Statement of Certification

Certification of Financial Statements for year ended 30 June 2011

The accompanying financial statements of the Parliamentary Commissioner for Administrative Investigations have been prepared in compliance with the provisions of the *Financial Management Act 2006* from proper accounts and records to present fairly the financial transactions for the financial year ending 30 June 2011 and the financial position as at 30 June 2011.

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

Mary White
Chief Finance Officer

5 August 2011

Chris Field
Accountable Authority

5 August 2011

Index to Financial Statements and Notes

Financial Statements for the Year Ended 30 June 2011

Notes to the Financial Statements

Statement of Comprehensive Income

For the year ended 30 June 2011

	Note	2011 $	2010 $
COST OF SERVICES			
Expenses			
Employee benefits expense	6.	5,709,530	5,028,391
Supplies and services	7.	1,004,258	982,862
Depreciation and amortisation expense	8.	180,678	192,616
Accommodation expenses	9.	812,271	737,327
Other expenses	10.	24,693	24,278
Total cost of services		**7,731,430**	**6,965,474**
Income			
Revenue			
Other revenue	11.	1,656,686	953,475
Total Revenue		**1,656,686**	**953,475**
Total income other than income from State Government		**1,656,686**	**953,475**
NET COST OF SERVICES		**6,074,744**	**6,011,999**
Income from State Government	12.		
Service appropriation		6,348,000	5,753,000
Resources received free of charge		176,883	106,231
Total income from State Government		**6,524,883**	**5,859,231**
SURPLUS/(DEFICIT) FOR THE PERIOD		**450,139**	**(152,768)**
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**450,139**	**(152,768)**

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

Statement of Financial Position

As at 30 June 2011

	Note	2011 $	2010 $
ASSETS			
Current Assets			
Cash and cash equivalents	22.	861,019	447,023
Receivables	14.	88,849	180,126
Amounts receivable for services	15.	125,000	87,000
Total Current Assets		**1,074,868**	**714,149**
Non-Current Assets			
Restricted cash and cash equivalents	13. 22.	115,169	86,271
Amounts receivable for services	15.	1,744,000	1,445,000
Plant and equipment	16.	679,453	674,383
Intangible assets	17.	85,731	81,166
Total Non-Current Assets		**2,624,353**	**2,286,820**
TOTAL ASSETS		**3,699,221**	**3,000,969**
LIABILITIES			
Current Liabilities			
Payables	19.	440,045	315,708
Provisions	20.	1,180,468	1,081,805
Total Current Liabilities		**1,620,513**	**1,397,513**
Non-Current Liabilities			
Provisions	20.	327,594	302,481
Total Non-Current Liabilities		**327,594**	**302,481**
TOTAL LIABILITIES		**1,948,107**	**1,699,994**
NET ASSETS		**1,751,114**	**1,300,975**
EQUITY	21.		
Contributed equity		930,000	930,000
Accumulated surplus/(deficit)		821,114	370,975
TOTAL EQUITY		**1,751,114**	**1,300,975**

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

Statement of Changes in Equity

For the year ended 30 June 2011

	Note	Contributed equity	Reserves	Accumulated surplus/ (deficit)	Total equity
Balance at 1 July 2008		**732,000**	**-**	**606,070**	**1,338,070**
Total comprehensive income for the year		-	-	(82,327)	(82,327)
Restated balance at 1 July 2008		732,000	-	523,743	1,255,743
Total comprehensive income for the year		-	-	-	-
Transactions with owners in their capacity as owners					
Capital appropriations		198,000	-	-	198,000
Other contributions by owners		-	-	-	-
Distributions to owners		-	-	-	-
Total		198,000	-	-	198,000
Balance at 30 June 2009		**930,000**	-	**523,743**	**1,453,743**
Changes in accounting policy or correction of prior period errors		-	-		-
Balance at 1 July 2009	21.	**930,000**	-	**523,743**	**1,453,743**
Total		**-**	**-**	**-**	**-**
Balance at 30 June 2010		**930,000**	-	**370,975**	**1,300,975**
Balance at 1 July 2010		**930,000**	-	**370,975**	**1,300,975**
Total comprehensive income for the year		-	-	450,139	450,139
Balance at 30 June 2011		**930,000**	-	**821,114**	**1,751,114**

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

Statement of Cash Flow

For the year ended 30 June 2011

	Note	2011 $	2010 $
CASH FLOWS FROM STATE GOVERNMENT			
Service appropriation		5,924,000	5,254,000
Holding account drawdowns		87,000	67,000
Net cash provided by State Government		**6,011,000**	**5,321,000**
Utilised as follows:			
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Employee benefits		(5,516,621)	(4,716,300)
Supplies and services		(769,716)	(975,169)
Accommodation		(799,681)	(737,328)
GST payments on purchases		(202,466)	(185,285)
GST payments to taxation authority		-	(85,986)
Other payments		(24,694)	(24,278)
Receipts			
User charges and fees		1,649,246	1,254,492
GST receipts on sales		206,544	129,023
GST receipts from taxation authority		38,143	142,315
Net cash provided by/(used in) operating activities	22.	**(5,419,245)**	**(5,198,516)**
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments			
Purchase of non-current physical assets		(148,861)	(62,258)
Receipts			
Proceeds from sale of non-current physical assets		-	-
Net cash provided by/(used in) investing activities		**(148,861)**	**(62,258)**
Net increase/(decrease) in cash and cash equivalents		442,894	60,226
Cash and cash equivalents at the beginning of period		533,294	473,068
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	22.	**976,188**	**533,294**

