(q) Special and other leases (Administered)

According to Sections 116 and 117 of the Land Act 1933 and Section 79 of the Land Administration Act 1997, rents in regard to special and other leases, are received in advance. The lessee often has the opportunity to purchase this land at fair value (Valuer General's valuation). The prospective purchaser can purchase by instalments subject to ministerial approval, but must continue to pay rent under the special lease Section 117AA of the Land Act 1933, and Section 80 of the Land Administration Act 1997.

These leases are recognised in the Schedule of Administered Items (see Note 44) in accordance with AAS 29 (Financial Reporting for Government Departments). (However, there were no Administered assets during 2003-04 - See Note 2(y)).

(r) 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.

(s) Revaluation of land and improvements

The Department has a policy of valuing land, buildings and infrastructure at fair value. The annual revaluations of the Department's land and improvements undertaken by the Valuer General is recognised in the financial statements.

Fair value has been determined on the basis of current use where applicable, or current market buying values in all other cases. From 1 July 2003 Crown Land and Improvements were placed under the administration of the Department for Planning and Infrastructure - See Note 2(y).

(t) Foreign currency translation

Transactions denominated in a foreign currency are translated at the rates in existence at the dates of the transactions.

(u) Inventory

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

(v) Joint venture operations

The Department administered a joint venture operation on behalf of the Minister during 2002-03. Interests in joint venture operations have been reported in the Schedule of Administered Items (see Note 44) including the Minister's share of assets employed in the joint venture, the share of liability incurred in relation to the joint venture and the share of any revenues earned and expenses incurred in relation to the joint venture in their respective classification categories. The Department is no longer responsible for this operation - See Note 2(y).

(w) Comparatives

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

(x) Rounding of amounts

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

(y) Restructuring of Crown Land Services

From 1 July 2003, Government transferred responsibility for Crown Land Services to the Department for Planning and Infrastructure.

Consequently, all attendant Assets and Liabilities (both Controlled and Administered) were transferred effective from that date.

This being a non reciprocal arrangement, the net transfer of Controlled assets is deemed a distribution to owners and was taken directly to Contributed Equity in the Statement of Financial Position (See Note 2(c) and 28).

3. Outputs of the Department

Information about the Department's outputs, and the expenses and revenues which are reliably attributable to those outputs is set out in the Output Schedule. Information about expenses, revenues, assets and liabilities administered by the Department are given in Note 44.

The three outputs of the Department and their objectives as at 30 June 2004 were:

Output 1: Land Information

Information about land and land ownership is collected, recorded and made available for use by Government, business and the community.

Output 2: Valuation Services

An impartial valuation and property information service.

Output 3: Access to Government Geographic Information

Land or geographic information from Western Australian Land Information System (WALIS) stakeholder agencies is managed in a coordinated way so that data held by agencies can be integrated and readily accessed to meet Government, business and community needs.

	2004 (\$'000)	2003 (\$'000)
4. Employee expenses		
Wages and Salaries	37,004	44,214
Superannuation	5,192	6,243
Annual Leave	3,589	4,423
Long Service Leave	1,771	1,002
	47,556	55,882
5. Depreciation and amortisation expense		
Equipment	129	131
Computer Equipment	1,072	1,381
Furniture	164	162
Service Delivery Software and Project Costs	2,808	2,852
Leasehold Improvements	47	0
	4,219	4,526
6. Administration expenses		
Services and contracts	17,671	17,687
Crown Land Management	0	2,227
Grants & Subsidies	128	1,750
Other staffing costs	404	1,326
Communications	778	715
Consumables	477	608
Lease office equipment	0	551
Insurance	424	479
Resources received free of charge	78	342
Doubtful Debts	79	9
Travel	398	291
Advertising	143	74
Other administration expenses	2,159	230
	22,739	26,289

