

FINANCIAL STATEMENTS

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OFFICE OF THE INFORMATION COMMISSIONER

**CERTIFICATION OF FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007**

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 ending 30 June 2007 and the financial position as at 30 June 2007.

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

A. Andersson

A Andersson
Chief Finance Officer

Date: *26 September 2007*

D Wookey

D Wookey
A/Information Commissioner

Date: *26 September 2007*



AUDITOR GENERAL

INDEPENDENT AUDIT OPINION

To the Parliament of Western Australia

OFFICE OF THE INFORMATION COMMISSIONER FINANCIAL STATEMENTS AND KEY PERFORMANCE INDICATORS FOR THE YEAR ENDED 30 JUNE 2007

I have audited the accounts, financial statements, controls and key performance indicators of the Office of the Information Commissioner.

The financial statements comprise the Balance Sheet as at 30 June 2007, and the Income Statement, Statement of Changes in Equity, Cash Flow Statement, Schedule of Income and Expenses by Service, and Summary of Consolidated Account Appropriations and Income Estimates for the year then ended, a summary of significant accounting policies and other explanatory Notes.

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

Information Commissioner's Responsibility for the Financial Statements and Key Performance Indicators

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 (including the Australian Accounting Interpretations) and the Treasurer's Instructions, and the key performance indicators. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements and key performance indicators that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; making accounting estimates that are reasonable in the circumstances; and complying with the Financial Management Act 2006 and other relevant written law.

Summary of my Role

As required by the Auditor General Act 2006, my responsibility is to express an opinion on the financial statements, controls and key performance indicators based on my audit. This was done by testing selected samples of the audit evidence. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion. Further information on my audit approach is provided in my audit practice statement. Refer "<http://www.audit.wa.gov.au/pubs/Audit-Practice-Statement.pdf>".

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

**Office of the Information Commissioner
Financial Statements and Key Performance Indicators for the year ended 30 June 2007**

Audit Opinion

In my opinion,

- (i) the financial statements are based on proper accounts and present fairly the financial position of the Office of the Information Commissioner at 30 June 2007 and its financial performance and cash flows for the year ended on that date. They are in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Treasurer's Instructions;
- (ii) the controls exercised by the Information Commissioner 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; and
- (iii) the key performance indicators of the Information Commissioner are relevant and appropriate to help users assess the Information Commissioner's performance and fairly represent the indicated performance for the year ended 30 June 2007.



COLIN MURPHY
AUDITOR GENERAL
26 September 2007

FINANCIAL STATEMENTS continued

OFFICE OF THE INFORMATION COMMISSIONER

Income Statement

For the year ended 30 June 2007

	Note	2007 \$	2006 \$
COST OF SERVICES			
Expenses			
Employee benefits expense	6	948,195	872,411
Supplies and services	7	143,585	140,460
Depreciation expense	8	21,910	17,830
Accommodation expenses	9	98,676	90,593
Other expenses	10	61,905	77,029
Total cost of services		<u>1,274,271</u>	<u>1,198,323</u>
Income			
<i>Revenue</i>			
Other revenue	11	4,345	2,182
Total Revenue		<u>4,345</u>	<u>2,182</u>
<i>Gains</i>			
Gain on disposal of non-current assets	12	-	408
Total Gains		<u>-</u>	<u>408</u>
Total income other than income from State Government		<u>4,345</u>	<u>2,590</u>
NET COST OF SERVICES		<u>1,269,926</u>	<u>1,195,733</u>
INCOME FROM STATE GOVERNMENT	13		
Service appropriation		1,246,000	1,103,000
Liabilities assumed by the Treasurer		5,079	1,854
Resources received free of charge		44,670	42,092
Total income from State Government		<u>1,295,749</u>	<u>1,146,946</u>
SURPLUS /(DEFICIT) FOR THE PERIOD		<u>25,823</u>	<u>(48,787)</u>

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

OFFICE OF THE INFORMATION COMMISSIONER

Balance Sheet

As at 30 June 2007

	Note	2007 \$	2006 \$
ASSETS			
Current Assets			
Cash and cash equivalents	23	71,213	-
Receivables	15	5,837	5,266
Amounts receivable for services	16	33,000	35,000
Other current assets	17	5,078	4,332
Total Current Assets		<u>115,128</u>	<u>44,598</u>
Non-Current Assets			
Restricted cash and cash equivalents	14	5,864	2,955
Amounts receivable for services	16	-	3,000
Property, plant and equipment	18	13,875	33,210
Total Non-Current Assets		<u>19,739</u>	<u>39,165</u>
TOTAL ASSETS		<u>134,867</u>	<u>83,763</u>
LIABILITIES			
Current Liabilities			
Bank overdraft	23	-	4,112
Payables	19	31,525	25,180
Provisions	20	187,575	163,515
Other current liabilities	21	3,465	11,446
Total Current Liabilities		<u>222,565</u>	<u>204,253</u>
Non-Current Liabilities			
Provisions	20	84,266	77,297
Total Non-Current Liabilities		<u>84,266</u>	<u>77,297</u>
Total Liabilities		<u>306,831</u>	<u>281,550</u>
NET ASSETS		<u>(171,964)</u>	<u>(197,787)</u>
EQUITY			
Contributed equity	22	25,000	25,000
Accumulated surplus/(deficit)		(196,964)	(222,787)
TOTAL EQUITY		<u>(171,964)</u>	<u>(197,787)</u>

The Balance Sheet should be read in conjunction with the accompanying notes.