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

Statement of Consolidated Account Appropriations and Income Estimates

For the year ended 30 June 2011

	2011 Estimate $	2011 Actual $	Variance $	2011 Actual $	2010 Actual $	Variance $
Delivery Services						
Item 4 Net amount appropriated to deliver services	4,871,000	5,795,000	924,000	5,795,000	5,217,000	578,000
Amount Authorised by Other Statutes						
- Parliamentary Commissioner Act 1971	553,000	553,000	-	553,000	536,000	17,000
Total appropriations provided to deliver services	**5,424,000**	**6,348,000**	**924,000**	**6,348,000**	**5,753,000**	**595,000**
GRAND TOTAL	**5,424,000**	**6,348,000**	**924,000**	**6,348,000**	**5,753,000**	**595,000**
Details of Expenses by Service						
Resolving complaints about decision making of public authorities and improving the standard of public administration	6,390,000	7,731,430	1,341,430	7,731,430	6,965,474	765,956
Total Cost of Services	**6,390,000**	**7,731,430**	**1,341,430**	**7,731,430**	**6,965,474**	**765,956**
Less Total Income	(921,000)	(1,656,686)	(735,686)	(1,656,686)	(953,475)	(703,211)
Net Cost of Services	**5,469,000**	**6,074,744**	**605,744**	**6,074,744**	**6,011,999**	**62,745**
Adjustment [(a)]	(45,000)	273,256	318,256	273,256	(258,999)	532,255
Total appropriations provided to deliver services	**5,424,000**	**6,348,000**	**924,000**	**6,348,000**	**5,753,000**	**595,000**
Capital Expenditure						
Purchase of non-current physical assets	87,000	148,861	61,861	148,861	62,258	86,603
Adjustments for other funding sources	(87,000)	(148,861)	(61,861)	(148,861)	(62,258)	(86,603)
Capital appropriations	**-**	**-**	**-**	**-**	**-**	**-**

Adjustments comprise movements in cash balances and other accrual items such as receivables, payables and superannuation. Note 27 'Explanatory statement' provides details of any significant variations between estimates and actual results for 2010 and between the actual results for 2010 and 2011.

Notes to the Financial Statements for the year ended 30 June 2011

Note 1. Australian Accounting Standards

General

The office's financial statements for the year ended 30 June 2011 have been prepared in accordance with Australian Accounting Standards. The term 'Australian Accounting Standards' includes Standards and Interpretations issued by the Australian Accounting Standards Board (AASB).

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

Early adoption of standards

The office cannot early adopt an Australian Accounting Standard unless specifically permitted by TI 1101 *Application of Australian Accounting Standards and Other Pronouncements*. No Australian Accounting Standards that have been issued or amended [but not operative] have been early adopted by the office for the annual reporting period ended 30 June 2011.

Note 2. Summary of significant accounting policies

(a) General statement

The financial statements constitute general purpose financial statements that have been prepared 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 are legislative provisions governing the preparation of financial statements and take precedence over Australian Accounting Standards, the Framework, Statements of Accounting Concepts and other authoritative pronouncements of the AASB.

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

(b) Basis of preparation

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

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

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

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

Note 4 'Key sources of estimation uncertainty' discloses key assumptions made concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

(c) Reporting entity

The reporting entity comprises the office of the Parliamentary Commissioner for Administrative Investigations, generally known as the Ombudsman Western Australia (the office).

Mission

The mission of the Ombudsman Western Australia is to serve Parliament and Western Australians by:

- Resolving complaints about decision making of public authorities; and
- Improving the standard of public administration

The office is predominantly funded by Parliamentary appropriation. The Ombudsman Western Australia also performs the functions of the Energy Ombudsman Western Australia (**EOWA**) under a services agreement with the Board of Energy Industry Ombudsman (Western Australia) Limited, the governing body of EOWA. The office recoups the costs for EOWA from the Board. The financial statements encompass all funds through which the office controls resources to carry on its functions.

Services

The office provides the following service:

Service 1: Resolving complaints about decision making of public authorities and improving the standard of public administration

Investigating and resolving complaints from members of the public about Western Australian public authorities and improving the standard of public administration by identifying and investigating concerns that affect the broader community, making recommendations for improvement and identifying and promoting good decision making and practices.

The office does not administer assets, liabilities, income and expenses on behalf of Government which are not controlled by, nor integral, to the function of the office.

(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:

Provision of services

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

Service appropriations

Service Appropriations are recognised as revenues at fair value in the period in which the office gains control of the appropriated funds. The office gains control of appropriated funds at the time those funds are deposited to the bank account or credited to the 'Amounts receivable for services' (holding account) held at Treasury.

