



**Office of the
Information Commissioner**

Freedom of information for Western Australia

ANNUAL REPORT

2015/2016



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 2016, 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.

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 2016 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.

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 for the Audit of the Financial Statements

As required by the Auditor General Act 2006, my responsibility is to express an opinion on the financial statements 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.

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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 2016.

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.

Opinion

In my opinion, in all material respects, the controls exercised by the Office of the Information Commissioner are sufficiently adequate to provide reasonable assurance that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with legislative provisions during the year ended 30 June 2016.

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 for the Audit of Controls

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.

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 2016.

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

Opinion

In my opinion, in all material respects, the key performance indicators of the Office of the Information Commissioner are relevant and appropriate to assist users to assess the Information Commissioner's performance and fairly represent indicated performance for the year ended 30 June 2016.

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 for the Audit of Key Performance Indicators

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.

Independence

In conducting the above audits, 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 2016 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
 29 August 2016

Disclosure and Legal Compliance

FINANCIAL STATEMENTS
 Certification of Financial Statements
 For the year ended 30 June 2016

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 2016 and the financial position as at 30 June 2016.

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
 29 August 2016



Michelle Fitzgerald
 Chief Financial Officer
 29 August 2016



Statement of Comprehensive Income - 30 June 2016

	Note	2016 \$	2015 \$
COST OF SERVICES			
Expenses			
Employee benefits expense	<u>6</u>	1,594,229	1,661,753
Supplies and services	<u>7</u>	290,665	290,211
Depreciation expense	<u>8</u>	4,811	3,186
Accommodation expenses	<u>9</u>	275,080	270,413
Other expenses	<u>10</u>	103,493	110,050
Total cost of services		2,268,278	2,335,613
Income			
<i>Revenue</i>			
Other revenue	<u>11</u>	-	127
Total Revenue		-	127
Total income other than income from State Government		-	127
NET COST OF SERVICES			
Income from State Government	<u>12</u>		
Service appropriation		2,391,000	2,317,000
Services received free of charge		111,436	111,439
Total income from State Government		2,502,436	2,428,439
SURPLUS 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		234,158	92,953

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

Statement of Financial Position – 30 June 2016

	Note	2016 \$	2015 \$
ASSETS			
Current Assets			
Cash and cash equivalents	<u>21</u>	471,936	264,293
Restricted cash and cash equivalents	<u>13, 21</u>	-	52,621
Receivables	<u>14</u>	13,987	17,050
Other Current Assets	<u>16</u>	39,794	38,062
Total Current Assets		525,718	372,026
Non-Current Assets			
Amounts receivable for services	<u>15</u>	36,000	36,000
Property, Plant and Equipment	<u>17</u>	18,634	9,945
Total Non-Current Assets		54,634	45,945
TOTAL ASSETS		580,352	417,971
LIABILITIES			
Current Liabilities			
Payables	<u>18</u>	22,551	57,308
Provisions	<u>19</u>	182,598	231,669
Total Current Liabilities		205,149	288,977
Non-Current Liabilities			
Provisions	<u>19</u>	81,470	69,418
Total Non-Current Liabilities		81,470	69,418
TOTAL LIABILITIES		286,619	358,395
NET ASSETS		293,733	59,576
EQUITY			
Contributed equity	<u>20</u>	37,000	37,000
Accumulated surplus/(deficiency)		256,733	22,576
TOTAL EQUITY		293,733	59,576

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

Statement of Cash Flows - 30 June 2016

	Note	2016 \$	2015 \$
CASH FLOWS FROM STATE GOVERNMENT			
Service appropriation		2,391,000	2,317,000
Net cash provided by State Government		2,391,000	2,317,000
Utilised as follows:			
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Employee benefits		(1,682,351)	(1,553,077)
Supplies and services		(164,465)	(183,794)
Accommodation		(275,385)	(270,718)
Other payments		(103,314)	(109,867)
GST payments on purchases		(56,922)	(56,982)
Cost of disposal of non-current assets		-	-
Receipts			
Provision of services		-	-
GST receipts on sales		6	116
GST receipts from taxation authority		59,954	55,426
Other revenue		-	-
Net cash used in operating activities	<u>21</u>	(2,222,478)	(2,118,895)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments			
Purchase of non-current physical assets		(13,500)	(8,736)
Receipts			
Proceeds from sale of non-current physical assets		-	-
Net cash provided by/(used in) investing activities		(13,500)	(8,736)
Net increase/(decrease) in cash and cash equivalents		155,022	189,368
Cash and cash equivalents at the beginning of the period		316,914	127,546
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>21</u>	471,936	316,914