FINANCIAL STATEMENTS continued

OFFICE OF THE INFORMATION COMMISSIONER

Statement of Changes in Equity

For the year ended 30 June 2007

	Note	2007 \$	2006 \$
Balance of equity at start of period		<u>(197,787)</u>	<u>(149,000)</u>
CONTRIBUTED EQUITY	22		
Balance at start of period		25,000	25,000
Capital contribution		-	-
Distribution to owners		-	-
Balance at end of period		<u>25,000</u>	<u>25,000</u>
ACCUMULATED SURPLUS	22		
Balance at start of period		(222,787)	(174,000)
Surplus/(deficit) for the period		25,823	(48,787)
Balance at end of period		<u>(196,964)</u>	<u>(222,787)</u>
Balance of equity at end of period		<u>(171,964)</u>	<u>(197,787)</u>
Total income and expense for the period		<u>25,823</u>	<u>(48,787)</u>

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

30 Schedule of Income and Expenses by Service

	Complaint Resolution		Advice & Awareness		TOTAL	
	2007	2006	2007	2006	2007	2006
	\$	\$	\$	\$	\$	\$
COST OF SERVICES						
Expenses						
Employee benefits expense	742,222	687,394	205,973	185,017	948,195	872,411
Supplies and services	102,052	99,072	41,533	41,388	143,585	140,460
Depreciation expense	15,994	13,016	5,916	4,814	21,910	17,830
Accommodation expenses	71,071	64,578	27,605	26,015	98,676	90,593
Carrying value of non-current assets disposed of	-	-	-	-	-	-
Other expenses	47,598	48,376	14,307	28,653	61,905	77,029
Total cost of services	978,937	912,436	295,334	285,887	1,274,271	1,198,323
Income						
Revenues						
Other revenue	4,345	2,182	-	-	4,345	2,182
Total Revenue	4,345	2,182	-	-	4,345	2,182
Gains						
Gain on disposal of non-current assets	-	408	-	-	-	408
Total Gains	-	408	-	-	-	408
Total income other than income from State Government	4,345	2,590	-	-	4,345	2,590
NET COST OF SERVICES	974,592	909,846	295,334	285,887	1,269,926	1,195,733
INCOME FROM STATE GOVERNMENT						
Service appropriation	-	-	-	-	1,246,000	1,103,000
Liabilities assumed by the Treasurer	-	-	-	-	5,079	1,854
Resources received free of charge	872,200	772,100	373,800	330,900	44,670	42,092
Total income from State Government	872,200	772,100	373,800	330,900	1,295,749	1,146,946
Surplus/(deficit) for the period	(102,392)	(137,746)	78,466	45,013	25,823	(48,787)

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

OFFICE OF THE INFORMATION COMMISSIONER
Summary of Consolidated Fund Appropriations and Income Estimates
For the year ended 30 June 2007

	2007 Estimate \$	2007 Actual \$	Variance \$	2007 Actual \$	2006 Actual \$	Variance \$
DELIVERY OF SERVICES						
Item 63 Net amount appropriated to deliver services	1,067,000	1,083,000	16,000	1,083,000	948,000	135,000
Amount Authorised by Other Statutes						
- Freedom of Information Act 1992	160,000	164,000	4,000	164,000	155,000	9,000
Total appropriations provided to deliver services	1,227,000	1,247,000	20,000	1,247,000	1,103,000	144,000
CAPITAL						
Capital Contribution	-	-	-	-	-	-
GRAND TOTAL OF APPROPRIATIONS	1,227,000	1,247,000	20,000	1,247,000	1,103,000	144,000
Details of Expenses by Services						
Review and Complaint Resolution	910,000	978,937	68,937	978,937	912,436	66,501
Advice and Awareness	391,000	295,334	(95,666)	295,334	285,887	9,447
Total Cost of Services	1,301,000	1,274,271	(26,729)	1,274,271	1,198,323	75,948
Less total revenues from ordinary activities	(4,000)	(4,345)	(345)	(4,345)	(2,590)	(1,755)
Net Cost of Services	1,297,000	1,269,926	(27,074)	1,269,926	1,195,733	74,193
Adjustment ^(a)	(70,000)	(22,926)	47,074	(22,926)	(92,733)	69,807
Total appropriations provided to deliver services	1,227,000	1,247,000	20,000	1,247,000	1,103,000	144,000
Capital Expenditure						
Purchase of non-current physical assets	35,000	2,575	(32,425)	2,575	19,867	(17,292)
Adjustments for other funding sources	(35,000)	(2,575)	32,425	(2,575)	(19,867)	17,292
Capital Contribution (appropriation)	-	-	-	-	-	-

^(a) Adjustments are related to movements in cash balances and other accrual items such as receivables, payables and superannuation. The Summary of Consolidated Fund Appropriations and Revenue Estimates is to be prepared on an accruals basis. The Summary of Consolidated Fund Appropriations, Variance to Budget and Actual should be read in conjunction with the accompanying notes. This Summary provides the basis for the Explanatory Statement information requirements of TI 945, set out in Note 25.