Net appropriation determination

The Treasurer may make a determination providing for prescribed receipts to be retained for services under the control of the office. In accordance with the determination specified in the 2010-2011 Budget Statements, the office retained **$1,656,686** in 2011 (**$953,475** in 2010) from the following:

- GST Input Credits;
- Proceeds from fees and charges; and
- Other office Receipts.

Grants, donations, gifts and other non-reciprocal contributions

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

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

<u>Gains</u>

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

(f) Plant and equipment

<u>Capitalisation/expensing of assets</u>

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

<u>Initial recognition and measurement</u>

Plant and equipment are initially recognised at cost.

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

<u>Subsequent measurement</u>

Subsequent to initial recognition as an asset, the cost model is used for plant and equipment. All items of plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses.

<u>Derecognition</u>

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 that 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:

Furniture and fittings	10 years
Plant and machinery	10 years
Computer hardware	3 years
Office equipment	5 years

(g) Intangible assets

Capitalisation/expensing of assets

Acquisitions of intangible assets costing $5,000 or more and internally generated intangible assets costing $50,000 or more are capitalised. The cost of utilising the assets is expensed (amortised) over their useful life. Costs incurred below these thresholds are immediately expensed directly to the Statement of Comprehensive Income.

All acquired and internally developed intangible assets are initially recognised at cost. For assets acquired at no cost or for nominal cost, the cost is their fair value at the date of acquisition.

The cost model is applied for subsequent measurement requiring the asset to be carried at cost less any accumulated amortisation and accumulated impairment losses.

Amortisation for intangible assets with finite useful lives is calculated for the period of the expected benefit (estimated useful life which is reviewed annually) on the straight line basis. All intangible assets controlled by the office have a finite useful life and zero residual value.

The expected useful lives for each class of intangible asset are:

Software (a)	3 Years

(a) Software that is not integral to the operation of any related hardware.

Computer software

Software that is an integral part of the related hardware is recognised as plant and equipment. Software that is not an integral part of the related hardware is recognised as an intangible asset. Software costing less than $5,000 is expensed in the year of acquisition.

Website costs

Website costs are charged as expenses when they are incurred unless they relate to the acquisition or development of an asset when they may be capitalised and amortised. Generally, costs in relation to feasibility studies during the planning phase of a website, and ongoing costs of maintenance during the operating phase are expensed. Costs incurred in building or enhancing a website, to the extent that they represent probable future economic benefits that can be reliably measured, are capitalised.

(h) Impairment of assets

Plant and equipment and intangible assets are tested for any indication of impairment at the end of each reporting period. Where there is an indication of impairment, the recoverable amount is estimated. Where the recoverable amount is less than the carrying amount, the asset is considered impaired and is written down to the recoverable amount and an impairment loss is recognised. As the office is a not-for-profit entity, unless an asset has been identified as a surplus asset, the recoverable amount is the higher of an asset's fair value less 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.

Intangible assets with an indefinite useful life and intangible assets not yet available for use are tested for impairment at the end of each reporting period irrespective of whether there is any indication of impairment.

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.

(i) Leases

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

(j) Financial instruments

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

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

Financial instruments have been disaggregated into the following classes:

- Financial Assets
  - Cash and cash equivalents
  - Restricted cash and cash equivalents
  - Receivables
  - 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.

(k) 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.

(l) Accrued salaries

Accrued salaries represent the amount due to staff but unpaid at the end of the financial year. Accrued salaries are generally settled within a fortnight of the financial year end. For the current financial year a component of accrued salaries relates to settlement of liability in relation to the Public Services and Government Officers General Agreement 2011 (PS GOSAG) pay award. Settlement of this component of accrued salaries is within two months of the financial year end. The office considers the carrying amount of accrued salaries to be equivalent to its net fair value.

The accrued salaries suspense 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.

(m) Amounts receivable for services (holding account)

The office 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.

(n) Receivables

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

(o) Payables

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

(p) 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

The liability for annual leave expected to be settled within 12 months after the reporting period is recognised and measured at the undiscounted amounts expected to be paid when the liability is settled.

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

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

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

Long service leave

The liability for long service leave expected to be settled within 12 months after the reporting period is recognised and measured at the undiscounted amounts expected to be paid when the liability is settled.

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

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

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

Superannuation

The Government Employees Superannuation Board (GESB) administers public sector superannuation arrangements in Western Australia in accordance with legislative requirements.

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

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

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

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

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

Provisions - other

Employment on-costs

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

(q) Superannuation expense

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

(r) Resources received free of charge or for nominal cost

Resources received free of charge or for nominal cost that can be reliably measured are recognised as income at fair value. Where the resource received represents a service that the office would otherwise pay for, a corresponding expense is recognised. Receipts of assets are recognised in the Statement of Financial Position.

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

(s) 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 office evaluates these judgements regularly.

Operating lease commitments

The office has entered into a number of leases for buildings for branch office accommodation. Some of these leases relate to buildings of a temporary nature and it has been determined that the lessor retains substantially all the risks and rewards incidental to ownership. Accordingly, these leases have been classified as operating leases.

