



**Office of the
Information Commissioner**

Freedom of information for Western Australia

**ANNUAL REPORT
2014/2015**

Financial Statements



Auditor General

INDEPENDENT AUDITOR'S REPORT

To the Parliament of Western Australia

OFFICE OF THE INFORMATION COMMISSIONER

Report on the Financial Statements

I have audited the accounts and financial statements of the Office of the Information Commissioner.

The financial statements comprise the Statement of Financial Position as at 30 June 2015, the Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows, Schedule of Income and Expenses by Service, Schedule of Assets and Liabilities by Service, and Summary of Consolidated Account Appropriations and Income Estimates for the year then ended, and Notes comprising a summary of significant accounting policies and other explanatory information.

Information Commissioner's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In my opinion, the financial statements are based on proper accounts and present fairly, in all material respects, the financial position of the Office of the Information Commissioner at 30 June 2015 and its financial performance and cash flows for the year then ended. They are in accordance with Australian Accounting Standards and the Treasurer's Instructions.

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Report on Controls

I have audited the controls exercised by the Office of the Information Commissioner during the year ended 30 June 2015.

Controls exercised by the Office of the Information Commissioner are those policies and procedures established by the Information Commissioner to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with legislative provisions.

Information Commissioner's Responsibility for Controls

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

Auditor's Responsibility

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

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

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

Opinion

In my opinion, the controls exercised by the Office of the Information Commissioner are sufficiently adequate to provide reasonable assurance that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with legislative provisions during the year ended 30 June 2015.

Report on the Key Performance Indicators

I have audited the key performance indicators of the Office of the Information Commissioner for the year ended 30 June 2015.

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

Information Commissioner's Responsibility for the Key Performance Indicators

The Information Commissioner is responsible for the preparation and fair presentation of the key performance indicators in accordance with the Financial Management Act 2006 and the Treasurer's Instructions and for such controls as the Information Commissioner determines necessary to ensure that the key performance indicators fairly represent indicated performance.

Auditor's Responsibility

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

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

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

Opinion

In my opinion, the key performance indicators of the Office of the Information Commissioner are relevant and appropriate to assist users to assess the Information Commissioner's performance and fairly represent indicated performance for the year ended 30 June 2015.

Independence

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

Matters Relating to the Electronic Publication of the Audited Financial Statements and Key Performance Indicators

This auditor's report relates to the financial statements and key performance indicators of the Office of the Information Commissioner for the year ended 30 June 2015 included on the Information Commissioner's website. The Information Commissioner's management is responsible for the integrity of the Information Commissioner's website. This audit does not provide assurance on the integrity of the Information Commissioner's website. The auditor's report refers only to the financial statements and key performance indicators described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these financial statements or key performance indicators. If users of the financial statements and key performance indicators are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial statements and key performance indicators to confirm the information contained in this website version of the financial statements and key performance indicators.



COLIN MURPHY
AUDITOR GENERAL
FOR WESTERN AUSTRALIA
Perth, Western Australia
28 August 2015

Disclosure and Legal Compliance

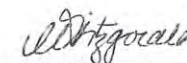
FINANCIAL STATEMENTS
Certification of Financial Statements
For the year ended 30 June 2015

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 2015 and the financial position as at 30 June 2015.

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



Sven Bluemmel
Information Commissioner
21 August 2015



Michelle Fitzgerald
Chief Financial Officer
21 August 2015



Statement of Comprehensive Income - 30 June 2015

	Note	2015 \$	2014 \$
COST OF SERVICES			
Expenses			
Employee benefits expense	<u>6</u>	1,661,753	1,443,192
Services and supplies	<u>7</u>	290,211	321,491
Depreciation expense	<u>8</u>	3,186	4,450
Accommodation expenses	<u>9</u>	270,413	259,319
Loss on disposal of non-current assets	<u>12</u>	-	59
Other expenses	<u>10</u>	110,050	78,352
Total cost of services		2,335,613	2,106,862
Income			
<i>Revenue</i>			
Other revenue	<u>11</u>	127	254
Total Revenue		127	254
Total income other than income from State Government		127	254
NET COST OF SERVICES			
Income from State Government	<u>13</u>		
Service appropriation		2,317,000	2,142,000
Services received free of charge		111,439	109,700
Total income from State Government		2,428,439	2,251,700
SURPLUS/(DEFICIT) FOR THE PERIOD			
OTHER COMPREHENSIVE INCOME			
Items not reclassified subsequently to profit or loss			
Changes in asset revaluation surplus		-	-
Total other comprehensive income		-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		92,953	145,092

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

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Statement of Financial Position - 30 June 2015