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

Statement of Changes in Equity - 30 June 2016

	Note	Contributed Equity \$	Reserves \$	Accumulated Surplus/ (deficit) \$	Total Equity \$
Balance at 1 July 2014	20	37,000	-	(70,377)	(33,377)
Changes in accounting policy or correction of prior period errors		-	-	-	-
Restated 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		37,000	-	22,576	59,576
Balance at 30 June 2015		37,000	-	22,576	59,576
Balance at 1 July 2015		37,000	-	22,576	59,576
Surplus/(Deficit)		-	-	234,158	234,158
Other Comprehensive Income		-	-	-	-
Total comprehensive income for the period		-	-	234,158	234,158
Transactions with owners in their capacity as owners:					
Capital appropriations		-	-	-	-
Other contributions by owners		-	-	-	-
Distributions to owners		-	-	-	-
Total		-	-	-	-
Balance at 30 June 2016		37,000	-	256,733	293,733

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

Schedule of Income and Expenses by Service - 30 June 2016

	Resolution of Complaints		Advice and Awareness		Total	
	2016	2015	2016	2015	2016	2015
	\$	\$	\$	\$	\$	\$
COST OF SERVICES						
Expenses						
Employee benefits expense	1,084,075	1,129,992	510,153	531,761	1,594,229	1,661,753
Supplies and services	197,652	197,344	93,013	92,868	290,665	290,211
Depreciation expense	3,272	2,166	1,540	1,019	4,811	3,186
Accommodation expense	187,055	183,881	88,026	86,532	275,080	270,413
Other expenses	70,375	74,834	33,118	35,216	103,493	110,050
Total cost of services	1,542,429	1,588,217	725,849	747,396	2,268,278	2,335,614
Income						
Other income	-	127	-	-	-	127
Total income other than income from State Government	-	127	-	-	-	127
NET COST OF SERVICES	1,542,429	1,588,090	725,849	747,396	2,268,278	2,335,486
Income from State Government						
Service appropriation	1,625,880	1,575,560	765,120	741,440	2,391,000	2,317,000
Resources received free of charge	75,776	75,779	35,660	35,660	111,436	111,439
Total income from State Government	1,701,656	1,651,339	800,780	777,100	2,502,436	2,428,439
SURPLUS FOR THE PERIOD	159,227	63,248	74,930	29,704	234,158	92,953

Schedule of Assets and Liabilities by Service - 30 June 2016

	Resolution of Complaints		Advice and Awareness		Total	
	2016 \$	2015 \$	2016 \$	2015 \$	2016 \$	2015 \$
<u>Assets</u>						
Current assets	357,488	252,977	168,230	119,048	525,718	372,026
Non-current assets	37,151	31,243	17,483	14,703	54,634	45,945
Total assets	394,639	284,220	185,712	133,751	580,352	417,971
<u>Liabilities</u>						
Current liabilities	139,501	196,504	65,648	92,473	205,149	288,977
Non-current liabilities	55,400	47,204	26,070	22,214	81,470	69,418
Total liabilities	194,901	243,709	91,718	114,686	286,619	358,395
NET ASSETS/(LIABILITIES)	199,738	40,512	93,995	19,064	293,733	59,576

NOTES TO THE FINANCIAL STATEMENTS

Note 1. Australian Accounting Standards

General

The Commission's financial statements for the year ended 30 June 2016 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 any Australian Accounting Standards that have been issued or amended (but not operative) by the Commission for the annual reporting period ended 30 June 2016.

