



Office of the Information Commissioner

Freedom of information for Western Australia



ANNUAL REPORT 2019/2020



Financial Statements

Disclosures and Legal Compliance

FINANCIAL STATEMENTS
Certification of financial statements
For the reporting period ended 30 June 2020

The accompanying financial statements of the Office of the Information Commissioner have been prepared in compliance with the provisions of the *Financial Management Act 2006* from proper accounts and records to present fairly the financial transactions for the reporting period ended 30 June 2020 and the financial position as at 30 June 2020.

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



Catherine Fletcher
Information Commissioner
17 September 2020



Michelle Fitzgerald
Chief Finance Officer
17 September 2020



Auditor General

INDEPENDENT AUDITOR'S REPORT

To the Parliament of Western Australia

OFFICE OF THE INFORMATION COMMISSIONER

Report on the financial statements

Opinion

I have audited the financial statements of the Office of the Information Commissioner which comprise the Statement of Financial Position as at 30 June 2020, the Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows, and Summary of Consolidated Account Appropriations for the year then ended, and Notes comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the financial statements are based on proper accounts and present fairly, in all material respects, the operating results and cash flows of the Office of the Information Commissioner for the year ended 30 June 2020 and the financial position at the end of that period. They are in accordance with Australian Accounting Standards, the *Financial Management Act 2006* and the Treasurer's Instructions.

Basis for opinion

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

Responsibility of the Information Commissioner for the financial statements

The Information Commissioner is responsible for keeping proper accounts, and the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards, the *Financial Management Act 2006* and the Treasurer's Instructions, and for such internal control as the Information Commissioner determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Information Commissioner is responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Western Australian Government has made policy or funding decisions affecting the continued existence of the Commissioner.

Auditor's responsibility for the audit of the financial statements

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

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A further description of my responsibilities for the audit of the financial statements is located on the Auditing and Assurance Standards Board website at https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of my auditor's report.

Report on controls

Opinion

I have undertaken a reasonable assurance engagement on the design and implementation of controls exercised by the Office of the Information Commissioner. The controls exercised by the Commissioner are those policies and procedures established by the Information Commissioner to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with legislative provisions (the overall control objectives).

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

In my opinion, in all material respects, the controls exercised by the Office of the Information Commissioner are sufficiently adequate to provide reasonable assurance that the receipt, expenditure and investment of money, the acquisition and disposal of property and the incurring of liabilities have been in accordance with legislative provisions during the year ended 30 June 2020.

The Information Commissioner's responsibilities

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

Auditor General's responsibilities

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

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

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

Limitations of controls

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

Report on the key performance indicators

Opinion

I have undertaken a reasonable assurance engagement on the key performance indicators of the Office of the Information Commissioner for the year ended 30 June 2020. The key performance indicators are the Under Treasurer-approved key effectiveness indicators and key efficiency indicators that provide performance information about achieving outcomes and delivering services.

In my opinion, in all material respects, the key performance indicators of the Office of the Information Commissioner are relevant and appropriate to assist users to assess the agency's performance and fairly represent indicated performance for the year ended 30 June 2020.

The Information Commissioner's responsibility for the key performance indicators

The Information Commissioner is responsible for the preparation and fair presentation of the key performance indicators in accordance with the *Financial Management Act 2006* and the Treasurer's Instructions and for such internal control as the Information Commissioner determines necessary to enable the preparation of key performance indicators that are free from material misstatement, whether due to fraud or error.

In preparing the key performance indicators, the Information Commissioner is responsible for identifying key performance indicators that are relevant and appropriate, having regard to their purpose in accordance with Treasurer's Instruction 904 *Key Performance Indicators*.

Auditor General's responsibility

As required by the *Auditor General Act 2006*, my responsibility as an assurance practitioner is to express an opinion on the key performance indicators. The objectives of my engagement are to obtain reasonable assurance about whether the key performance indicators are relevant and appropriate to assist users to assess the entity's performance and whether the key performance indicators are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. I conducted my engagement in accordance with Standard on Assurance Engagements ASAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* issued by the Australian Auditing and Assurance Standards Board. That standard requires that I comply with relevant ethical requirements relating to assurance engagements.

An assurance engagement involves performing procedures to obtain evidence about the amounts and disclosures in the key performance indicators. It also involves evaluating the relevance and appropriateness of the key performance indicators against the criteria and guidance in Treasurer's Instruction 904 for measuring the extent of outcome achievement and the efficiency of service delivery. The procedures selected depend on my judgement, including the assessment of the risks of material misstatement of the key performance indicators. In making these risk assessments I obtain an understanding of internal control relevant to the engagement in order to design procedures that are appropriate in the circumstances.

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

My independence and quality control relating to the reports on controls and key performance indicators

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

Matters relating to the electronic publication of the audited financial statements and key performance indicators

This auditor's report relates to the financial statements and key performance indicators of the Office of the Information Commissioner for the year ended 30 June 2020 included on the Commissioner's website. The Information Commissioner's management is responsible for the integrity of the Information Commissioner's website. This audit does not provide assurance on the integrity of the Information Commissioner's website. The auditor's report refers only to the financial statements and key performance indicators described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these financial statements or key performance indicators. If users of the financial statements and key performance indicators are concerned with the inherent risks arising from publication on a website, they are advised to contact the entity to confirm the information contained in the website version of the financial statements and key performance indicators.



