



**Office of the
Information Commissioner**

Freedom of information for Western Australia

ANNUAL REPORT

2016/2017



Financial Statements



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 2017, 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.

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 2017 and the financial position at the end of that period. They are in accordance with Australian Accounting Standards, the *Financial Management Act 2006* and the Treasurer's Instructions.

Basis for Opinion

I conducted my audit in accordance with the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the 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 agency'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 Information 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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As part of an audit in accordance with Australian Auditing Standards, I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the agency's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Information Commissioner.
- Conclude on the appropriateness of the Information Commissioner's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the agency's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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 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 (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 2017.

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.

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Auditor General's Responsibilities

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

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

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

Limitations of Controls

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

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 2017. The key performance indicators are the key effectiveness indicators and the 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 Information Commissioner's performance and fairly represent indicated performance for the year ended 30 June 2017.

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 agency'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 2017 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
31 August 2017

Disclosure and Legal Compliance

FINANCIAL STATEMENTS
Certification of Financial Statements
For the year ended 30 June 2017

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 2017 and the financial position as at 30 June 2017.


Sven Bluemmel
Information Commissioner
30 August 2017


Michelle Fitzgerald
Chief Financial Officer
30 August 2017



Statement of Comprehensive Income - 30 June 2017

	Note	2017 \$	2016 \$
COST OF SERVICES			
Expenses			
Employee benefits expense	<u>6</u>	1,694,647	1,594,229
Supplies and services	<u>8</u>	311,456	290,665
Depreciation expense	<u>9</u>	7,093	4,811
Accommodation expenses	<u>10</u>	274,472	275,080
Other expenses	<u>11</u>	105,399	103,493
Total cost of services		2,393,066	2,268,278
Income			
<i>Revenue</i>			
Other revenue	<u>13</u>	1,392	-
Total Revenue		1,392	-
Total income other than income from State Government		1,392	-
NET COST OF SERVICES		2,391,675	2,268,278
Income from State Government	<u>14</u>		
Service appropriation		2,336,000	2,391,000
Services received free of charge		101,286	111,436
Total income from State Government		2,437,286	2,502,436
SURPLUS FOR THE PERIOD		45,611	234,158
OTHER COMPREHENSIVE INCOME			
Total other comprehensive income		-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		45,611	234,158

See also the 'Schedule of Income and Expenses by Service'.

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

Statement of Financial Position – 30 June 2017

	Note	2017 \$	2016 \$
ASSETS			
Current Assets			
Cash and cash equivalents	<u>23</u>	599,876	471,936
Receivables	<u>16</u>	11,153	13,987
Other Current Assets	<u>18</u>	21,162	39,794
Total Current Assets		632,191	525,718
Non-Current Assets			
Restricted cash and cash equivalents	<u>15, 23</u>	4,912	-
Amounts receivable for services	<u>17</u>	36,000	36,000
Property, Plant and Equipment	<u>19</u>	11,541	18,634
Total Non-Current Assets		52,453	54,634
TOTAL ASSETS		684,645	580,352
LIABILITIES			
Current Liabilities			
Payables	<u>20</u>	21,857	22,551
Provisions	<u>21</u>	232,551	182,598
Total Current Liabilities		254,408	205,149
Non-Current Liabilities			
Provisions	<u>21</u>	90,892	81,470
Total Non-Current Liabilities		90,892	81,470
TOTAL LIABILITIES		345,300	286,619
NET ASSETS		339,344	293,733
EQUITY	<u>22</u>		
Contributed equity		37,000	37,000
Accumulated surplus/(deficiency)		302,344	256,733
TOTAL EQUITY		339,344	293,733

See also the 'Schedule of Assets and Liabilities by Service'.

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

Statement of Cash Flows - 30 June 2017

	Note	2017 \$	2016 \$
CASH FLOWS FROM STATE GOVERNMENT			
Service appropriation		2,336,000	2,391,000
Net cash provided by State Government		2,336,000	2,391,000
Utilised as follows:			
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Employee benefits		(1,629,397)	(1,682,351)
Supplies and services		(198,405)	(164,465)
Accommodation		(274,472)	(275,385)
GST payments on purchases		(56,874)	(56,992)
Other payments		(105,327)	(103,314)
Receipts			
GST receipts on sales		141	6
GST receipts from taxation authority		59,794	59,954
Other receipts		1,392	-
Net cash provided by/(used in) operating activities	<u>23</u>	(2,203,148)	(2,222,478)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments			
Purchase of non-current physical assets		-	(13,500)
Receipts			
		-	-
Net cash provided by/(used in) investing activities		-	(13,500)
Net increase/(decrease) in cash and cash equivalents		132,852	155,022
Cash and cash equivalents at the beginning of the period		471,936	316,914
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>23</u>	604,788	471,936

