WESTERN AUSTRALIA

Office of the **Information Commissioner**

ANNUAL REPORT

2013/2014

Financial Statements

Auditor General

INDEPENDENT AUDITOR'S REPORT

To the Parliament of Western Australia

OFFICE OF THE INFORMATION COMMISSIONER

Report on the Financial Statements
I have audited the accounts and financial statements of the Office of the Information Commissioner.

The financial statements comprise the Statement of Financial Position as at 30 June 2014, the Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows, Schedule of Income and Expenses by Service, Schedule of Assets and Liabilities by Service, and Summary of Consolidated Account Appropriations and Income Estimates for the year then ended, and Notes comprising a summary of significant accounting policies and other explanatory information.

Information Commissioner's Responsibility 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 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.

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

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

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

Opinion
In my opinion, the financial statements are based on proper accounts and present fairly, in all material respects, the financial position of the Office of the Information Commissioner at 30 June 2014 and its financial performance and cash flows for the year then ended. They are in accordance with Australian Accounting Standards and the Treasurer's Instructions.

Page 1 of 3

7th Floor Albert Facey House 469 Wellington Street Perth MAIL TO: Perth BC PO Box 8489 Perth WA 6849 TEL: 08 6557 7500 FAX: 08 6557 7600

Report on Controls
I have audited the controls exercised by the Office of the Information Commissioner during the year ended 30 June 2014.

Controls exercised by the Office of the Information 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.

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

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

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

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

Opinion
In my opinion, the controls exercised by the 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 2014.

Report on the Key Performance Indicators
I have audited the key performance indicators of the Office of the Information Commissioner for the year ended 30 June 2014.

The key performance indicators are the key effectiveness indicators and the key efficiency indicators that provide information on outcome achievement and service provision.

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 controls as the Information Commissioner determines necessary to ensure that the key performance indicators fairly represent indicated performance.

Auditor's Responsibility
As required by the Auditor General Act 2006, my responsibility is to express an opinion on the key performance indicators based on my audit conducted in accordance with Australian Auditing and Assurance Standards.

Page 2 of 3

An audit involves performing procedures to obtain audit evidence about the key performance indicators. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the key performance indicators. In making these risk assessments the auditor considers internal control relevant to the Information Commissioner's preparation and fair presentation of the key performance indicators in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the relevance and appropriateness of the key performance indicators for measuring the extent of outcome achievement and service provision.

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

Opinion

In my opinion, the key performance indicators of the Office of the Information Commissioner are relevant and appropriate to assist users to assess the Information Commissioner's performance and fairly represent indicated performance for the year ended 30 June 2014.

Independence

In conducting this audit, I have complied with the independence requirements of the Auditor General Act 2006 and Australian Auditing and Assurance Standards, and other relevant ethical requirements.

Matters Relating to the Electronic Publication of the Audited Financial Statements 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 2014 included on the Information 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 refer to the hard copy of the audited financial statements and key performance indicators to confirm the information contained in this website version of the financial statements and key performance indicators.

COLIN MURPHY
AUDITOR GENERAL
FOR WESTERN AUSTRALIA
Perth, Western Australia
28 August 2014

Page 3 of 3

Disclosure and Legal Compliance

FINANCIAL STATEMENTS
Certification of Financial Statements
For the year ended 30 June 2014

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 financial year ended 30 June 2014 and the financial position as at 30 June 2014.

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

Michelle Fitzgerald	**Sven Bluemmel**
Chief Finance Officer	Information Commissioner
22 August 2014	22 August 2014

Statement of Comprehensive Income - 30 June 2014

	Note	2014 $	2013 $
COST OF SERVICES			
Expenses			
Employee benefits expense	6	1,443,192	1,615,118
Services and supplies	7	321,491	328,518
Depreciation expense	8	4,450	8,084
Accommodation expenses	9	259,319	262,330
Loss on disposal of non-current assets	12	59	-
Other expenses	10	78,352	117,454
Total cost of services		**2,106,862**	**2,331,504**
Income			
Revenue			
Other revenue	11	254	60,920
Total Revenue		**254**	**60,920**
Total income other than income from State Government		**254**	**60,920**
NET COST OF SERVICES		**2,106,608**	**2,270,584**
Income from State Government	13		
Service appropriation		2,142,000	2,062,000
Services received free of charge		109,700	85,794
Total income from State Government		**2,251,700**	**2,147,794**
SURPLUS/(DEFICIT) FOR THE PERIOD		**145,092**	**(122,790)**
OTHER COMPREHENSIVE INCOME			
Items not reclassified subsequently to profit or loss			
Changes in asset revaluation surplus		-	-
Total other comprehensive income		**-**	**-**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**145,092**	**(122,790)**

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

Statement of Financial Position - 30 June 2014

ASSETS	Note	2014 $	2013 $
Current Assets			
Cash and cash equivalents	22	84,189	58,687
Receivables	15	15,568	24,484
Other Current Assets	17	35,690	4,121
Total Current Assets		**135,447**	**87,292**
Non-Current Assets			
Restricted cash and cash equivalents	14, 22	43,357	38,126
Amounts receivable for services	16	36,000	36,000
Plant and Equipment	18	4,395	8,845
Total Non-Current Assets		**83,751**	**82,971**
TOTAL ASSETS		**219,199**	**170,263**
LIABILITIES			
Current Liabilities			
Payables	19	53,341	51,687
Provisions	20	131,138	233,258
Total Current Liabilities		**184,479**	**284,945**
Non-Current Liabilities			
Provisions	20	68,097	63,787
Total Non-Current Liabilities		**68,097**	**63,787**
TOTAL LIABILITIES		**252,576**	**348,732**
NET ASSETS/(LIABILITIES)		**(33,377)**	**(178,469)**
EQUITY	21		
Contributed equity		37,000	37,000
Accumulated surplus/(deficiency)		(70,377)	(215,469)
TOTAL EQUITY		**(33,377)**	**(178,469)**

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

Statement of Cash Flows - 30 June 2014

	Note	2014 $	2013 $
CASH FLOWS FROM STATE GOVERNMENT			
Service appropriation		2,142,000	2,056,000
Net cash provided by State Government		**2,142,000**	**2,056,000**
Utilised as follows:			
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Employee benefits		(1,531,747)	(1,497,517)
Services and supplies		(582,866)	(712,731)
GST payments on purchases		(58,203)	(70,380)
Cost of disposal of non-current assets		(59)	-
Receipts			
Provision of services		254	-
GST receipts from taxation authority		61,354	83,184
Other revenue		-	31,128
Net cash used in operating activities	22	**(2,111,267)**	**(2,166,317)**
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments			
Purchase of non-current physical assets		-	-
Net cash provided by/(used in) investing activities		-	-
Net increase/(decrease) in cash and cash equivalents		30,733	(110,317)
Cash and cash equivalents at the beginning of the period		96,813	207,130
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	22	**127,546**	**96,813**