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

Note 5. Disclosure of changes in accounting policy and estimates

Initial application of an Australian Accounting Standard

The office has applied the following Australian Accounting Standards effective for annual reporting periods beginning on or after 1 July 2010 that impacted on the Authority.

2009-5 *Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project*. [AASB 5, 8, 101, 107, 118, 136, & 139]

Under amendments to AASB 107, only expenditures that result in a recognised asset are eligible for classification as investing activities in the Statement of Cash Flows. All investing cashflows recognised in the Authority's Statement of Cash Flows relate to increases in recognised assets.

Future impact of Australian Accounting Standards not yet operative

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

		Operative for reporting periods beginning on/after
AASB 2009-11	*Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 & 1038 and Interpretations 10 & 12].* The amendment to AASB 7 requires modification to the disclosure of categories of financial assets. The office does not expect any financial impact when the Standard is first applied. The disclosure of categories of financial assets in the notes will change.	1 Jan 2013

AASB 2009-12	*Amendments to Australian Accounting Standards [AASBs 5, 8, 108, 110, 112, 119, 133, 137, 139, 1023 & 1031 and Interpretations 2,4,16,1039 & 1052]* This Standard introduces a number of terminology changes. There is no financial impact resulting from the application of this revised Standard.	1 Jan 2011
AASB 1053	*Application of Tiers of Australian Accounting Standards* This Standard establishes a differential financial reporting framework consisting of two tiers of reporting requirements for preparing general purpose financial statements. The Standard does not have any financial impact on the office. However it may affect disclosures in the financial statements of the office if the reduced disclosure requirements apply. DTF has not yet determined the application or the potential impact of the new Standard for agencies.	1 July 2013
AASB 2010-2	*Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements* This Standard makes amendments to many Australian Accounting Standards, including Interpretations, to introduce reduced disclosure requirements into these pronouncements for application by certain types of entities. This Standard is not expected to have any financial impact on the office. However this Standard may reduce some note disclosures in the financial statements of the office. DTF has not yet determined the application or the potential impact of the amendments to these Standards for agencies.	1 July 2013
AASB 2011-2	*Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project – Reduced Disclosure Requirements [AASB 101 & AASB 1054]* This Amending Standard removes disclosure requirements from other Standards and incorporates them in a single Standard to achieve convergence between Australian and New Zealand Accounting Standards for reduced disclosure reporting. DTF has not yet determined the application or the potential impact of the amendments to these Standards for agencies.	1 July 2011
ASB 2010-5	*Amendments to Australian Accounting Standards [AASB 1, 3, 4, 5, 101, 107, 112, 118, 119, 121, 132, 133, 134, 137, 139, 140, 1023 & 1038 and Interpretations 112, 115, 127, 132 & 1042] (October 2010)* This Standard introduces a number of terminology changes as well as minor presentation changes to the Notes to the Financial Statements. There is no financial impact resulting from the application of this revised Standard.	1 Jan 2011

AASB 2010-6	*Amendments to Australian Accounting Standards – Disclosures on Transfers of Financial Assets [AASB 1 & AASB 7]* This Standard makes amendments to Australian Accounting Standards, introducing additional presentation and disclosure requirements for Financial Assets. The Standard is not expected to have any financial impact on the office. DTF has not yet determined the application of the potential impact of the amendments to these Standards for agencies.	1 July 2011
AASB 9	*Financial Instruments* This Standard supersedes AASB 139 *Financial Instruments: Recognition and Measurement*, introducing a number of changes to accounting treatments. The Standard was reissued on 6 Dec 2010 and the Department is currently determining the impact of the Standard, DTF has not yet determined the application or the potential impact of the Standard for agencies.	1 Jan 2013
AASB 2010-7	*Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Interpretations 2, 5, 10, 12, 19 &127]* This Amending Standard makes consequential adjustments to other Standards as a result of issuing AASB 9 *Financial Instruments* in December 2010. DTF has not yet determined the application or the potential impact of the Standard for agencies.	1 Jan 2013
AASB 1054	*Australian Additional Disclosures* This Standard, in conjunction with AASB 2011-1 *Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project*, removes disclosure requirements from other Standards and incorporates them in a single Standard to achieve convergence between Australian and New Zealand Accounting Standards.	1 July 2011
AASB 2011-1	*Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project [AASB 1, 5, 101, 107, 108, 121, 128, 132 & 134 and Interpretations 2, 112 & 113]* This Amending Standard, in conjunction with AASB 1054 *Australian Additional Disclosures*, removes disclosure requirements from other Standards and incorporates them in a single Standard to achieve convergence between Australian and New Zealand Accounting Standards.	1 July 2011

Note 6. Employee benefits expense

	2011 $	2010 $
Wages and salaries [a]	5,115,194	4,567,083
Superannuation - defined contribution plans [b]	530,108	370,428
Other related expenses	64,228	90,880
	5,709,530	**5,028,391**

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

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

Employment on-costs expenses, such as workers' compensation insurance are included at Note 10 'Other expenses'.

Employment on-costs liability is included in Note 20 'Provisions'.