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.

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

Note 3 'Judgements made by management in applying accounting policies' discloses judgements that have been made in the process of applying the 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.

(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 'Amounts receivable for services' (holding account) held at Treasury.

Net Appropriations Determination

The Treasurer may make a determination providing for prescribed receipts to be retained for services under the control of the Commission. In accordance with the most recent determination, as quantified in the 2015-16 Budget Statements, the Commission retained \$nil (\$127 in 2015) 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

Realised and unrealised gains are usually recognised on a net basis. These include gains arising on the disposal of non-current assets and some revaluations of non-current assets.

(f) Plant and equipmentCapitalisation/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 property, plant and equipment and infrastructure acquired at no cost or for nominal cost, the cost is the fair value at the date of acquisition.

Subsequent measurement

Subsequent to initial recognition as an asset, the historical cost model is used for the measurement of property, plant and equipment. Items of property, 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 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. Operating leases are expensed on a straight line basis over the lease term as this represents the pattern of benefits derived from the leased properties.

(i) Financial instruments

In addition to cash, the 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 (see Note 13 'Restricted cash and cash equivalents') 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 funding on an accrual basis. The appropriations are paid partly in cash and partly as an asset (holding account receivable). The accrued amount receivable is accessible on the emergence of the cash funding requirement to cover leave entitlements and asset replacement.

(m) Receivables

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

(n) Payables

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

(o) Provisions

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

Provisions – Employee Benefits

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

Annual Leave

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

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.

(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.

(r) 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 2015 that impacted on the Commission.

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

Part C of this 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.

AASB 2014-8 – 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)]

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 AASB 9.

AASB 2015-3 – Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality

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.

AASB 2015-7 – Amendments to Australian Accounting Standards - Fair Value Disclosures of Not-for-Profit Public Sector Entities [AASB 13]

This Standard relieves not-for-profit public sector entities from the reporting burden associated with various disclosures required by AASB 13 for assets within the scope of AASB 116 that are held primarily for their current service potential rather than to generate future net cash inflows. It has no financial impact.

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 or by an exemption from TI 1101. By virtue of a limited exemption, the Commission has early adopted AASB 2015-7 Amendments to Australian Accounting Standards - Fair Value Disclosures of Not-for-Profit Public Sector Entities. Where applicable, the Commission plans to apply the following Australian Accounting Standards from their application date.

**Operative for
reporting
periods
beginning
on/after**

AASB 9	<i>Financial Instruments</i>	1 Jan 2018
	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 2018
	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 flows arising from a contract with a customer. The Commission has not yet determined the application or the potential impact of the Standard.	
AASB 16	<i>Leases</i>	1 Jan 2019
	This Standard introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. The Commission has not yet determined the application or the potential impact of the Standard.	

AASB 1057	<p><i>Application of Australian Accounting Standards</i></p> <p>This Standard lists the application paragraphs for each other Standard (and Interpretation), grouped where they are the same. There is no financial impact.</p>	1 Jan 2016		AASB 2014-1	<p><i>Amendments to Australian Accounting Standards</i></p> <p>Part E of this Standard makes amendments to AASB 9 and consequential amendments to other Standards. It has not yet been assessed by the Commission to determine the application or potential impact of the Standard.</p>		1 Jan 2018
AASB 2010-7	<p><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></p> <p>This Standard makes consequential amendments to other Australian Accounting Standards and Interpretations as a result of issuing AASB 9 in December 2010.</p> <p>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.</p>	1 Jan 2018		AASB 2014-3	<p><i>Amendments to Australian Accounting Standards – Accounting for Acquisitions of Interests in Joint Operations [AASB 1 & 11]</i></p> <p>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.</p>		1 Jan 2016