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

Statement of Changes in Equity - 30 June 2017

	Note	Contributed Equity \$	Reserves \$	Accumulated Surplus/ (deficit) \$	Total Equity \$
Balance at 1 July 2015	<u>22</u>	37,000	-	22,576	59,576
Changes in accounting policy or correction of prior period errors		-	-	-	-
Restated balance at 1 July 2015		37,000	-	22,576	59,576
Surplus/(Deficit)		-	-	234,158	234,158
Other Comprehensive Income		-	-	-	-
Total comprehensive income for the period		-	-	234,158	234,158
Transactions with owners in their capacity as owners:					
Capital appropriations		-	-	-	-
Other contributions by owners		-	-	-	-
Distributions to owners		-	-	-	-
Total		37,000	-	256,733	293,733
Balance at 30 June 2016		37,000	-	256,733	293,733
Balance at 1 July 2016		37,000	-	256,733	293,733
Surplus/(Deficit)		-	-	45,611	45,611
Other Comprehensive Income		-	-	-	-
Total comprehensive income for the period		-	-	45,611	45,611
Transactions with owners in their capacity as owners:					
Capital appropriations		-	-	-	-
Other contributions by owners		-	-	-	-
Distributions to owners		-	-	-	-
Total		-	-	-	-
Balance at 30 June 2017		37,000	-	302,344	339,344

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

Schedule of Income and Expenses by Service - 30 June 2017

	Resolution of Complaints		Advice and Awareness		Total	
	2017	2016	2017	2016	2017	2016
	\$	\$	\$	\$	\$	\$
COST OF SERVICES						
<u>Expenses</u>						
Employee benefits expense	1,152,360	1,084,075	542,287	510,153	1,694,647	1,594,229
Supplies and services	211,790	197,652	99,666	93,013	311,456	290,665
Depreciation expense	4,823	3,272	2,270	1,540	7,093	4,811
Accommodation expense	186,641	187,055	87,831	88,026	274,472	275,080
Other expenses	71,671	70,375	33,728	33,118	105,399	103,493
Total cost of services	1,627,285	1,542,429	765,781	725,850	2,393,066	2,268,278
<u>Income</u>						
Other revenue	1,392	-	-	-	1,392	-
Total income other than income from State Government	1,392	-	-	-	1,392	-
NET COST OF SERVICES	1,625,893	1,542,429	765,781	725,850	2,391,675	2,268,278
Income from State Government						
Service appropriation	1,588,480	1,625,880	747,520	765,120	2,336,000	2,391,000
Resources received free of charge	68,874	75,776	32,412	35,660	101,286	111,436
Total income from State Government	1,657,354	1,701,656	779,932	800,780	2,437,286	2,502,436
SURPLUS FOR THE PERIOD	31,461	159,227	14,150	74,930	45,611	234,158

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

Schedule of Assets and Liabilities by Service - 30 June 2017

	Resolution of Complaints		Advice and Awareness		Total	
	2017	2016	2017	2016	2017	2016
	\$	\$	\$	\$	\$	\$
<u>Assets</u>						
Current assets	429,890	357,488	202,301	168,230	632,191	525,718
Non-current assets	35,668	37,151	16,785	17,483	52,453	54,634
Total assets	465,558	394,639	219,086	185,713	684,645	580,352
<u>Liabilities</u>						
Current liabilities	172,998	139,501	81,411	65,648	254,408	205,149
Non-current liabilities	61,806	55,400	29,085	26,070	90,892	81,470
Total liabilities	234,804	194,901	110,496	91,718	345,300	286,619
NET ASSETS	230,754	199,738	108,590	93,995	339,344	293,733

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

NOTES TO THE FINANCIAL STATEMENTS

Note 1. Australian Accounting Standards

General

The Office's financial statements for the year ended 30 June 2017 have been prepared in accordance with Australian Accounting Standards. The term 'Australian Accounting Standards' includes Standards and Interpretations issued by the Australian Accounting Standards Board (**AASB**).

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

Early adoption of standards

The Office 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 any Australian Accounting Standards that have been issued or amended (but not operative) by the Office for the annual reporting period ended 30 June 2017.

Note 2. Summary of significant accounting policies

(a) General statement

The Office 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.

The financial statements are presented in Australian dollars and all values are rounded to the nearest dollar.

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

Note 4 '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 reporting period.

