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Financial Statements

Certification of Financial Statements

For the year ended 30 June 2013

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 ended 30 June 2013 and the financial position as at 30 June 2013.

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.

Mary White
Chief Finance Officer

8 August 2013

Chris Field
Accountable Authority

8 August 2013

Statement of Comprehensive Income

For the year ended 30 June 2013

	Note	2013 $	2012 $
COST OF SERVICES			
Expenses			
Employee benefits expense	6.	7,285,808	6,306,890
Supplies and services	7.	1,366,280	1,260,339
Depreciation and amortisation expense	8.	193,698	250,933
Accommodation expenses	9.	1,508,533	1,096,401
Net Loss on disposal of non-current asset	12.	12	485,598
Other expenses	10.	43,284	23,587
Total cost of services		**10,397,615**	**9,423,748**
Income			
Revenue			
Other revenue	11.	2,615,119	2,371,609
Total Revenue		**2,615,119**	**2,371,609**
Total income other than income from State Government		2,615,119	**2,371,609**
NET COST OF SERVICES		**7,782,496**	**7,052,139**
Income from State Government	13.		
Service appropriation		7,262,000	6,630,000
Services received free of charge		423,461	275,945
Total income from State Government		**7,685,461**	**6,905,945**
SURPLUS/(DEFICIT) FOR THE PERIOD		**(97,035)**	**(146,194)**
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**(97,035)**	**(146,194)**

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

Statement of Financial Position

As at 30 June 2013

	Note	2013 $	2012 $
ASSETS			
Current Assets			
Cash and cash equivalents	23.	923,439	1,191,108
Prepayments	33.	94,417	-
Receivables	15.	125,536	255,893
Amounts receivable for services	16.	157,000	190,000
Total Current Assets		**1,300,392**	**1,637,001**
Non-Current Assets			
Restricted cash and cash equivalents	14. 23.	215,784	152,461
Amounts receivable for services	16.	1,891,000	1,847,000
Plant and equipment	17.	137,137	113,718
Intangible assets	18.	420,254	88,172
Total Non-Current Assets		**2,664,175**	**2,201,351**
TOTAL ASSETS		**3,964,567**	**3,838,352**
LIABILITIES			
Current Liabilities			
Payables	20.	307,589	652,711
Provisions	21.	1,395,467	1,234,858
Other	34.	20,736	-
Total Current Liabilities		**1,723,792**	**1,887,569**
Non-Current Liabilities			
Provisions	21.	385,164	346,313
Other	34.	72,177	-
Total Non-Current Liabilities		**457,341**	**346,313**
TOTAL LIABILITIES		**2,181,133**	**2,233,882**
NET ASSETS		**1,783,435**	**1,604,470**
EQUITY	22.		
Contributed equity		1,206,000	930,000
Accumulated surplus/(deficit)		577,435	674,470
TOTAL EQUITY		**1,783,435**	**1,604,470**

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 2013

	Note	Contributed equity	Reserves	Accumulated surplus/(deficit)	Total equity
Balance at 1 July 2011	22.	**930,000**	-	**821,114**	**1,751,114**
Changes in accounting policy or correction of prior period error (a)				(450)	(450)
Restated balance as at 1 July 2011		**930,000**	-	**820,664**	**1,750,664**
Total comprehensive income for the year		-	-	(146,194)	(146,194)
Balance at 30 June 2012		**930,000**	-	**674,470**	**1,604,470**
Balance at 1 July 2012		**930,000**	-	**674,470**	**1,604,470**
Changes in accounting policy or correction of prior period error					
Transactions with owners in their capacity as owners:					
Capital appropriations		**276,000**	-	-	276,000
Total comprehensive income for the year		-		(97,035)	(97,035)
Balance at 30 June 2013		**1,206,000**	-	**577,435**	**1,783,435**

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

(a) Correction to fixed asset

Statement of Cash Flows

For the year ended 30 June 2013

	Note	2013 $	2012 $
CASH FLOWS FROM STATE GOVERNMENT			
Service appropriation		7,061,000	6,337,000
Capital appropriation		276,000	
Holding account drawdowns		190,000	125,000
Net cash provided by State Government		**7,527,000**	**6,462,000**
Utilised as follows:			
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Employee benefits		(7,064,773)	(6,227,563)
Supplies and services		(1,579,735)	(982,903)
Accommodation		(1,267,207)	(952,012)
GST payments on purchases		(311,154)	(240,492)
GST payments to taxation authority		-	(39,548)
Other payments		(43,296)	(23,587)
Receipts			
User charges and fees		2,790,173	2,200,597
GST receipts on sales		180,340	284,657
GST receipts from taxation authority		80,511	-
Net cash provided by/(used in) operating activities	23.	(7,215,141)	(5,980,851)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments			
Purchase of non-current physical assets		(516,205)	(113,768)
Receipts		-	-
Net cash provided by/(used in) investing activities		(516,205)	(113,768)
Net increase/(decrease) in cash and cash equivalents		(204,346)	367,381
Cash and cash equivalents at the beginning of period		1,343,569	976,188
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	23.	**1,139,223**	**1,343,569**