AASB 2014-4	<p><i>Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation [AASB 116 & 138]</i></p> <p>The adoption of this Standard has no financial impact for the Commission as depreciation and amortisation is not determined by reference to revenue generation, but by reference to consumption of future economic benefits.</p>	1 Jan 2016			<p>This Standard gives effect to the consequential amendments to Australian Accounting Standards (including Interpretations) arising from the issuance of AASB 9 (December 2014). The Commission has not yet determined the application or the potential impact of the Standard.</p>		
AASB 2014-5	<p><i>Amendments to Australian Accounting Standards arising from AASB 15</i></p> <p>This Standard gives effect to the consequential amendments to Australian Accounting Standards (including Interpretations) arising from the issuance of AASB 15. The mandatory application date of this Standard has been amended by AASB 2015-8 to 1 January 2018. The Commission has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2018			<p>AASB 2014-9</p> <p><i>Amendments to Australian Accounting Standards – Equity Method in Separate Financial Statements [AASB 1, 127 & 128]</i></p> <p>This Standard amends AASB 127, and consequentially amends AASB 1 and AASB 28, 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.</p>	1 Jan 2016	
AASB 2014-7	<p><i>Amendments to Australian Accounting Standards arising from AASB 9 (December 2014)</i></p>	1 Jan 2018					

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
	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.				This Standard amends AASB 101 to provide clarification regarding the disclosure requirements in AASB 101. Specifically, the Standard proposes narrow-focus amendments to address some of the concerns expressed about existing presentation and disclosure requirements and to ensure entities are able to use judgement when applying a Standard in determining what information to disclose in their financial statements. There is no financial impact.		
AASB 2015-1	<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 2015-6	<i>Amendments to Australian Accounting Standards – Extending Related Party Disclosures to Not-for-Profit Public Sector Entities [AASB 10, 124 & 1049]</i>		1 Jul 2016
	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 determined that the application of the Standard has no financial impact.				The amendments extend the scope of AASB 124 to include application by not-for-profit public sector entities. Implementation guidance is included to assist application of the Standard by not-for-profit public sector entities. There is no financial impact.		

AASB 2015-8	<i>Amendments to Australian Accounting Standards – Effective Date of AASB 15</i>	1 Jan 2017		AASB 2016-2	<i>Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107</i>	1 Jan 2017	
	This Standard amends the mandatory effective date (application date) of AASB 15 Revenue from Contracts with Customers so that AASB 15 is required to be applied for annual reporting periods beginning on or after 1 January 2018 instead of 1 January 2017. The Commission has not yet determined the application or the potential impact of AASB 15.				This Standard amends AASB 107 Statement of Cash Flows (August 2015) to require disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. There is no financial impact.		
AASB 2015-10	<i>Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 & 128</i>	1 Jan 2016		AASB 2016-3	<i>Amendments to Australian Accounting Standards – Clarifications to AASB 15</i>	1 Jan 2018	
	This Standard defers the mandatory effective date (application date) of amendments to AASB 10 & 128 that were originally made in AASB 2014-10 so that the amendments are required to be applied for annual reporting periods beginning on or after 1 January 2018 instead of 1 January 2016. The Commission has not yet determined the application or the potential impact of AASB 2014-10.				This Standard clarifies identifying performance obligations, principal versus agent considerations, timing of recognising revenue from granting a licence, and, provides further transitional provisions to AASB 15. The Commission has not yet determined the application or the potential impact.		

AASB 2016-4 *Amendments to Australian Accounting Standards – Recoverable Amount of Non-Cash-Generating Specialised Assets of Not-for-Profit Entities* 1 Jan 2017

This Standard clarifies that the recoverable amount of primarily non-cash-generating assets of not-for-profit entities, which are typically specialised in nature and held for continuing use of their service capacity, is expected to be materially the same as fair value determined under AASB 13 Fair Value Measurement. The Commission has not yet determined the application or the potential impact.

Note 6. Employee benefits expense

	2016 \$	2015 \$
Salaries and wages ^(a)	1,446,499	1,513,179
Superannuation - defined contribution plans ^(b)	147,730	148,574
	1,594,229	1,661,753

(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.

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

The related liability is included in note 19 'Provisions – Employment On-Costs'.