	2004 (\$'000)	2003 (\$'000)
7. Accommodation expenses		
Accommodation	8,382	8,957
Electricity, gas and water	398	776
	8,780	9,733
8. Capital user charge	3,191	4,221
A capital user charge rate of 8% has been set by the Government and represents the opportunity cost of capital invested in the net assets of the Department used in the provision of outputs. The charge is calculated on the net assets adjusted to take account of exempt assets. Payments are made to the Department of Treasury and Finance on a quarterly basis.		
9. Net gain/(loss) on disposal of non-current assets		
Office and Computer Equipment Capital Cost	1,657	1,015
Accumulated Depreciation	(1,628)	(994)
Carrying Amount of Non Current Assets	29	21
Proceeds	10	6
Net gain/(Loss) on disposal	(19)	(15)
10. User charges and fees		
Land Titles Management		
Search	17,620	14,811
Transfer	12,787	11,536
Mortgage	9,033	8,302
Discharge	8,480	7,728
Other	5,868	6,414
	53,788	48,791
Valuation Services	7,327	5,446
Land Administration Act fees	0	102
Other services		
Mapping and survey	64	152
Total user charges and fees	61,179	54,491

	2004 (\$'000)	2003 (\$'000)
11. Net proceeds from the sale of maps and plans		
Proceeds from sale	3,627	3,115
Cost of sale	(246)	(518)
Net proceeds	3,381	2,597
12. Proceeds from DOLA International Projects		
Proceeds		
Sri Lanka	69	0
Malaysia Study Tour	16	0
Bangladesh	0	2
Trinidad/Tobago	0	69
Other Projects	0	5
	85	76
Funds received under contract by the Department have mostly been from the World Bank (International Development Association) for the purpose of review and modernisation of land administration systems, and from organised Study Tour programs in DLI.		
13. Other revenue from ordinary activities		
Rental		
Pastoral leases	0	1,015
Buildings	0	967
Total rental	0	1,982
Land Claims Mapping Unit	360	732
Recovery of costs	220	324
Indian Ocean Territories	60	105
Government Vehicle Scheme	33	40
Other Services	422	429
Total other revenue from ordinary activities	1,095	3,612

	2004 (\$'000)	2003 (\$'000)
14. Output Appropriations		
Appropriation revenue received during the year	25,483	37,568

Output appropriations are accrual amounts, reflecting the full cost of outputs delivered. The appropriation revenue comprises a cash component and a receivable (asset). The receivable (holding account) comprises an allocation for depreciation expense for the year and any agreed increase in leave liability during the year. In 2002-03 and 2003-04 the receivable related only to depreciation.

15. Resources received free of charge

Administration expenses	78	342
Resources received free of charge have been determined on the basis of the following estimates provided by agencies:		
Department of Justice	78	250
Office of the Auditor General (i)	0	92
	<u>78</u>	<u>342</u>

Where assets or services have been received free of charge or for nominal consideration, the Department recognises revenues 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.

(i) Commencing with the 2003-04 audit, the Office of the Auditor General will be charging a fee for auditing the accounts, financial statements and performance indicators. The fee for the 2003-04 audit (\$110,000) will be due and payable in the 2004-05 financial year.

16. Liabilities Assumed by the Treasurer

Superannuation	1,155	1,520
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The assumption of the superannuation liability by the Treasurer is only a notional revenue to offset 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 Scheme.

17. Cash assets

Cash on hand	62	62
Operating bank account	23,873	14,708
	<u>23,935</u>	<u>14,770</u>

	2004 (\$'000)	2003 (\$'000)
18.Restricted cash assets		
Current		
Survey lodgement fees (i)	163	45
Other suspense accounts (ii)	232	278
	395	323
Non-current		
Accrued salaries suspense (iii)	1,518	1,671
	1,913	1,994
i) Subdivision fees collected on behalf of Department for Planning and Infrastructure. ii) Funds received and awaiting distribution to appropriate accounts. iii) Amount held in the suspense account is only used for the purpose of meeting the 27th pay in a financial year that occurs every 11 years.		
19.Receivables		
Trade Debtors	5,807	4,801
Rentals	0	364
Goods and services tax	442	1,099
Less: Provision for doubtful debts	(83)	(251)
	6,166	6,013
20.Amounts receivable for outputs		
Current	1,573	2,070
Non-current	9,524	6,836
	11,097	8,906
This asset represents the non-cash component of output appropriations. It is restricted in that it can only be used for asset replacement.		
21.Prepayments		
Data processing contracts	773	774
Other	211	57
	984	831
22.Accrued Revenue		
Valuation services	3,269	1,868
Other	92	104
	3,361	1,972