OFFICE OF THE INFORMATION COMMISSIONER

Notes to the Financial Statements*for the year ended 30 June 2007***1 Office of the Information Commissioner mission and funding**

The mission of the Office of the Information Commissioner (the "Commission" for the purpose of these notes) is stated as follows:

- To promote public understanding and confidence in the decision making process of government agencies through access to relevant information.

The Commission is funded by Parliamentary appropriations. It does not provide services on a fee-for-service basis. The financial statements encompass all funds through which the Commission controls resources to carry on its functions.

2 Australian Equivalents to International Financial Reporting Standards**General**

The Commission's financial statements for the year ended 30 June 2007 have been prepared in accordance with Australian equivalents to International Financial Reporting Standards (AIFRS), which comprise a Framework for the Preparation and Presentation of Financial Statements (the Framework) and Australian Accounting Standards (including the Australian Accounting Interpretations).

In preparing these financial statements the Commission has adopted, where relevant to its operations, new and revised standards and interpretations from their operative dates as issued by the Australian Accounting Standards Board (AASB) and formerly the Urgent Issues Group (UIG).

The Australian Accounting Interpretations are adopted through AASB 1048 'Interpretation and Application of Standards' and are classified into those corresponding to International Accounting Standards Board (IASB) Interpretations and those only applicable in Australia.

The AASB has decided to maintain the Statements of Accounting Concepts (SAC 1 and SAC 2) and has continued to revise and maintain accounting standards and the interpretations that are of particular relevance to the Australian environment, especially those that deal more specifically with not-for-profit entity issues and/or do not have an equivalent IASB Standard or Interpretation.

Early adoption of standards

The Commission cannot early adopt an Australian Accounting Standard or Australian Accounting Interpretation unless specifically permitted by TI 1101 'Application of Australian Accounting Standards and Other Pronouncements'. No standards and interpretations that have been issued or amended but are not yet effective have been early adopted by the Commission for the financial year ended 30 June 2007.

3 Summary of significant accounting policies**(a) General Statement**

The financial statements constitute a general purpose financial report which has been prepared in accordance with the Australian Accounting Standards, the Framework, Statements of Accounting Concepts and other authoritative pronouncements of the AASB as applied by the Treasurer's Instructions (TI's). Several of these are modified by the Treasurer's Instructions to vary the application, disclosure, format and wording. For example, AASB 116 requires land and buildings to be measured at cost or fair value; TI 954 mandates the fair value option.

OFFICE OF THE INFORMATION COMMISSIONER

Notes to the Financial Statements

for the year ended 30 June 2007

The Financial Management Act and the Treasurer's Instructions are legislative provisions governing the preparation of financial statements and take precedence over the Accounting Standards, the Framework, Statements of Accounting Concepts and other authoritative pronouncements of the AASB.

Where modification is required and has 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.

Modifications or clarifications to accounting standards through the TI's are to provide certainty and ensure consistency and appropriate reporting across the public sector.

(b) Basis of Preparation

The financial statements have been prepared in accordance with Accounting Standard AAS29 'Financial Reporting by Government Departments' 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.

(c) Reporting entity

The reporting entity comprises the Commission and no other related bodies.

(d) Contributed Equity

UIG Interpretation 1038 'Contributions by Owners Made to Wholly-Owned Public Sector Entities' requires transfers in the nature of equity contributions 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 contributions (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 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 disposal of other assets when the significant risks and rewards of ownership control transfer to the purchaser and can be measured reliably.

Rendering of Services

Revenue is recognised upon delivery of the service to the client or by reference to the stage of completion of the transaction.

Service Appropriations

Service appropriations are recognised as revenues at nominal 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 into the Commission's bank account or credited to the holding account held at the Department of Treasury and Finance. See note 13 'Income from State Government' for further detail.

OFFICE OF THE INFORMATION COMMISSIONER

Notes to the Financial Statements*for the year ended 30 June 2007**Net Appropriation 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 2006-2007 Budget Statements, the Commission retained \$4,345 in 2007 (2006: \$2,182) from the following:

- executive vehicle scheme
- other receipts

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) Property, Plant and Equipment*Capitalisation/Expensing of assets*

Items of property, plant and equipment costing \$1,000 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 costing less than \$1,000 are recognised as an expense in the Income Statement (other than where they form part of a group of similar items which are significant in total).

Initial recognition and measurement

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

Subsequent measurement

After recognition as an asset, the cost model is used for the measurement of property, plant and equipment. Items of property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses. See note 18 'Property, Plant and Equipment'.

Depreciation

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

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

Office equipment	2 to 5 years
Computers	2 years

(g) Impairment of Assets

Property, plant and equipment are tested for any indication of impairment at each balance sheet date. 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. As the Commission is a not-for-profit entity, unless an asset has been identified as a surplus asset, the recoverable amount is the higher of an asset's fair value less cost 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 asset is reviewed annually to verify that the accumulated depreciation reflects the level of consumption or expiration of assets' future economic benefits and to evaluate any impairment risk from falling replacement costs.