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

Summary of Consolidated Account Appropriations and Income Estimates

For the year ended 30 June 2013

	2013 Estimate $	2013 Actual $	Variance $	2013 Actual $	2012 Actual $	Variance $
Delivery Services Item 4 Net amount appropriated to deliver services	7,240,000	6,665,000	(575,000)	6,665,000	6,052,000	613,000
Amount Authorised by Other Statutes - *Parliamentary Commissioner Act 1971*	597,000	597,000	-	597,000	578,000	19,000
Capital Item 118 Capital appropriations	-	276,000	276,000	276,000	-	276,000
Total appropriations provided to deliver services	**7,837,000**	**7,538,000**	**(299,000)**	**7,538,000**	**6,630,000**	**908,000**
GRAND TOTAL	**7,837,000**	**7,538,000**	**(299,000)**	**7,538,000**	**6,630,000**	**908,000**
Details of Expenses by Service Resolving complaints about decision making of public authorities and improving the standard of public administration	10,311,000	10,397,615	86,615	10,397,615	9,423,748	973,867
Total Cost of Services	**10,311,000**	**10,397,615**	**86,615**	**10,397,615**	**9,423,748**	**973,867**
Less Total Income	(2,368,000)	(2,615,119)	(247,119)	(2,615,119)	(2,371,609)	(243,510)
Net Cost of Services	**7,943,000**	**7,782,496**	**(160,504)**	**7,782,496**	**7,052,139**	**730,357**
Adjustment [(a)]	(106,000)	(244,496)	(138,496)	(244,496)	(422,139)	177,643
Total appropriations provided to deliver services	**7,837,000**	**7,538,000**	**(299,000)**	**7,538,000**	**6,630,000**	**908,000**
Capital Expenditure Purchase of non-current physical assets	190,000	516,205	326,205	516,205	113,768	402,437
Adjustments for other funding sources	(190,000)	(240,205)	(50,205)	(240,205)	(113,768)	(126,437)
Capital appropriations	**-**	**276,000**	**276,000**	**276,000**	**-**	**276,000**

(a) 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 2013 and between the actual results for 2012 and 2013.

Notes to the Financial Statements for the year ended 30 June 2013

Note 1. Australian Accounting Standards

General

The Office's financial statements for the year ended 30 June 2013 have been prepared in accordance with Australian Accounting Standards. The term 'Australian Accounting Standards' includes Standards and Interpretations issued by the Australian Accounting Standards Board (**AASB**).

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

Early adoption of standards

The Office cannot early adopt an Australian Accounting Standard unless specifically permitted by *TI 1101 Application of Australian Accounting Standards and Other Pronouncements*. There has been no early adoption of Australian Accounting Standards that have been issued or amended (but not operative) by the Office for the annual reporting period ended 30 June 2013.

Note 2. Summary of significant accounting policies

(a) General statement

The Office is a not-for-profit reporting entity that prepares general purpose financial statements in accordance with Australian Accounting Standards, the Framework, Statements of Accounting Concepts and other authoritative pronouncements of the AASB as applied by the Treasurer's instructions. Several of these are modified by the Treasurer's instructions to vary application, disclosure, format and wording.

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

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

(b) Basis of preparation

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

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

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

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

Note 4 'Key sources of estimation uncertainty' discloses key assumptions made concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next 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 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 2012-2013 Budget Statements, the Office retained **$2,615,137** in 2013 (**$2,371,609** in 2012) 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.

Gains

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

Capitalisation/expensing of assets

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

Initial recognition and measurement

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.

Subsequent measurement

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.

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 lives. Costs incurred below these thresholds are immediately expensed directly to the Statement of Comprehensive Income.

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.

(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. Where an asset is written down to recoverable amount, an impairment loss is recognised in profit and loss. Where a previously revalued asset is written down to recoverable amount, the loss is recognised as a revaluation decrement in other comprehensive income. As the Office is a not-for-profit entity, unless 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 settled within a fortnight of the financial year end. The Office considers the carrying amount of accrued salaries to be equivalent to its 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 that is expected to be settled within 12 months after the end of the reporting period is recognised and measured at the undiscounted amounts expected to be paid when the liability is settled.

Annual leave that is not expected to be settled within 12 months after the end of 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 end of the reporting period.

Long service leave

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

Long service leave that is not expected to be settled within 12 months after the end of 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 end of the reporting period. Pre-conditional and conditional long service leave provisions are classified as non-current liabilities because the Office has an unconditional right to defer the settlement of the liability until the employee has completed the requisite years of service.

Superannuation

The Government Employees Superannuation Board (**GESB**) and other funds administer public sector superannuation arrangements in Western Australia in accordance with legislative requirements. Eligibility criteria for membership in particular schemes for public sector employees varies 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 became able to choose their preferred superannuation fund. The Office makes concurrent contributions to GESB or other funds on behalf of employees in compliance with the *Commonwealth Government's Superannuation Guarantee (Administration) Act 1992*. Contributions to these accumulation schemes extinguish the Office's liability for superannuation charges in respect of employees who are not members of the Pension Scheme or GSS.