	2004 (\$'000)	2003 (\$'000)
23.a) Equipment, software and furniture		
Equipment		
At cost	2,247	2,349
Accumulated depreciation	(1,644)	(1,757)
	603	592
Computer equipment		
At cost	11,530	11,257
Accumulated depreciation	(8,106)	(9,044)
	3,424	2,213
Leasehold Improvements		
At cost	590	386
Accumulated amortisation	(121)	0
	469	386
Total equipment	4,496	3,191
Furniture		
At cost	1,868	1,860
Accumulated depreciation	(1,829)	(1,664)
Total furniture	39	196
Service delivery software and project costs		
At cost	31,420	29,599
Accumulated depreciation	(19,998)	(17,188)
Written down value	11,422	12,411
Work in progress at cost	9,223	5,254
Total service delivery	20,645	17,665
Total equipment, software and furniture	25,180	21,052

b) Reconciliations

Reconciliations of the carrying amounts of equipment, software and furniture at the beginning and end of the current financial year are set out below.

2004	Equipment	Computer Equipment	Work in Progress	Furniture	Service Delivery Software	Leasehold	TOTAL
Carrying amount at June 30 2003	592	2,213	5,254	196	12,411	386	21,052
Additions	196	2,387	4,141	8	1,839	130	8,701
Disposals	(10)	0	0	0	(19)	0	(29)
Depreciation	(129)	(1,072)	0	(165)	(2,809)	(47)	(4,222)
Adjustments	(46)	(104)	(172)	0	0	0	(322)
Carrying amount at June 30 2004	603	3,424	9,223	39	11,422	469	25,180

2004
(\$'000)

2003
(\$'000)

24.Land

(a) Leased land at fair value

0

37,047

Leased land represents Pastoral and Other leases that satisfy the criteria for controlled assets under AAS 29 and SAC 4. Land which does not satisfy this criteria but, for which the Department has immediate responsibility, are reported as Administered assets (see Notes 2(y)). Valuation as at 30 June 2002 determined at Market value.

(b) Reconciliations

Reconciliations of the carrying amount of leased land at the beginning and end of the current financial year are set out below.

Carrying amount at start of year
Assets transferred (see Note 2(y))
Net revaluations (see Note 28)
Carrying amount at end of year

37,047

37,742

(37,047)

0

0

(695)

0

37,047

	2004 (\$'000)	2003 (\$'000)
25. Payables		
Government agencies	9	406
Other	335	678
	344	1,084
26. Provisions		
Employee benefits		
Current liabilities:		
Annual leave	3,460	3,461
Long service leave	3,368	3,884
	6,828	7,345
Non-current liabilities:		
Long service leave	4,570	4,736
Total employee benefits	11,398	12,081
27. Other liabilities		
Accrued expenses	8,183	5,441
Accrued Salary and Wages	1,518	1,465
Unearned revenue	1,667	420
	11,368	7,326

In determining the Department's leave liability as at 30 June 2004, on-costs totalling \$1.114m including employer superannuation contributions and workers compensation have been taken into account in accordance with AAS 30.

Accrued salaries are amounts owing for 9 working days from 18 June to 30 June 2004 (7 working days from 20 June to 30 June 2003).
Accrued salaries are settled within a few days of the financial year end.