	Note	2015 \$	2014 \$
ASSETS			
Current Assets			
Cash and cash equivalents	<u>22</u>	264,293	84,189
Restricted cash and cash equivalents	<u>14, 22</u>	52,621	-
Receivables	<u>15</u>	17,050	15,568
Other Current Assets	<u>17</u>	38,062	35,690
Total Current Assets		372,026	135,447
Non-Current Assets			
Restricted cash and cash equivalents	<u>14, 22</u>	-	43,357
Amounts receivable for services	<u>16</u>	36,000	36,000
Plant and Equipment	<u>18</u>	9,945	4,395
Total Non-Current Assets		45,945	83,751
TOTAL ASSETS		417,971	219,199
LIABILITIES			
Current Liabilities			
Payables	<u>19</u>	57,308	53,341
Provisions	<u>20</u>	231,669	131,138
Total Current Liabilities		288,977	184,479
Non-Current Liabilities			
Provisions	<u>20</u>	69,418	68,097
Total Non-Current Liabilities		69,418	68,097
TOTAL LIABILITIES		358,395	252,576
NET ASSETS/(LIABILITIES)		59,576	(33,377)
EQUITY			
Contributed equity	<u>21</u>	37,000	37,000
Accumulated surplus/(deficiency)		22,576	(70,377)
TOTAL EQUITY		59,576	(33,377)

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

Statement of Cash Flows - 30 June 2015

	Note	2015 \$	2014 \$
CASH FLOWS FROM STATE GOVERNMENT			
Service appropriation		2,317,000	2,142,000
Net cash provided by State Government		2,317,000	2,142,000
Utilised as follows:			
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Employee benefits		(1,553,077)	(1,531,747)
Services and supplies		(183,794)	(245,195)
Accommodation		(270,718)	(259,319)
Other payments		(109,867)	(78,352)
GST payments on purchases		(56,982)	(58,203)
Cost of disposal of non-current assets		-	(59)
Receipts			
Provision of services		-	254
GST receipts on sales		116	-
GST receipts from taxation authority		55,426	61,354
Net cash used in operating activities	<u>22</u>	(2,118,895)	(2,111,267)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments			
Purchase of non-current physical assets		(8,736)	-
Net cash provided by/(used in) investing activities		(8,736)	-
Net increase/(decrease) in cash and cash equivalents		189,368	30,733
Cash and cash equivalents at the beginning of the period		127,546	96,813
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>22</u>	316,914	127,546

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

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Statement of Changes in Equity - 30 June 2015

	Note	Contributed Equity \$	Reserves \$	Accumulated Surplus/ (deficit) \$	Total Equity \$
Balance at 1 July 2013	<u>21</u>	37,000	-	(215,469)	(178,469)
Changes in accounting policy or correction of prior period errors		-	-	-	-
Restated balance at 1 July 2013		37,000	-	(215,469)	(178,469)
Surplus/(Deficit)		-	-	145,092	145,092
Other Comprehensive Income		-	-	-	-
Total comprehensive income for the period		-	-	145,092	145,092
Transactions with owners in their capacity as owners:					
Capital appropriations		-	-	-	-
Other contributions by owners		-	-	-	-
Distributions to owners		-	-	-	-
Total		37,000	-	(70,377)	(33,377)
Balance at 30 June 2014		37,000	-	(70,377)	(33,377)
Balance at 1 July 2014		37,000	-	(70,377)	(33,377)
Surplus/(Deficit)		-	-	92,953	92,953
Other Comprehensive Income		-	-	-	-
Total comprehensive income for the period		-	-	92,953	92,953
Transactions with owners in their capacity as owners:					
Capital appropriations		-	-	-	-
Other contributions by owners		-	-	-	-
Distributions to owners		-	-	-	-
Total		-	-	-	-
Balance at 30 June 2015		37,000	-	22,576	59,576

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

Schedule of Income and Expenses by Service - 30 June 2015

	Resolution of Complaints		Advice and Awareness		Total	
	2015	2014	2015	2014	2015	2014
	\$	\$	\$	\$	\$	\$
COST OF SERVICES						
Expenses						
Employee benefits expense	1,129,992	981,370	531,761	461,821	1,661,753	1,443,192
Supplies and services	197,344	218,614	92,868	102,877	290,211	321,491
Depreciation expense	2,166	3,026	1,019	1,424	3,186	4,450
Accommodation expense	183,881	176,337	86,532	82,982	270,413	259,319
Loss on disposal of non-current assets	-	40	-	19	-	59
Other expenses	74,834	53,279	35,216	25,073	110,050	78,352
Total cost of services	1,588,217	1,432,666	747,396	674,196	2,335,613	2,106,862
Income						
Other income	127	254	-	-	127	254
Total income other than income from State Government	127	254	-	-	127	254
NET COST OF SERVICES	1,588,090	1,432,412	747,396	674,196	2,335,486	2,106,608
Income from State Government						
Service appropriation	1,575,560	1,456,560	741,440	685,440	2,317,000	2,142,000
Resources received free of charge	75,779	74,596	35,660	35,104	111,439	109,700
Total income from State Government	1,651,339	1,531,156	777,100	720,544	2,428,439	2,251,700
SURPLUS/(DEFICIT) FOR THE PERIOD	63,248	98,744	29,704	46,348	92,953	145,092