The GSS is a defined benefit scheme for the purposes of employees and whole-of-government reporting. However, it is a defined contribution plan for agency purposes because the concurrent contributions (defined contributions) made by the

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

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

The GESB makes all benefit payments in respect of the Pension Scheme and GSS, and is recouped 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, 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.

(r) Asset and services received free of charge or for nominal cost

Assets and services received free of charge or for nominal cost that can be reliably measured are recognised as income at fair value of the assets and/or the fair value of those services that the Office would otherwise pay for. A corresponding expense is recognised for services received. 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 lease for a building used for office accommodation. It has been 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 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 2012 that impacted on the Authority.

AASB 2011-9	*Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income [AASB 1, 5, 7, 101, 112, 120, 121, 132, 133, 134, 1039 & 1049]* This Standard requires to group items presented in other comprehensive income on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments). There is no financial impact.

Future impact of Australian Accounting Standards not yet operative

The Office cannot early adopt an Australian Accounting Standard unless specifically permitted by TI 1101 *Application of Australian Accounting Standards and Other Pronouncements*. 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 9	*Financial Instruments*	1 Jan 2015
	This Standard supersedes *AASB 139 Financial Instruments: Recognition and Measurement*, introducing a number of changes to accounting treatments.	
	AASB 2012-6 Amendments to Australian Accounting Standards – Mandatory Effective Date of AASB 9 and Transition Disclosures amended the mandatory application date of this Standard to 1 January 2015. The Office has not yet determined the application or the potential impact of the Standard.	
AASB 13	*Fair Value Measurement*	1 Jan 2013
	This Standard defines fair value, sets out a framework for measuring fair value and requires disclosures about fair value measurements. The Office has liaised with the Western Australian Land Information Authority (Valuation Services) to ensure that sufficient information will be provided to meet the disclosure requirements of this Standard. There is no financial impact.	
AASB 119	*Employee Benefits*	1 Jan 2013
	This Standard supersedes AASB 119 (October 2010), making changes to the recognition, presentation and disclosure requirements.	
	The Office does not have any defined benefit plans, and therefore the financial impact will be limited to the effect of discounting annual leave and long service leave liabilities that were previously measured at the undiscounted amounts.	
AASB 2010-2	*Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements [AASB 1, 2, 3, 5, 7, 8, 101, 102, 107, 108, 110, 111, 112, 116, 117, 119, 121, 123, 124, 127, 128, 131, 133, 134, 136, 137, 138, 140, 141, 1050 & 1052 and Int 2, 4, 5, 15, 17, 127, 129 & 1052]*	1 Jul 2013
	This Standard makes amendments to Australian Accounting Standards and Interpretations to introduce reduced disclosure requirements for certain types of entities. There is no financial impact.	

		Operative for reporting periods beginning on/after
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 Int 2, 5, 10, 12, 19 & 127]* This Standard makes consequential amendments to other Australian Accounting Standards and Interpretations as a result of issuing AASB 9 in December 2010. AASB 2012-6 amended the mandatory application date of this Standard to 1 January 2015. The Office has not yet determined the application or the potential impact of the Standard.	1 Jan 2015
AASB 2011-2	*Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project – Reduced Disclosure Requirements [AASB 101 & 1054]* This 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. There is no financial impact.	1 Jul 2013
AASB 2011-8	*Amendments to Australian Accounting Standards arising from AASB 13 [AASB 1, 2, 3, 4, 5, 7, 101, 102, 108, 110, 116, 117, 118, 119, 120, 121, 128, 131, 132, 133, 134, 136, 138, 139, 140, 141, 1004, 1023 & 1038 and Int 2, 4, 12, 13, 14, 17, 19, 131 & 132]* This Standard replaces the existing definition and fair value guidance in other Australian Accounting Standards and Interpretations as the result of issuing AASB 13 in September 2011. There is no financial impact.	1 Jan 2013
AASB 2011-10	*Amendments to Australian Accounting Standards arising from AASB 119 (September 2011) [AASB 1, 8, 101, 124, 134, 1049 & 2011-8 and Int 14]* This Standard makes amendments to other Australian Accounting Standards and Interpretations as a result of issuing AASB 119 in September 2011. There is no financial impact.	1 Jan 2013