(c) Reporting entity

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

Role of the Information Commissioner

To provide independent external review of decisions made by agencies under the FOI Act and ensure that agencies and the public are aware of their responsibilities and rights under that Act. When relevant, the Information Commissioner also recommends legislative or administrative changes that could be made to help the objects of the FOI Act be achieved.

Services

Resolution of Complaints

Provides an independent review and complaint resolution process, which resolves cases in a timely manner and balances the competing needs and expectations of applicants, agencies and Parliament within the legislative requirements prescribed by the FOI Act.

Advice and Awareness

Provides objective advice to members of the public and agencies to assist in the proper lodgement and processing of

applications under the FOI Act. Proposes initiatives to enhance efficiency in agency administration when dealing with applications received and conducts briefings and training sessions for agency staff.

(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 Office gains control of the appropriated funds. The Office gains control of appropriated funds at the time those funds are deposited to the bank account or credited to the 'Amounts receivable for services' (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 Office. In accordance with the most recent determination, as quantified in the 2016/17 Budget Statements, the Office retained \$1,392 (nil in 2016) from the following:

- other revenue.

Grants, donations, gifts and other non-reciprocal contributions

Revenue is recognised at fair value when the Office 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

Realised and unrealised gains 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 plant and equipment costing \$5,000 or more are recognised as assets and the cost of utilising assets is expensed (depreciated) over their useful lives. Items of 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).

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 the fair value at the date of acquisition.

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 Office does not hold any land, buildings or infrastructure assets.

Derecognition

Upon disposal or derecognition of an item of plant and equipment, 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; and
- computers – 3 years.

(g) Impairment of assets

Plant and equipment 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 Office 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 Office holds operating leases for buildings. Operating leases are expensed on a straight line basis over the lease

term as this represents the pattern of benefits derived from the leased properties.

(i) Financial instruments

In addition to cash, the Office 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; and
 - 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 (see Note 20 'Payables') represent the amount due to staff but unpaid at the end of the reporting period. Accrued salaries are settled within a fortnight of the reporting period end. The Office considers the carrying amount of accrued salaries to be equivalent to its fair value.

The accrued salaries suspense account (See Note 15 'Restricted cash and cash equivalents') consists of amounts paid annually, from the Office appropriations for salaries expense, into a 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.

(l) Amounts receivable for services (holding account)

The Office receives funding on an accrual basis. The appropriations are paid in cash.

(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 Office 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 Office 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.

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 Office does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

Long Service Leave

Long service leave is not expected to be settled within 12 months after the end of the reporting period and is therefore 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 Office 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 Office 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.

Superannuation

The Government Employees Superannuation Board (**GESB**) and other fund providers administer public sector superannuation arrangements in Western Australia in

accordance with legislative requirements. Eligibility criteria for membership in particular schemes for public sector employees vary according to commencement and implementation dates.

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.

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**). From 30 March 2012, existing members of the WSS or GESBS and new employees have been able to choose their preferred superannuation provider. The Office makes contributions to GESB or other fund providers on behalf of employees in compliance with the Commonwealth Government's *Superannuation Guarantee (Administration) Act 1992*. Contributions to these accumulation funds extinguish the Office's liability for superannuation charges in respect of employees who are not members of the Pension Scheme or GSS.

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 Office to GESB extinguishes the agency's obligations to the related superannuation liability.

The Office has no liabilities under the Pension Scheme or the GSS. 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 Office to the GESB.

The GESB makes all benefit payments in respect of the Pension Scheme and GSS, 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 Office's 'Employee benefits expense'. The related liability is included in 'Employment on-costs provision'.

(p) Superannuation expense

The superannuation expense is recognised in the profit or loss of the Statement of Comprehensive Income and comprises 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 Office 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.

(r) Comparative figures

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

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 Office evaluates these judgements regularly.

Operating lease commitments

The Office has entered into a single lease for office accommodation 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 reporting period.

Long service leave

Several estimations and assumptions used in calculating the Office'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 Office has applied the following Australian Accounting Standards effective, or adopted, for annual reporting periods beginning on or after 1 July 2016 that impacted on the Office.

AASB 1057 – Application of Australian Accounting Standards

This Standard lists the application paragraphs for each other Standard (and Interpretation), grouped where they are the same. There is no financial impact.

AASB 2014-3 – Amendments to Australian Accounting Standards – Accounting for Acquisitions of Interests in Joint Operations [AASB 1 & 11]

The Office establishes Joint Operations in pursuit of its objectives and does not routinely acquire interests in Joint Operations. Therefore, there is no financial impact on application of the Standard.