See note 3(m) 'Receivables' for impairment of receivables.

OFFICE OF THE INFORMATION COMMISSIONER

Notes to the Financial Statements

for the year ended 30 June 2007

(h) Leases

The Commission holds operating leases for buildings and motor vehicles. The lessors effectively retain all of the risks and benefits incidental to ownership of the items held under the operating leases. Lease payments are expensed on a straight line basis over the lease term as this represents the pattern of benefits derived from the leases.

(i) Financial Instruments

The Commission has two categories of financial instrument:

- loans and receivables (cash and cash equivalents, receivables)
- non-trading 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 Cash Flow Statement, cash and cash equivalents include restricted cash and cash equivalents. These are comprised of 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

The accrued salaries suspense account (see note 14 'Restricted Cash and Cash Equivalents') consists of amounts paid annually into a suspense account over a period of ten 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.

Accrued salaries (see note 21 'Other Liabilities') represent the amount due to staff but unpaid at the end of the financial year, as the pay date for the last pay period for that financial year does not coincide with 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 its net fair value.

(l) Amounts Receivable for Services (Holding Account)

The Commission receives funding on an accrual basis that recognises the full annual cash and non-cash cost of services. The appropriations are paid partly in cash and partly as an asset (Holding Account receivable) that is accessible on the emergence of the cash funding requirement to cover items such as leave entitlements and asset replacement. See also note 13 'Income from State Government' and note 16 'Amounts Receivable for Services'.

(m) Receivables

Receivables are recognised and carried at 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. 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. See also note 3(i) 'Financial Instruments' and note 15 'Receivables'.

An allowance for impairment of receivables can only be raised if there is objective evidence of impairment.

OFFICE OF THE INFORMATION COMMISSIONER

Notes to the Financial Statements*for the year ended 30 June 2007***(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. See also note 3(i) 'Financial Instruments' and note 19 'Payables'.

(o) Provisions

Provisions are liabilities of uncertain timing and/or amount and are recognised where there is a present legal, equitable 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 each balance sheet date. See note 20 'Provisions'.

Provisions- Employee Benefits*Annual Leave and Long Service Leave*

The liability for annual and long service leave expected to be settled within 12 months after the end of the balance sheet date is recognised and measured at the undiscounted amounts expected to be paid when the liabilities are settled. Leave liabilities are in respect of services provided by employees up to the balance sheet date.

A liability for long service leave is recognised after an employee has completed four years of service. An actuarial assessment of long service leave undertaken by Price Waterhouse Coopers in 2004 determined that the liability measured using the short hand method was not materially different from the liability measured using the present value of expected future payments.

All annual leave and 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 balance sheet date.

This method of measurement of the liability is consistent with the requirements of AASB 119 'Employee Benefits'.

Superannuation

Employees may contribute to the Pension Scheme, a defined benefit pension scheme now closed to new members or the Gold State Superannuation (GSS) Scheme, a defined benefit lump sum scheme also closed to new members. Both schemes are administered by the Government Employees Superannuation Board (GESB).

The Commission has no liabilities for superannuation charges under the Pension or the GSS Schemes. The liabilities for the unfunded Pension Scheme and the unfunded GSS Scheme transfer benefits due to members who transferred from the Pension Scheme, are assumed by the Treasurer. All other GSS Scheme obligations are funded by concurrent contributions made by the Commission to the GESB. The concurrently funded part of the GSS Scheme is a defined contribution scheme as these contributions extinguish all liabilities in respect of the concurrently funded GSS Scheme obligations.

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.

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

See also note 3(p) 'Superannuation expense'.

OFFICE OF THE INFORMATION COMMISSIONER

Notes to the Financial Statements

for the year ended 30 June 2007

Provisions—Other

Employment On-Costs

Employment on-costs, including workers' compensation insurance, are not employee benefits and are recognised separately as expenses and liabilities when the employment, to which they relate to, 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'. See note 10 'Other Expenses' and note 20 'Provisions'.

(p) Superannuation expense

The following elements are included in calculating the superannuation expense in the Income Statement:

- Defined benefit plans - Change in the unfunded employer's liability (i. e. current service cost and actuarial gains and losses) assumed by the Treasurer in respect of current employees who are members of the Pension Scheme and current employees who accrued a benefit on transfer from that Scheme to the GSS Scheme
- Defined contribution plans - Employer contributions paid to the WSS Scheme, the GESBS Scheme and the equivalent of employer contributions to the GSS Scheme

Defined benefit plans - in order to reflect the true cost of services, the movements (i. e. current service cost and actuarial gains and losses) in the liabilities in respect of the Pension Scheme and the GSS Scheme transfer benefits are recognised as expenses directly in the Income Statement. As these liabilities are assumed by the Treasurer (see note 3(o)), a revenue titled 'Liabilities assumed by the Treasurer' equivalent to the expense is recognised under 'Income from State Government' in the Income Statement. See note 13 'Income from State Government'.

Defined contribution plans - in order to reflect the Commission's true cost of services, the Commission is funded for the equivalent of employer contributions in respect of the GSS Scheme (excluding transfer benefits). These contributions were paid to the GESB during the year and placed in a trust account administered by the GESB on behalf of the Treasurer. The GESB subsequently paid these employer contributions in respect of the GSS Scheme to the Consolidated Account.