VINCE TURCO
SENIOR DIRECTOR FINANCIAL AUDIT
Delegate of the Auditor General for Western Australia
Perth, Western Australia
21 September 2020

Statement of Comprehensive Income – 30 June 2020

	Note	2020 \$	2019 \$
Cost of services			
<i>Expenses</i>			
Employee benefits expense	2.1.1	1,505,817	1,481,521
Supplies and services	2.2	400,258	383,203
Depreciation expense	4.1.1	1,063	4,231
Accommodation expenses	2.2	201,222	231,758
Other expenses	2.2	102,476	112,504
Total cost of services		2,210,835	2,213,217
<i>Income</i>			
<u>Revenue</u>			
Other revenue	3.2	35,690	-
Total Revenue		35,690	-
Total income other than income from State Government		35,690	-
Net cost of services		2,175,145	2,213,217
<i>Income from State Government</i>			
Service appropriation	3.1	2,279,000	2,247,000
Services received free of charge	3.1	78,183	75,571
Total income from State Government		2,357,183	2,322,571
Surplus for the period		182,038	109,354
Other comprehensive income		-	-
Total comprehensive income for the period		182,038	109,354

The Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Statement of Financial Position – 30 June 2020

	Note	2020 \$	2019 \$
Assets			
<i>Current Assets</i>			
Cash and cash equivalents	6.1	1,083,260	848,664
Receivables	5.1	19,499	16,454
Other current assets	5.3	33,870	31,356
Total Current Assets		1,136,629	896,474
<i>Non-Current Assets</i>			
Restricted cash and cash equivalents	6.1	17,982	13,081
Amounts receivable for services	5.2	36,000	36,000
Property, plant and equipment	4.1	0	1,063
Total Non-Current Assets		53,892	50,144
Total Assets		1,190,611	946,618
Liabilities			
<i>Current Liabilities</i>			
Payables	5.4	45,167	21,693
Employee related provisions	2.1.2	320,569	278,008
Total Current Liabilities		365,736	299,701
<i>Non-Current Liabilities</i>			
Employee related provisions	2.1.2	25,091	29,171
Total Non-Current Liabilities		25,091	29,171
Total Liabilities		390,827	328,872
Net Assets		799,784	617,746
Equity			
Contributed equity	8.8	37,000	37,000
Accumulated surplus/(deficit)	8.8	762,783	580,746
Total Equity		799,784	617,746

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

Statement of Changes in Equity – 30 June 2020

	Note	Contributed Equity \$	Accumulated Surplus/ (deficit) \$	Total Equity \$
Balance at 1 July 2018		37,000	471,392	508,392
Changes in accounting policy or correction of prior period errors		-	-	-
Restated balance at 1 July 2018		37,000	471,392	508,392
Surplus/(Deficit)		-	109,354	109,354
Other comprehensive income		-	-	-
Total comprehensive income for the period		37,000	580,746	617,746
Balance at 30 June 2019	8.8	37,000	580,746	617,746
Balance at 1 July 2019		37,000	580,746	617,746
Surplus/(Deficit)		-	182,038	182,038
Other comprehensive income		-	-	-
Total comprehensive income for the period		-	182,038	182,038
Balance at 30 June 2020	8.8	37,000	762,784	799,784

The Statement of Changes in Equity should be read in conjunction with the accompanying notes

Statement of Cash Flows – 30 June 2020

	Note	2020 \$	2019 \$
Cash Flows from State Government			
Service appropriation		2,279,000	2,247,000
Net cash provided by State Government		2,279,000	2,247,000
<i>Utilised as follows:</i>			
Cash Flows from Operating Activities			
<i>Payments</i>			
Employee benefits		(1,456,410)	(1,432,477)
Supplies and services		(306,637)	(302,632)
Accommodation		(201,222)	(231,758)
GST payments on purchases		(61,267)	(64,382)
Other payments		(102,476)	(112,504)
<i>Receipts</i>			
GST receipts on sales		2,972	261
GST receipts from taxation authority		49,846	67,352
Other receipts		35,690	-
Net cash provided by/(used in) operating activities		(2,039,503)	(2,076,140)
Net increase/(decrease) in cash and cash equivalents		239,497	170,860
Cash and cash equivalents at the beginning of the period		861,745	690,885
Cash and cash equivalents at the end of the period	6.1	1,101,242	861,745

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

Summary of consolidated account appropriations – 30 June 2020

	2020 Budget Estimate (\$000)	2020 Supplementary Funding (\$000)	Revised Budget (\$000)	2020 Actual (\$000)	Variance (\$000)
<u>Delivery of Services</u>					
Item 12 Net amount appropriated to deliver services	2,017	-	2,017	2,010	(7)
Amount authorised by other statutes					
- <i>Freedom of Information Act 1992</i>	278	-	278	269	(9)
Total appropriations provided to deliver services	2,295	-	2,295	2,279	(16)
<u>Capital</u>					
Capital appropriations	243	-	243	-	(243)
Grand Total	2,538	-	2,538	2,279	(259)

Adjustments comprise movements in cash balances and other accrual items such as receivables, payables and superannuation.