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Schedule of Assets and Liabilities by Service - 30 June 2015

	Resolution of Complaints		Advice and Awareness		Total	
	2015	2014	2015	2014	2015	2014
	\$	\$	\$	\$	\$	\$
Assets						
Current assets	252,977	92,104	119,048	43,343	372,026	135,447
Non-current assets	31,243	56,951	14,703	26,800	45,945	83,751
Total assets	284,220	149,055	133,751	70,144	417,971	219,199
Liabilities						
Current liabilities	196,504	125,446	92,473	59,033	288,977	184,479
Non-current liabilities	47,204	46,306	22,214	21,791	69,418	68,097
Total liabilities	243,709	171,752	114,686	80,824	358,395	252,576
NET ASSETS/(LIABILITIES)	40,512	(22,697)	19,064	(10,681)	59,576	(33,377)

Summary of Consolidated Account Appropriations and Income Estimates - 30 June 2015

	2015 Estimate \$	2015 Actual \$	Variance \$	2015 Actual \$	2014 Actual \$	Variance \$
<u>Delivery of Services</u>						
Item 51 Net amount appropriated to deliver services	2,039,000	2,039,000	-	2,039,000	1,864,000	175,000
Amount Authorised by Other Statutes – <i>Freedom of Information Act 1992</i>	278,000	278,000	-	278,000	278,000	-
Total appropriations provided to deliver services	2,317,000	2,317,000	-	2,317,000	2,142,000	175,000
<u>Capital</u>						
Capital appropriations	-	-	-	-	-	-
GRAND TOTAL	2,317,000	2,317,000	-	2,317,000	2,142,000	175,000
<u>Details of Expenses by Service</u>						
Resolution of Complaints	1,613,000	1,588,217	(24,783)	1,588,217	1,432,666	155,551
Advice and Awareness	691,000	747,396	56,396	747,396	674,196	73,200
Total Cost of Services	2,304,000	2,335,614	31,614	2,335,614	2,106,862	228,752
Less Total Income	(4,000)	(127)	3,873	(127)	(254)	127
Net Cost of Services	2,300,000	2,335,486	35,486	2,335,486	2,106,608	228,878
Adjustment	17,000	(18,486)	(35,486)	(18,486)	35,392	(53,878)
Total appropriations provided to deliver services	2,317,000	2,317,000	-	2,317,000	2,142,000	175,000
<u>Capital Expenditure</u>						
Purchase of non-current physical assets	-	-	-	-	-	-
Adjustments for other funding sources	-	-	-	-	-	-
Capital appropriations	-	-	-	-	-	-

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

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NOTES TO THE FINANCIAL STATEMENTS

Note 1. Australian Accounting Standards

General

The Commission's financial statements for the year ended 30 June 2015 have been prepared in accordance with Australian Accounting Standards. The term 'Australian Accounting Standards' includes Standards and Interpretations issued by the Australian Accounting Standard Board (**AASB**).

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

Early adoption of standards

The Commission cannot early adopt an Australian Accounting Standard unless specifically permitted by TI 1101 'Application of Australian Accounting Standards and Other Pronouncements'. There has been no early adoption of Australian Accounting Standards that have been issued or amended (but not operative) by the Commission for the annual reporting period ended 30 June 2015.

Note 2. Summary of significant accounting policies

(a) General statement

The Commission is a not-for-profit reporting entity that prepares general purpose financial statements in accordance with Australian Accounting Standards, the Framework,

Statements of Accounting Concepts and other authoritative pronouncements of the AASB as applied by the Treasurer's Instructions. Several of these are modified by the Treasurer's Instructions to vary application, disclosure, format and wording.

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

Where modification is required and has had a material or significant financial effect upon the reported results, details of that modification and the resulting financial effect are disclosed in the notes to the financial statements.

(b) Basis of preparation

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

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

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

Note 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 financial year.

(c) Reporting entity

The Office of the Information Commissioner 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.

The transfers of net assets to/from other agencies, other than as a result of a restructure of administrative arrangements, are designated as contributions by owners where the transfers are non-discretionary and non-reciprocal.

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(e) Income

Revenue recognition

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

Sale of goods

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

Provision of services

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

Service Appropriations

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

Net Appropriations Determination

The Treasurer may make a determination providing for prescribed receipts to be retained for services under the control of the Commission. In accordance with the determination specified in the 2014 - 2015 Budget statements,

the Commission retained \$127 in 2015 (\$254 in 2014) from the following:

- other revenue.

Grants, donations, gifts and other non-reciprocal contributions

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

Other non-reciprocal contributions that are not contributions by owners are recognised at their fair value. Contributions of services are only recognised when a fair value can be reliably determined and the services would be purchased if not donated.