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

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

(q) Resources Received Free of Charge

Resources received free of charge that can be reliably measured are recognised as income and as assets or expenses as appropriate, at fair value.

(r) Comparative Figures

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

OFFICE OF THE INFORMATION COMMISSIONER
Notes to the Financial Statements
for the year ended 30 June 2007

4 Services of the Office of the Information Commissioner

Information about the Commission's services is set out in the Schedule of Income and Expenses by Service.

The services of the Commission are:

Service 1 - 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 legislative requirements prescribed by the Freedom of Information Act 1992.

Service 2 - Freedom of information advice and awareness

Provides objective advice and information to members of the public and staff of agencies to assist in the proper lodgement and processing of applications under the Freedom of Information Act 1992. Proposes initiatives to enhance administrative efficiency in agencies when dealing with applications received.

The Department of the Attorney General provides overall corporate support in respect of human resources and financial services (see note 13 for details of charge).

5 Disclosure of changes in accounting policy and estimates -

Future impact of Australian Accounting Standards not yet operative

The Commission cannot early adopt an Australian Accounting Standard or Australian Accounting Interpretation unless specifically permitted by TI 1101 'Application of Australian Accounting Standards and Other Pronouncements'. Consequently, the Commission has not applied the following Australian Accounting Standards and Australian Accounting Interpretations that have been issued but are not yet effective. These will be applied from their application date:

1. AASB 7 'Financial Instruments: Disclosures' (including consequential amendments in AASB 2005-10 'Amendments to Australian Accounting Standards [AASB 132, AASB 101, AASB 114, AASB 117, AASB 133, AASB 139, AASB 1, AASB 4, AASB 1023 & AASB 1038]'). This Standard requires new disclosures in relation to financial instruments. The Standard is considered to result in increased disclosures, both quantitative and qualitative, of the Commission's exposure to risks, enhanced disclosure regarding components of the Commission's financial position and performance, and possible changes to the way of presenting certain items in the financial statements. The Commission does not expect any financial impact when the Standard is first applied. The Standard is required to be applied to annual reporting periods beginning on or after 1 January 2007.

2. AASB 2005-10 'Amendments to Australian Accounting Standards [AASB 132, AASB 101, AASB 114, AASB 117, AASB 133, AASB 139, AASB 1, AASB 4, AASB 1023 & AASB 1038]'. The amendments are as a result of the issue of AASB 7 'Financial Instruments: Disclosures', which amends the financial instrument disclosure requirements in these standards. The Commission does not expect any financial impact when the Standard is first applied. The Standard is required to be applied to annual reporting periods beginning on or after 1 January 2007.

3. AASB 101 'Presentation of Financial Statements'. This Standard was revised and issued in October 2006 so that AASB 101 has the same requirements as IAS 1 'Presentation of Financial Statements' (as issued by the IASB) in respect of for-profit entities. The Commission is a not-for-profit entity and consequently does not expect any financial impact when the Standard is first applied. The Standard is required to be applied to annual reporting periods beginning on or after 1 January 2007.

OFFICE OF THE INFORMATION COMMISSIONER

Notes to the Financial Statements

for the year ended 30 June 2007

4. AASB 2007-4 'Amendments to Australian Accounting Standards arising from ED 151 and Other Amendments [AASB 1, 2, 3, 4, 5, 6, 7, 102, 107, 108, 110, 112, 114, 116, 117, 118, 119, 120, 121, 127, 128, 129, 130, 131, 132, 133, 134, 136, 137, 138, 139, 141, 1023 & 1038]'. This Standard introduces policy options and modifies disclosures. These amendments arise as a result of the AASB decision that, in principle, all options that currently exist under IFRSs should be included in the Australian equivalents to IFRSs and additional Australian disclosures should be eliminated; other than those now considered particularly relevant in the Australian reporting environment. The Department of Treasury and Finance has indicated that it will mandate to remove the policy options added by this amending Standard. This will result in no impact as a consequence of application of the Standard. The Standard is required to be applied to annual reporting periods beginning on or after 1 July 2007.

5. AASB 2007-5 'Amendment to Australian Accounting Standard - Inventories Held for Distribution by Not-for-Profit Entities [AASB 102]'. This amendment changes AASB 102 'Inventories' so that inventories held for distribution by not-for-profit entities are measured at cost, adjusted when applicable for any loss of service potential. The Department does not have any inventories held for distribution so does not expect any financial impact when the Standard is first applied. The Standard is required to be applied to annual reporting periods beginning on or after 1 July 2007.

6. AASB Interpretation 4 'Determining whether an Arrangement contains a Lease [revised]'. This Interpretation was revised and issued in February 2007 to specify that if a public-to-private service concession arrangement meets the scope requirements of AASB Interpretation 12 'Service Concession Arrangements' as issued in February 2007, it would not be within the scope of Interpretation 4. At balance sheet date, the Commission has not entered into any arrangements as specified in the Interpretation or within the scope of Interpretation 12, resulting in no impact when the Interpretation is first applied. The Interpretation is required to be applied to annual reporting periods beginning on or after 1 January 2008.