		Operative for reporting periods beginning on/after
AASB 2011-11	*Amendments to AASB 119 (September 2011) arising from Reduced Disclosure Requirements* This Standard gives effect to Australian Accounting Standards – Reduced Disclosure Requirements for AASB 119 (September 2011). There is no financial impact.	1 Jul 2013
AASB 2012-1	*Amendments to Australian Accounting Standards - Fair Value Measurement - Reduced Disclosure Requirements [AASB 3, 7, 13, 140 & 141]* This Standard establishes and amends reduced disclosure requirements for additional and amended disclosures arising from AASB 13 and the consequential amendments implemented through AASB 2011-8. There is no financial impact.	1 Jul 2013
AASB 2012-2	*Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities [AASB 7 & 132]* This Standard amends the required disclosures in AASB 7 to include information that will enable users of an entity's financial statements to evaluate the effect or potential effect of netting arrangements, including rights of set-off associated with the entity's recognised financial assets and recognised financial liabilities, on the entity's financial position. There is no financial impact.	1 Jan 2013
AASB 2012-3	*Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities [AASB 132]* This Standard adds application guidance to AASB 132 to address inconsistencies identified in applying some of the offsetting criteria, including clarifying the meaning of "currently has a legally enforceable right of set-off" and that some gross settlement systems may be considered equivalent to net settlement. There is no financial impact.	1 Jan 2014

		Operative for reporting periods beginning on/after
AASB 2012-5	*Amendments to Australian Accounting Standards arising from Annual Improvements 2009-11 Cycle [AASB 1, 101, 116, 132 & 134 and Int 2]* This Standard makes amendments to the Australian Accounting Standards and Interpretations as a consequence of the annual improvements process. There is no financial impact.	1 Jan 2013
AASB 2012-6	*Amendments to Australian Accounting Standards – Mandatory Effective Date of AASB 9 and Transition Disclosures [AASB 9, 2009-11, 2010-7, 2011-7 & 2011-8]* This Standard amends the mandatory effective date of AASB 9 Financial Instruments to 1 January 2015. Further amendments are also made to consequential amendments arising from AASB 9 that will now apply from 1 January 2015 and to consequential amendments arising out of the Standards that will still apply from 1 January 2013. There is no financial impact.	1 Jan 2013
AASB 2012-7	*Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements [AASB 7, 12, 101 & 127]* This Standard adds to or amends the Australian Accounting Standards to provide further information regarding the differential reporting framework and the two tiers of reporting requirements for preparing general financial statement. There is no financial impact.	1 Jul 2013
AASB 2012-10	*Amendments to Australian Accounting Standards – Transition Guidance and Other Amendments [AASB 1, 5, 7, 8, 10, 11, 12, 13, 101, 102, 108, 112, 118, 119, 127, 128, 132, 133, 134, 137, 1023, 1038, 1039, 1049, & 2011-7 and Int 12]* This Standard makes amendments to AASB 10 and related Standards to revise the transition guidance relevant to the initial application of those Standards, and to clarify the circumstances in which adjustments to an entity's previous accounting for its involvement with other entities are required and the timing of such adjustments.	1 Jan 2013

		Operative for reporting periods beginning on/after
	The Standard was issued in December 2012. The Office has not yet determined the application or the potential impact of the Standard.	
AASB 2012-11	*Amendments to Australian Accounting Standards – Reduced Disclosure Requirements and Other Amendments [AASB 1, 2, 8, 10, 107, 128, 133, 134 & 2011-4]* This Standard makes various editorial corrections to Australian Accounting Standards – Reduced Disclosure Requirements (Tier 2). These corrections ensure that the Standards reflect decisions of the AASB regarding the Tier 2 requirements. This Standard also extends the relief from consolidation and the equity method (in the new Consolidation and Joint Arrangements Standards) to entities complying with Australian Accounting Standards – Reduced Disclosure Requirements. There is no financial impact.	1 Jul 2013

Note 6. Employee benefits expense

	2013 $	2012 $
Wages and salaries [a]	6,621,688	5,665,417
Superannuation - defined contribution plans [b]	612,972	574,054
Other related expenses	51,148	67,419
	7,285,808	**6,306,890**

(a) Includes the value of the fringe benefit to the employee plus the fringe benefit tax component and 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 21 'Provisions'.

Note 7. Supplies and services

	2013 $	2012 $
Travel	45,719	39,762
Communications	99,673	80,293
Consumables	162,022	210,397
Services and contracts	745,189	566,126
Services received free of charge	89,218	131,556
Other	224,459	232,205
	1,366,280	**1,260,339**

Note 8. Depreciation and amortisation expense

	2013 $	2012 $
Depreciation		
Furniture fixtures and fittings	681	53,077
Computer hardware	25,287	17,463
Communications	41,820	29,567
Office equipment	8,214	6,784
Plant and machinery	-	2,124
Total depreciation	**76,002**	**109,015**
Amortisation		
Intangible assets	117,696	141,918
Total amortisation	**117,696**	**141,918**
Total depreciation and amortisation	**193,698**	**250,933**

Note 9. Accommodation expenses

	2013 $	2012 $
Lease rentals	1,163,144	951,030
Repairs and maintenance	11,146	982
Services received free of charge[(a)]	334,243	144,389
	1,508,533	**1,096,401**

(a) Relates to the notional value of the fit-out of office accommodation provided through Building Management and Works.