Gains

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

(f) Plant and equipment

Capitalisation/Expensing of assets

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

(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 their fair value at the date of acquisition.

Subsequent measurement

Subsequent to initial recognition as an asset, historical cost model is used for the measurement of plant and equipment. Items of plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses. The Commission does not hold any land, buildings or infrastructure assets.

Derecognition

Upon disposal or derecognition of an item of 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 Commission is a not-for-profit entity, unless a specialised asset has been identified as a surplus asset, the recoverable amount is the higher of an asset's fair value less costs to sell and depreciated replacement cost.

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

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the asset's future economic benefits and to evaluate any impairment risk from falling replacement costs.

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

(h) Leases

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

(i) Financial instruments

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

- receivables; and
- financial liabilities measured at amortised cost.

Financial instruments have been disaggregated into the following classes:

- financial assets –
 - cash and cash equivalents;
 - restricted cash and cash equivalents;
 - receivables; 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 represent the amount due to staff but unpaid at the end of the financial year. Accrued salaries are settled within a fortnight of the financial year end. The Commission considers the carrying amount of accrued salaries to be equivalent to the net fair value.

The accrued salaries suspense account consists of amounts paid annually into a suspense account over a period of 10 financial years to largely meet the additional cash outflow in each eleventh year when 27 pay days occur instead of the normal 26. No interest is received on this account.

(l) Amounts receivable for services (holding account)

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

(m) Receivables

Receivables are recognised at the original invoice amount less an allowance for any uncollectible amounts (ie impairment). The collectability of receivables is reviewed on an ongoing basis and any receivables identified as uncollectible are written-off against the allowance account. The allowance for uncollectible amounts (doubtful debts) is raised when there is objective evidence that the Commission will not be able to

collect the debts. The carrying amount is equivalent to fair value as it is due for settlement within 30 days.

(n) Payables

Payables are recognised at the amounts payable when the Commission becomes obliged to make future payments as a result of a purchase of assets or services. The carrying amount is equivalent to fair value, as they are generally settled within 30 days.

(o) Provisions

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

Provisions – Employee Benefits

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

Annual Leave

Annual leave is not expected to be settled wholly within 12 months after the end of the reporting period and is therefore considered to be ‘other long term employee benefits’. The annual leave liability is recognised and measured at the present value of amounts expected to be paid when the

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liabilities are settled using the remuneration rate expected to apply at the time of settlement.

When assessing expected future payments consideration is given to expected future wage and salary levels including non-salary components such as employer superannuation contributions, as well as the experience of employee departures and periods of service. The expected future payments are discounted using market yields at the end of the reporting period on national government bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows.

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

Long Service Leave

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 Commission does not have an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period. Pre-conditional and conditional long service leave provisions are classified as non-current liabilities because the Commission has an unconditional right to defer the settlement of the liability until the employee has completed the requisite years of service.

Purchased Leave

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

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

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

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

Provisions – Other

Employment On-Costs

Employment on-costs, including workers' compensation insurance, are not employee benefits and are recognised separately as liabilities and expenses when the employment to which they relate has occurred. Employment on-costs are included as part of 'Other expenses' and are not included as part of the Commission's 'Employee benefits expense'. The related liability is included in 'Employment on-costs provision'.

(p) Superannuation expense

The superannuation expense is recognised in 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.

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

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

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

(t) Comparative Figures

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

Note 3. Judgements made by management in applying accounting policies

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

Operating lease commitments

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

Note 4. Key sources of estimation uncertainty

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

Long service leave

Several estimations and assumptions used in calculating the Commission's long service leave provision include expected future salary rates, discount rates, employee retention rates and expected future payments. Changes in these estimations and assumptions may impact on the carrying amount of the long service leave provision.

Note 5. Disclosure of changes in accounting policy and estimates

Initial Application of an Australian Accounting Standard

The Commission has applied the following Australian Accounting Standards effective for annual reporting periods beginning on or after 1 July 2014 that impacted on the Commission.

Int 21 – Levies

This Interpretation clarifies the circumstances under which a liability to pay a government levy imposed should be recognised. There is no financial impact for the Commission at the reporting date.

AASB 10 – Consolidated Financial Statements

This Standard, issued in August 2011, supersedes AASB 127 Consolidated and Separate Financial Statements and Int 112 Consolidation – Special Purpose Entities, introducing a number of changes to accounting treatments.

The adoption of the new Standard has no financial impact for the Commission as it does not impact accounting for related bodies and the Commission has no related bodies and the Commission has no interests in other entities.

AASB 11 – Joint Arrangements

This Standard, issued in August 2011, supersedes AASB 131 Interests in Joint Ventures, introduces new principles for determining the type of joint arrangement that exists, which are more aligned to the actual rights and obligations of the parties to the arrangement.