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

Statement of Changes in Equity - 30 June 2014

	Note	Contributed Equity $	Reserves $	Accumulated Surplus/ (deficit) $	Total Equity $
Balance at 1 July 2012	21	37,000	-	(92,679)	(55,679)
Changes in accounting policy or correction of prior period errors		-	-	-	-
Restated balance at 1 July 2012		37,000	-	(92,679)	(55,679)
Surplus/(Deficit)		-	-	(122,790)	(122,790)
Other Comprehensive Income		-	-	-	-
Total comprehensive income for the period		-	-	(122,790)	(122,790)
Transactions with owners in their capacity as owners:					
Capital appropriations		-	-	-	-
Other contributions by owners		-	-	-	-
Distributions to owners		-	-	-	-
Total		37,000	-	(215,469)	(178,469)
Balance at 30 June 2013		37,000	-	(215,469)	(178,469)
Balance at 1 July 2013		37,000	-	(215,469)	(178,469)
Surplus/(Deficit)		-	-	145,092	145,092
Other Comprehensive Income		-	-	-	-
Total comprehensive income for the period		-	-	145,092	145,092
Transactions with owners in their capacity as owners:					
Capital appropriations		-	-	-	-
Other contributions by owners		-	-	-	-
Distributions to owners		-	-	-	-
Total		-	-	-	-
Balance at 30 June 2014		37,000	-	(70,377)	(33,377)

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

Schedule of Income and Expenses by Service - 30 June 2014

	Resolution of Complaints		Advice and Awareness		Total	
	2014	2013	2014	2013	2014	2013
	$	$	$	$	$	$
COST OF SERVICES						
Expenses						
Employee benefits expense	981,370	1,098,280	461,821	516,838	1,443,192	1,615,118
Supplies and services	218,614	223,392	102,877	105,126	321,491	328,518
Depreciation expense	3,026	5,497	1,424	2,587	4,450	8,084
Accommodation expense	176,337	178,385	82,982	83,946	259,319	262,330
Loss on disposal of non-current assets	40	-	19	-	59	-
Other expenses	53,279	79,869	25,073	37,585	78,352	117,454
Total cost of services	1,432,666	1,585,423	674,196	746,081	2,106,862	2,331,504
Income						
Other income	254	60,920	-	-	254	60,920
Total income other than income from State Government	254	60,920	-	-	254	60,920
NET COST OF SERVICES	**1,432,412**	**1,524,503**	**674,196**	**746,081**	**2,106,608**	**2,270,584**
Income from State Government						
Service appropriation	1,456,560	1,402,160	685,440	659,840	2,142,000	2,062,000
Resources received free of charge	74,596	58,340	35,104	27,454	109,700	85,794
Total income from State Government	1,531,156	1,460,500	720,544	687,294	2,251,700	2,147,794
SURPLUS/DEFICIT FOR THE PERIOD	**98,744**	**(64,003)**	**46,348**	**(58,787)**	**145,092**	**(122,790)**

Schedule of Assets and Liabilities by Service - 30 June 2014

	Resolution of Complaints		Advice and Awareness		Total	
	2014	2013	2014	2013	2014	2013
	$	$	$	$	$	$
Assets						
Current assets	92,104	59,359	43,343	27,933	135,447	87,292
Non-current assets	56,951	56,420	26,800	26,551	83,751	82,971
Total assets	149,055	115,779	70,144	54,484	219,199	170,263
Liabilities						
Current liabilities	125,446	193,763	59,033	91,182	184,479	284,945
Non-current liabilities	46,306	43,375	21,791	20,412	68,097	63,787
Total liabilities	171,752	237,138	80,824	111,594	252,576	348,732
NET ASSETS / (LIABILITIES)	**(22,697)**	**(121,359)**	**(10,681)**	**(57,110)**	**(33,377)**	**(178,469)**

Summary of Consolidated Account Appropriations and Income Estimates - 30 June 2014

	2014 Estimate $	2014 Actual $	Variance $	2014 Actual $	2013 Actual $	Variance $
Delivery of Services						
Item 56 Net amount appropriated to deliver services	1,438,000	1,864,000	426,000	1,864,000	1,800,000	64,000
Amount Authorised by Other Statutes						
-Freedom of Information Act 1992	278,000	278,000	-	278,000	262,000	16,000
Total appropriations provided to deliver services	**1,716,000**	**2,142,000**	**426,000**	**2,142,000**	**2,062,000**	**80,000**
Capital						
Capital appropriations	-	-	-	-	-	-
GRAND TOTAL	**1,716,000**	**2,142,000**	**426,000**	**2,142,000**	**2,062,000**	**80,000**
Details of Expenses by Service						
Resolution of Complaints	1,438,000	1,432,666	(5,334)	1,432,666	1,585,423	(152,757)
Advice and Awareness	616,000	674,196	58,196	674,196	746,081	(71,885)
Total Cost of Services	**2,054,000**	**2,106,862**	**52,862**	**2,106,862**	**2,331,504**	**(224,642)**
Less Total Income	(4,000)	(254)	3,746	(254)	(60,920)	60,666
Net Cost of Services	**2,050,000**	**2,106,608**	**56,608**	**2,106,608**	**2,270,584**	**(163,977)**
Adjustment	(13,000)	35,392	48,392	35,392	(208,584)	243,977
Total appropriations provided to deliver services	**2,037,000**	**2,142,000**	**105,000**	**2,142,000**	**2,062,000**	**80,000**
Capital Expenditure						
Purchase of non-current physical assets	-	-	-	-	-	-
Adjustments for other funding sources	-	-	-	-	-	-
Capital appropriations	**-**	**-**	**-**	**-**	**-**	**-**

Adjustments comprise movements in cash balances and other accrual items such as receivables, payables and superannuation. Note 27 *'Explanatory statement'* provides details of any significant variations between estimates and actual results for 2014 and between the actual results for 2013.

Note 1. Australian Accounting Standards

General

The Commission's financial statements for the year ended 30 June 2014 have been prepared in accordance with Australian Accounting Standards. The term 'Australian Accounting Standards' includes Standards and Interpretations issued by the Australian Accounting Standard Board (**AASB**).

The Commission has adopted any applicable, new and revised Australian Accounting Standards from their operative dates.