7. AASB Interpretation 12 'Service Concession Arrangements'. This Interpretation was issued in February 2007 and gives guidance on the accounting by operators (usually a private sector entity) for public-to-private service concession arrangements. It does not address the accounting by grantors (usually a public sector entity). It is currently unclear as to the application of the Interpretation to the Commission if and when public-to-private service concession arrangements are entered into in the future. At balance sheet date, the Commission has not entered into any public-to-private service concession arrangements resulting in no impact when the Interpretation is first applied. The Interpretation is required to be applied to annual reporting periods beginning on or after 1 January 2008.

8. AASB Interpretation 129 'Service Concession Arrangements: Disclosures [revised]'. This Interpretation was revised and issued in February 2007 to be consistent with the requirements in AASB Interpretation 12 'Service Concession Arrangements' as issued in February 2007. Specific disclosures about service concession arrangements entered into are required in the notes accompanying the financial statements, whether as a grantor or an operator. At balance sheet date, the Commission has not entered into any public-to-private service concession arrangements resulting in no impact when the Interpretation is first applied. The Interpretation is required to be applied to annual reporting periods beginning on or after 1 January 2008.

The following Australian Accounting Standards and Interpretations are not applicable to the Commission as they will have no impact or do not apply to not-for-profit entities:

AASB Standards and Interpretations

AASB 8	'Operating Segments'
AASB 1049	'Financial Reporting of General Government Sectors by Governments'
AASB 2007-1	'Amendments to Australian Accounting Standards arising from AASB Interpretation 11 [AASB 2]'
AASB 2007-2	'Amendments to Australian Accounting Standards arising from AASB Interpretation 12 [AASB 1, AASB 117, AASB 118, AASB 120, AASB 121, AASB 127, AASB 131 & AASB 139]' - paragraphs 1 to 8
AASB 2007-3	'Amendments to Australian Accounting Standards arising from AASB 8 [AASB 5, AASB 6, AASB 102, AASB 107, AASB 119, AASB 127, AASB 134, AASB 136, AASB 1023 & AASB 1038]'
Interpretation 10	'Interim Financial Reporting and Impairment'
Interpretation 11	'AASB 2 - Group and Treasury Share Transactions'

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Notes to the Financial Statements
for the year ended 30 June 2007

	2007 \$	2006 \$
6 Employee benefits expense		
Salaries and wages	747,575	712,844
Annual and long service leave	117,228	76,881
Superannuation - West State	78,313	80,832
Other related expenses	5,079	1,854
	<u>948,195</u>	<u>872,411</u>
(a) Defined contribution plans include West State and Gold State (contributions paid)		
(b) Defined benefit plans include Pension Scheme and Gold State (pre-transfer benefit)		
7 Supplies and Services		
Goods and supplies	30,430	30,937
Services and contracts	68,485	67,431
Resources received free of charge (note 13)	44,670	42,092
	<u>143,585</u>	<u>140,460</u>
8 Depreciation expense		
Equipment	21,910	17,830
	<u>21,910</u>	<u>17,830</u>
9 Accommodation expenses		
Building rental operating lease expense	98,676	90,593
	<u>98,676</u>	<u>90,593</u>
10 Other expenses		
Communication expenses	13,521	15,314
Printing and binding	1,833	3,692
Equipment and vehicles operating lease expense	16,800	19,797
Electricity	4,816	1,477
Insurance	2,545	6,806
Repairs and maintenance	2,657	3,647
Other expenses ^(a)	35,087	26,296
	<u>61,905</u>	<u>77,029</u>
(a) Includes workers compensation insurance; facilities, equipment and plant hire; bank fees; freight charges; storage and transportation; computing licenses; staff travel and accommodation; staff training; and other staff costs.		
11 Other revenues		
Contributions to motor vehicles scheme	1,519	2,032
Other revenue	2,826	150
	<u>4,345</u>	<u>2,182</u>
12 Net Gain on Disposal of Non-current Assets		
<u>Proceeds from Disposal of Non-current Assets</u>		
Equipment	-	408
	<u>-</u>	<u>408</u>

OFFICE OF THE INFORMATION COMMISSIONER
Notes to the Financial Statements
for the year ended 30 June 2007

	2007	2006
	\$	\$
13 Income from State Government		
Appropriation received during the year:		
Service appropriations (I)	1,246,000	1,103,000
	<u>1,246,000</u>	<u>1,103,000</u>
The following liabilities have been assumed by the Treasurer during the financial year:		
- Superannuation (b)	5,079	1,854
	<u>5,079</u>	<u>1,854</u>
Resources received free of charge (c)		
Determined on the basis of the following estimates provided by agencies:		
Department of the Attorney General		
- corporate services	41,682	39,173
Department of Housing and Works (Commercial Property Branch)		
- property management services (notional management fee based on lease payments)	2,988	2,919
State Ombudsman's Office (Rental paid for OIC)	-	-
	<u>44,670</u>	<u>42,092</u>
	<u>1,295,749</u>	<u>1,146,946</u>

(a) Service appropriations are accrual amounts reflecting the full cost of services delivered. The appropriation revenue comprises a cash component and a receivable (asset). The receivable (holding account) comprises the depreciation expense for the year and any agreed increase in leave liability during the year.