Note 7. Supplies and services

	2011 $	2010 $
Travel	51,037	68,852
Communications	69,542	52,267
Consumables	230,842	108,672
Services and contracts	312,445	416,180
Resources received free of charge (see note 12)	135,432	106,231
Other	204,960	230,660
	1,004,258	**982,862**

Note 8. Depreciation and amortisation expense

	2011 $	2010 $
Depreciation		
Furniture fixtures and fittings	77,714	71,172
Computer equipment	15,127	8,939
Communications	20,623	18,217
Office equipment	6,977	4,471
Plant and machinery	1,726	1,593
Total depreciation	**122,167**	**104,392**
Amortisation		
Intangible assets	58,511	88,224
Total amortisation	**58,511**	**88,224**
Total depreciation and amortisation	**180,678**	**192,616**

Note 9. Accommodation expenses

	2011 $	2010 $
Lease rentals	809,952	734,948
Repairs and maintenance	2,319	2,379
	812,271	**737,327**

Note 10. Other expenses

	2011 $	2010 $
Employment on-cost [(a)]	48	533
Audit Fee [(b)]	21,600	20,700
Other Miscellaneous Expenses	3,045	3,045
	24,693	**24,278**

(a) Includes workers' compensation insurance and other employment on-costs. The on-costs liability associated with the recognition of annual and long service leave liability is included at Note 20 'Provisions'. Superannuation contributions accrued as part of the provision for leave are employee benefits and are not included in employment on-costs.

(b) Audit fee, see also Note 30 'Remuneration of auditor'.

Note 11. Other revenue

	2011 $	2010 $
Other revenue - general	1,597,214	908,243
Other recoup	59,472	45,232
	1,656,686	**953,475**

Note 12. Income from State Government

	2011 $	2010 $
Appropriation received during the year:		
Service appropriations [(a)]		
- Recurrent	5,795,000	5,217,000
- Special Acts	553,000	536,000
	6,348,000	**5,753,000**
Resources received free of charge [(b)]		
Determined on the basis of the following estimates provided by agencies:		
- Department of the Premier and Cabinet Corporate and Business Services	122,842	95,408
- DTF - Building and Management Works	12,590	10,823
- Public Sector Commission	41,451	-
	176,883	**106,231**
	6,524,883	**5,859,231**

(a) Service appropriations funds 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 liability 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

	2011 $	2010 $
Non-current		
Accrued salaries suspense account [(a)]	115,169	86,271
	115,169	**86,271**

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

Note 14. Receivables

	2011 $	2010 $
Current		
Receivables	84,459	99,152
GST receivable	4,390	80,974
Total current	**88,849**	**180,126**

There were no allowances made in the current year for the impairment of receivables (2009/10: nil)

The office does not hold any collateral or other credit enhancements as security for receivables.

Note 15. Amounts receivable for services (Holding Account)

	2011 $	2010 $
Current	125,000	87,000
Non-Current	1,744,000	1,445,000
	1,869,000	**1,532,000**

Represents the non-cash component of service appropriations. It is restricted in that it can only be used for asset replacement or payment of leave liability. See Note 2(m) 'Amounts receivable for services (Holding Account)'.

Note 16. Plant and Equipment

	2011 $	2010 $
Furniture fixtures and fittings		
At cost	1,187,897	1,114,048
Accumulated depreciation	(664,258)	(580,556)
	523,639	**533,492**

	2011 $	2010 $
Computer Hardware		
At Cost	208,778	117,631
Accumulated depreciation	(174,611)	(81,536)
	34,167	**36,095**
Office equipment		
At cost	33,921	33,921
Accumulated depreciation	(14,501)	(7,524)
	19,420	**26,397**
Plant and machinery		
At cost	31,560	15,780
Accumulated depreciation	(14,571)	(5,693)
	16,989	**10,087**
Communications		
At cost	150,017	109,083
Accumulated depreciation	(64,779)	(40,771)
	85,238	**68,312**
	679,453	**674,383**

Reconciliation

Reconciliations of the carrying amounts of plant and equipment at the beginning and end of the reporting period are set out in the table below:

2011	Furniture and Fittings $	Computer hardware $	Office Equipment $	Commun-ications $	Plant and Machinery $	Total $
Carrying amount at start of year	533,493	36,095	26,396	68,312	10,087	674,383
Additions	67,861	13,199	-	37,549	8,628	127,237
Depreciation	(77,714)	(15,127)	(6,977)	(20,623)	(1,726)	(122,167)
Carrying amount at end of year	**523,640**	**34,167**	**19,419**	**85,238**	**16,989**	**679,453**

2010	$	$	$	$	$	$
Carrying amount at start of year	593,382	5,651	19,296	86,529	11,680	716,538
Additions	11,282	39,383	11,572	-	-	62,237
Depreciation	(71,171)	(8,939)	(4,472)	(18,217)	(1,593)	(104,392)
Carrying amount at end of year	**533,493**	**36,095**	**26,396**	**68,312**	**10,087**	**674,383**

Note 17. Intangible assets

	2011 $	2010 $
Computer Software		
At cost	298,651	250,500
Accumulated amortisation	(249,270)	(190,759)
	49,381	**59,741**
Work in Progress	36,350	-
	36,350	**-**

Licenses		
At cost	-	21,425
Accumulated amortisation	-	-
	-	**21,425**
Total intangible assets	**85,731**	**81,166**

	2011 $	2010 $
Reconciliation:		
Computer Software		
Carrying amount at start of year	59,741	147,965
Additions	36,350	-
Transfer	21,425	-
Amortisation expense	(58,511)	(88,224)
Carrying amount at end of year	**59,005**	**59,741**
Licenses		
Carrying amount at start of year	21,425	-
Additions	-	21,425
Transfer	(21,425)	-
Carrying amount at end of year	**-**	**21,425**

Note 18. Impairment of assets

There were no indications of impairment to plant and equipment or intangible assets at 30 June 2011.