Note 1. Basis of Preparation

The OIC is a WA Government entity and is controlled by the State of Western Australia, which is the ultimate parent. The OIC is a not-for-profit entity (as profit is not its principal objective).

A description of the nature of its operations and its principal activities have been included in the 'Overview' which does not form part of these financial statements.

These annual financial statements were authorised for issue by the Commissioner on 17 September 2020.

Statement of compliance

These general purpose financial statements have been prepared in accordance with:

- 1) The *Financial Management Act 2006 (FMA)*
- 2) The *Treasurer's Instructions (TIs)*
- 3) Australian Accounting Standards (**AASs**) - Reduced Disclosure Requirements
- 4) Where appropriate, those AAS paragraphs applicable for not-for-profit entities have been applied.

The FMA and the TIs take precedence over AASs. Several AASs are modified by the TIs to vary application, disclosure format and wording. Where modification is required and has had a material or significant financial effect upon the reported results, details of that modification and the resulting financial effect are disclosed in the notes to the financial statements.

Basis of preparation

These financial statements are presented in Australian dollars applying the accrual basis of accounting and using the historical cost convention. Certain balances will apply a different measurement basis (such as the fair value basis). Where this is the case the different measurement basis is disclosed in the associated note. All values are rounded to the nearest dollar.

Judgements and estimates

Judgements, estimates and assumptions are required to be made about financial information being presented. The significant judgements and estimates made in the preparation of these financial statements are disclosed in the notes where amounts affected by those judgements and/or estimates are disclosed. Estimates and associated assumptions are based on professional judgements derived from historical experience and various other factors that are believed to be reasonable under the circumstances.

Contributed equity

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

Contributions by Owners made to Wholly owned Public Sector Entities and have been credited directly to Contributed Equity.

Note 2. Use of our funding

Expenses incurred in the delivery of services

This section provides additional information about how the OIC's funding is applied and the accounting policies that are relevant for an understanding of the items recognised in the financial statements. The primary expenses incurred by the OIC in achieving its objectives and the relevant notes are:

	Notes	2020 \$	2019 \$
Employee benefits expense	2.1.1	1,505,817	1,481,521
Employee related provisions	2.1.2	345,660	307,179
Other expenditure	2.2	703,955	727,465

Note 2.1.1 Employee benefits expense

	2020 \$	2019 \$
Employee benefits	1,372,966	1,346,664
Superannuation - defined contribution plans	132,851	134,857
	1,505,817	1,481,521
Add: AASB 16 Non-monetary benefits	-	-
Less: Employee Contributions	-	-
	1,505,817	1,481,521

Employee Benefits: Include wages, salaries and social contributions, accrued and paid leave entitlements and paid sick leave, profit-sharing and bonuses; and non-monetary benefits (such as medical care, housing, cars and free or subsidised goods or services) for employees.

Termination benefits: Payable when employment is terminated before normal retirement date, or when an employee accepts an offer of benefits in exchange for the termination of employment. Termination benefits are recognised when the OIC is demonstrably committed to terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

Superannuation: The amount recognised in profit or loss of the Statement of Comprehensive Income comprises employer contributions paid to the GSS (concurrent contributions), the WSS, the GESBs, or other superannuation funds.

AASB 16 Non-monetary benefits: Non-monetary employee benefits, that are employee benefits expenses, predominantly relate to the provision of vehicle and housing benefits are measured at the cost incurred by the agency.

Note 2.1.2 Employee related provisions

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave for services rendered up to the reporting date and

recorded as an expense during the period the services are delivered.

	2020 \$	2019 \$
Current		
<i>Employee benefits provision</i>		
Annual leave ^(a)	130,478	97,135
Long service leave ^(b)	188,638	179,611
	319,116	276,746
<i>Other provisions</i>		
Employment on-costs ^(c)	1,453	1,262
	320,569	278,008
Non-current		
<i>Employee benefits provision</i>		
Long service leave ^(b)	24,978	29,039
<i>Other provisions</i>		
Employment on-costs ^(c)	113	132
	25,091	29,171
Total employee related provisions	345,660	307,179

(a) Annual leave liabilities: Classified as current as there is no unconditional right to defer settlement for at least 12 months after the end of the reporting period.

The provision for annual leave is calculated at the present value of expected payments to be made in relation to services provided by employees up to the reporting date.

(b) Long service leave liabilities: Unconditional long service leave provisions are classified as current liabilities as the OIC does not have an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

Pre-conditional and conditional long service leave provisions are classified as non-current liabilities because the OIC has an unconditional right to defer the settlement of the liability until the employee has completed the requisite years of service.

The provision for long service leave is calculated at present value as the OIC does not expect to wholly settle the amounts within 12 months. The present value is measured taking into account the present value of expected future payments to be made in relation to services provided by employees up to the reporting date. These payments are estimated using the remuneration rate expected to apply at the time of settlement, and discounted using market yields at the end of the reporting period on national government bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows.