AASB 2014-4 – Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation [AASB 116 & 138]

The adoption of this Standard has no financial impact for the Office as depreciation and amortisation is not determined by reference to revenue generation, but by reference to consumption of future economic benefits.

AASB 2014-9 – Amendments to Australian Accounting Standards – Equity Method in Separate Financial Statements [AASB 1, 127 & 128]

This Standard amends AASB 127, and consequentially amends AASB 1 and AASB 128, to allow entities to use the equity method of accounting for investments in subsidiaries, joint ventures and associates in their separate financial statements. As the Office has no joint ventures and associates, the application of the Standard has no financial impact.

AASB 2015-1 – Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012-2014 Cycle [AASB 1, 2, 3, 5, 7, 11, 110, 119, 121, 133, 134, 137 & 140]

These amendments arise from the issuance of International Financial Reporting Standard Annual Improvements to IFRSs 2012-2014 Cycle in September 2014, and editorial corrections. The Office has determined that the application of the Standard has no financial impact.

AASB 2015-2 – Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101 [AASB 7, 101, 134 & 1049]

This Standard amends AASB 101 to provide clarification regarding the disclosure requirements in AASB 101. Specifically, the Standard proposes narrow-focus amendments to address some of the concerns expressed about existing presentation and disclosure requirements and to ensure entities are able to use judgement when applying a Standard in determining what information to disclose in their financial statements. There is no financial impact.

AASB 2015-6 – Amendments to Australian Accounting Standards – Extending Related Party Disclosures to Not-For-Profit Public Sector Entities [AASB 10, 124 & 1049]

The amendments extend the scope of AASB 124 to include application by not-for-profit public sector entities. Implementation guidance is included to assist application of the Standard by not-for-profit public sector entities. There is no financial impact.

AASB 2015-10 – Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 & 128

This Standard defers the mandatory effective date (application date) of amendments to AASB 10 & AASB 128 that were originally made in AASB 2014-10 so that the amendments are required to be applied for annual reporting periods beginning on or after 1 January 2018 instead of 1 January 2016. There is no financial impact.

Future impact of Australian Accounting Standards not yet operative

The Office cannot early adopt an Australian Accounting Standard unless specifically permitted by TI 1101 *Application of Australian Accounting Standards and Other Pronouncements* or by an exemption from TI 1101. By virtue of a limited exemption, the Office has early adopted AASB 2015-7 *Amendments to Australian Accounting Standards – Fair Value Disclosures of Not-for-Profit Public Sector Entities*. Where applicable, the Office plans to apply the following Australian Accounting Standards from their application date.

OVERVIEW	AGENCY PERFORMANCE	SIGNIFICANT ISSUES AND TRENDS	DISCLOSURES AND LEGAL COMPLIANCE	KEY PERFORMANCE INDICATORS	FINANCIAL STATEMENTS	OIC STATISTICS	AGENCY STATISTICS
			Operative for reporting periods beginning on/after		<i>Entities</i> and will be unaffected by this change. However, the Office has not yet determined the potential impact of the Standard on 'User charges and fees' and 'Sales' revenues. In broad terms, it is anticipated that the terms and conditions attached to these revenues will defer revenue recognition until the Office has discharged its performance obligations.		
AASB 9	<i>Financial Instruments</i>	1 Jan 2018					
	This Standard supersedes AASB 139 <i>Financial Instruments: Recognition and Measurement</i> , introducing a number of changes to accounting treatments.						
	The mandatory application date of this Standard is currently 1 January 2018 after being amended by AASB 2012-6, AASB 2013-9 and AASB 2014-1 <i>Amendments to Australian Accounting Standards</i> . The Office has not yet determined the application or the potential impact of the Standard.						
					AASB 16	<i>Leases</i>	1 Jan 2019
						This Standard introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value.	
						Whilst the impact of AASB 16 has not yet been quantified, the entity currently has no operating lease commitments so it likely to have no impact on the Office.	
AASB 15	<i>Revenue from Contracts with Customers</i>	1 Jan 2019					
	This Standard establishes the principles that the Office shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer.						
	The Office's income is principally derived from appropriations which will be measured under AASB 1058 <i>Income of Not-for-Profit</i>						
					AASB 1058	<i>Income of Not-For-Profit Entities</i>	1 Jan 2019
						This Standard clarifies and simplifies the income recognition requirements that apply to not-for-profit entities, more closely reflecting the economic reality of NFP entity transactions that are not contracts with customers. Timing of income recognition is dependent on whether such a transaction gives rise to a liability, a performance obligation (a promise to	