The office held no goodwill or intangible assets with an indefinite useful life during the reporting period. At the end of the reporting period there were no intangible assets not yet available for use.

All surplus assets as at 30 June 2011 have either been classified as assets held for sale or written-off.

Note 19. Payables

	2011 $	2010 $
Current		
Trade payables	82,176	25,383
Accrued Expenses	213,909	166,710
Accrued Salaries	139,828	73,620
Accrued Superannuation	2,925	-
Other payables	1,207	49,995
Total current	**440,045**	**315,708**

Note 20. Provisions

	2011 $	2010 $
Current		
Employee benefits provision		
Annual leave [(a)]	568,572	515,697
Long service leave [(b)]	611,361	565,613
	1,179,933	**1,081,310**
Other provisions		
Employment on-costs [(c)]	535	495
	535	495
	1,180,468	**1,081,805**

	2011 $	2010 $
Non-current		
Employee benefits provision		
Long service leave [(b)]	327,445	302,340
	327,445	302,340
Other provisions		
Employment on-costs [(c)]	149	141
	149	141
	327,594	**302,481**

(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:

	2011 $	2010 $
Within 12 months of the end of the reporting period	342,357	276,256
More than 12 months after the reporting period	226,215	239,441
	568,572	**515,697**

(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:

	2011 $	2010 $
Within 12 months of the end of the reporting period	303,443	347,528
More than 12 months after the reporting period	635,363	520,425
	938,806	**867,953**

(c) Movement in other provisions: Movements in each class of provisions during the financial year, other than employee benefits, are set out below.

	2011 $	2010 $
Employment on-cost provision		
Carrying amount at start of year	636	103
Additional provisions recognised	48	533
Carrying amount at end of year	**684**	**636**

Note 21. Equity

The Government holds the equity interest in the office on behalf of the community. Equity represents the residual interest in the net assets of the office.

Contributed equity

	2011 $	2010 $
Balance at start of period	930,000	930,000
Contributions by owners		
Capital Contributions	-	-
Total contributions by owners	-	-
BALANCE AT END OF PERIOD	**930,000**	**930,000**

Accumulated surplus/(deficit)

	2011 $	2010 $
Balance at start of year	370,975	523,743
Result for the period	450,139	(152,768)
Balance at end of year	**821,114**	**370,975**

Note 22. Notes to the Statement of Cash Flows

Reconciliation of cash

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

	2011 $	2010 $
Cash and cash equivalents	861,019	447,023
Restricted cash and cash equivalents	115,169	86,271
	976,188	**533,294**

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

	2011 $	2010 $
Net cost of services	**(6,074,744)**	**(6,011,999)**
Non-cash items:		
Depreciation and amortisation expense	180,678	192,616
Resources received free of charge	135,432	106,231
(Increase)/decrease in assets:		
Current receivables[(a)]	57,729	301,017
Increase/(decrease) in liabilities:		
Accrued salaries	66,208	32,345
Accrued superannuation	2,925	-
Accrued expenses	47,199	-
Current payables	8,005	(80,144)
Current provisions	98,663	228,824
Non-current provisions	25,113	50,922
Net GST receipts/(payments) [(a)]	20,088	-
Change in GST in receivables/payables [(b)]	13,459	(18,328)
Net cash provided by/(used in) operating activities	**(5,419,245)**	**(5,198,516)**

(a) Note that the Australian Taxation Office (ATO) 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 reverses out the GST in receivables and payables.

At the end of the reporting period, the office had fully drawn on all financing facilities, details of which are disclosed in the financial statements.

Note 23. Resources provided free of charge

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

Note 24. Commitments

The commitments below are inclusive of GST where relevant.

Capital expenditure commitments

	2011 $	2010 $
Capital expenditure commitments, being contracted capital expenditure additional to the amounts reported in the financial statements, are payable as follows:		
Within 1 year	-	62,329
	-	**62,329**

Lease commitments

Commitments in relation to leases contracted for at the end of the reporting period but not recognised in the financial statements are payable as follows:

	2011 $	2010 $
Within 1 year	572,195	576,444
Later than 1 year and not later than 5 years	42,802	570,552
	614,997	1,146,996
Representing:		
Non-cancellable operating leases	614,997	1,146,996
	614,997	1,146,996

	2011 $	2010 $
Non-cancellable operating leases commitments		
Commitments for minimum leases payments are payable as follows:		
Within 1 year	572,195	576,444
Later than 1 year and not later than 5 years	42,802	570,552
	614,997	**1,146,996**

The office has entered into a property lease which is a non-cancellable lease with a five year term, with rent payable monthly in advance. Contingent rent provisions within the lease agreement require that the minimum lease payments shall be increased by the lower of CPI or 4% per annum. An option exists to renew the lease at the end of the five year term for an additional term of five years.