(c) Employment on-costs: The settlement of annual and long service leave liabilities gives rise to the payment of employment on-costs including workers' compensation insurance. The provision is the present value of expected future payments.

Employment on-costs, including workers' compensation insurance, are not employee benefits and are recognised separately as liabilities and expenses when the employment

to which they relate has occurred. Employment on-costs are included as part of *Other expenditure* (Note 2.2) and are not included as part of the OIC's 'employee benefits expense'. The related liability is included in 'Employment on-costs provision'.

	2020 \$	2019 \$
<i>Employment on-cost provision</i>		
Carrying amount at start of period	1,394	1,177
Additional/(reversals of) provisions recognised	172	217
Payments/other sacrifices of economic benefits	-	-
Unwinding of the discount	-	-
Carrying amount at the end of the period	1,566	1,394

Key sources of estimation uncertainty – long service leave

Key estimates and assumptions concerning the future are based on historical experience and various other factors that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next reporting period.

Several estimates and assumptions are used in calculating the OIC's long service leave provision. These include:

- expected future salary rates;
- discount rates;

- employee retention rates; and
- expected future payments.

Changes in these estimations and assumptions may impact on the carrying amount of the long service leave provision. Any gain or loss following revaluation of the present value of long service leave liabilities is recognised as an employee benefits expense.

Note 2.2 Other expenditure

	2020 \$	2019 \$
<i>Supplies and services</i>		
Goods and supplies	49,187	24,434
Services and contracts	351,071	358,769
	400,258	383,203
<i>Accommodation expenses</i>		
Rental	201,222	231,758
	201,222	231,758
<i>Other</i>		
Communications	2,536	3,373
Printing and binding	6,517	2,524
Electricity	5,213	7,187
Insurance	12,786	12,790
Repairs and maintenance	-	198
Travel and accommodation	12,079	9,774
Software licenses	9,784	12,154

Professional development	8,075	14,722
Audit fees	27,375	36,170
Employment on-costs	1,024	1,344
Research and advertising	16,145	11,789
Other	663	477
	102,198	112,504
Total other expenditure	703,678	727,465

Supplies and services expenses are recognised as an expense in the reporting period in which they are incurred. The carrying amounts of any materials held for distribution are expensed when the materials are distributed.

Rental expenses include lease payments, recognised in the period in which the event or condition that triggers those payments occurs.

Repairs, maintenance and cleaning costs are recognised as expenses as incurred.

Other operating expenses generally represent the day-to-day running costs incurred in normal operations.

Communications expense include telephone, postal and internet costs incurred and are recognised as expenses as incurred.

Electricity costs are recognised as expenses as incurred.

Insurance includes general insurance costs (excluding workers compensation costs) and is recognised as an expense as incurred.

Travel and accommodation costs for staff travel on behalf of the OIC is recognised as an expense as incurred.

Software licences are costs associated with the use of software applications by the OIC and are recognised as expenses as incurred.

Professional development are costs incurred for the training and development of staff and are recognised as expenses as incurred.

Audit fees includes both external and internal audit fees and are recognised as an expense in the period in which it is incurred.

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

Employee on-cost includes workers' compensation insurance and other employment on-costs. The on-costs liability associated with the recognition of annual and long service leave liabilities is included at Note 2.1.2 *Employee related provisions*. Superannuation contributions accrued as part of the provision for leave are employee benefits and are not included in employment on-costs.

Note 3. Our Funding Sources

How we obtain our funding

This section provides additional information about how the OIC obtains its funding and the relevant accounting policy notes that govern the recognition and measurement of this

funding. The primary income received by the OIC and the relevant notes are:

	Notes	2020 \$	2019 \$
Income from State Government	3.1	2,357,183	2,322,571
Other revenue	3.2	35,690	-

3.1 Income from State Government

	2020 \$	2019 \$
<i>Appropriation received during the period:</i>		
Service appropriations	2,010,000	1,969,000
Service appropriations - Other Statutes	269,000	278,000
	2,279,000	2,247,000
<i>Services received free of charge from other State government agencies during the period</i>		
Department of Finance - Building Management and Works	78,183	75,571
	78,183	75,571
	2,357,183	2,322,571

Service Appropriations are recognised as income at the fair value of consideration received in the period in which the agency gains control of the appropriated funds. The agency gains control of appropriated funds at the time those funds are deposited in the bank account or credited to the 'amounts receivable for services' (holding account) held at Treasury.

Service appropriations fund the net cost of services delivered. Appropriation revenue comprises the following:

- cash component; and
- a receivable (asset).

Service Appropriations - Other Statutes - Salaries and Allowances Tribunal funding is recognised as revenue at fair value in the period in which the OIC gains control of the appropriated funds. The OIC gains control of appropriated funds at the time those funds are deposited in the bank account.

3.2 Other revenue

	2020 \$	2019 \$
<i>Appropriation received during the period:</i>		
Conference receipts	26,565	-
Leave liability recoups	3,691	-
Other recoups	5,433	-
Total other revenue	35,690	-

Other revenue is recognised at fair value when the OIC obtains control over the assets comprising the contributions, usually when cash is received.