OVERVIEW	AGENCY PERFORMANCE	SIGNIFICANT ISSUES AND TRENDS	DISCLOSURES AND LEGAL COMPLIANCE	KEY PERFORMANCE INDICATORS	FINANCIAL STATEMENTS	OIC STATISTICS	AGENCY STATISTICS
		transfer a good or service), or, an obligation to acquire an asset. The Office has not yet determined the application or the potential impact of the Standard.			determine the application or potential impact of the Standard.		
AASB 2010-7	<i>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]</i>	1 Jan 2018		AASB 2014-5	<i>Amendments to Australian Accounting Standards arising from AASB 15</i>	1 Jan 2018	
	This Standard makes consequential amendments to other Australian Accounting Standards and Interpretations as a result of issuing AASB 9 in December 2010.				This Standard gives effect to the consequential amendments to Australian Accounting Standards (including Interpretations) arising from the issuance of AASB 15. The mandatory application date of this Standard has been amended by AASB 2015-8 to 1 January 2018. The Office has not yet determined the application or the potential impact of the Standard.		
	The mandatory application date of this Standard has been amended by AASB 2012-6 and AASB 2014-1 to 1 January 2018. The Office has not yet determined the application or the potential impact of the Standard.			AASB 2014-7	<i>Amendments to Australian Accounting Standards arising from AASB 9 (December 2014)</i>	1 Jan 2018	
					This Standard gives effect to the consequential amendments to Australian Accounting Standards (including Interpretations) arising from the issuance of AASB 9 (December 2014). The Office has not yet determined the application or the potential impact of the Standard.		
AASB 2014-1	<i>Amendments to Australian Accounting Standards</i>	1 Jan 2018		AASB 2014-10	<i>Amendments to Australian Accounting Standards – Sale or Contribution of Assets</i>	1 Jan 2018	
	Part E of this Standard makes amendments to AASB 9 and consequential amendments to other Standards. It has not yet been assessed by the Office to						

OVERVIEW	AGENCY PERFORMANCE	SIGNIFICANT ISSUES AND TRENDS	DISCLOSURES AND LEGAL COMPLIANCE	KEY PERFORMANCE INDICATORS	FINANCIAL STATEMENTS	OIC STATISTICS	AGENCY STATISTICS
		<p><i>between an Investor and its Associate or Joint Venture [AASB 10 & 128]</i></p> <p>This Standard amends AASB 10 and AASB 128 to address an inconsistency between the requirements in AASB 10 and those in AASB 128 (August 2011), in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The Office has determined that the Standard has no financial impact.</p>			<p>This Standard amends AASB 107 <i>Statement of Cash Flows</i> (August 2015) to require disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. There is no financial impact.</p>		
AASB 2015-8	<p><i>Amendments to Australian Accounting Standards – Effective Date of AASB 15</i></p> <p>This Standard amends the mandatory effective date (application date) of AASB 15 <i>Revenue from Contracts with Customers</i> so that AASB 15 is required to be applied for annual reporting periods beginning on or after 1 January 2018 instead of 1 January 2017. For not-for-profit entities, the mandatory effective date has subsequently been amended to 1 January 2019 by AASB 2016-7. The Office has not yet determined the application or the potential impact of AASB 15.</p>	1 Jan 2019		AASB 2016-3	<p><i>Amendments to Australian Accounting Standards – Clarifications to AASB 15</i></p> <p>This Standard clarifies identifying performance obligations, principal versus agent considerations, timing of recognising revenue from granting a licence, and, provides further transitional provisions to AASB 15. The Office has not yet determined the application or the potential impact.</p>	1 Jan 2018	
AASB 2016-2	<p><i>Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107</i></p>	1 Jan 2017		AASB 2016-4	<p><i>Amendments to Australian Accounting Standards – Recoverable Amount of Non-Cash-Generating Specialised Assets of Not-for-Profit Entities</i></p> <p>This Standard clarifies that the recoverable amount of primarily non-cash-generating assets of not-for-profit entities, which are typically specialised in nature and held for continuing use of their service capacity, is expected to be materially the same as fair value determined under AASB 13 <i>Fair</i></p>	1 Jan 2017	