Early adoption of standards

The Commission cannot early adopt an Australian Accounting Standard unless specifically permitted by TI 1101 'Application of Australian Accounting Standards and Other Pronouncements'. There has been no early adoption of Australian Accounting Standards that have been issued or amended (but not operative) by the Commission for the annual reporting period ended 30 June 2014.

Note 2. Summary of significant accounting policies

(a) General statement

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

The *Financial Management Act 2006* and the Treasurer's Instructions impose legislative provisions that govern the preparation of financial statements and take precedence over Australian Accounting Standards, the Framework, Statements of Accounting Concepts and other authoritative pronouncements of the AASB.

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.

(b) Basis of preparation

The financial statements have been prepared on the accrual basis of accounting using the historical cost convention.

The accounting policies adopted in the preparation of the financial statements have been consistently applied throughout all periods presented unless otherwise stated.

Note 3 ‘Judgements made by management in applying accounting policies’ discloses judgements that have been made in the process of applying the Commission’s accounting policies resulting in the most significant effect on amounts recognised in the financial statements.

Note 5 ‘Key sources of estimation uncertainty’ discloses key assumptions made concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Notwithstanding the Commission's deficiency of net assets, the financial statements have been prepared on the going concern basis. This basis has been adopted as the Commission is a State Government agency funded by Parliamentary appropriation from the Consolidated Account.

(c) Reporting entity

The Office of the Information Commissioner is the reporting entity and has no related bodies.

(d) 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.

(e) Income

Revenue recognition

Revenue is recognised and measured at the fair value of consideration received or receivable. Revenue is recognised for the major business activities as follows:

Sale of goods

Revenue is recognised from the sale of goods and the disposal of other assets when the significant risks and rewards of ownership transfer to the purchaser and can be measured reliably.

Provision of services

Revenue is recognised by reference to the stage of completion of the transaction.

Service Appropriations

Service Appropriations are recognised as revenues at fair value in the period in which the Commission gains control of the appropriated funds. The Commission gains control of appropriated funds at the time those funds are deposited to the bank account or credited to the holding account held at Treasury.

Net Appropriations Determination

The Treasurer may make a determination providing for prescribed receipts to be retained for services under the control of the Commission. In accordance with the determination specified in the 2013 - 2014 Budget statements, the Commission retained $254 in 2014 ($60,920 in 2013) from the following:

- Other revenue.

Grants, donations, gifts and other non-reciprocal contributions

Revenue is recognised at fair value when the Commission obtains control over the assets comprising the contributions, usually when cash is received.

Other non-reciprocal contributions that are not contributions by owners 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.

Gains

Gains may be realised or unrealised and are usually recognised on a net basis. These include gains arising on the disposal of non-current assets and some revaluations of non-current assets.

(f) Plant and equipment

Capitalisation/Expensing of assets

Items of property, plant and equipment and infrastructure costing $5,000 or more are recognised as assets and the cost of utilising assets is expensed (depreciated) over their useful lives. Items of property, plant and equipment and infrastructure costing less than $5,000 are immediately expensed direct to the Statement of Comprehensive Income.

Initial recognition and measurement

Plant and equipment is initially recognised at cost.

For items of plant and equipment acquired at no cost or for nominal cost, the cost is their fair value at the date of acquisition.

Subsequent measurement

Subsequent to initial recognition as an asset, 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 Commission does not hold any land, buildings or infrastructure assets.

Derecognition

Upon disposal or derecognition of an item of property, plant and equipment and infrastructure, any revaluation surplus relating to that asset is retained in the asset revaluation surplus.

Depreciation

All non-current assets having a limited useful life are systematically depreciated over their estimated useful lives in a manner which reflects the consumption of their future economic benefits.

Depreciation is calculated using the straight line method, using rates which are reviewed annually. Estimated useful lives for each class of depreciable asset are:

- Office equipment - 5 years
- Computers - 3 years

(g) Impairment of assets

Property, plant and equipment, infrastructure and intangible assets are tested for any indication of impairment at the end of each reporting period. 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 recoverable amount, an impairment loss is recognised in profit or loss. Where a previously revalued asset is written down to recoverable amount, the loss is recognised as a revaluation decrement in other comprehensive income. As the Commission is a not-for-profit entity, unless a specialised asset has been identified as a surplus asset, the recoverable amount is the higher of an asset's fair value less costs to sell and depreciated replacement cost.

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 falling replacement costs.

The recoverable amount of assets identified as surplus assets is the higher of fair value less costs to sell and the present value of future cash flows expected to be derived from the asset. Surplus assets carried at fair value have no risk of material impairment where fair value is determined by reference to market-based evidence. Where fair value is determined by reference to depreciated replacement cost, surplus assets are at risk of impairment and the recoverable amount is measured. Surplus assets at cost are tested for indications of impairment at the end of each reporting period.

(h) Leases

The Commission holds operating leases for buildings and motor vehicles. Lease payments are expensed on a straight line basis over the lease term as this represents the pattern of benefits derived from the leased property and motor vehicles.

(i) Financial instruments

In addition to cash, the Commission has two categories of financial instrument:

- Receivables; and
- Financial liabilities measured at amortised cost.

Financial instruments have been disaggregated into the following classes:

- Financial Assets
  - Cash and Cash Equivalents

  - Restricted Cash and Cash Equivalents
  - Receivables
  - Amounts receivable for services
- Financial Liabilities
  - Payables

Initial recognition and measurement of financial instruments is at fair value which normally equates to the transaction cost or the face value. Subsequent measurement is at amortised cost using the effective interest method.

The fair value of short-term receivables and payables is the transaction cost or the face value because there is no interest rate applicable and subsequent measurement is not required as the effect of discounting is not material.

(j) Cash and cash equivalents

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.

(k) Accrued salaries

Accrued salaries represent the amount due to staff but unpaid at the end of the financial year. Accrued salaries are settled within a fortnight of the financial year end. The Commission considers the carrying amount of accrued salaries to be equivalent to the net fair value.

The accrued salaries suspense account 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 instead of the normal 26. No interest is received on this account.

(l) Amounts receivable for services (holding account)

The Commission receives income from the State Government partly in cash and partly as an asset (holding account receivable). The holding account receivable balance, resulting from service appropriation funding, is accessible on the emergence of the cash funding requirement to cover leave entitlements and asset replacement.