Note 10. Other expenses

	2013 $	2012 $
Employment on-cost [(a)]	84	34
Audit Fee [(b)]	43,200	20,000
Other Miscellaneous Expenses	-	3,553
	43,284	**23,587**

(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 21 '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

	2013 $	2012 $
Other revenue - general	2,568,247	2,313,272
Other recoup	46,872	58,337
	2,615,119	**2,371,609**

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

	2013 $	2012 $
Proceeds from disposal of non-current asset		
Plant and Equipment	18	-
Cost of disposal of non-current assets		
Plant and Equipment	30	485,598
Net gain/(loss)	(12)	(485,598)

Note 13. Income from State Government

	2013 $	2012 $
Appropriation received during the year:		
Service appropriations [(a)]		
- Recurrent	6,665,000	6,052,000
- Special Acts	597,000	578,000
	7,262,000	**6,630,000**
Resources received free of charge [(b)]		
Determined on the basis of the following estimates provided by agencies:		
- State Solicitors Office	2,908	9,323
- Department of the Premier and Cabinet Corporate and Business Services	86,310	122,233
- Department of Finance - Building Management and Works	334,243	144,389
	423,461	**275,945**
	7,685,461	**6,905,945**

(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 14. Restricted cash and cash equivalents

	2013 $	2012 $
Non-current		
Accrued salaries suspense account [(a)]	215,784	152,461
	215,784	**152,461**

(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 15. Receivables

	2013 $	2012 $
Current		
Receivables	52,883	227,937
GST receivable	72,653	27,956
Total current	**125,536**	**255,893**

There were no allowances made in the current year for the impairment of receivables (2011/12: nil)

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

Note 16. Amounts receivable for services (Holding Account)

	2013 $	2012 $
Current	157,000	190,000
Non-Current	1,891,000	1,847,000
	2,048,000	**2,037,000**

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.

Note 17. Plant and Equipment

	2013 $	2012 $
Furniture fixtures and fittings		
At cost	6,814	6,814
Accumulated depreciation	(851)	(170)
Accumulated impairment losses	-	-
	5,963	**6,644**
Computer Hardware		
At Cost	186,076	194,543
Accumulated depreciation	(146,511)	(175,801)
Accumulated impairment losses	-	-
	39,564	**18,742**
Office equipment		
At cost	64,054	41,418
Accumulated depreciation	(29,499)	(21,285)
Accumulated impairment losses	-	-
	34,555	**20,133**

	2013 $	2012 $
Communications		
At cost	193,670	162,995
Accumulated depreciation	(136,615)	(94,796)
Accumulated impairment losses	-	-
	57,055	**68,199**
	137,137	**113,718**

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:

2013	Furniture and Fittings $	Computer hardware $	Office Equipment $	Plant and Machinery $	Communications $	Total $
Carrying amount at start of period	6,644	18,742	20,133	-	68,199	113,718
Additions	-	46,304	22,636	-	28,638	97,578
Transfers	-	(195)	-	-	2,038	1,843
Retirements	-	-	-	-	-	-
Correction prior period error	-	-	-	-	-	-
Depreciation	(681)	(25,287)	(8,214)	-	(41,820)	(76,002)
Carrying amount at end of period	**5,963**	**39,564**	**34,555**	**-**	**57,055**	**137,137**

2012	$	$	$	$	$	$
Carrying amount at start of period	523,639	34,167	19,420	16,989	85,238	679,453
Additions	6,814	2,038	7,497	-	12,978	29,327
Retirements	(470,732)	-	-	(14,865)	-	(485,597)
Correction prior period error	-	-	-	-	(450)	(450)
Depreciation	(53,077)	(17,463)	(6,784)	(2,124)	(29,567)	(109,015)
Carrying amount at end of period	**6,644**	**18,742**	**20,133**	**-**	**68,199**	**113,718**

Note 18. Intangible assets

	2013 $	2012 $
Computer Software		
At cost	929,138	454,235
Accumulated amortisation	(508,884)	(391,188)
Accumulated impairment losses	-	-
	420,254	**63,047**
Work in Progress	-	25,125
	-	**25,125**
Total intangible assets	**420,254**	**88,172**
Reconciliation:		
Computer Software		
Carrying amount at start of year	63,047	85,731
Additions	476,747	119,234
Transfer	(1,843)	-
Amortisation expense	(117,696)	(141,918)
Carrying amount at end of year	**420,254**	**63,047**

Note 19. Impairment of assets

There were no indications of impairment to plant and equipment or intangible assets at 30 June 2013.

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 2013 have either been classified as assets held for sale or written-off.