OVERVIEW	AGENCY PERFORMANCE	SIGNIFICANT ISSUES AND TRENDS	DISCLOSURES AND LEGAL COMPLIANCE	KEY PERFORMANCE INDICATORS	FINANCIAL STATEMENTS	OIC STATISTICS	AGENCY STATISTICS
		<p><i>Value Measurement.</i> The Office has not yet determined the application or the potential impact.</p>			<p>AASB 2017-2</p> <p><i>Amendments to Australian Accounting Standards – Further Annual Improvements 2014-2016 Cycle</i></p> <p>1 Jan 2017</p>		
AASB 2016-7	<p><i>Amendments to Australian Accounting Standards – Deferral of AASB 15 for Not-For-Profit Entities</i></p> <p>This Standard amends the mandatory effective date (application date) of AASB 15 and defers the consequential amendments that were originally set out in AASB 2014-5 <i>Amendments to Australian Accounting Standards arising from AASB 15</i> for not-for-profit entities to annual reporting periods beginning on or after 1 January 2019, instead of 1 January 2018. There is no financial impact.</p>	1 Jan 2017			<p>This Standard clarifies the scope of AASB 12 by specifying that the disclosure requirements apply to an entity's interests in other entities that are classified as held for sale, held for distribution to owners in their capacity as owners or discontinued operations in accordance with AASB 5. There is no financial impact.</p>		
AASB 2016-8	<p><i>Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-For-Profit Entities</i></p> <p>This Standard inserts Australian requirements and authoritative implementation guidance for not-for-profit entities into AASB 9 and AASB 15. This guidance assists not-for-profit entities in applying those Standards to particular transactions and other events. There is no financial impact.</p>	1 Jan 2019					

Note 6. Employee benefits expense

	2017 \$	2016 \$
Wages and salaries ^(a)	1,546,924	1,446,499
Superannuation - defined contribution plans ^(b)	147,723	147,730
	1,694,647	1,594,229

(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 and other eligible funds.

Employment on-costs, including workers' compensation insurance are included at Note 11 'Other expenses'.

The related liability is included in note 21 'Provisions – Employment On-Costs'.

Note 7. Compensation for key management personnel

Remuneration of senior officers

The Office has determined that key management personnel includes the Information Commissioner.

Compensation band (\$)	2017	2016
290,001 - 300,000	-	1
300,001 - 310,000	1	-
	1	1

	2017 \$	2016 \$
Short-term employment benefits	261,210	267,343
Post-employment benefits	24,227	24,817
Other long-term benefits	21,626	(949)
	307,063	291,211

Note 8. Supplies and services

Goods and supplies	32,035	23,579
Services and contracts	279,421	267,086
	311,456	290,665

Note 9. Depreciation expense

	2017 \$	2016 \$
Depreciation		
Equipment	7,093	4,811
Total depreciation	7,093	4,811

Note 10. Accommodation expenses

Lease rentals	274,472	275,080
	274,472	275,080

Note 11. Other expenses

Communication expenses	4,989	4,613
Printing and binding	-	99
Electricity	11,456	11,263
Insurance	12,996	13,923
Travel and accommodation	13,642	7,816
Software licenses	11,905	17,272
Professional services	120	25
Professional development	6,186	11,393
Audit fees	39,238	29,075
Other expenses ^(a)	4,867	8,014
	105,399	103,493

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

Note 12. Related Party Transactions

The Office is a wholly owned and controlled entity of the State of Western Australia. In conducting its activities, the Office is required to pay various taxes and levies based on the standard terms and conditions that apply to all tax and levy payers to the State and entities related to the State.

Related parties of the department include:

- all senior officers and their close family members, and their controlled or jointly controlled entities;
- other departments and public sector entities, including related bodies included in the whole of government consolidated financial statements; and
- the Government Employees Superannuation Board (**GESB**).

Signification transactions with government related entities

Significant transactions include:

- service appropriations (Note 14);
- services received free of charge from the Department of Finance – Building and Works (Note 14);
- superannuation payments to GESB (Note 6); and
- lease rental payments to the Department of Finance (Note 10).

Material transactions with related parties

The Office had no material related party transactions with senior officers or their close family members during the reporting period.

Note 13. Other revenue

	2017 \$	2016 \$
Other revenue	1,392	-
	1,392	-

Note 14. Income from State Government

Appropriation received during the period:^(a)

Service appropriations	2,058,000	2,113,000
Service appropriations - Other Statutes	278,000	278,000
	2,336,000	2,391,000

Services received free of charge from other State Government agencies during the period:^(b)

Department of Finance - Building Management and Works	101,286	111,436
	101,286	111,436
	2,437,286	2,502,436

(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.

Note 15. Restricted cash and cash equivalents

	2017 \$	2016 \$
Current	-	-
Non-current		
Accrued salaries suspense account ^(a)	4,912	-
	4,912	-

(a) Funds held in the suspense account for the purposes of meeting the 27th pay in a reporting period that occurs every 11th year.