(m) Receivables

Receivables are recognised at the original invoice amount less an allowance for any uncollectible amounts (i.e. impairment). The collectability of receivables is reviewed on an ongoing basis and any receivables identified as uncollectible are written-off against the allowance account. The allowance for uncollectible amounts (doubtful debts) is raised when there is objective evidence that the Commission will not be able to collect the debts. The carrying amount is equivalent to fair value as it is due for settlement within 30 days.

(n) Payables

Payables are recognised at the amounts payable when the Commission 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 they are generally settled within 30 days.

(o) Provisions

Provisions are liabilities of uncertain timing or amount and are recognised where there is a present legal or constructive obligation as a result of a past event and when the outflow of resources embodying economic benefits is probable and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at the end of each reporting period.

Provisions - Employee Benefits

All annual leave and long service leave provisions are in respect of employees' services up to the end of the reporting period.

Annual Leave

Annual leave is not expected to be settled wholly within 12 months after the end of the reporting period and is therefore considered to be 'other long term employee benefits'. The annual leave liability is recognised and measured at the present value of amounts expected to be paid when the liabilities are settled using the remuneration rate expected to apply at the time of settlement.

Annual leave that is not expected to be settled within 12 months after the reporting period is recognised and measured at the present value of amounts expected to be paid when the liabilities are settled using the remuneration rate expected to apply at the time of settlement.

When assessing expected future payments consideration is given to expected future wage and salary levels including non-salary components such as employer superannuation contributions, as well as the experience of employee departures and periods of service. The expected future payments are 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.

The provision for annual leave is classified as a current liability as the Commission does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

Long Service Leave

The liability for long service leave that is not expected to be settled wholly within 12 months after the end of the reporting period is recognised and measured at the undiscounted amounts expected to be paid when the liability is settled.

Long service leave that is not expected to be settled within 12 months after the end of the reporting period is recognised and measured at the present value of amounts expected to be paid when the liabilities are settled using the remuneration rate expected to apply at the time of settlement.

When assessing expected future payments consideration is given to expected future wage and salary levels including non-salary components such as employer superannuation contributions, as well as the experience of employee departures and periods of service. The expected future payments are 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.

Unconditional long service leave provisions are classified as current liabilities as the Commission 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 Commission has an unconditional right to defer the settlement of the liability until the employee has completed the requisite years of service.

Purchased Leave

The provision for purchased leave relates to Public Service employees who have entered into an agreement to self-fund up to an additional 10 weeks leave per calendar year. The provision recognises the value of salary set aside for employees and is measured at the undiscounted amounts expected to be paid when the liabilities are settled. The liability is measured on the same basis as annual leave.

Superannuation

The Government Employees Superannuation Board (**GESB**) and other funds administer public sector superannuation arrangements in Western Australian accordance with legislative requirements.

Eligible employees contribute to the Pension Scheme, a defined benefit pension scheme closed to new members since 1987, or the Gold State Superannuation Scheme (**GSS**), a defined benefit lump sum scheme closed to new members since 1995.

The GSS is a defined benefit scheme for the purposes of employees and whole-of-government reporting. However, it is a defined contribution plan for agency purposes because the concurrent contributions (defined contributions) made by the Commission to GESB extinguishes the agency’s obligations to the related superannuation liability.

The Commission has no liabilities under the Pension or the GSS Schemes. The liabilities for the unfunded Pension Scheme and the unfunded GSS transfer benefits attributable to members who transferred from the Pension Scheme, are assumed by the Treasurer. All other GSS obligations are funded by concurrent contributions made by the Commission to the GESB.

Employees commencing employment prior to 16 April 2007 who were not members of either the Pension Scheme or the GSS became non-contributory members of the West State Superannuation Scheme (**WSS**). Employees commencing employment on or after 16 April 2007 became members of the GESB Super Scheme (**GESBS**). Both of these schemes are accumulation schemes. The Commission makes concurrent contributions to GESB on behalf of employees in compliance with the Commonwealth Government's *Superannuation Guarantee Administration Act 1992*. These contributions extinguish the liability for superannuation charges in respect of the WSS and GESBS.

The GESB makes all benefit payments in respect of the Pension and GSS Schemes, and is recouped by the Treasurer for the employer's share.

Provisions - Other

Employment On-Costs

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 expenses' and are not included as part of the Commission's 'Employee benefits expense'. The related liability is included in 'Employment on-costs provision'.

(p) Superannuation expense

The superannuation expense in the Statement of Comprehensive Income comprises of employer contributions paid to the GSS (concurrent contributions), the WSS, the GESBS or other superannuation funds. The employer contribution paid to the GESB in respect of the GSS is paid back into the Consolidated Account by the GESB.

(q) Assets and services received free of charge or for nominal cost

Assets or services received free of charge or for nominal cost, that the Commission would otherwise purchase if not donated, are recognised as income at the fair value of the assets or services where they can be reliably measured. A corresponding expense is recognised for services received. Receipts of assets are recognised in the Statement of Financial Position.

Assets or services received from other State Government agencies are separately disclosed under Income from State Government in the Statement of Comprehensive Income.

(t) Comparative Figures

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

Note 3. Judgements made by management in applying accounting policies

The preparation of financial statements requires management to make judgements about the application of accounting policies that have a significant effect on the amounts recognised in the financial statements. The Commission evaluates these judgements regularly.

Operating lease commitments

The Commission has entered into a commercial lease and has determined that the lessor retains substantially all the risks and rewards incidental to ownership. Accordingly, this lease has been classified as an operating lease.

Note 4. Key sources of estimation uncertainty

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 financial year.

Long service leave

Several estimations and assumptions used in calculating the Commission’s long service leave provision 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.

Note 5. Disclosure of changes in accounting policy and estimates

Initial Application of an Australian Accounting Standard

The Commission has applied the following Australian Accounting Standards effective for annual reporting periods beginning on or after 1 July 2013 that impacted on the Commission.

AASB 13 - Fair Value Measurement

This Standard defines fair value, sets out a framework for measuring fair value and requires additional disclosures for assets and liabilities measured at fair value. There is no financial impact.

AASB 119 - Employee Benefits

This Standard supersedes AASB 119 (October 2010), making changes to the recognition, presentation and disclosure requirements.

The Commission assessed employee leave patterns to determine whether annual leave is a short-term or other long-term employee benefit. The resultant discounting of annual leave liabilities that were previously measured at the undiscounted amounts is not material.

AASB 1048 - Interpretation of Standards

This Standard supersedes AASB 1048 (June 2012), enabling references to the Interpretations in all other Standards to be updated by reissuing the service Standard. There is no financial impact.