	2004 (\$'000)	2003 (\$'000)
28. Equity		
Equity represents the residual interest in the net assets of the Department. The Government holds the equity interest in the Department on behalf of the community. The asset revaluation reserve represents that portion of equity resulting from the revaluation of non-current assets.		
Accumulated surplus/(deficiency)		
Opening Balance	42,666	43,126
Distribution to Owners (ii)	(15,058)	0
Change in net assets	5,951	(460)
Closing balance	33,559	42,666
Contributed equity		
Opening balance	13,464	11,914
Capital Contributions	9,471	1,550
Total Contribution by Owners	22,935	13,464
Distribution to Owners (ii)	(22,935)	0
Closing balance	0	13,464
(i) Capital appropriations, termed Capital Contributions, have been designated as contributions by owners and are credited directly to equity in the Statement of Financial Position.		
(ii) Non Reciprocal transfer of net assets to government as a result of the transfer of the Crown Land Services output to the Department for Planning and Infrastructure (designated as Distribution to Owners in Treasurer's Instruction 955) - See Note 2(y) totalling \$37.993m (\$15.058m + \$22.935m = \$37.993m).		
Asset revaluation reserve (i)		
Opening Balance	16,188	16,883
Net revaluation increment/(decrement) - leased land	0	(695)
Closing balance	16,188	16,188
Total equity	49,747	72,318

(i) The asset revaluation reserve is used to record increments and decrements on the revaluation of non current assets, as described in significant accounting policy Note 2(s).

	2004 (\$'000)	2003 (\$'000)
29. Notes to the Statement of Cash Flows		
(a) Reconciliation of cash		
For the purpose of the Statement of Cash Flows, cash includes cash at bank, amounts in suspense and restricted 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 Statement of Financial Position as follows:		
Cash assets (Note 17)	23,935	14,770
Restricted cash assets (see Note 18)	1,913	1,994
	25,848	16,764
(b) Reconciliation of net cost of services to net cash flows provided by/(used in) operating activities		
Net cash (used in) operating activities (Statement of Cash Flows)	(12,462)	(27,783)
Non-cash items:		
Depreciation expense	(4,220)	(4,526)
Superannuation expense	(1,155)	(1,520)
Resources received free of charge	(78)	(342)
Doubtful debts expense	(79)	(9)
Net loss on disposal of non-current assets	(19)	(15)
Net adjustment for administered transactions	0	289
Increase/(decrease) in assets:		
Current inventories	(3)	(1)
Current receivables	101	(3,704)
Prepayments	157	262
Accrued revenue	1,389	1,286
(Increase)/decrease in liabilities:		
Accounts payable	(291)	(185)
Employee benefits	(797)	249
Other liabilities	(3,461)	(2,972)
Net GST (receipts)/payments	(183)	180
Change in GST in receivables/payables	336	(1,099)
Net cost of services (Statement of Financial Performance)	(20,765)	(39,890)

	2004 (\$'000)	2003 (\$'000)
30.Resources provided free of charge		
During the year the following resources in excess of \$10,000 were provided to other agencies free of charge for functions outside the normal operations of the Department:		
Department of Treasury and Finance	6,920	7,357
Department for Planning and Infrastructure	3,847	692
Department of Agriculture	992	602
Main Roads Western Australia	714	501
Department of Conservation and Land Management	412	547
Western Australia Police Service	368	291
Water and Rivers Commission	361	398
LandCorp	271	223
Department of Health	214	398
Fire and Emergency Services Authority of Western Australia	212	513
Department of Housing and Works	209	248
Department of Justice	173	135
Department of Education and Training	139	178
Department of Environment	126	335
Racing and Wagering Western Australia	97	0
Department of Industry and Resources	93	759
Department of the Premier and Cabinet	81	533
Department of Indigenous Affairs (2002/03 less than \$10,000)	27	0
	15,256	13,710
Resources provided to other agencies which were less than \$10,000 per agency.	32	368
Resources provided free of charge to organisations other than departments and statutory authorities:	3,128	3,781
Total resources provided free of charge	18,416	17,859

The above figures are costed on the basis of full cost recovery.

	2004 (\$'000)	2003 (\$'000)
31. Commitments for expenditure		
(a) Capital expenditure		
Capital expenditure commitments are contracted capital expenditure additional to the amounts reported in the financial statements. These commitments include amounts for office and computer equipment and consultancy and are payable as follows:		
Within 1 year	229	375
(b) Operating lease expenditure		
These commitments are in respect of non cancellable leases contracted for at the reporting date but not recognised as liabilities. These leases include office accommodation, office equipment and motor vehicles.		
Within 1 year	7,303	7,511
Later than 1 year and not later than 5 years	29,419	29,842
Later than 5 years	33,397	49,856
	70,119	87,209
(c) Other expenditure commitments		
These expenditure commitments relate to general administration expenses and are payable as follows:		
Within 1 year	308	408
(d) Operating lease receivables		
These are operating lease receivables as at the reporting date and include Pastoral leases and Building leases. See Note 2(y).		
Within 1 year	0	2,116
Later than 1 year and not later than 5 years	0	7,468
Later than 5 years	0	9,849
	0	19,433