There is no financial impact for the Commission as the new standard continues to require the recognition of the Commission's share of assets and share of liabilities for the unincorporated joint operation.

AASB 12 – Disclosure of Interests in Other Entities

This Standard, issued in August 2011, supersedes disclosure requirements in AASB 127 Consolidated and Separate Financial Statements, AASB 128 Investments in Associates and AASB 131 Interests in Joint Ventures. There is no financial impact.

AASB 127 – Separate Financial Statements

This Standard, issued in August 2011, supersedes AASB 127 Consolidated and Separate Financial Statements removing the consolidation requirements of the earlier standard whilst retaining accounting and disclosure requirements for the preparation of separate financial statements. There is no financial impact.

AASB 128 – Investments in Associates and Joint Ventures

This Standard supersedes AASB 128 Investments in Associates, introducing a number of clarifications for the accounting treatments of changed ownership interest.

The adoption of the new Standard has no financial impact for the Commission as it does not hold investments in associates and joint ventures.

AASB 1031 – Materiality

This Standard supersedes AASB 1031 (February 2010), removing Australian guidance on materiality not available in IFRSs and refers to guidance on materiality in other Australian pronouncements. There is no financial impact.

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AASB 1055 – Budgetary Reporting

This Standard requires specific budgetary disclosures in the general purpose financial statements of not-for-profit entities within the General Government Sector. The Commission is not required to disclose additional budgetary information and explanations of major variances between actual and budgeted amounts, though there is no financial impact.

AASB 2011-7 – Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards [AASB 1, 2, 3, 5, 7, 101, 107, 112, 118, 121, 124, 132, 133, 136, 138, 139, 1023 & 1038 and Int 5, 9, 16 & 17]

This Standard gives effect to consequential changes arising from the issuance of AASB 10, AASB 11, AASB 127 Separate Financial Statements and AASB 128 Investments in Associates and Joint Ventures. There is no financial impact for the Commission.

AASB 2012-13 – Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities [AASB 132]

This Standard adds application guidance to AASB 132 to address inconsistencies identified in applying some of the offsetting criteria, including clarifying the meaning of ‘currently has a legally enforceable right of set-off’ and that some gross settlement systems may be considered equivalent to net settlement. There is no financial impact.

AASB 2013-3 – Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets

This Standard introduces editorial and disclosure changes. There is no financial impact.

AASB 2013-4 – Amendments to Australian Accounting Standards – Novation of Derivatives and Continuation of Hedge Accounting [AASB 139]

This Standard permits the continuation of hedge accounting in circumstances where a derivative, which has been designated as a hedging instrument, is novated from one counterparty to a central counterparty as a consequence of laws or regulations. The Commission does not routinely enter into derivatives or hedges, therefore there is no financial impact.

AASB 2013-8 – Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities – Control and Structured Entities [AASB 10, 12 & 1049]

The amendments, issued in October 2013, provide significant guidance in determining whether a not-for-profit entity controls another entity when financial returns are not a key attribute of the investor’s relationship. The Standard has no financial impact in its own right, rather the impact results from the adoption of the amended AASB 10.

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

Part B of this omnibus Standard makes amendments to other Standards arising from the deletion of references to AASB 1031 in other Standards for periods beginning on or after 1 January 2014. It has no financial impact.

AASB 2014-1 – Amendments to Australian Accounting Standards

Part A of this Standard consists primarily of clarifications to Accounting Standards and has no financial impact for the Commission.

Part B of this Standard has no financial impact as the Commission contributes to schemes that are either defined contribution plans, or deemed to be defined contribution plans.

Part C of this Standard has no financial impact as it removes references to AASB 1031 Materiality from a number of Accounting Standards.

Future impact of Australian Accounting Standards not yet operative

The Commission cannot early adopt an Australian Accounting Standard unless specifically permitted by TI 1101 Application of Australian Accounting Standards and Other Pronouncements. Consequently, the Commission has not applied early any of the following Australian Accounting Standards that have been issued that may impact the

Commission. Where applicable, the Commission plans to apply these Australian Accounting Standards from their application date.

Operative for reporting periods beginning on/after

AASB 9	<i>Financial Instruments</i>	1 Jan 2018
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This Standard supersedes AASB 139 Financial Instruments: Recognition and Measurement, introducing a number of changes to accounting treatments.

The mandatory application date of this Standard is currently 1 January 2018 after being amended by AASB 2012-6, AASB 2013-9 and AASB 2014-1 *Amendments to Australian Accounting Standards*. The Commission has not yet determined the application or the potential impact of the Standard.