AASB 2011-8 - Amendments to Australian Accounting Standards arising from AASB 13 [AASB 1, 2, 3, 4, 5, 7, 9, 2009-11, 2010-7, 101, 102, 108, 110, 116, 117, 118, 119, 120, 121, 128, 131, 132, 133, 134, 136, 138, 139, 140, 141, 1004, 1023 & 1038 and Int 2, 4, 12, 13, 14, 17, 19, 131 & 132]

This Standard replaces the existing definition and fair value guidance in other Australian Accounting Standards and Interpretations as the result of issuing AASB 13 in September 2011. There is no financial impact.

AASB 2011-10 - Amendments to Australian Accounting Standards arising from AASB 119 (September 2011) [AASB 1, 8, 101, 124, 134, 1049 & 2011-8 and Int 14]

This Standard makes amendments to other Australian Accounting Standards and Interpretations as a result of issuing AASB 119 in September 2011. The resultant discounting of annual leave liabilities that were previously measured at the undiscounted amounts is not material.

AASB 2012-2 - Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities [AASB 7 & 132]

This Standard amends the required disclosures in AASB 7 to include information that will enable users of an entity's financial statements to evaluate the effect or potential effect of netting arrangements, including rights of set-off associated with the entity's recognised financial assets and recognised financial liabilities, on the entity's financial position. There is no financial impact.

AASB 2012-5 - Amendments to Australian Accounting Standards arising from Annual Improvements 2009-11 Cycle [AASB 1, 101, 116, 132 & 134 and Int 2]

This Standard makes amendments to the Australian Accounting Standards and Interpretations as a consequence of the annual improvements process. There is no financial impact.

AASB 2012-6 - Amendments to Australian Accounting Standards – Mandatory Effective Date of AASB 9 and Transition Disclosures [AASB 9, 2009-11, 2010-7, 2011-7 & 2011-8]

This Standard amends the mandatory effective date of AASB 9 Financial Instruments to 1 January 2015 (instead of 1 January 2013). Further amendments are also made to numerous consequential amendments arising from AASB 9 that will now apply from 1 January 2015. There is no financial impact.

AASB 2012-9 - Amendment to AASB 1048 arising from the Withdrawal of Australian Int 1039

The withdrawal of Int 1039 Substantive Enactment of Major Tax Bills in Australia has no financial impact for the Commission during the reporting period and at balance date. Measurement of tax assets and liabilities continues to be measured in accordance with enacted or substantively enacted tax law pursuant to AASB 112.46-47.

AASB 2012-10 - Amendments to Australian Accounting Standards – Transition Guidance and Other Amendments [AASB 1, 5, 7, 8, 10, 11, 12, 13, 101, 102, 108, 112, 118, 119, 127, 128, 132, 133, 134, 137, 1023, 1038, 1039, 1049 & 2011-7 and Int 12]

The Standard introduces a number of editorial alterations and amends the mandatory application date of Standards for not-for-profit entities accounting for interests in other entities. There is no financial impact.

AASB 2013-9 - Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments.

Part A of this omnibus Standard makes amendments to other Standards arising from revisions to the Australian Accounting Conceptual Framework for periods ending on or after 20 December 2013. Other Parts of this Standard become operative in later periods. There is no financial impact for Part A of the Standard.

Future impact of Australian Accounting Standards not yet operative

The Commission cannot early adopt an Australian Accounting Standard unless specifically permitted by TI 1101 Application of Australian Accounting Standards and Other Pronouncements. Consequently, the Commission has not applied early any of the following Australian Accounting Standards that have been issued that may impact the Commission. Where applicable, the Commission plans to apply these Australian Accounting Standards from their application date.

		Operative for reporting periods beginning on/after
Int 21	*Levies* This Interpretation clarifies the circumstances under which a liability to pay a government levy imposed should be recognised. There is no financial impact for the Commission at reporting date.	1 Jan 2014
AASB 9	*Financial Instruments* This Standard supersedes AASB 139 Financial Instruments: Recognition and Measurement, introducing a number of changes to accounting treatments. The mandatory application date of this Standard was amended to 1 January 2017. The Commission has not yet determined the application or the potential impact of the Standard.	1 Jan 2017

AASB 10	*Consolidated Financial Statements* This Standard, issued in August 2011, supersedes AASB 127 Consolidated and Separate Financial Statements and Int 112 Consolidation – Special Purpose Entities, introducing a number of changes to accounting treatments. Mandatory application of this Standard was deferred for not-for-profit entities by AASB 2012-10 Amendments to Australian Accounting Standards – Transition Guidance and Other Amendments. The adoption of the new Standard has no financial impact for the Commission as it doesn't impact accounting for related bodies and the Commission has no interests in other entities.	1 Jan 2014
AASB 11	*Joint Arrangements* This Standard, issued in August 2011, supersedes AASB 131 Interests in Joint Ventures, introduces new principles for determining the type of joint arrangement that exists, which are more aligned to the actual rights and obligations of the parties to the arrangement. Mandatory application of this Standard was deferred for not-for-profit entities by AASB 2012-10. There is no financial impact for the Commission as the new standard continues to require the recognition of the Commission's share of assets and share of liabilities for the unincorporated joint operation.	1 Jan 2014
AASB 12	*Disclosure of Interests in Other Entities* This Standard, issued in August 2011, supersedes disclosure requirements in AASB 127 Consolidated and Separate Financial Statements, AASB 128 Investments in Associates and AASB 131 Interests in Joint Ventures. Mandatory application was deferred for not-for-profit entities by AASB 2012-10. There is no financial impact.	1 Jan 2014
AASB 14	*Regulatory Deferral Accounts* The Commission has not yet determined the application or potential impact of the Standard.	1 Jan 2016
AASB 127	*Separate Financial Statements* This Standard, issued in August 2011, supersedes AASB 127 Consolidated and Separate Financial Statements, removing the consolidation requirements of the earlier standard whilst retaining accounting and disclosure requirements for the preparation of separate financial	1 Jan 2014