Note 20. Payables

	2013 $	2012 $
Current		
Trade payables	91,847	44,685
Accrued Expenses	45,186	226,536
Accrued Salaries	155,144	138,472
Accrued Superannuation	15,402	10,499
Other payables	10	232,519
Total current	**307,589**	**652,711**

Note 21. Provisions

	2013 $	2012 $
Current		
Employee benefits provision		
Annual leave [a]	593,973	571,482
Long service leave [b]	786,251	662,816
Purchased leave scheme [c]	14,615	-
	1,394,839	**1,234,298**
Other provisions		
Employment on-costs [d]	628	560
	628	**560**
	1,395,467	**1,234,858**
Non-current		
Employee benefits provision		
Long service leave [b]	384,990	346,155
	384,990	**346,155**
Other provisions		
Employment on-costs [d]	174	158
	174	**158**
	385,164	**346,313**

(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 is expected to occur as follows:

	2013 $	2012 $
Within 12 months of the end of the reporting period	389,724	331,867
More than 12 months after the end of the reporting period	204,249	239,615
	593,973	**571,482**

(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 is expected to occur as follows:

	2013 $	2012 $
Within 12 months of the end of the reporting period	205,214	291,633
More than 12 months after the end of the reporting period	966,027	717,337
	1,171,241	**1,008,970**

(c) Purchase leave liabilities have been classified as current as they must be cleared or paid out within 12 months.

(d) The settlement of annual and long service leave liabilities gives rise to the payment of employment on-costs including worker's compensation insurance. The provision is the present value of expected future payments. The associated expense, apart from the unwinding of the discount (finance cost), is disclosed in Note 10 'Other expenses'.

Movement in other provisions

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

	2013 $	2012 $
Employment on-cost provision		
Carrying amount at start of year	718	684
Additional provisions recognised	84	34
Carrying amount at end of year	**802**	**718**

Note 22. 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. The asset revaluation surplus represents that portion of equity resulting from the revaluation of non-current assets.

Contributed equity

	2013 $	2012 $
Balance at start of period	930,000	930,000
Contributions by owners		-
Capital Contributions	276,000	-
Total contributions by owners	**276,000**	**-**
Balance at the end of period	**1,206,000**	**930,000**

Accumulated surplus/(deficit)

	2013 $	2012 $
Balance at start of period	674,470	820,664
Result for the period	(97,035)	(146,194)
Balance at end of period	**577,435**	**674,470**
Total Equity at the end of period	**1,783,435**	**1,604,470**

Note 23. 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:

	2013 $	2012 $
Cash and cash equivalents	923,439	1,191,108
Restricted cash and cash equivalents	215,784	152,461
	1,139,223	**1,343,569**

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

	2013 $	2012 $
Net cost of services	**(7,782,496)**	**(7,052,139)**
Non-cash items:		
Depreciation and amortisation expense	193,698	250,933
Resources received free of charge	423,461	275,945
Net gain/(loss) on disposal of non-current assets		485,598
(Increase)/decrease in assets:		
Current receivables[(a)]	175,054	(143,478)
Other current assets	(94,417)	-
Increase/(decrease) in liabilities:		
Accrued salaries	16,672	(1,356)
Accrued superannuation	4,903	7,574
Accrued expenses	(153,243)	12,627
Current payables[(a)]	(153,536)	133,902
Current provisions	160,609	54,390
Non-current provisions	38,851	18,719
Net GST receipts/(payments) [(b)]	(50,303)	(22,917)
Change in GST in receivables/payables [(c)]	5,606	(649)
Net cash provided by/(used in) operating activities	**(7,215,141)**	**(5,980,851)**

(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 is the net GST paid/received, i.e. cash transactions.

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

Note 24. Commitments

The commitments below are inclusive of GST where relevant.

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:

Non-cancellable operating leases commitments

	2013 $	2012 $
Commitments for minimum leases payments are payable as follows:		
Within 1 year	931,761	916,087
Later than 1 year and not later than 5 years	965,031	1,835,450
	1,896,792	**2,751,537**

The Office has entered into a property lease which is a non-cancellable lease with a three 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 3.5% per annum. An option exists to renew the lease at the end of the three 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

The Office is not aware of any contingent liabilities or contingent assets at the end of the reporting period.

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

The Office is not aware of any events after the end of the reporting period that may have an 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% or $100,000.

Total appropriations provided to deliver services

Significant variances between estimate and actual for 2013

Although there was no significant variation from the total appropriation, there were significant offsetting variances in the following expenditure.

	2013 Estimate $	2013 Actual $	Variance $
Employee benefits expense	7,482,000	7,285,808	(196,192)
Supplies and services	875,000	1,366,280	491,280
Accommodation expenses	1,184,000	1,508,533	324,533
Other expenses	569,000	43,284	(525,716)
Other revenue	2,368,000	2,615,119	247,119
Service appropriation	7,837,000	7,262,000	(575,000)
Resources received free of charge	106,000	423,461	317,461

Employee benefits expense

Employee benefits appropriations have decreased due to the deferral of the Criminal Penalty Infringement Notices function, from 2012-13 to 2013-14 and an efficiency dividend of $110,000. This is partially offset by an increase in employee benefits due to the transfer of finance functions from the Office of Shared Services.

Supplies and services

The increase is primarily due to some expenses, included in the estimate as other expenses, being included in supplies and services for actual expenses.