		2004 (\$'000)	2003 (\$'000)
32. Remuneration of senior officers			
Remuneration			
The number of senior officers whose total of fees, salaries, superannuation and other benefits for the financial year, fall within the following bands are:			
	\$	2004	2003
	10,001 - 20,000	1	0
	90,001 - 100,000	1	0
	100,001 - 110,000	0	1
	110,001 - 120,000	1	1
	120,001 - 130,000	3	3
	140,001 - 150,000	1	1
	180,001 - 190,000	1	1
		8	7
The total remuneration of senior officers is:		932	910

The superannuation included here represents the superannuation expense incurred by the Department in respect of senior officers. Two senior officers are members of the Pension Scheme in 2004 (two senior members in 2003).

33. Financial Instruments

(a) Interest rate risk exposure

The following table details the Department's exposure to interest rate risk as at the reporting date. The financial instruments listed are all non interest bearing.

	Non Interest Bearing Total 2004 (\$'000)	Non Interest Bearing Total 2003 (\$'000)
Financial assets		
Cash assets	23,935	14,770
Restricted cash assets	1,913	1,994
Receivables	6,166	6,013
Accrued Revenue	3,361	0
	35,375	22,777
Financial liabilities		
Payables	344	1,084
Provisions	11,398	12,081
Accrued Expenses	11,368	420
	23,111	13,585

(b) Credit risk exposure

All financial assets are unsecured.

Amounts owing by other government agencies are not considered a credit risk. In respect of other financial assets, the carrying amounts represent the Department's maximum exposure to credit risk in relation to those assets.

(c) Net fair values

The carrying amount of financial assets and financial liabilities recorded in the financial statements are not materially different from their net fair values, determined in accordance with the accounting policies disclosed in Note 2 to the financial statements.

34. Contingent liabilities

In addition to the liabilities incorporated in the financial statements, the Department has the following contingent liabilities:

- (i) The Department has pending or potential litigation that may affect the financial position to the value of \$0.995m.
- (ii) There is a pending claim of copyright by Copyright Agency Limited (acting for surveyors) estimated at \$50,000 for the paper copying of survey plans by the Department. There is at present a claim in the Copyright Tribunal for copies of digital plans but the financial impact of this claim is very uncertain. DLI is currently seeking advice from the State Solicitor's Office as to litigating this claim.

35. Intellectual property

DLI's intellectual property consists of software, data, databases, administrative records, publications, products, trademarks and know-how in the categories listed below. At reporting date the intellectual property cannot be reliably measured, and accordingly has not been recognised as an asset in the financial statements:

- | | |
|---|---|
| 1) Air Photography | 21) Land and Property Portal |
| 2) Cadastral | 22) Business Realignment Methodology |
| * Spatial Cadastral Data Base (SCDB) | 23) Property Improvement Database |
| * Survey Plans | 24) Rural Land Information Database |
| * Survey Diagrams | 25) Land Valuations |
| * Survey Field books | 26) Property Sales Database |
| * Survey Equipment Calibration Software | 27) Property Rental Database |
| 3) Corporate Computing | 28) Computer Assisted Valuation Methodology |
| 4) Desktop Technology | 29) Work management System Database |
| 5) Geodetic Survey Marks database | 30) Property/Valuation GIS |
| 6) GEONOMA Database | 31) Easiforms |
| 7) Government Property Register | 32) Landgate |
| 8) Landlinks | |
| 9) SmartPlan | |
| 10) International | |
| 11) Mapping Products (digital and analogue) | |
| 12) Publications (including Internet design) | |
| 13) Tenure | |
| * Tenure Systems | |
| * Title and Document Images | |
| 14) Topographic | |
| * Street Centreline | |
| * Property Street Address (PSA) | |
| 15) Satellite Imagery | |
| 16) Land Claims Database | |
| 17) Thematic Database | |
| 18) Technical advice on a wide range of land information requirements and systems (Consultancy) | |
| 19) Electronic Advise of Sale | |
| 20) Electronic Advise of Sale 2 | |