Note 4. Key Assets

This section includes information regarding the key assets the OIC utilises to gain economic benefits or provide service potential. The section sets out both the key accounting policies and financial information about the performance of these assets:

Assets the OIC utilises for economic benefit or service potential

	Notes	2020 \$	2019 \$
Property, plant and equipment	4.1.1	-	1,063
Total key assets		-	1,063

4.1 Property, plant and equipment

	2020 \$	2019 \$
<i>Office equipment and computers</i>		
At cost	46,314	46,314
Accumulated depreciation	(46,314)	(45,251)
	-	1,063

Reconciliations of the carrying amounts of office equipment and computers at the beginning and end of the reporting period are set out below:

2020

Carrying amount at start of period	1,063
Depreciation	(1,063)
Additions	-
Carrying amount at 30 June 2020	-

2019

Carrying amount at start of period	5,294
Depreciation	(4,231)
Additions	-
Carrying amount at 30 June 2019	1,063

Initial Recognition

Items of property, plant and equipment costing \$5,000 or more are measured initially at cost. Where an asset is acquired for no or nominal cost, the cost is valued at its fair value at the date of acquisition. Items of property, plant and equipment costing less than \$5,000 are immediately expensed direct to the Statement of Comprehensive Income (other than where they form part of a group of similar items which are significant in total).

Office
equipment
and
computers
\$

Subsequent measurement

Subsequent to initial recognition as an asset, the historical cost model is used for the measurement of plant and equipment. Items of plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses.

The OIC does not hold any land, buildings or infrastructure assets.

Finite useful lives

All plant and equipment having a limited useful life are systematically depreciated over their estimated useful lives in a manner that reflects the consumption of their future economic benefits. The exceptions to this rule include assets held for sale, land and investment properties

Depreciation is generally calculated on a straight line basis, at rates that allocate the asset's value, less any estimated residual value, over its estimated useful life. Typical estimated useful lives for the different asset classes for current and prior years are included in the table below:

Asset	Useful life: years
Office equipment	5 years
Computers	3 years

The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period, and adjustments should be made where appropriate.

4.1.1 Depreciation and impairment charge for the period

	2020 \$	2019 \$
<i>Depreciation</i>		
Plant and equipment	1,063	4,231
	1,063	4,231

As at 30 June 2020 there were no indications of impairment to property, plant and equipment.

All surplus assets at 30 June 2020 have either been classified as assets held for sale or have been written-off.

Impairment

Non-financial assets, including items of plant and equipment, are tested for impairment whenever there is an indication that the asset may be impaired. Where there is an indication of impairment, the recoverable amount is estimated. Where the recoverable amount is less than the carrying amount, the asset is considered impaired and is written down to the recoverable amount and an impairment loss is recognised.

Where an asset measured at cost is written down to its recoverable amount, an impairment loss is recognised through profit or loss.

Where a previously revalued asset is written down to its recoverable amount, the loss is recognised as a revaluation decrement through other comprehensive income.

As the OIC is a not-for-profit office, the recoverable amount of regularly revalued specialised assets is anticipated to be materially the same as fair value.

If there is an indication that there has been a reversal in impairment, the carrying amount shall be increased to its recoverable amount. However this reversal should not increase the asset's carrying amount above what would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised in prior years.

The risk of impairment is generally limited to circumstances where an asset's depreciation is materially understated, where the replacement cost is falling or where there is a significant change in useful life. Each relevant class of assets is reviewed annually to verify that the accumulated depreciation/amortisation reflects the level of consumption or expiration of the asset's future economic benefits and to evaluate any impairment risk from declining replacement costs.

Note 5. Other assets and liabilities

This section sets out those assets and liabilities that arose from the OIC's controlled operations and includes other assets utilised for economic benefits and liabilities incurred during normal operations:

	Notes	2020 \$	2019 \$
Receivables	5.1	19,499	16,454
Amounts receivable for services	5.2	36,000	36,000
Other assets	5.3	33,870	31,356
Payables	5.4	45,167	21,693

5.1 Receivables

	2020 \$	2019 \$
<i>Current</i>		
Trade receivables	109	2,289
GST receivable	19,390	14,165
Total receivables	19,499	16,454

Trade receivables are recognised at original invoice amount less any allowances for uncollectible amounts (i.e. impairment). The carrying amount of net trade receivables is equivalent to fair value as it is due for settlement within 30 days.

5.2 Amounts receivable for services (Holding Account)

	2020 \$	2019 \$
Non-current	36,000	36,000
Balance at end of the period	36,000	36,000

Amounts receivable for services represent the non-cash component of service appropriations. It is restricted in that it

can only be used for asset replacement or payment of leave liability.

Amounts receivable for services are considered not impaired (i.e. there is no expected credit loss of the Holding Account).

5.3. Other assets

	2020 \$	2019 \$
<i>Current</i>		
Prepayments	33,870	31,356
Balance at the end of the period	33,870	31,356

Other non-financial assets include prepayments which represent payments in advance of receipt of goods or services or that part of expenditure made in one accounting period covering a term extending beyond that period.