The motor vehicle lease is a non-cancellable lease with a three year term, with lease payments monthly. New vehicle leases are negotiated at the end of this period, the number of vehicle leases being subject to the office's operational needs.

Note 25. Contingent liabilities and contingent assets

Contingent liabilities

The office had no contingent liabilities

Contingent assets

The office had no contingent assets

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

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

Note 27. Explanatory statement

Significant variations between estimates and actual results for income and expense as presented in the financial statement titled 'Summary of Consolidated Account Appropriations and Income Estimates' are shown below. Significant variations are considered to be those greater than 10%.

Total appropriations provided to deliver services

Significant variances between estimate and actual for 2011

	2011 Estimate $	2011 Actual $	Variance $
Employee benefits expense	4,833,000	5,709,530	876,530
Supplies and services	442,000	1,004,258	562,258
Accommodation	733,000	812,271	79,271
Depreciation and amortisation	253,000	180,678	(72,322)
Other expenses	129,000	24,693	(104,307)
Other revenue	921,000	1,656,686	735,686
Service appropriation	5,424,000	6,348,000	(924,000)
Resources received free of charge	45,000	176,883	(131,883)

Employees benefits expenses

The increase is primarily due to an additional five Full Time Equivalents **(FTEs)** to handle an increased number of complaints and telecommunication intercept inspections; and additional staff to handle an increased number of complaints under the Energy jurisdiction.

Supplies and services

The increase is primarily due to the supplies and services associated with the additional staff, including power, phones and office equipment, as well as use of temporary staff pending filling of the additional positions.

Accommodation

The increase is primarily due to the costs of accommodation required for the additional staff.

Depreciation and amortisation

The decrease is because some capital purchases occurred later in the year than initially estimated and the depreciation did not commence until they were purchased.

Other expenses

The decrease is primarily because some expenses, included in the estimate as other expenses, were included under supplies and services for actual expenses.

Other revenue

The increase is primarily due to an increase in funding approved by the Board of the Energy Ombudsman Western Australia to cover additional expenses associated with an increase in complaints under the Energy Ombudsman's jurisdiction.

Service appropriations

The increase is primarily due to approved additional funding of:

– $455,000 for four FTEs to manage an increased number of complaints;
– $157,000 for one FTE to undertake an increased number of telecommunications intercept inspections;
– $172,000 to meet additional business services costs and accommodation requirements; and
– $138,000 to replenish cash reserves used to handle an increase in complaints in 2009-10.

Resources received free of charge

The increase is primarily due to an increase in the resources received free of charge from the Department of the Premier and Cabinet for human resource management services, and one-off resources received free of charge from the Public Sector Commissioner to cover the residual value of assets transferred to the Ombudsman. These assets had previously been shared with the Ombudsman.

Significant variances between actual results for 2010 and 2011

	2011 Actual $	2010 Actual $	Variance $
Income			
Other revenue	1,656,686	953,475	703,211
Service appropriation	6,348,000	5,753,000	595,000
Resources received free of charge	176,883	106,231	70,652
Expenses			
Employee benefits expense	5,709,530	5,028,391	681,139
Accommodation expense	812,271	737,327	74,944

Other revenue

The increase is primarily due to an increase in funding approved by the Board of the Energy Ombudsman Western Australia to cover additional expenses associated with a significant increase in complaints under the Energy jurisdiction.

Service appropriation

The increase is primarily due to approved budget increases as described above. The reason the variation between the actual appropriations is less is because supplementary funding of $300,000 was provided in 2009-10 to cover the increase in complaints in that year. This was also included in the appropriations provided in 2010-11.

Resources received free of charge

The increase is primarily due to an increase in the resources received free of charge from the Department of the Premier and Cabinet for human resource management services, and one-off resources received free of charge from the Public Sector Commissioner to cover the residual value of assets transferred to the Ombudsman. These assets had previously been shared with the Ombudsman.

Employee benefits expense

The increase is primarily due to additional staff required to handle an increased number of complaints and telecommunication intercept inspections under the State jurisdiction and an increased number of complaints under the Energy jurisdiction.

Accommodation expense

The increase is primarily due to the costs of accommodation required for the additional staff.

Note 28. Financial instruments

(a) Financial risk management objectives and policies

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

Credit risk

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

The maximum exposure to credit risk at the end of the reporting period in relation to each class of recognised financial assets is the gross carrying amount of those assets inclusive of any provisions for impairment, as shown in the table at Note 28(c) 'Financial instruments disclosures' and Note 14 'Receivables'.

Credit risk associated with the office's financial assets is minimal because the main receivable is the amounts receivables for services (holding accounts). For receivables other than government, the office trades only with recognised, creditworthy third parties. The office 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 office's exposure to bad debts is minimal. At the end of the reporting period there were no significant concentrations of credit risk.