	2004 (\$'000)	2003 (\$'000)
36.Events occurring after balance date		
There have been no significant events occurring after 30 June 2004 that affect these financial statements.		
37.Related body		
Pastoral Lands Board (Transferred see Note 2 (y))	0	832,033
The Department had no related bodies during the financial year. In 2002-03 the Department met all operating expenses of the Pastoral Lands Board (PLB), a related body, and included its revenues, expenses, assets and liabilities in the financial statements.		
From 1 July 2003, the PLB is no longer a related body of the Department as a consequence of the transfer of responsibility for Crown Land Services to the Department for Planning and Infrastructure (DPI) (see Note 2(y)).		
PLB expenses are now met by DPI.		
38.Affiliated body		
The Land Surveyors' Licensing Board is an affiliated body in that it received administrative support and a grant of \$10,000 from the Department. The Board is not subject to the operational control of the Department and reports to Parliament separately.		
39.Supplementary financial information		
(a) Write offs		
During the financial year \$9,196 of Plant and Equipment was written off by the Department under the authority of:		
The Accountable Officer	9,196	11,521
The Minister	0	0
Executive Council	0	0
	9,196	11,521
(b) Losses through theft, defaults and other causes		
Losses of public monies and public and other property through theft or default	9	0
Amount recovered	0	0
	9	0
(c) Gifts of Public Property		
Gifts of public property provided by the Department	579	3,073

	2004 (\$'000)	2003 (\$'000)
40. Trust Accounts		
The trust accounts are reported on a cash basis.		
Private Trust		
(a) Payroll Deductions		
The purpose of the trust account is to hold income tax instalments and Government Employees Housing Authority (GEHA) rent contributions, deducted from salaries and wages of employees of the Department of Land Information		
Group Payroll.		
Opening balance	13	3
Receipts	10,248	11,531
Payments		
The Australian Taxation Office	(10,239)	(11,515)
GEHA	0	(6)
Closing balance	22	13
(b) Deposits: Land Applications		
The purpose of the trust account is to hold funds in accordance with the provisions of the Land Administration Act and the former Land Act, being deposits received from applicants, pending the issue of licenses or leases.		
Opening balance	300	153
Receipts:		
Deposits	0	457
Payments		
Refunds	0	(35)
Transfers:		
Department for Planning and Infrastructure - See Note 2(y)	(300)	0
Consolidated Fund	0	(275)
Closing balance	0	300

	2004 (\$'000)	2003 (\$'000)
(c) War Service Land Settlement		
The purpose of the trust fund is to hold funds pending transfer to the Commonwealth Department of Primary Industry - Production Branch.		
Opening balance	2	2
Receipts:		
Perpetual Lease Rents	0	374
Freehold Option Price	0	141
Payments:		
Remittances to the Commonwealth	0	(515)
Transfers:		
Department for Planning and Infrastructure - See Note 2(y)	(2)	0
Closing balance	0	2

Governmental Trust

(d) DBNGP Corridor Trust

This Trust Account is administered on behalf of the DBNGP Land Access Minister. The purpose of the trust account is to hold funds received pursuant to section 45(2) of the Dampier to Bunbury Pipeline Act 1997 for application in accordance with section 45(5) of that Act.

Opening balance	33,380	36,474
Receipts:		
Fees and charges	0	1,208
Payments:		
Administration	0	(1,797)
Purchase of easement rights	0	(2,505)
Transfers:		
Department for Planning and Infrastructure - See Note 2(y)		(33,380)
Closing balance	0	33,380

41. Explanatory statement

The Summary of Consolidated Fund Appropriations and Revenue Estimates discloses appropriations and other statutes expenditure estimates, the actual expenditures made and revenue estimates and payments into the Consolidated Fund. Appropriations are on an accrual basis.

The following explanations are provided in accordance with Treasurer's Instruction 945.