5.4 Payables

	2020 \$	2019 \$
<i>Current</i>		
Trade payables	28,385	15,733
GST Payable	148	253
Accrued salaries	16,633	5,707
Balance at end of period	45,167	21,693

Payables are recognised at the amounts payable when the OIC becomes obliged to make future payments as a result of a purchase of assets or services. The carrying amount is

equivalent to fair value, as settlement is generally within 30 days.

Accrued salaries represent the amount due to staff but unpaid at the end of the reporting period. Accrued salaries are settled within a fortnight after the reporting period. The OIC considers the carrying amount of accrued salaries to be equivalent to its fair value.

The accrued salaries suspense account (See Note 6.1 *Cash and cash equivalents*) consists of amounts paid annually, from office appropriations for salaries expense into a Treasury suspense account to meet the additional cash outflow for employee salary payments in reporting periods with 27 pay days instead of the normal 26. No interest is received on this account

Note 6. Financing

This section sets out the material balances and disclosures associated with the financing and cashflows of the OIC.

	Notes	2020 \$	2019 \$
Cash and cash equivalents	6.1	1,101,242	861,745

6.1 Cash and cash equivalents

	2020 \$	2019 \$
Cash and cash equivalents	1,083,260	848,664
Restricted cash and cash equivalents		
– Accrued salaries suspense account ^(a)	17,982	13,081
Balance at end of period	1,101,242	861,745

(a) Funds held in the suspense account for the purpose of meeting the 27th pay in a reporting period that occurs every 11th year. This account is classified as non-current for 10 out of 11 years.

For the purpose of the statement of cash flows, cash and cash equivalent (and restricted cash and cash equivalent) assets comprise cash on hand and short-term deposits with original maturities of three months or less that are readily convertible to a known amount of cash and which are subject to insignificant risk of changes in value.

Note 7. Financial instruments and contingencies

	Notes
Financial instruments	7.1
Contingent assets and liabilities	7.2

7.1 Financial Instruments

The carrying amounts of each of the following categories of financial assets and liabilities at the end of the reporting period are:

	2020 \$	2019 \$
<i>Financial assets</i>		
Cash and cash equivalents	1,101,242	861,745
Financial assets at amortised cost ^(a)	36,109	38,289
	1,137,351	900,034
<i>Financial liabilities</i>		
Financial liabilities at amortised cost	45,167	21,693
	45,167	21,693

(a) The amount of receivables excludes GST recoverable from the ATO (statutory receivable).

7.2 Contingent assets and liabilities

Contingent assets and contingent liabilities are not recognised in the statement of financial position but are disclosed and, if quantifiable, are measured at nominal value.

The OIC had no contingent liabilities and contingent assets as of 30 June 2020.

Note 8. Other disclosures

This section includes additional material disclosures required by accounting standards or other pronouncements, for the understanding of this financial report.

	Notes
Events occurring after the end of the reporting period	8.1
Initial application of Australian Accounting Standards	8.2
Key management personnel	8.3
Related party transactions	8.4
Related bodies	8.5
Affiliated bodies	8.6
Remuneration of auditors	8.7
Equity	8.8
Supplementary financial information	8.9
Explanatory statement	8.10

8.1 Events occurring after the end of the reporting period

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

8.2 Initial application of Australian Accounting Standards

(a) AASB 15 Revenue from Contract with Customers and AASB 1058 Income of Not-for-Profit Entities.

AASB 15 Revenue from Contracts with Customers replaces *AASB 118 Revenue* and *AASB 111 Construction Contracts* for annual reporting periods on or after 1 January 2019. Under the new model, an entity shall recognise revenue when (or as) the entity satisfies a performance obligation by transferring a promised good or service and is based upon the transfer of control rather than transfer of risks and rewards.

AASB 15 focuses on providing sufficient information to the users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from the contracts with customers. Revenue is recognised by applying the following five steps:

- identifying contracts with customers;
- identifying separate performance obligations;
- determining the transaction price of the contract;
- allocating the transaction price to each of the performance obligations; and
- recognising revenue as each performance obligation is satisfied.

Revenue is recognised either over time or at a point in time. Any distinct goods or services are separately identified and

any discounts or rebates in the contract price are allocated to the separate elements.

In addition, the OIC derives income from appropriations which are recognised under AASB 1058. AASB 1058 is applied to not-for-profit entities for recognising income that is not revenue from contracts with customers. Timing of income recognition under AASB 1058 depends on whether such a transaction gives rise to a liability or other performance obligation (a promise to transfer a good or service), or a contribution by owners, related to an asset (such as cash or another asset) recognised by an office.

The OIC adopts the modified retrospective approach on transition to AASB 15 and AASB 1058. No comparative information will be restated under this approach, and the OIC will recognise the cumulative effect of initially applying the standard as an adjustment to the opening balance of accumulated surplus/(deficit) at the date of initial application (1 January 2019).

Under this transition method, the OIC may elect to apply the Standard retrospectively only to contracts and transactions that are not completed contracts at the date of initial application.

Refer to Note 3.1 for the revenue and income accounting policies adopted from 1 January 2019.