Note 16. Receivables**Current**

Receivables	503	251
GST receivable	10,650	13,737
	11,153	13,988

Note 17. Amounts receivable for services (holding account)

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.

Note 18. Other current assets

	2017 \$	2016 \$
Current		
Prepayments	21,162	39,794
	21,162	39,794

Note 19. Property, plant and equipment**Office equipment and computers**

At cost	46,314	53,827
Accumulated depreciation	(34,773)	(35,193)
	11,541	18,634

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

**Office equipment
and computers
\$****2017**

Carrying amount at start of year	18,634
Depreciation	(7,093)
Carrying amount at end of year	11,541

	Office equipment and computers \$		2017 \$	2016 \$
2016		<i>Other provisions</i>		
Carrying amount at start of year	9,945	Employment on-costs ^(c)	1,065	835
Depreciation	(4,811)		232,551	182,598
Additions	13,500	Non-current		
Carrying amount at end of year	18,634	<i>Employee benefits provision</i>		

Note 20. Payables

	2017 \$	2016 \$		2017 \$	2016 \$
Current			<i>Other provisions</i>		
Trade payables	15,970	22,549	Employment on-costs ^(c)	414	372
GST Payable	48	2		90,892	81,470
Accrued salaries	5,840	-			
	21,857	22,551			

Note 21. Provisions

Current					
<i>Employee benefits provision</i>					
Annual leave ^(a)	82,178	53,579	Within 12 months of the end of the reporting period	75,039	49,534
Long service leave ^(b)	149,308	128,184	More than 12 months after the end of the reporting period	7,139	4,045
	231,486	181,763		82,178	53,579

(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 end of the reporting period. Assessments indicate that actual settlement of the liabilities will occur as follows:

Within 12 months of the end of the reporting period	75,039	49,534
More than 12 months after the end of the reporting period	7,139	4,045
	82,178	53,579

(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:

	2017 \$	2016 \$
Within 12 months of the end of the reporting period	47,849	52,978
More than 12 months after the reporting period	191,937	156,304
	239,786	209,282

(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 Note 11 'Other expenses'.

Movements in other provisions

Movements in each class of provisions during the period, other than employee benefits, are set out below.

Employment on-cost provision

Carrying amount at start of year	1,207	1,376
Additional/(reversals of) provisions recognised	272	(169)
Carrying amount at end of period	1,479	1,207

Note 22. Equity

The Western Australian Government holds the equity interest in the Office on behalf of the community. Equity represents the residual interest in the net assets of the Office. The asset revaluation surplus represents that portion of equity resulting from the revaluation of non-current assets.

Contributed equity

	2017 \$	2016 \$
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 period	256,733	22,576
Result for the period	45,611	234,158
Balance at end of the period	302,344	256,733
Total equity	339,344	293,733

Note 23. Notes to the Statement of Cash Flows

Reconciliation of cash

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

Cash and cash equivalents

Cash and cash equivalents	599,876	471,936
Restricted cash and cash equivalents (Note 15 'Restricted cash and cash equivalents')	4,912	-
	604,788	471,936

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

	2017 \$	2016 \$
Net cost of services	(2,391,675)	(2,268,278)
<i>Non-cash items:</i>		
Depreciation expense (note 9 'Depreciation expense')	7,093	4,811
Resources received free of charge (note 14 'Income from State Government')	101,286	111,436
<i>(Increase)/decrease in assets:</i>		
Current receivables ^(a)	(252)	(251)
Other current assets	18,632	(1,733)
<i>Increase/(decrease) in liabilities:</i>		
Current payables ^(a)	(6,579)	16,442
Current accrued salaries	5,840	(51,104)
Current other provisions	49,953	(49,071)
Non-current other provisions	9,422	12,052
Net GST receipts/(payments) ^(b)	3,133	3,217
Net cash provided by/(used in) operating activities	(2,203,148)	(2,222,479)

(a) Note that the Australian Taxation Office receivable/payable in respect of GST and the receivable/payable in respect of the sale/purchase of non-current assets are not included in these items as they do not form part of the reconciling items.

(b) This is the net GST paid/received, ie cash transactions.

(c) This reverses out the GST in receivables and payables.

Note 24. Services provided free of charge

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

Note 25. Commitments

The commitments listed below are inclusive of GST where relevant.