Significant variations are considered to be those greater than 10%.

(i) Significant variances between estimates and actual - Total Appropriation to deliver Outputs

	2004 Estimate \$'000	2004 Actual \$'000	Variance \$'000
1. Total Appropriation to deliver outputs	38,192	25,483	(12,709)
The \$12.709m or 33.3% reduction in appropriation reflects:			
- an \$11.368m transfer to the Department for Planning and Infrastructure, for the transfer of responsibility for Crown Land Services; and			
- a \$1.341m reduction in funding for depreciation.			
2. Output Expenditure			
Output 4 Crown Land Services	15,181	0	(15,181)
Responsibility for this output was transferred to the Department for Planning and Infrastructure from 1 July 2003. Consequently, the Department of Land Information incurred no expense on this output during the financial year.			
3. Total revenues from Ordinary Activities	59,441	65,750	6,309
The budget estimate included \$2.294m for the Crown Land Services output that was transferred to the Department for Planning and Infrastructure. After adjusting for this amount the variance is actually \$8.603m due to better than expected results in Land Titles Management.			

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

	2004 Actual \$'000	2003 Actual \$'000	Variance \$'000
1. Total Appropriation to deliver outputs	25,483	37,568	12,085
The \$12.085m or 47.4% variance is mainly due to an \$11.368m transfer to the Department for Planning and Infrastructure, for the transfer of responsibility for Crown Land Services.			
2. Output Expenditure			
Output 4 Crown Land Services	0	18,196	18,196
Responsibility for this output was transferred to the Department for Planning and Infrastructure from 1 July 2003. Consequently, the Department of Land Information incurred no expense on this output during the financial year.			
3. Total Revenues from Ordinary Activities	65,750	60,782	(4,968)
The 2003 actual included \$2.428m for the Crown Land Services output that has since been transferred to the Department for Planning and Infrastructure. After adjusting for this amount the variance is actually \$7.396m due mainly to improved business activity in Land Titles Management.			

(iii) Significant variances between estimates and actual - Capital Contributions

	2004 Estimate \$'000	2004 Actual \$'000	Variance \$'000
1. Capital Contribution	8,099	9,471	1,372
The Department was granted a \$1.48m equity injection (supplementary funding) to enable a transfer of funding to the Department for Planning and Infrastructure, for leave entitlements in respect of staff transferred with the Crown Land Services output. \$108,000 of the original appropriation was also transferred, for asset replacement, as part of the restructure.			
2. Capital Expenditure			
- Purchase of non-current physical assets	10,169	8,432	1,737
- Transfer of leave entitlements	0	1,480	(1,480)
The budget estimate for the purchase of non-current physical assets included \$263,000 relating to the Crown Land Services output that has since been transferred to the Department for Planning and Infrastructure. After adjusting for this transfer, the variance is actually \$1.474m or 14.9% due mainly to delays with, and deferrals of, service delivery projects. The \$1.48m transfer of leave entitlements was in respect of staff transferred with the Crown Land Services output and was done in accordance with the requirements of Treasurer's Instruction 520, Transfer of Employees.			

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

	2004 Actual \$'000	2003 Actual \$'000	Variance \$'000
1. Capital Contribution	9,471	1,550	7,921
The variance is mainly due to increased funding provided in respect of the Department's e-Business initiative which is aimed at applying the latest Internet technologies and streamlining access to the State's wide range of property related information.			
2. Capital Expenditure			
Purchase of non-current physical assets	8,432	5,856	2,576
Transfer of leave entitlements	1,480	0	1,480
The increase in purchases of non-current physical assets is due to the increased investment in the Department's e-Business initiative and business infrastructure requirements to support the initiative and existing business arrangements. The \$1.48m transfer of leave entitlements was in respect of staff transferred with the Crown Land Services output and was done in accordance with the requirements of Treasurer's Instruction 520, Transfer of Employees.			

(v) Significant variances between estimate and actual, and actual and prior year actual**Administered Revenue (see Note 2(y))**

All Administered Revenues included in the budget estimates and reported in the prior year related to the Crown Land Services output that has since been transferred to the Department for Planning and Infrastructure. Consequently, the Department of Land Information earned no revenue from these sources during the financial year.