(b) The assumption of the superannuation liability by the Treasurer is a notional income to match the notional superannuation expense reported in respect of current employees who are members of the Pension Scheme and current employees who have a transfer benefit entitlement under the GSS Scheme. (The notional superannuation expense is disclosed at note 6 "Employee Benefits Expense".)

(c) Where assets or services have been received free of charge or for nominal cost, the Commission recognises revenue (except where the contributions of assets or services are in the nature of contributions by owners in which case the Commission shall make a direct adjustment to equity) equivalent to the fair value of the assets and/or the fair value of those services that can be reliably determined and which would have been purchased if not donated, and those fair values shall be recognised as assets or expenses, as applicable.

14 Restricted Cash and Cash Equivalents

Prepayments	5,078	
Current	71,213	
Accrued salaries suspense account ^(a)	5,864	2,955
	<u>82,155</u>	<u>2,955</u>

(a) Amount held in the suspense account is only to be used for the purpose of meeting the 27th pay in a financial year that occurs every 11 years.

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Notes to the Financial Statements
for the year ended 30 June 2007

	2007 \$	2006 \$
15 Receivables		
Debtors	-	-
GST receivable	5,837	5,266
	<u>5,837</u>	<u>5,266</u>
16 Amounts receivable for services		
Current	33,000	35,000
Non-Current	-	3,000
	<u>33,000</u>	<u>38,000</u>
<p>This represents the non-cash component of service appropriations. See note 3(l) 'Amounts Receivable for Services (Holding Account)'. It is restricted in that it can only be used for asset replacement or payment of leave liability.</p>		
17 Other assets		
Prepayments	5,078	4,332
	<u>5,078</u>	<u>4,332</u>
18 Property, plant and equipment		
<u>Office equipment and computers</u>		
At cost	176,695	174,119
Accumulated depreciation	(162,820)	(140,909)
	<u>13,875</u>	<u>33,210</u>
<u>Reconciliation</u>		
<p>Reconciliation of the carrying amounts of property, plant and equipment at the beginning and end of the reporting period are set out below.</p>		
Carrying amount at start of year	33,210	31,173
Additions	2,575	19,867
Depreciation	(21,910)	(17,830)
Carrying amount at end of year	<u>13,875</u>	<u>33,210</u>
19 Payables		
Trade and other creditors	31,525	25,180
	<u>31,525</u>	<u>25,180</u>

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 for the year ended 30 June 2007

	2007	2006
	\$	\$
20 Provisions		
Employee entitlements		
<u>Current</u>		
Employee benefits provision		
Annual leave	36,019	25,302
Long service leave	129,155	118,472
Superannuation on-cost	17,056	15,052
	182,230	158,826
Other Provisions: Employment on-costs (c)		
Carrying amount at start of year	4,689	5,160
Additional provisions recognised	656	(471)
Carrying amount at end of year	5,345	4,689
	187,575	163,515
<u>Non-current</u>		
Employee benefits provision		
Long service leave (b)	73,919	67,806
Superannuation on-cost	7,925	7,269
	81,844	75,075
Other Provisions: Other employee on-costs (c)		
Carrying amount at start of year	2,222	2,292
Additional provisions recognised	200	(70)
Carrying amount at end of year	2,422	2,222
	84,266	77,297

(a) Annual leave liabilities have been classified as current as there is no unconditional right to defer settlement for at least 12 months after balance sheet date.

(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 balance sheet date.

(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 in note 10 'Other expenses'.

21 Other current liabilities

Accrued salaries due to salary increase		8,725
Accrued salaries to balance sheet date	3,465	2,721
Advance from the Department of the Attorney General		-
	3,465	11,446
	3,465	11,446

OFFICE OF THE INFORMATION COMMISSIONER

Notes to the Financial Statements

for the year ended 30 June 2007

	2007	2006
	\$	\$
22 Equity		
Liabilities exceed assets for the Information Commissioner and there is therefore no residual interest in the assets of the Information Commissioner. This deficiency arose through expenses such as depreciation and accrual of employee entitlements for leave not involving the payment of cash in the current period being recognised in the Balance Sheet.		
Contributed equity		
Balance at the start of period	25,000	25,000
Capital contributions ^(a)	-	-
Balance at end of period	<u>25,000</u>	<u>25,000</u>
(a) Capital contributions (appropriations) have been designated as contributions by owners in Treasurer's Instruction TI 955 'Contributions by Owners Made to Wholly Owned Public Sector Entities' and are credited directly to equity.		
Accumulated surplus/(deficit)		
Balance at the start of period	(222,787)	(174,000)
Result for the period	25,823	(48,787)
Balance at end of period	<u>(196,964)</u>	<u>(222,787)</u>
23 Notes to the Cash Flow Statement		
Reconciliation of cash		
Cash at the end of the financial year as shown in the Cash Flow Statement is reconciled to the related items in the Balance Sheet as follows:		
Cash and cash equivalents		(4,112)
Restricted cash and cash equivalents (see note 14)	82,155	2,955
	<u>82,155</u>	<u>(1,157)</u>
Reconciliation of net cost of services to net cash flows provided by/(used in) operating activities		
Net cost of services	(1,269,926)	(1,195,733)
Non-cash items:		
Depreciation expense	21,910	17,830
Superannuation expense	5,079	1,854
Resources received free of charge	44,670	42,092
Net (gain) / loss on sale of equipment	-	(408)
(Increase)/decrease in assets:		
Current receivables	-	48
Other current assets	(746)	1,625
Increase/(decrease) in liabilities:		
Current payables	6,345	6,377
Current provisions	24,060	(8,634)
Other current liabilities	(7,980)	
Non-current provisions	6,969	823
Net change in GST receivables/payables	(571)	(1)
Net cash provided by/(used in) operating activities	<u>(1,170,190)</u>	<u>(1,134,127)</u>