Note 7. Supplies and services

	2016 \$	2015 \$
Goods and supplies	23,579	19,139
Services and contracts	267,086	271,072
	290,665	290,211

Note 8. Depreciation expense

Depreciation		
	2016 \$	2015 \$
Equipment	4,811	3,186
Total depreciation	4,811	3,186

Note 9. Accommodation expenses

	2016 \$	2015 \$
Lease rentals	275,080	270,413
	275,080	270,413

Note 10. Other expenses

	2016 \$	2015 \$
Communication expenses	4,613	5,747
Printing and binding	99	46
Electricity	11,263	11,222
Insurance	13,923	12,111
Travel and accommodation	7,816	8,386
Software licenses	17,272	7,127
Professional services	25	12,785
Professional development	11,393	7,694
Audit fees	29,075	34,971
Other expenses ^(a)	8,014	9,961
	103,493	110,050

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

Note 11. Other revenue

Other revenue	-	127
	-	127

Note 12. Income from State Government**Appropriation received during the period:^(a)**

	2016 \$	2015 \$
Service appropriations	2,113,000	2,039,000
Service appropriations - Other Statutes	278,000	278,000
	2,391,000	2,317,000

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

Department of Finance - Building Management and Works	111,436	111,439
	111,436	111,439
	2,502,436	2,428,439

(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 13. Restricted cash and cash equivalents

	2016 \$	2015 \$
Current		
Accrued salaries suspense account ^(a)	-	52,621
Non-current		
Accrued salaries suspense account ^(a)	-	-
	<u>-</u>	<u>52,621</u>

(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. The 27th pay was paid on 30 June 2016.

Note 14. Receivables

	2016 \$	2015 \$
Current		
Receivables	251	-
GST receivable	13,737	17,050
	<u>13,987</u>	<u>17,050</u>

Note 15. Amounts receivable for services (holding account)

Current	-	-
Non-Current	36,000	36,000
	<u>36,000</u>	<u>36,000</u>

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 16. Other current assets

	2016 \$	2015 \$
Current		
Prepayments	39,794	38,062
	<u>39,794</u>	<u>38,062</u>

Note 17. Property, plant and equipment**Office equipment and computers**

At cost	53,827	53,517
Accumulated depreciation	(35,193)	(43,571)
	<u>18,634</u>	<u>9,945</u>

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

**Office equipment
and computers**
\$

2016

Carrying amount at start of year	9,945
Depreciation	(4,811)
Additions	13,500
Carrying amount at end of year	18,633

2015

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

Note 18. Payables

2016 **2015**
\$ \$

Current

Trade payables	22,549	6,107
GST Payable	2	98
Accrued salaries	-	51,104
	22,551	57,308

Note 19. Provisions**Current***Employee benefits provision*

Annual leave ^(a)	53,579	75,923
Long service leave ^(b)	128,184	154,687
	181,763	230,610

Other provisions

Employment on-costs ^(c)	835	1,059
	182,598	231,669

Non-current*Employee benefits provision*

Long service leave ^(b)	80,086	69,101
Superannuation on-cost	1,012	-
	81,098	69,101
	2016	2015
	\$	\$

Other provisions

Employment on-costs ^(c)	372	317
	81,470	69,418

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:

	2016 \$	2015 \$
Within 12 months of the end of the reporting period	49,534	75,923
More than 12 months after the reporting period	4,045	-
	53,579	75,923

(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	52,978	63,628
More than 12 months after the reporting period	156,304	160,160
	209,282	223,788

(c) The settlement of annual and long service leave liabilities gives rise to the payment of employment on-costs including workers' compensation insurance. The provision is the present value of expected future payments. The associated expense is included as part of 'Other expenses - Other staffing expenses' (see Note 10).