Non-cancellable operating lease commitments

	2017 \$	2016 \$
Commitments for the minimum lease payments are payable as follows:		
Within 1 year	307,203	301,877
Later than 1 year and not later than 5 years	-	309,424
	307,203	611,301

The non-cancellable operating leases represent the Office's property lease. The property lease is a non-cancellable lease with a term expiring July 2018. 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 26. Contingent liabilities and contingent assets

There are no contingent liabilities and contingent assets for the financial year 2016 - 2017.

Note 27. 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 28. Explanatory statement

The Office does not meet the threshold of TI 945(1)(ii) requiring explanatory statements.

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:

	2017 \$	2016 \$
Auditing of accounts, financial statements and performance indicators	26,700	26,300
	26,700	26,300

Note 30. Financial instruments

(a) Financial risk management objectives and policies

Financial instruments held by the Office are cash and cash equivalents, restricted cash and cash equivalents, receivables and payables. The Office has limited exposure to financial risks. The

Office’s overall risk management program focuses on managing the risks identified below.

Credit risk

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

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 16 ‘Receivables’.

Credit risk associated with the Office’s financial assets is minimal because the main receivable is the amounts receivable for services (holding account). For receivables other than government, the Office trades only with recognised, creditworthy third parties. In addition, receivable balances are monitored on an ongoing basis with the result that the Office’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 Office is unable to meet its financial obligations as they fall due.

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

The Office 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 Office's income or the value of its holdings of financial instruments. The Office does not trade in foreign currency and is not materially exposed to other price risks.

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

(b) Categories of financial instruments

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

	2017 \$	2016 \$
Financial assets		
Cash and cash equivalents	599,876	471,936
Restricted cash and cash equivalents	4,912	-
Receivables ^(a)	36,503	36,251
Financial liabilities		
Financial liabilities measured at amortised cost	21,857	22,551

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

(c) Financial instrument disclosures

Credit risk

The following table discloses the Office's maximum exposure to credit risk and the ageing analysis of financial assets. The Office'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 Office.

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

Ageing analysis of financial assets								
	Carrying amount \$	Not past due and not impaired \$	<u>Past due but not impaired</u>					Impaired financial assets \$
			Up to 1 month \$	1-3 months \$	3 months to 1 year \$	1-5 years \$	More than 5 years \$	
2017								
Cash and cash equivalents	599,876	599,876	-	-	-	-	-	-
Restricted cash and cash equivalents	4,912	4,912	-	-	-	-	-	-
Receivables ^(a)	503	503	-	-	-	-	-	-
Amounts receivable for services	36,000	36,000	-	-	-	-	-	-
	641,292	641,292	-	-	-	-	-	-
2016								
Cash and cash equivalents	471,936	471,936	-	-	-	-	-	-
Restricted cash and cash equivalents	-	-	-	-	-	-	-	-
Receivables ^(a)	251	251	-	-	-	-	-	-
Amounts receivable for services	36,000	36,000	-	-	-	-	-	-
	508,187	508,187	-	-	-	-	-	-

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

Liquidity risk and interest rate exposure

The following table details the Office's interest rate exposure and the contractual maturity analysis of financial assets and financial liabilities. The maturity analysis section includes interest and principal cash flows. The interest rate exposure analyses only the carrying amounts of each item.

Interest rate exposure and maturity analysis of financial assets and liabilities

		Interest Rate Exposure					Maturity dates				
	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 \$
2017											
Financial Assets											
Cash and cash equivalents	-	599,876	-	-	599,876	599,876	599,876	-	-	-	-
Restricted cash and cash equivalents	-	4,912	-	-	4,912	4,912	4,912	-	-	-	-
Receivables ^(a)	-	503	-	-	503	503	503	-	-	-	-
Amounts receivable for services	-	36,000	-	-	36,000	36,000	-	-	-	-	36,000
		641,292	-	-	641,292	641,292	605,292	-	-	-	36,000
Financial Liabilities											
Payables		21,857	-	-	21,857	21,857	21,857	-	-	-	-
		21,857	-	-	21,857	21,857	21,857	-	-	-	-
2016											
Financial Assets											
Cash and cash equivalents	-	471,936	-	-	471,936	471,936	471,936	-	-	-	-
Restricted cash and cash equivalents	-	-	-	-	-	-	-	-	-	-	-
Receivables ^(a)	-	251	-	-	251	251	251	-	-	-	-
Amounts receivable for services	-	36,000	-	-	36,000	36,000	-	-	-	-	36,000
		508,187	-	-	508,187	508,187	472,187	-	-	-	36,000
Financial Liabilities											
Payables		22,551	-	-	22,551	22,551	22,551	-	-	-	-
		22,551	-	-	22,551	22,551	22,551	-	-	-	-

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