AASB 15	<i>Revenue from Contracts with Customers</i>	1 Jan 2017
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This Standard establishes the principles that the Commission shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash

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	flows arising from a contract with a customer. The Commission has not yet determined the application or the potential impact of the Standard.		AASB 2013-9	<i>Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments.</i>	1 Jan 2015
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		Part C of this omnibus Standard defers the application of AASB 9 to 1 January 2017. The application date of AASB 9 was subsequently deferred to 1 January 2018 by AASB 2014-1. The Commission has not yet determined the application or the potential impact of AASB 9.	
	This Standard makes consequential amendments to other Australian Accounting Standards and Interpretations as a result of issuing AASB 9 in December 2010. AASB 2012-6 amended the mandatory application date of this Standard to 1 January 2015. The Commission 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
	The mandatory application date of this Standard has been amended by AASB 2012-6 and AASB 2014-1 to 1 January 2018. The Commission has not yet determined the application or the potential impact of the Standard.		AASB 2014-3	<i>Amendments to Australian Accounting Standards – Accounting for Acquisitions of Interests in Joint Operations [AASB 1 & 11]</i>	1 Jan 2018
				The Commission 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	<i>Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation [AASB 116 & 138]</i>	1 Jan 2018	Commission has not yet determined the application or the potential impact of the Standard.
AASB 2014-8	<i>Amendments to Australian Accounting Standards arising from AASB 9 (December 2014) – Application of AASB 9 (December 2009) and AASB 9 (December 2010) [AASB 9 (2009 & 2010)]</i>	1 Jan 2015	This Standard makes amendments to AASB 9 Financial Instruments (December 2009) and AASB 9 Financial Instruments (December 2010), arising from the issuance of AASB 9 Financial Instruments in December 2014. The Commission has not yet determined the application or the potential impact of the Standard.
AASB 2014-5	<i>Amendments to Australian Accounting Standards arising from AASB 15</i>	1 Jan 2018	This Standard gives effect to the consequential amendments to Australian Accounting Standards (including Interpretations) arising from the issuance of AASB 15. The Commission has not yet determined the application or the potential impact of the Standard.
AASB 2014-9	<i>Amendments to Australian Accounting Standards – Equity Method in Separate Financial Statements [AASB 1, 127 & 128]</i>	1 Jan 2016	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. The Commission 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

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AASB 2014-10	<i>Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture [AASB 10 & 128]</i>	1 Jan 2016	AASB 2015-2	<i>Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101 [AASB 7, 101, 134 & 1049]</i>	1 Jan 2016
	<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 Commission has not yet determined the application or the potential impact of the Standard.</p>			<p>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.</p>	
AASB 2015-1	<i>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]</i>	1 Jan 2016	AASB 2015-3	<i>Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality</i>	1 Jul 2015
	<p>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 Commission has not yet determined the application or the potential impact of the Standard.</p>			<p>This Standard completes the withdrawal of references to AASB 1031 in all Australian Accounting Standards and Interpretations, allowing that Standard to effectively be withdrawn. There is no financial impact.</p>	

AASB 2015-6 *Amendments to Australian Accounting Standards – Extending Related Party Disclosures to Not-for-Profit Public Sector Entities [AASB 10, 124 & 1049]* 1 Jul 2016

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. The Commission has not yet determined the application of the Standard, though there is no financial impact.

Note 6. Employee benefits expense

	2015 \$	2014 \$
Salaries and wages ^(a)	1,513,179	1,302,634
Superannuation - defined contribution plans ^(b)	148,574	140,557
	<u>1,661,753</u>	<u>1,443,192</u>

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

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

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

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

Note 7. Services and supplies

	2015 \$	2014 \$
Goods and services	19,139	32,324
Services and contracts	271,072	289,166
	<u>290,211</u>	<u>321,491</u>

Note 8. Depreciation

Depreciation equipment	3,186	4,450
Total depreciation	<u>3,186</u>	<u>4,450</u>

Note 9. Accommodation expenses

Building and operating lease expense	270,413	259,319
	<u>270,413</u>	<u>259,319</u>

Note 10. Other expenses

Communication expenses	5,747	2,954
Printing and binding	46	516
Electricity	11,222	10,663
Insurance	12,111	10,568
Travel and accommodation	8,386	7,089
Software licenses	7,127	-

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	2015 \$	2014 \$
Professional services	12,785	-
Professional development	7,694	10,588
Audit fees	34,971	28,754
Other expenses ^(a)	9,961	7,221
	<u>110,050</u>	<u>78,352</u>

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

Note 11. Other revenue

Other revenue	127	254
	<u>127</u>	<u>254</u>

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

Proceeds from the sale of non-current assets

Office equipment, computers and furniture	-	-
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Carrying amount of non-current assets disposed

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

Note 13. Income from State Government

	2015 \$	2014 \$
Appropriation received during the period:^(a)		
Service appropriations	2,039,000	1,864,000
Service appropriations - Other Statutes	278,000	278,000
	<u>2,317,000</u>	<u>2,142,000</u>