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Notes to the Financial Statements
for the year ended 30 June 2007

	2007 \$	2006 \$
24 Commitments		
Commitments in relation to leases contracted for at the reporting date but not recognised as liabilities are payable as follows:		
Within 1 year	139,632	133,488
Later than 1 year and not later than 5 years	527,168	28,877
Greater than 5 years	8,148	-
	674,948	162,365

25 Explanatory Statement

Significant variations between estimates and actual results for income and expense as presented in the financial statement titled 'Summary of Consolidated Account Appropriations and Income Estimates' are shown below.

Explanations are provided in accordance with TI 945. Significant variations are considered to be those greater than 10% or \$20,000.

(i) Significant variances between estimate and actual for 2007 - total appropriations to deliver services:

Advice and Awareness	Under	\$95,666
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Expenses for this service have reduced since the abolition of a level 9 position as 80% of those expenses were allocated to this service.

(ii) Significant variances between actuals for 2006 and 2007 - total appropriation to deliver services:

Total appropriation to deliver services for the year	Under	-\$144,000
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\$80,000 was transferred from 2005/06 appropriations to 2004/05 to assist with covering the severance package of the level 9 position that was abolished, which significantly reduced the 2005/06 appropriations figure for the year. Extra funds for the CSA payrise (\$16,000) and a Salaries and Allowances Tribunal determination for the Information Commissioner's expenses (\$9000) were received during 2006/07.

Advice and Awareness	Under	-\$9,447
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No significant variance.

(iii) Significant variances between estimate and actual for 2007 - Capital Contribution:

No significant variances.

(iv) Significant variances between actuals for 2006 and 2007 - capital contribution:

No significant variance

26 Financial Instruments

(a) Financial Risk Management Objectives and Policies

Financials instruments held by the Commission are cash and cash equivalents, receivables and payables. The Commission has limited exposure to financial risks. The Commission's overall risk management program focuses on managing the risks identified below.

OFFICE OF THE INFORMATION COMMISSIONER

Notes to the Financial Statements

for the year ended 30 June 2007

Credit risk

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. There are no significant concentrations of credit risk.

Liquidity risk

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.

Cash flow interest rate risk

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

(b) Financial Instrument disclosures*Interest rate risk exposure*

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

	Weighted average interest rate	Variable interest rate	Fixed interest rate maturities			Non interest bearing	Total
			Within 1 year	1 to 5 years	More than 5		
2006	%	\$	\$	\$	\$	\$	
Financial assets							
Cash and cash equivalent assets						71,213	71,213
Restricted cash and cash equivalent assets						5,864	5,864
Receivables						5,837	5,837
Amounts receivable for services						33,000	33,000
						82,914	82,914
Financial Liabilities							
Payables						31,525	31,525
						31,525	31,525
Net financial asset/(liabilities)			-	-	-	51,389	51,389
2006							
Financial assets						46,441	46,441
Financial liabilities						277,438	277,438
Net financial assets/(liabilities)			-	-	-	(230,997)	(230,997)

Net fair values

All financial assets and liabilities recognised in the balance sheet, whether they are carried at cost or fair value, are recognised at amounts that represent a reasonable approximation of fair value unless otherwise stated in the applicable notes.

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Notes to the Financial Statements
for the year ended 30 June 2007

27 Remuneration of Senior Officers

Remuneration

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

\$	2007	2006
130,001 - 140,000		1
140,001 - 150,000	1	
160,001 - 170,000	1	-
170,001 - 180,000		1
270,001 - 280,000		-
The total remuneration of senior officers is:	\$311,483	\$307,499

The total remuneration includes the superannuation expense incurred by the Commission in respect of senior officers.

No senior officer was a member of the Pension Scheme during the financial year (2006: nil).

28 Remuneration of Auditor

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

Auditing the accounts, financial statements and performance indicators	\$17,200	\$17,200
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The expense is included in note 7 'Supplies and services'.

29 Supplementary financial information

- There was no public property written off by the Commission during the financial year (2006: nil).
- There were no losses of public moneys, public and/or other property through theft, default or other causes during the financial year (2006: nil).
- There were no gifts of public property provided by the Commission during the financial year (2006: nil).
- There were no contingent liabilities as at 30 June 2007 (2006: nil).
- There were no events occurring after the balance sheet date (2006: nil).
- The Commission had no related bodies during the financial year (2006: nil).
- The Commission had no affiliated bodies during the financial year (2006: nil).