Accommodation Expenses

This increase is primarily due to higher resources received free of charge for the depreciation of the fit-out of office accommodation provided through the Department of Finance (Building Management and Works).

Other expenses

The decrease in other expenses is primarily due to the deferral of the Criminal Penalty Infringement Notices function, from 2012-13 to 2013-14, and some expenses, included in the estimate as other expenses, being included in supplies and services for actual expenses.

Other revenue

This 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 proceeding to investigation under the Energy jurisdiction, and revenue to offset past period errors resulting in uncleared purchase orders being retained in the system.

Service Appropriation

The decrease is primarily due to the deferral of the Criminal Penalty Infringement Notices function, from 2012-13 to 2013-14 and an efficiency dividend of $110,000. This is partially offset by an increase in employee benefits due to the transfer of finance functions from the Office of Shared Services.

Resources received free of charge

This increase is primarily due to the higher resources received free of charge for the depreciation of the fit-out of office accommodation provided through the Department of Finance (Building Management and Works).

Service Expenditure

Significant variances between actual results for 2013 and 2012

The increase in expenses in 2013 has been primarily due to the commencement of a new function to review family and domestic violence fatalities and the transfer of the finance function to the Office as a result of the decommissioning of the Office of Shared Services. This has been funded by an increase in appropriation to deliver services from $6,630,000 in 2012 to $7,262,000 in 2013. The significant variances from 2012 to 2013 are set out below.

	2013 $	2012 $	Variance $
Expenses			
Employee benefits expense	7,285,808	6,306,890	978,918
Supplies and Services	1,366,280	1,260,339	105,941
Depreciation and amortisation expense	193,698	250,933	(57,235)
Accommodation expense	1,508,533	1,096,401	412,132
Loss on disposal of non-current asset	12	485,598	(485,586)
Other expenses	43,284	23,587	19,697
Other revenue	2,615,119	2,371,609	243,510
Resources received free of charge	423,461	275,945	147,516

Employee benefits expense

The increase is primarily due to additional staffing requirements associated with the new function of family and domestic violence fatality reviews and the transfer of finance functions to the Office due to the decommissioning of Office of Shared Services.

Supplies and Services

The increase is primarily due to services required to support the new family and domestic violence fatality review function and the transition of the finance function to the Office from the Office of Shared Services.

Depreciation and amortisation

The decrease is primarily due to a reduction in assets requiring depreciation following disposal of an office fit out in 2011-12 as a result of the transfer to new accommodation.

Accommodation expense

The increase is primarily due to the higher resources received free of charge for the depreciation of the fit-out of office accommodation provided through the Department of Finance (Building Management and Works).

Loss on disposal of non-current asset

The decrease is primarily due to a one off loss due to the disposal of an office fit out in 2011-12 arising from the transfer to new accommodation.

Other expenses

The increase is due to the payment of audit fees for the 2011-12 in 2012-13 and the accrual for the 2012-13 audit fee.

Other revenue

The increase is primarily due to revenue to offset past period errors resulting in uncleared purchase orders being retained in the system.

Resources received free of charge

The increase is primarily due to government accommodation - fit-out depreciation, provided through the Department of Finance (Building Management and Works) for the refit of the Office's new accommodation.

Capital contribution

Significant variances between estimate and actual for 2013 are shown below

There were significant variations between estimate and actual capital contributions as outlined below.

	2013 Estimate $	2013 Actual $	Variance $
Capital contribution	-	276,000	276,000

Capital contribution

The increase in capital contribution from the estimate to the actual 2013 was due to the purchase of a finance system to support the financial operations of the Office following the decommissioning of the Office of Shared Services provided through a transfer of funds from the Department of Finance.

Capital contribution

Significant variances between actuals for 2013 and 2012

There were significant variations between actual 2012 and actual 2013 capital contributions as outlined below.

	2013 Actual $	2012 Actual $	Variance $
Capital appropriation	276,000	-	(276,000)

Capital contribution

This increase was due a one off capital contribution for the purchase of a finance system to support the financial operations of the Office following the decommissioning of the Office of Shared Services.

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 15 '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 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.

(b) Categories of financial instruments

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

	2013 $	2012 $
Financial Assets		
Cash and cash equivalents	923,439	1,191,108
Restricted cash and cash equivalents	215,784	152,461
Receivables [(a)]	52,883	227,937
Amount receivable for service	2,048,000	2,037,000
Financial Liabilities		
Financial liabilities measured at amortised cost	307,589	652,711
Other liabilities	92,913	-

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

(c) Financial instrument disclosures

Credit risk

The following table details the Office's maximum exposure to credit risk 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.