	statements. Mandatory application was deferred by one year for not-for-profit entities by AASB 2012-10. There is no financial impact.	
AASB 128	*Investments in Associates and Joint Ventures* This Standard, issued in August 2011 supersedes AASB 128 Investments in Associates, introducing a number of clarifications for the accounting treatments of changed ownership interest. Mandatory application was deferred for not-for-profit entities by AASB 2012-10. The adoption of the new Standard has no financial impact for the Commission as it does not hold investments in associates and the accounting treatments for joint operations is consistent with current practice.	1 Jan 2014
AASB 1031	*Materiality* This Standard supersedes AASB 1031 (February 2010), removing Australian guidance on materiality that is not available in IFRSs and refers to other Australian pronouncements that contain guidance on materiality. There is no financial impact.	1 Jan 2014
AASB 1055	*Budgetary Reporting* This Standard requires specific budgetary disclosures in the financial statements of not-for-profit entities within the General Government Sector. The Commission will be required to disclose additional budgetary information and explanations of major variances between actual and budgeted amounts, though there is no financial impact.	1 Jul 2014
AASB 2009-11	*Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 & 1038 and Int 10 & 12]* [modified by AASB 2010-7]	1 Jan 2015
AASB 2010-7	*Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Int 2, 5, 10, 12, 19 & 127]* This Standard makes consequential amendments to other Australian Accounting Standards and Interpretations as a result of issuing AASB 9 in December 2010. The Commission has not yet	1 Jan 2015

	determined the application or the potential impact of the Standard.	
AASB 2011-7	*Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards [AASB 1, 2, 3, 5, 7, 101, 107, 112, 118, 121, 124, 132, 133, 136, 138, 139, 1023 & 1038 and Int 5, 9, 16 & 17]* This Standard gives effect to consequential changes arising from the issue of AASB 10, AASB 11, AASB 127 Separate Financial Statements and AASB 128 Investments in Associates and Joint Ventures. Mandatory application was deferred for not-for-profit entities by AASB 2012-10. The Commission has analysed the suite of Consolidation and Joint Arrangements Standards and determined that no financial impact arises from adopting the various Standards.	1 Jan 2014
AASB 2012-3	*Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities [AASB 132]* This Standard adds application guidance to AASB 132 to address inconsistencies identified in applying some of the offsetting criteria, including clarifying the meaning of “currently has a legally enforceable right of set-off” and that some gross settlement systems may be considered equivalent to net settlement. The Commission does not routinely hold financial assets and financial liabilities that it intends to settle on a net basis, therefore there is no financial impact.	1 Jan 2014
AASB 2013-3	*Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets.* This Standard introduces editorial and disclosure changes. There is no financial impact.	1 Jan 2014
AASB 2013-4	*Amendments to Australian Accounting Standards – Novation of Derivatives and Continuation of Hedge Accounting [AASB 139]* This Standard permits the continuation of hedge accounting in circumstances where a derivative, which has been designated as a hedging instrument, is novated from one counterparty to a central counterparty as a consequence of laws or regulations. The Commission does not routinely enter into derivatives or hedges, therefore there is no financial impact.	1 Jan 2014

AASB 2013-8	*Amendments to Australian Accounting Standards - Australian Implementation Guidance for Not-for-Profit Entities – Control and Structured Entities [AASB 10, 12 & 1049].* The amendments, issued in October 2013, provide significant guidance in determining whether a not-for-profit entity controls another entity when financial returns are not key attribute of the investor's relationship. The Standard has no financial impact in its own right, rather the impact results from the adoption of the amended AASB 10.	1 Jan 2014
AASB 2013-9	*Amendments to Australian Accounting Standards - Conceptual Framework, Materiality and Financial Instruments.* This omnibus Standard makes amendments to other Standards arising from the deletion of references to AASB 1031 in other Standards for periods beginning on or after 1 January 2014 (Part B), and, defers the application of AASB 9 to 1 January 2017 (Part C). The Commission has not yet determined the application or the potential impact of AASB 9, otherwise there is no financial impact for Part B.	1 Jan 2014 1 Jan 2017
AASB 2014-1	*Amendments to Australian Accounting Standards* The Commission has not yet determined the application or the potential impact of the Standard.	1 Jan 2014 1 Jan 2015 1 Jan 2016 1 Jan 2018

Note 6. Employee benefits expense

	2014 $	2013 $
Salaries and wages[(a)]	1,302,634	1,477,854
Superannuation - defined contribution plans[(b)]	140,557	137,264
	1,443,192	1,615,118

(a) Includes the value of the fringe benefit to the employee plus the fringe benefits tax component and leave entitlements including superannuation contribution component.

(b) Defined contribution plans include West State, Gold State and GESB Super Scheme and other eligible funds (contribution paid).

Employment on-costs, including workers' compensation insurance are included at note 10 'Other expenses'

The related liability is included in note 20 'Provisions - Employment On-Costs'.

Note 7. Services and supplies

	2014 $	2013 $
Goods and services	32,324	33,437
Services and Contracts	289,166	295,081
	321,491	328,518

Note 8. Depreciation

	2014 $	2013 $
Depreciation equipment	4,450	8,084
Total depreciation	4,450	8,084

Note 9. Accommodation expenses

	2014 $	2013 $
Building and operating lease expense	259,319	262,330
	259,319	262,330

Note 10. Other expenses

	2014 $	2013 $
Communication expenses	2,954	12,905
Printing and binding	516	82
Equipment and vehicles operating lease expense	-	(17)
Electricity	10,663	8,887
Insurance	10,568	13,815
Repairs and maintenance	-	120
Travel and accommodation	7,089	14,734
Professional development	10,588	11,537
Audit Fees	28,754	50,548
Other Expenses[(a)]	7,221	4,843
	78,352	117,454

(a) Includes workers compensation insurance; other employment on-costs; and other costs.

Note 11. Other revenue

	2014 $	2013 $
Other revenue	254	60,920
	254	60,920

Note 12. Net gain/(loss) on disposal of non-current assets

	2014 $	2013 $
Proceeds from the sale of non-current assets		
Office equipment, computers and furniture	-	-

Costs of disposal of non-current assets

Office equipment, computers and furniture	59	-
Net gain/(loss)	59	-

Note 13. Income from state government

	2014 $	2013 $
Appropriation received during the period:[a]		
Service appropriations	1,864,000	1,800,000
Service appropriations - Other Statutes	278,000	262,000
	2,142,000	2,062,000
Services received free of charge from other State government agencies during the financial period. Determined on the basis of the following estimates provided by agencies:[b]		
Department of Finance - Building and Management Works	109,700	85,794
	109,700	85,794
	2,251,700	2,147,794

(a) Service appropriations fund the net cost of services delivered. Appropriation revenue comprises a cash component and a receivable (asset). The receivable (holding account) comprises the depreciation expense for the year and any agreed increase in leave liabilities during the year.

(b) Assets or services received free of charge or for nominal cost are recognised as revenue at fair value of the assets and/or services that can be reliably measured and which would have been purchased if they were not donated. Contributions of assets or services in the nature of contributions by owners are recognised direct to equity.