Movements in Other provisions

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

Employment on-cost provision

Carrying amount at start of year	1,376	908
Additional/(reversals of) provisions recognised	(169)	468
Carrying amount at end of year	1,207	1,376

Note 20. Equity

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

Contributed equity

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

	2016 \$	2015 \$
Accumulated surplus/(deficit)		
Balance at start of the year	22,576	(70,377)
Result for the period	234,158	92,953
Balance at end of the year	256,733	22,576
Total equity	293,733	59,576

Note 21. 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:

Cash and cash equivalents

Cash and cash equivalents	471,936	264,293
Restricted cash and cash equivalents (note 13 'Restricted cash and cash equivalents')	-	52,621
	471,936	316,914

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

	2016 \$	2015 \$
Net cost of services	(2,268,278)	(2,335,486)
<i>Non-cash items:</i>		
Depreciation expense (note 8 'Depreciation expense')	4,811	3,186
Resources received free of charge (note 12 'Income from State Government')	111,436	111,439
<i>(Increase)/decrease in assets:</i>		
Current receivables ^(a)	(251)	(127)
Current other assets	(1,733)	(2,371)
<i>Increase/(decrease) in liabilities:</i>		
Current payables ^(a)	16,442	(2,955)
Current accrued salaries	(51,104)	6,825
Current other provisions	(49,071)	100,531
Non-current other provisions	12,052	1,321
Net GST receipts/(payments) ^(b)	3,217	(1,257)
Change in GST in receivables/payables ^(c)	-	-
Net cash provided by/(used in) operating activities	(2,222,478)	(2,118,895)

(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 22. Services provided free of charge

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

Note 23. Commitments

The commitments listed below are inclusive of GST where relevant.

Non-cancellable operating lease commitments

	2016 \$	2015 \$
Commitments for the minimum lease payments are payable as follows:		
Within 1 year	301,877	301,877
Later than 1 year and not later than 5 years	309,424	626,583

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. 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 26. Explanatory statement

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

Note 27. Senior officers remuneration

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:

	2016 Number	2015 Number
\$290,001 - \$300,000	1	1
	1	1

	2016	2015
	\$	\$
Base remuneration and superannuation	286,043	275,288
Annual leave and long service leave accruals	(949)	11,689
Other benefits	6,117	5,754
	291,211	292,731

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:

Auditing of accounts, financial statements and performance indicators.	26,300	25,700
	26,300	25,700

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 instruments disclosures' and note 14 'Receivables'.

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

Liquidity risk

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

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

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

Market risk

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

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

(b) Categories of financial instruments

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

	2016 \$	2015 \$
Financial assets		
Cash and cash equivalents	471,936	264,293
Restricted cash and cash equivalents	-	52,621
Receivables ^(a)	36,000	36,000
Financial liabilities		
Financial liabilities measured at amortised cost	22,551	57,308

(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 to1 month \$	1-3 months \$	3 months to 1 year \$	1-5 years \$	More than 5 years \$	
<u>Financial Assets</u>								
2016								
Cash and cash equivalents	471,936	471,936	-	-	-	-	-	-
Restricted cash and cash equivalents	-	-	-	-	-	-	-	-
Receivables	251	251	-	-	-	-	-	-
Amounts receivable for services	36,000	36,000	-	-	-	-	-	-
	508,187	508,187	-	-	-	-	-	-
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	-	-	-	-	-	-

(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.

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

	Weighted average effective interest rate %	Interest Rate Exposure				Nominal amount \$	Maturity date				
		Carrying amount \$	Fixed Interest rate \$	Variable Interest rate \$	Non Interest bearing \$		Up to 1 month \$	1-3 months \$	3 months to 1 year \$	1-5 years \$	More than 5 years \$
2016											
<u>Financial Assets</u>											
Cash and cash equivalents	0.00%	471,936	-	-	471,936	471,936	471,936	-	-	-	-
Restricted cash and cash equivalents	0.00%	-	-	-	-	-	-	-	-	-	-
Receivables	0.00%	251	-	-	251	251	251	-	-	-	-
Amounts receivable for services	0.00%	36,000	-	-	36,000	36,000	-	-	-	-	36,000
		508,187	-	-	508,187	508,187	472,187	-	-	-	36,000
<u>Financial Liabilities</u>											
Payables		22,551	-	-	22,551	22,551	22,551	-	-	-	-
		22,551	-	-	22,551	22,551	22,551	-	-	-	-
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	-	-	-	-

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