Services received free of charge from other State Government agencies during the financial period. Determined on the basis of the following estimates provided by agencies:^(b)

Department of Finance - Building Management and Works	111,439	109,700
	<u>111,439</u>	<u>109,700</u>
	<u>2,428,439</u>	<u>2,251,700</u>

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

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

Note 14. Restricted cash and cash equivalents

	2015 \$	2014 \$
Current		
Accrued salaries suspense account ^(a)	52,621	-
Non-current		
Accrued salaries suspense account ^(a)	-	43,357
	52,621	43,357

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

Note 15. Receivables

Current		
Receivables	-	(127)
GST receivable	17,050	15,695
	17,050	15,568

Note 16. Amounts receivable for services (holding account)

Current	-	-
Non-Current	36,000	36,000
	36,000	36,000

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

Note 17. Other current assets

	2015 \$	2014 \$
Current		
Prepayments	38,062	35,690
	38,062	35,690

Note 18. Office equipment, computers and furniture

Office equipment and computers

At cost	53,517	44,780
Accumulated depreciation	(43,571)	(40,386)
	9,945	4,395

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

Carrying amount at start of year	4,395	8,845
Depreciation	(3,186)	(4,450)
Additions	8,736	-
Carrying amount at end of year	9,945	4,395

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Note 19. Payables

	2015 \$	2014 \$	2015 \$	2014 \$
Current				
Trade payables	6,107	9,062		
GST Payable	98	-		
Accrued salaries	51,104	44,278		
	<u>57,308</u>	<u>53,341</u>		
			317	306
			<u>69,418</u>	<u>68,097</u>

Other provisions

Employment on-costs^(c)

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

Within 12 months of the end of the reporting period	75,923	46,567
More than 12 months after the reporting period	-	798
	<u>75,923</u>	<u>47,365</u>

(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:

Within 12 months of the end of the reporting period	63,628	50,765
More than 12 months after the reporting period	160,160	100,197
	<u>223,788</u>	<u>150,962</u>

(c) The settlement of annual and long service leave liabilities gives rise to the payment of employment on-costs including workers'

Note 20. Provisions

Current

Employee benefits provision

Annual leave ^(a)	75,923	47,365
Long service leave ^(b)	154,687	83,171
	<u>230,610</u>	<u>130,536</u>

Other provisions

Employment on-costs ^(c)	1,059	602
	<u>231,669</u>	<u>131,138</u>

Non-current

Employee benefits provision

Long service leave ^(b)	69,101	67,320
Superannuation on-cost	-	471
	<u>69,101</u>	<u>67,791</u>

compensation insurance. The provision is the present value of expected future payments. The associated expense is included as part of 'Other expenses - Other staffing expenses'. (See Note 10).

	2015 \$	2014 \$
Movements in Other provisions		
<i>Employment on-cost provision</i>		
Carrying amount at start of year	908	1,340
Additional/(reversals of) provisions recognised	468	(432)
Carrying amount at end of year	1,376	908

Note 21. Equity

Contributed equity

Balance at start of the period	37,000	37,000
Balance at end of the period	37,000	37,000

Accumulated surplus/(deficit)

Balance at start of the year	(70,377)	(215,469)
Result for the period	92,953	145,092
Balance at end of the year	22,576	(70,377)
Total equity	59,576	(33,377)

Note 22. Notes to the cash flow statement

Reconciliation of cash

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

	2015 \$	2014 \$
Cash and cash equivalents		
Cash and cash equivalents	264,293	84,189
Restricted cash and cash equivalents (see note 14)	52,621	43,357
	316,914	127,546

Reconciliation of net cost of services to net cash flows provided used in operating activities.

Net cost of services	(2,335,486)	(2,106,608)
<i>Non-cash items:</i>		
Depreciation expense	3,186	4,450
Resources received free of charge	111,439	109,700
<i>(Increase)/decrease in assets:</i>		
Current receivables ^(a)	(127)	3,144
Current other assets	(2,371)	(31,570)
<i>Increase/(decrease) in liabilities:</i>		
Current payables ^(a)	(2,955)	(4,767)

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	2015 \$	2014 \$
Current accrued salaries	6,825	9,254
Current other provisions	100,531	(102,120)
Non-current other provisions	1,321	4,310
Net GST receipts/(payments) ^(b)	(1,257)	3,102
Change in GST in receivables/payables ^(c)	-	(162)
Net cash used in operating activities	<u>(2,118,895)</u>	<u>(2,111,267)</u>

(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 23. Services provided free of charge

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

Note 24. Commitments

The commitments listed below are inclusive of GST where relevant.

Non-cancellable operating lease commitments

	2015 \$	2014 \$
Commitments for the minimum lease payments are payable as follows:		
Within 1 year	301,877	296,363
Later than 1 year and not later than 5 years	626,583	-
	<u>928,460</u>	<u>296,363</u>

The non-cancellable operating leases represent the Commission'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 25. Contingent liabilities and contingent assets

There are no contingent liabilities and contingent assets for the financial year 2014-2015.