There was no financial impact of adopting AASB 15 and AASB 1058.

(b) AASB 16 Leases

AASB 16 Leases supersedes *AASB 117 Leases* and related Interpretations. AASB 16 primarily affects lessee accounting and provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements of both lessees and lessors.

The OIC applies *AASB 16 Leases* from 1 July 2019 using the modified retrospective approach. As permitted under the specific transition provisions, comparatives are not restated. The cumulative effect of initially applying this Standard is recognised as an adjustment to the opening balance of accumulated surplus/(deficit).

The main changes introduced by this Standard include identification of lease within a contract and a new lease accounting model for lessees that require lessees to recognise all leases (operating and finance leases) on the Statement of Financial Position as right-of-use assets and lease liabilities, except for short term leases (lease terms of 12 months or less at commencement date) and low-value assets (where the underlying asset is valued less than \$5,000). The operating lease and finance lease distinction for lessees no longer exists.

Under AASB 16, the OIC takes into consideration all operating leases that were off balance sheet under AASB 117 and recognises:

- a) right-of-use assets and lease liabilities in the Statement of Financial Position, initially measured at the present value

of future lease payments, discounted using the incremental borrowing rate (2.5%) on 1 July 2019;

- b) depreciation of right-of-use assets and interest on lease liabilities in the Statement of Comprehensive Income; and
- c) the total amount of cash paid as principal amount, which is presented in the cash flows from financing activities, and interest paid, which is presented in the cash flows from operating activities, in the Statement of Cash Flows.

The OIC measures concessionary leases that are of low value terms and conditions at cost at inception. There is no financial impact as the OIC is not in possession of any concessionary leases at the date of transition.

The right-of-use assets are assessed for impairment at the date of transition and the OIC has not identified any impairments to its right-of-use assets.

On transition, the OIC has elected to apply the following practical expedients in the assessment of their leases that were previously classified as operating leases under AASB 117:

- a) a single discount rate has been applied to a portfolio of leases with reasonably similar characteristics;
- b) the OIC has relied on its assessment of whether existing leases were onerous in applying *AASB 137 Provisions, Contingent Liabilities and Contingent Assets* immediately before the date of initial application as an alternative to performing an impairment review. The OIC has adjusted the ROU asset at 1 July 2019 by the amount of any

provisions included for onerous leases recognised in the statement of financial position at 30 June 2019;

- c) where the lease term at initial application ended within 12 months, the OIC has accounted for these as short-term leases;
- d) initial direct costs have been excluded from the measurement of the right-of-use asset;
- e) hindsight has been used to determine if the contracts contained options to extend or terminate the lease.

The OIC has not reassessed whether existing contracts are, or contained a lease at 1 July 2019. The requirements of paragraphs 9-11 of AASB 16 are applied to contracts that came into existence post 1 July 2019.

There was no financial impact of adopting AASB 16.

8.3 Key management personnel

The OIC has determined key management personnel to include senior officers of the OIC. The OIC does not incur expenditures to compensate Ministers and those disclosures may be found in the Annual Report on State Finances.

The total fees, salaries, superannuation, non-monetary benefits and other benefits for senior officers of the OIC for the reporting period are presented within the following bands:

Compensation Band (\$)	2020	2019
\$10,001 - \$20,001	-	1
\$290,001 - \$300,000	-	1
\$320,001 - \$330,000	1	-
	2020	2019
	\$	\$
Total compensation of senior officers	322,170	317,237

Total compensation includes the superannuation expense incurred by the OIC in respect of senior officers.

8.4 Related Party Transactions

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

Related parties of the OIC include:

- all senior officers and their close family members, and their controlled or jointly controlled entities;
- other agencies and statutory authorities, including related bodies, that are included in the whole of government consolidated financial statements (i.e. wholly owned public sector entities);
- associates and joint ventures of a wholly-owned public sector entity; and
- the Government Employees Superannuation Board.

Material transactions with related parties

Outside of normal citizen type transactions with the OIC, there were no other related party transactions that involved key management personnel and/or their close family members and/or their controlled (or jointly controlled) entities.

8.5 Related bodies

The OIC has no related bodies.

8.6 Affiliated bodies

The OIC has no affiliated bodies.

8.7 Remuneration of Auditor

Remuneration paid or payable to the Auditor General in respect of the audit for the current reporting period is as follows:

	2020	2019
	\$	\$
Auditing of accounts, financial statements and performance indicators	27,375	27,375
	27,375	27,375

8.8 Equity

	2020	2019
	\$	\$
<i>Contributed equity</i>		
Balance at start of the period	37,000	37,000
Balance at end of the period	37,000	37,000

Accumulated surplus/(deficit)

Balance at start of period	580,746	471,392
Result for period	182,038	109,354
Balance at end of period	762,784	580,746
Total equity	799,784	617,746

8.9 Supplementary financial information**(a) Write-offs**

There were no write-offs during the previous or current reporting period.

(b) Losses through theft, defaults and other causes

There were no thefts, defaults or losses during the previous or current reporting period.

(c) Gifts of public property

There were no gifts of public property during the previous or current reporting period.