	2004 (\$'000)	2003 (\$'000)
42. Indian Ocean Territories Service Delivery Arrangement		
The provision of services to the Indian Ocean territories are recouped from the Commonwealth government.		
Opening balance	120	(103)
Receipts	99	320
Payments	(163)	(97)
Closing balance	56	120

2002/03 receipts included an amount of \$147,190 for the conversion of the paper title register to digital format. This conversion took place during 2003/04.

43. The impact of adopting International Accounting Standards

The Australian Accounting Standards Board (AASB) is adopting the Standards of the International Accounting Standards Board (IASB) for application to reporting periods beginning on or after 1 January 2005.

AASB 1047 "Disclosing the impact of adopting Australian Equivalents to International Financial Reporting Standards" requires financial reports to disclose information about the impacts of any changes in accounting policies leading up to the adoption date.

The Department is reviewing the revised standards to determine the impact through a sub committee and is on target to achieve the 31 October Revised Balance Sheet deadline for recasting the 2003/04 results.

At present the issues that arise from the change relate mainly to the classification and value of Non Current Assets (PPE).

44. Schedule of Administered Items

Administered Item	Note	DBNGP Corridor					
		Trust Account		Land		Total	
		2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000
(i) Administered expenses and revenues	1						
Expenses							
Cost of sales							
Developed land		0	0	0	6,482	0	6,482
Undeveloped land		0	0	0	40,133	0	40,133
Closed roads		0	0	0	997	0	997
Other	2	0	0	0	411	0	411
Payments under the Dampier to Bunbury Pipeline Act 1997		0	1,502	0	0	0	1,502
Total administered expenses		0	1,502	0	48,023	0	49,525
Revenues							
Developed land	2	0	0	0	2,519	0	2,519
Undeveloped land		0	0	0	44,834	0	44,834
Closed roads		0	0	0	997	0	997
Lease		0	0	0	4,286	0	4,286
Other		0	0	0	29	0	29
Revenue collected under the Dampier to Bunbury Pipeline Act 1997		0	1,222	0	0	0	1,222
Total administered revenues	3	0	1,222	0	52,665	0	53,887
(ii) Administered assets and liabilities	1						
Assets							
Current							
Cash		0	33,380	0	300	0	33,680
Receivables		0	0	0	13,613	0	13,613
Inventory		0	0	0	0	0	0
Other	2	0	0	0	1,864	0	1,864
Non-current							
Plant and equipment		0	18	0	0	0	18
Receivables		0	0	0	8,646	0	8,646
Crown land		0	4,542	0	1,588,698	0	1,593,240
Total administered assets		0	37,940	0	1,613,121	0	1,651,061
Liabilities							
Current							
Unearned revenue		0	0	0	2,957	0	2,957
Payables		0	247	0	12	0	259
Total administered liabilities		0	247	0	2,969	0	3,216

Notes

- From 1 July 2003, Government transferred responsibility for Crown Land Services to the Department for Planning and Infrastructure. Consequently, all administered Assets and Liabilities were transferred effective from that date and there were no financial transactions for the year.
- In 2001-02 the Minister had a 26% interest in a joint venture with LandCorp and City of Bunbury to develop, subdivide and sell land in Bunbury. The following represents the Minister's interest in the joint venture operation:

	2004 (\$'000)	2003 (\$'000)
Revenues	0	356
Expenses	0	411
Net profit	0	(55)
Assets	0	1,864
Liabilities	0	12
Net Assets	0	1,852

- Revenues, other than those relating to the DBNGP Corridor Trust Account, are paid into the Consolidated Fund.



AUDITOR GENERAL

INDEPENDENT AUDIT OPINION

To the Parliament of Western Australia

DEPARTMENT OF LAND INFORMATION FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2004

Audit Opinion

In my opinion,

- (i) the controls exercised by the Department of Land Information 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 Department at June 30, 2004 and its financial performance and cash flows for the year ended on that date.

Scope

The Chief Executive's Role

The Chief Executive 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, Output Schedule of Expenses and Revenues, 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
October 8, 2004