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

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

Note 27. Senior officers

Remuneration of senior officers

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

	2015 Number	2014 Number
\$260,001 - \$270,000	-	1
\$270,001 - \$280,000	-	-
\$280,001 - \$290,000	-	-
\$290,001 - \$300,000	1	-
	1	1
	\$	\$
Base remuneration and superannuation	275,288	268,715
Annual leave and long service leave accruals	11,689	(6,702)
Other benefits	5,754	5,254
	292,731	267,267

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

Note 28. Remuneration of Auditor

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

	2015 \$	2014 \$
Auditing of accounts, financial statements and performance indicators.	25,700	25,000
	25,700	25,000

Note 29. Financial instruments

(a) Financial risk management objectives and policies

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

Credit risk

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

The maximum exposure to credit risk at the end of the reporting period in relation to each class of recognised financial assets is the gross carrying amount of those assets inclusive of any allowance for impairment as shown in the table at note 29(c) 'Financial instrument disclosures' and note 15 'Receivables'.

Credit risk associated with the Commission's financial assets is minimal because the main receivable is the amounts receivable for services (holding account). For receivables other than government,

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the Commission trades only with recognised, creditworthy third parties. The Commission has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history. In addition, receivable balances are monitored on an ongoing basis with the result that the Commission's exposure to bad debts is minimal. At the end of the reporting period there were no significant concentrations of credit risk.

Liquidity risk

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

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

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

Market risk

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

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

(b) Categories of financial instruments

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

	2015 \$	2014 \$
Financial assets		
Cash and cash equivalents	264,293	84,189
Restricted cash and cash equivalents	52,621	43,357
Receivables ^(a)	36,000	35,873
Financial liabilities		
Financial liabilities measured at amortised cost	57,308	53,341

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

(c) Financial Instrument disclosures

Credit risk

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

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

	Ageing analysis of financial assets ^(a)							Impaired financial assets \$
	Carrying amount \$	Not past due and not impaired \$	Up to 1 month \$	1-3 months \$	3 months to 1 year \$	1-5 years \$	More than 5 years \$	
Financial Assets								
2015								
Cash and cash equivalents	264,293	264,293	-	-	-	-	-	-
Restricted cash and cash equivalents	52,621	52,621	-	-	-	-	-	-
Receivables	-	-	-	-	-	-	-	-
Amounts receivable for services	36,000	36,000	-	-	-	-	-	-
	352,914	352,914	-	-	-	-	-	-
2014								
Cash and cash equivalents	84,189	84,189	-	-	-	-	-	-
Restricted cash and cash equivalents	43,357	43,357	-	-	-	-	-	-
Receivables	(127)	(127)	-	-	-	-	-	-
Amounts receivable for services	36,000	36,000	-	-	-	-	-	-
	163,419	163,419	-	-	-	-	-	-

(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 Commission’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.

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Interest rate exposure and maturity analysis of financial assets and liabilities^(a)

	Interest Rate Exposure					Maturity date					
	Weighted average effective interest rate %	Carrying amount \$	Fixed Interest rate \$	Variable Interest rate \$	Non Interest bearing \$	Nominal amount \$	Up to 1 month \$	1-3 months \$	3 months to 1 year \$	1-5 years \$	More than 5 years \$
2015											
<u>Financial Assets</u>											
Cash and cash equivalents	0.00%	264,293	-	-	264,293	264,293	264,293	-	-	-	-
Restricted cash and cash equivalents	0.00%	52,621	-	-	52,621	52,621	-	-	52,621	-	-
Receivables	0.00%	-	-	-	-	-	-	-	-	-	-
Amounts receivable for services	0.00%	36,000	-	-	36,000	36,000	-	-	-	-	36,000
		352,914	-	-	352,914	352,914	264,293	-	52,621	-	36,000
<u>Financial Liabilities</u>											
Payables		57,308	-	-	57,308	57,308	57,308	-	-	-	-
		57,308	-	-	57,308	57,308	57,308	-	-	-	-
2014											
<u>Financial Assets</u>											
Cash and cash equivalents	0.00%	84,189	-	-	84,189	84,189	84,189	-	-	-	-
Restricted cash and cash equivalents	0.00%	43,357	-	-	43,357	43,357	-	-	-	43,357	-
Receivables	0.00%	(127)	-	-	(127)	(127)	(127)	-	-	-	-
Amounts receivable for services		36,000	-	-	36,000	36,000	-	-	-	-	36,000
		163,419	-	-	163,419	163,419	84,062	-	-	43,357	36,000
<u>Financial Liabilities</u>											
Payables		53,341	-	-	53,341	53,341	53,341	-	-	-	-
		53,341	-	-	53,341	53,341	53,341	-	-	-	-

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