	Carrying Amount	Not past due and not impaired	Past due but not impaired: Up to 1 month	Up to 3 months	3 to 12 months	1 - 2 Years	2 – 5 Years	More than 5 Years	Impaired financial assets
Aged analysis of financial assets (a)	$	$	$	$	$	$	$	$	$
2013									
Cash and cash equivalents	923,439	923,439	-	-	-	-	-	-	-
Restricted cash and cash equivalent	215,784	215,784	-	-	-	-	-	-	-
Receivables[(a)]	52,883	52,883	-	-	-	-	-	-	-
Amount receivable for service	2,048,000	2,048,000	-	-	-	-	-	-	-
	3,240,106	**3,240,106**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2012									
Cash and cash equivalents	1,191,108	1,191,108	-	-	-	-	-	-	-
Restricted cash and cash equivalent	152,461	152,461	-	-	-	-	-	-	-
Receivables[(a)]	227,937	153,530	33,926	-	40,481	-	-	-	-
Amount receivable for service	2,037,000	2,037,000	-	-	-	-	-	-	-
	3,608,506	**3,534,099**	**33,926**	**-**	**40,481**	**-**	**-**	**-**	**-**

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

Liquidity risk and interest rate exposure

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

Interest rate exposure and maturity analysis of financial assets and financial liabilities

2013	Weighted average effective interest rate % $	Carrying Amount $	Fixed interest rate $	Variable interest rate $	Non-interest bearing $	Nominal Amount $	Up to 1 month $	Up to 3 months $	3 to 12 Months $	1 – 5 Years $	More than 5 Years $
		Interest rate exposure					Maturity date				
Financial Assets											
Cash and cash equivalents		923,439	-	-	923,439	923,439	923,439	-	-	-	-
Restricted cash and cash equivalent		215,784	-	-	215,784	215,784		-	-	215,784	-
Receivables (a)		52,883	-	-	52,883	52,883	52,883	-	-	-	-
Amount receivable for service		2,048,000	-	-	2,048,000	2,048,000	-	-	157,000	612,000	1,279,000
		3,240,106	-	**-**	**3,240,106**	**3,240,106**	**976,322**	**-**	**157,000**	**827,784**	**1,279,000**
Financial liabilities											
Payables		307,589			307,589	307,589	307,589	-	-	-	-
Other liabilities		92,913	-	-	92,913	92,913	-	-	20,736	72,177	-
		400,501	-	-	**400,501**	**400,501**	**307,589**	-	**20,736**	72,177	-

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

Interest rate exposure and maturity analysis of financial assets and financial liabilities

2012	Weighted average effective interest rate % $	Carrying Amount $	Fixed interest rate $	Variable interest rate $	Non-interest bearing $	Nominal Amount $	Up to 1 months $	1 to 3 months $	3 to 12 Months $	1 – 5 Years $	More than 5 Years $
		Interest rate exposure					Maturity date				
Financial Assets											
Cash and cash equivalents		1,191,108	-	-	1,191,108	1,191,108	1,191,108	-	-	-	-
Restricted cash and cash equivalent		152,461	-	-	152,461	152,461	-	-	-	152,461	-
Receivables (a)		227,937	-	-	227,937	227,937	227,937	-		-	-
Amount receivable for service		2,037,000	-	-	2,037,000	2,037,000	-	-	190,000	561,000	1,286,000
		3,608,506	-	-	**3,608,506**	**3,608,506**	**1,419,045**	**-**	**190,000**	**713,461**	**1,286,000**
Financial liabilities											
Payables		652,711	-	-	652,711	652,711	652,711	-	-	-	-
Other Liabilities		**-**	-	-	**-**	**-**	**-**	-	**-**	-	-
		652,711	-	-	**652,711**	**652,711**	**652,711**	-	**-**	-	-

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

Interest rate sensitivity analysis

None of the Office's financial assets and liabilities at the end of the reporting period are sensitive to movements in interest rates. Movements in interest rates would therefore have no 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:

$	2013	2012
70,001 - 80,000	-	1
80,001 - 90,000	-	1
120,001 - 130,000	1	-
150,001 - 160,000	-	1
160,001 - 170,000	1	-
170,001 - 180,000	1	1
180,001 - 190,000	1	-
200,001 - 210,000	2	1
230,001 - 240,000	-	1
360,001 - 370,000	-	1
430,001 - 440,000	1	-
Base remuneration and superannuation	1,223,986	1,069,658
Annual leave and long service leave accruals	49,308	113
Other benefits	223,786	230,883
	$	$
Total remuneration of senior officers	**1,497,081**	**1,300,654**

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:

	2013 $	2012 $
Auditing the accounts, financial statements and performance indicators	22,000	21,200
	22,000	**21,200**

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.

	2013 $	2012 $
Opening Balance	(3,891)	(9,599)
Receipts	31,304	31,330
Payments	(23,418)	(25,622)
Closing Balance	3,995	(3,891)

Note 32. Supplementary financial information

(a) Write-offs

There was no write-off during the period.

(b) Losses through theft, defaults and other causes

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

(c) Gifts of public property

There were no gifts of public property provided by the Office during the period.

Note 33. Other Assets

	2013 $	2012 $
Current		
Prepayments	94,417	-
	94,417	-

Note 34. Other Liabilities

	2013 $	2012 $
Current	20,736	-
Non Current	72,177	-
	92,913	-