8.10 Explanatory statement

All variances between estimates (original budget) and actual results for 2020, and between the actual results for 2020 and 2019 for the Statements of Comprehensive Income, Financial Position and Cash Flows are shown in the following pages. The variances do not meet the threshold requiring explanation (greater than 10% and \$1 million).

8.10.1 Statement of comprehensive income variances

	Estimate 2020 (\$000)	Actual 2020 (\$000)	Actual 2019 (\$000)	Variance between estimate and actual (\$000)	Variance between actual results for 2020 and 2019 (\$000)
Statement of Comprehensive Income					
<i>Expenses</i>					
Employee benefits expense	1,605	1,506	1,482	(99)	24
Services and supplies	339	400	383	61	17
Accommodation expenses	13	201	232	188	(31)
Depreciation expense	265	1	4	(264)	(3)
Finance and interest costs	32	-	-	(32)	-
Other expenses	163	102	113	(61)	(10)
Total cost of services	2,417	2,211	2,213	(206)	(2)
<i>Income</i>					
<u>Revenue</u>					
Other revenue	4	36	-	32	36
Total income other than income from State Government	4	36	-	32	36
Net cost of services	2,413	2,175	2,213	(174)	(38)
<u>Income from State Government</u>					
Service appropriation	2,295	2,279	2,247	(16)	32
Resources received free of charge	110	78	76	(32)	3
Total income from State Government	2,405	2,357	2,323	(48)	35
Surplus/(deficit) for the period	(8)	182	109	(222)	(3)
Total comprehensive income for the period	(8)	182	109	(222)	(3)

8.10.2 Statement of financial position variances

	Estimate 2020 (\$000)	Actual 2020 (\$000)	Actual 2019 (\$000)	Variance between estimate and actual (\$000)	Variance between actual results for 2020 and 2019 (\$000)
<i>Assets</i>					
<u>Current Assets</u>					
Cash and cash equivalents	665	1,083	849	(418)	235
Receivables	17	19	16	(2)	3
Other Current Assets	45	34	31	11	3
Total Current Assets	727	1,137	896	(410)	240
<u>Non-Current Assets</u>					
Restricted cash and cash equivalents	10	18	13	(8)	5
Amounts receivable for services	264	36	36	228	-
Property, Plant and Equipment	812	-	1	812	(1)
Total non-current assets	1,086	54	50	1,032	4
Total assets	1,813	1,191	947	622	244
<i>Liabilities</i>					
<u>Current Liabilities</u>					
Payables	-	45	22	(45)	23
Provisions	212	321	278	(109)	43
Borrowings and leases	251	-	-	251	-
Other	21	-	-	21	-
Total Current Liabilities	484	366	300	118	66
<u>Non-Current Liabilities</u>					
Provisions	52	25	29	27	(4)
Borrowings and leases	541	-	-	541	-
Total Non-Current Liabilities	593	25	29	568	(4)
Total liabilities	1,077	391	329	686	62
Net assets/(liabilities)	736	800	618	(64)	182

<u>Equity</u>						
Contributed equity	280	37	37	243	-	
Accumulated surplus/(deficiency)	456	763	581	(307)	182	
Total equity	736	800	618	(64)	182	

8.10.3 Statement of cash flow variances

	Estimate 2020 (\$000)	Actual 2020 (\$000)	Actual 2019 (\$000)	Variance between estimate and actual (\$000)	Variance between actual results for 2020 and 2019 (\$000)
Cash flows from State Government					
Service appropriation	2,036	2,279	2,247	(243)	32
Capital appropriation	243	-	-	243	-
Holding account drawdowns	31	-	-	31	-
Net cash provided by State Government	2,310	2,279	2,247	31	32
<i>Utilised as follows:</i>					
Cash flows from operating activities					
<u>Payments</u>					
Employee benefits	(1,605)	(1,456)	(1,432)	(149)	(24)
Services and supplies	(311)	(307)	(303)	(4)	(4)
Accommodation	(13)	(201)	(232)	188	31
Other payments	(105)	(102)	(113)	(3)	10
GST payments on purchases	(30)	(61)	(64)	31	3
Finance and interest costs	(32)	-	-	(32)	-
<u>Receipts</u>					
Provision of services	-	-	-	-	-
GST receipts on sales	-	3	-	(3)	3
GST receipts from taxation authority	48	50	67	(2)	(18)
Other revenue	4	36	-	(32)	36
Net cash used in operating activities	(2,044)	(2,040)	(2,076)	(4)	37

*Cash flows from investing activities*Payments

Purchase of non-current assets

(31) - - (31) -

Receipts

Proceeds from sale of non-current physical assets

- - - -

Net cash provided by/(used in) investing activities

(31) - - (31) -

*Cash flows from financing activities*Payments

Repayment of borrowings and leases

(243) - - (243) -

Net cash provided by/(used in) investing activities**(243) - - (243) -****Net increase/(decrease) in cash and cash equivalents****(8) 239 171 (247) 69****Cash and cash equivalents at the beginning of the period****683 862 691 (179) 171****Cash and cash equivalents at the end of the period****675 1,101 862 (426) 239**