Note 14. Restricted cash and cash equivalents

	2014 $	2013 $
Non-current		
Accrued salaries suspense account[a]	43,357	38,126
	43,357	38,126

(a) Funds held in the suspense account used only for the purposes of meeting the 27th pay in a financial year that occurs every 11 years.

Note 15. Receivables

	2014 $	2013 $
Current		
Receivables	(127)	3,331
GST receivable	15,695	21,153
	15,568	24,484

Note 16. Amounts receivable for services (Holding Account)

	2014 $	2013 $
Current	-	-
Non-Current	36,000	36,000
	36,000	36,000

Represents the non-cash component of services appropriations. It is restricted in that it can only be used for asset replacement or payment of leave liability.

Note 17. Other current assets

	2014 $	2013 $
Current		
Prepayments	35,690	4,121
	35,690	4,121

Note 18. Office equipment, computers and furniture

	2014 $	2013 $
Office equipment and computers		
At cost	44,780	86,739
Accumulated depreciation	(40,386)	(77,894)
	4,395	8,845

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

	2014 $	2013 $
Carrying amount at start of year	8,845	16,929
Additions	-	-
Depreciation	(4,450)	(8,084)
Carrying amount at end of year	4,395	8,845

Note 19. Payables

	2014 $	2013 $
Current		
Trade payables	9,062	14,306
GST Payable	-	2,357

Accrued salaries	44,278	35,024
	53,341	51,687

Note 20. Provisions

	2014 $	2013 $
Current		
Employee benefits provision		
Annual leave[a]	47,365	85,226
Long service leave[b]	83,171	147,024
	130,536	232,250
Other provisions		
Employment on-costs[c]	602	1,008
	131,138	233,258
Non-current		
Employee benefits provision		
Long service leave[b]	67,791	63,455
	67,791	63,455
Other provisions		
Employment on-costs[c]	306	332
	68,097	63,787

(a) Annual leave liabilities have been classified as current as there is no unconditional right to defer settlement for at least 12 months after the reporting period. Assessments indicate that actual settlement of the liabilities will occur as follows:

	2014 $	2013 $
Within 12 months of the end of the reporting period	46,567	74,413
More than 12 months after the reporting period	798	10,813
	47,365	85,226

(b) Long service leave liabilities have been classified as current where there is no unconditional right to defer settlement for at least 12 months after the reporting period. Assessments indicate that actual settlement of the liabilities will occur as follows:

	2014 $	2013 $
Within 12 months of the end of the reporting period	50,765	27,156
More than 12 months after the reporting period	100,197	183,323
	150,962	210,479

(c) 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. The associated expense is included as part of 'Other expenses - Other staffing expenses'. (See Note 10).

	2014 $	2013 $
Movements in Other provisions		
Employment on-cost provision		
Carrying amount at start of year	1,340	977
Additional/(reversals of) provisions recognised	(432)	363
Carrying amount at end of year	908	1,340

Note 21. Equity

	2014 $	2013 $
Contributed equity		
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 the year	(215,469)	(92,679)
Result for the period	145,092	(122,790)
Balance at end of the year	(70,377)	(215,469)
Total equity	(33,377)	(178,469)

Liabilities exceed assets for the Commission and therefore there is no residual interest in the assets of the Commission. This equity deficit arose through expenditure exceeding income.

Note 22. Notes to the Cash Flow Statement

Reconciliation of cash

Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related item in the Statement of Financial Position as follows:

	2014 $	2013 $
Cash and cash equivalents		
Cash and cash equivalents	84,189	58,687
Restricted Cash and cash equivalents (See note 14)	43,357	38,126
	127,546	96,813

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

	2014 $	2013 $
Net cost of services	(2,106,608)	(2,270,584)
Non-cash items:		
Depreciation expense	4,450	8,084
Resources received free of charge	109,700	85,794
(Increase)/decrease in assets:		
Receivables	3,144	1,403
Current other assets	(31,570)	1,743

Increase/(decrease) in liabilities:		
Current payables	(4,767)	(85,009)
Current accrued salaries	9,254	5,640
Current other provisions	(102,120)	89,713
Non-current other provisions	4,310	(7,545)
Net GST receipts/(payments)	3,102	12,804
Change in GST in receivables/payables	(162)	(8,361)
Net cash used in operating activities	(2,111,267)	(2,166,317)

Note 23. Services provided free of charge

The Commission did not provide any resources to other agencies free of charge.

Note 24. Commitments

The commitments listed below are inclusive of GST where relevant.

Non-cancellable operating lease commitments

	2014 $	2013 $
Commitments for the minimum lease payments are payable as follows:		
Within 1 year	296,363	286,341
Later than 1 year and not later than 5 years	-	296,362
	296,363	582,703

The non-cancellable operating leases represent the Commission's property lease. The property lease is a non-cancellable lease with a term expiring July 2015. Rent, outgoings and car parking rental are payable monthly. Contingent rent provisions within the lease agreement allow for the minimum lease payments to be reviewed and increased in line with movements in market rents.

Note 25. Contingent Liabilities and Contingent Assets

There are no contingent liabilities and contingent assets for the financial year 2013 - 2014.

Note 26. Events occurring after the end of the reporting period

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

Note 27. Explanatory statement

Significant variations between estimates and actual results for 2014 and between the actual results for 2013 and 2014 are shown below. Significant variations are considered to be those which are both greater than 10% and over $50,000.

(a) Significant variations between estimated and actual result for 2014

	2014 Estimate $	2013 Actual $	Variance Fav/ (Unfav) $
Expenses			
Services and supplies[(a)]	211,000	321,491	(110,491)
Accommodation expenses[(b)]	201,000	259,319	(58,319)
Income from State Government			
Resources received free of charge[(c)]	5,000	109,700	(104,700)

(a) This includes the expense for resources received free of charge. Traditionally this cost related to the minor expenses Building Management and Works incurred for managing the OIC's accommodation. Since the OIC's relocation to Albert Facey House in 2012, the cost now encompasses the full year of the tenancy fit-out depreciation, as the furniture and facilities are owned by Building Management and Works.

(b) The OIC moved premises in May 2012 and was provided additional space for expected expansion. Funding for the additional space had not been provided at the time the estimate was made.

(c) Traditionally this revenue covered the minor expenses Building Management and Works incurred for managing the OIC's accommodation. Since the OIC's relocation to Albert Facey House in 2012, the revenue now covers the full year of the tenancy fit-out depreciation, as the furniture and facilities are owned by Building Management and Works.

(b) Significant variances between actual results for 2014 and 2013

	2014 Estimate $	2013 Actual $	Variance Fav/ (Unfav) $
Expense			
Employee Benefits expense[(a)]	1,443,192	1,615,118	171,926
Other revenue[(b)]	254	60,920	(60,666)

(a) Savings were made on salaries due to two positions remaining vacant for six months and a reduction in the OIC's leave liability.