Liquidity risk

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

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

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

Market risk

Market risk is the risk that changes in market prices such as foreign exchange rates and interest rates will affect the office's income or the value of its holdings of financial instruments. The office does not trade in foreign currency and is not materially exposed to other price risks. The office's exposure to market risk for changes in interest rates relate primarily to the long-term debt obligations.

(b) Categories of financial instruments

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

	2011 $	2010 $
Financial Assets		
Cash and cash equivalents	861,019	447,023
Restricted cash and cash equivalents	115,169	86,271
Receivables [(a)]	1,953,459	1,631,152
Financial Liabilities		
Financial liabilities measured at amortised cost	440,045	315,708

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

(c) Financial instrument disclosures

Credit risk and interest rate exposures

The following table discloses the office's maximum exposure to credit risk, interest rate exposures and the ageing analysis of financial assets. The office's maximum exposure to credit risk at 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 in financial assets. The table is based on information provided to senior management of the office.

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

The office does not hold any financial assets that had to have their terms renegotiated that would have otherwise resulted in them being past due or impaired.

Interest rate exposures and ageing analysis of financial assets [a]

			Interest rate exposure			Past due but not impaired					
	Weighted average effective interest rate % $	Carrying Amount $	Fixed interest rate $	Variable interest rate $	Non-interest bearing $	Up to 3 months $	3 – 12 months $	1 -2 Years $	2 – 5 Years $	More than 5 Years $	Impaired financial assets $
Financial Assets											
2011											
Cash and cash equivalents		861,019	-	-	861,019	-	-	-	-	-	-
Restricted cash and cash equivalent		115,169	-	-	115,169	-	-	-	-	-	-
Receivables[a]		84,459	-	-	84,459	6,608	-	-	-	-	-
Amount receivable for service		1,869,000	-	-	1,869,000	-	-	-	-	-	-
		2,929,647	**-**	**-**	**2,929,647**	**6,608**	**-**	**-**	**-**	**-**	**-**
2010											
Cash and cash equivalents		447,023	-	-	447,023	-	-	-	-	-	-
Restricted cash and cash equivalent		86,271	-	-	86,271	-	-	-	-	-	-
Receivables[a]		99,152	-	-	99,152	37,419	-	-	-	-	-
Amount receivable for service		1,532,000	-	-	1,532,000	-	-	-	-	-	-
		2,164,446	**-**	**-**	**2,164,446**	**37,419**	**-**	**-**	**-**	**-**	**-**

Liquidity Risk

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

Interest rate exposures and maturity analysis of financial liabilities

			Interest rate exposure					Maturity date				
	Weighted average effective interest rate % $	Carrying Amount $	Fixed interest rate $	Variable interest rate $	Non-interest bearing $	Adjustment for discounting $	Total nominal amount $	Up to 3 months $	3 – 12 months $	1 -2 Years $	2 – 5 Years $	More than 5 Years $
Financial Liabilities												
2011		315,708	-	-	315,708	-	-	315,708	-	-	-	-
Payables		**315,708**	**-**	**-**	**315,708**	**-**	**-**	**315,708**	**-**	**-**	**-**	**-**
2010		304,102	-	-	304,102	-	-	304,102	-	-	-	-
Payables		**304,102**	**-**	**-**	**304,102**	**-**	**-**	**304,102**	**-**	**-**	**-**	**-**

(a) The amount disclosed are the contractual undiscounted cash flows of each class of financial liabilities at the end of the reporting period.

Interest rate sensitivity analysis

None of the office's financial assets and liabilities at the end of reporting date are sensitive to movements in interest rates, hence movements in interest rates have no bottom line impact on the office's surplus or equity.

Fair values

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

Note 29. Remuneration of senior officers

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

$	2011	2010
120,001 - 130,000	-	-
130,001 - 140,000	-	1
140,001 - 150,000	1	2
150,001 - 160,000	2	1
160,001 - 170,000	1	-
200,001 - 210,000	-	1
220,001 - 230,000	1	-
300,001 - 310,000	-	1
350,001 - 360,000	1	-
	$	$
Total remuneration of senior officers	**1,207,813**	**1,088,031**

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

Note 30. Remuneration of auditor

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

	2011 $	2010 $
Auditing the accounts, financial statements and performance indicators	20,000	21,600
	20,000	**21,600**

Note 31. Indian Ocean Territories

The Indian Ocean Territories Reimbursement Fund was established in March 1996 and became operational in July 1996.

The purpose of the Fund is to meet the cost of the services of the office in relation to complaints involved the Indian Ocean Territories.

The balance of the Fund at the end of the financial year is included in the office's Operating Account.

The figures presented below for the Fund have been prepared on a cash basis.

	2011 $	2010 $
Opening Balance	11,632	10,034
Receipts	39,399	23,402
Payments	(60,630)	(21,804)
Closing Balance	**(9,599)**	**11,632**

Note 32. Supplementary financial information

(a) Write-offs

There was no write-off during the financial year.

(b) Losses through theft, defaults and other causes

There were no losses of public money and public and other property during the financial year.

(c) Gifts of public property

There were no gifts of public property provided by the office during the financial year.