(b) Payment was received from various recoups and refunds.

Note 28. Senior Officers

Remuneration of Senior Officers

The number of Senior Officers whose total of fees, salaries, superannuation, non-monetary and other benefits for the financial year, falling within the following bands are:

	2014	2013
$260,001 - $270,000	1	-
$270,001 - $280,000	-	1
$280,001 - $290,000	-	-
$290,001 - $300,000	-	-
	1	1

	2014 $	2013 $
Base remuneration and superannuation	268,715	269,006
Annual leave and long service leave accruals	(6,702)	1,904
	262,013	270,910

The total remuneration includes the superannuation expense incurred by the Commission in respect of senior officers. The annual and long service leave liability amount of $1,904 was not reported in 2013.

Note 29. Remuneration of Auditor

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

	2014 $	2013 $
Auditing of accounts, financial statements and performance indicators.	25,000	22,700
	25,000	22,700

Note 30. Financial Instruments

(a) Financial Risk Management Objectives and Policies

Financial instruments held by the Commission are cash and cash equivalents, restricted cash and cash equivalents, receivables and payables. The Commission's overall risk management program focuses on managing the risks identified below.

Credit risk

Credit risk arises when there is the possibility of the Commission's receivables defaulting on their contractual obligations resulting in financial loss to the Commission.

The maximum exposure to credit risk at the end of the reporting period in relation to each class of recognised financial assets is the gross carrying amount of those assets inclusive of any allowance for impairment as shown in the table at note 30(c) ‘Financial instruments disclosures’ and note 15 ‘Receivables’.

Credit risk associated with the Commission’s financial assets is minimal because the main receivable is the amounts receivable for services (holding account). For receivables other than government, the Commission trades only with recognised, creditworthy third parties. The Commission has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history. In addition, receivable balances are monitored on an ongoing basis with the result that the Commission’s exposure to bad debts is minimal. At the end of the reporting period there were no significant concentrations of credit risk.

Liquidity risk

Liquidity risk arises when the Commission is unable to meet its financial obligations as they fall due.

The Commission is exposed to liquidity risk through its trading in the normal course of business.

The Commission has appropriate procedures to manage cash flows, including drawdowns of appropriations, by monitoring forecast cash flows to ensure that sufficient funds are available to meet its commitments.

Market risk

Market risk is the risk that changes in market prices such as foreign exchange rates and interest rates will affect the Commission's income or the value of its holdings of financial instruments. The Commission does not trade in foreign currency and is not materially exposed to other price risks.

The Commission is not exposed to interest rate risk because all other cash and cash equivalents and restricted cash are non-interest bearing, and the Commission has no borrowings.

(b) Categories of financial instruments

In addition to cash, the carrying amounts of each of the following categories of financial assets and liabilities at the end of the reporting period are:

	2014 $	2013 $
Financial assets		
Cash and cash equivalents	84,189	58,687
Restricted cash and cash equivalents	43,357	38,126
Receivables[(a)]	35,873	39,331
Financial liabilities		
Financial liabilities measured at amortised cost	53,341	49,330

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

(c) Financial Instrument disclosures

Credit risk

The following table discloses the Commission's maximum exposure to credit risk and the ageing analysis of financial assets. The Commission's maximum exposure to credit risk at the end of the reporting period is the carrying amount of financial assets as shown below. The table discloses the ageing of financial assets that are past due but not impaired and impaired financial assets. The table is based on information provided to senior management of the Commission.

The Commission does not hold any collateral as security or other credit enhancement relating to the financial assets it holds.

	Ageing analysis of financial assets[a]							
	Carrying amount $	Not past due and not impaired $	Up to1 month $	1-3 months $	3 months to 1 year $	1-5 years $	More than 5 years $	Impaired financial assets $
Financial Assets								
2014								
Cash and cash equivalents	84,189	84,189	-	-	-	-	-	-
Restricted cash and cash equivalents	43,357	43,357	-	-	-	-	-	-
Receivables	(127)	(127)	-	-	-	-	-	-
Amounts receivable for services	36,000	36,000	-	-	-	-	-	-
	163,419	163,419	-	-	-	-	-	-
2013								
Cash and cash equivalents	58,687	58,687	-	-	-	-	-	-
Restricted cash and cash equivalents	38,126	38,126	-	-	-	-	-	-
Receivables	3,331	3,331	-	-	-	-	-	-
Amounts receivable for services	36,000	36,000	-	-	-	-	-	-
	136,144	136,144	-	-	-	-	-	-

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

The following table details the contractual maturity analysis for financial liabilities. The table includes interest and principal cash flows. An adjustment has been made where material.

Interest rate exposure and maturity analysis of financial assets and liabilities

	Interest Rate Exposure						Maturity date				
	Weighted average effective interest rate %	Carrying amount $	Fixed Interest rate $	Variable Interest rate $	Non Interest bearing $	Nominal amount $	Up to 1 month $	1-3 months $	3 months to 1 year $	1-5 years $	More than 5 years $
2014											
Financial Assets											
Cash and cash equivalents	0.00%	84,189	-	-	84,189	84,189	84,189	-	-	-	-
Restricted cash and cash equivalents	0.00%	43,357	-	-	43,357	43,357	-	-	-	43,357	-
Receivables	0.00%	(127)	-	-	(127)	(127)	(127)	-	-	-	-
Amounts receivable for services	0.00%	36,000	-	-	36,000	36,000	-	-	-	-	36,000
		163,419	-	-	163,419	163,419	84,062	-	-	43,357	36,000
Financial Liabilities											
Payables		53,341	-	-	53,341	53,341	53,341	-	-	-	-
		53,341	-	-	53,341	53,341	53,341	-	-	-	-
2013											
Financial Assets											
Cash and cash equivalents	0.00%	58,687	-	-	58,687	58,687	58,687	-	-	-	-
Restricted cash and cash equivalents	0.00%	38,126	-	-	38,126	38,126	-	-	-	38,126	-
Receivables	0.00%	3,331	-	-	3,331	3,331	3,331	-	-	-	-
Amounts receivable for services		36,000			36,000	36,000	-	-	-	-	36,000
		136,144	-	-	136,144	136,144	62,018	-	-	38,126	36,000
Financial Liabilities											
Payables		49,330	-	-	49,330	49,330	49,330	-	-	-	-
		49,330	-	-	49,330	49,330	49,330	-	-	-	-

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