

Commissioner for Privacy and Data Protection

Annual Report 2014–15

Ordered to be printed
PP number 89, Session 2014-15

Commissioner
for Privacy and
Data Protection

11 September 2015

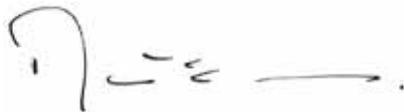
The Hon. Gavin Jennings MLC
Special Minister of State
Level 1, 1 Treasury Place
EAST MELBOURNE VIC 3002

Dear Minister

ANNUAL REPORT

I am pleased to present you with the Annual Report for 2014-15 in accordance with Part 6 section 116 (1) of the *Privacy and Data Protection Act 2014*, for presentation to Parliament.

Yours sincerely



DAVID WATTS
Commissioner for Privacy and Data Protection

Commissioner for Privacy and Data Protection

Annual Report 2014–15

Contents

PART ONE: SETTING THE SCENE	7
Setting the scene	8
The Role of the Commissioner for Privacy and Data Protection	9
The Objectives of the Commissioner for Privacy and Data Protection	10
PART TWO: THE YEAR IN REVIEW	11
Protective data security	12
Victorian Protective Data Security Standards (VPDSS)	12
Business Impact Levels	13
Data Security Assurance Framework	13
Privacy policy	14
Privacy by Design	14
Information Sharing:	14
New Technology	15
Tools and Resources	15
Cooperation and Engagement	15
Operational Privacy	17
Information Privacy Enquiries and Complaints	17
Operational Privacy in a nutshell	19
Breach Notifications	20
Flexibility Mechanisms	20
Submissions to Government	20
Law Enforcement Data Security	22
Crime Statistics Agency	22
Victoria Police	22
PART THREE: ABOUT THE OFFICE	29
About the Office of the Commissioner for Privacy and Data Protection	30
Organisational Structure and Staffing	31
Governance and Reporting	32
Shared Services	33
Communications and Publications	33
Occupational Health and Safety	33
Workplace Relations	33
Public Sector Conduct	33
Environmental Impacts	33
Risk Management	33
Freedom of Information	34
Consultancies	34
Overseas Travel	34
Major Contracts	34
Protected Disclosures	34
Gifts, Benefits and Hospitality	34
Statement of Availability of Other Information	34
ANNUAL FINANCIAL STATEMENTS 2014–2015	35
Notes to the financial statements for the financial period 17 September 2014 to 30 June 2015	42
APPENDICES	65
Disclosure Index	66
Budget Paper Number Three (BP3) Output Performance 2014-15	68
Attestation on Compliance with the Australian / New Zealand Risk Management Standard	69
Attestation on Insurance	70

PART ONE

Setting the scene

Setting the scene

Privacy and technology have long been uneasy companions.

In 1890, when Warren and Brandeis first described privacy as the right to be let alone, it was because they were worried about the way in which nineteenth century technologies were disrupting individuals' privacy.

The privacy threats posed by the new technologies of the time – photography and sound recording, but particularly the rise of the mass print media fuelled by advances in printing and the cheap and widespread availability of wood pulp paper – seem incongruous more than one hundred years later. We couldn't imagine a world without photography or sound recording and, for the most part, the solutions suggested by Warren and Brandeis have appropriately addressed the risk. For the print media, opinions differ sharply about whether, in Australia at least, we have successfully negotiated the balance between privacy and free speech.

Although Victoria's public sector faces privacy and data protection challenges in 2015 that involve vastly different technologies, the underlying issues persist: how to protect privacy and enjoy the benefits of technology. Our role is to inform the debate so as to ensure that these objectives are not seen to be mutually exclusive.

One of the main objects of the *Privacy and Data Protection Act 2014* (PDPA) is to balance the public interest in the free flow of information with the public interest in protecting the privacy of personal information in the public sector. The balance is a dynamic one. It is affected by the opportunities and challenges posed by new technology and the privacy debate needs to keep pace. In order to do so, there must be constructive engagement between the proponents of both.

Government is also vitally interested in the benefits that technology offers to the community. Around the world, governments are looking to do more with data. Sometimes this means making information available to the public that has been locked away inside government. Initiatives – often referred to as 'open government' programs – aim to provide citizens with substantially more access to government information in order to promote transparency, participation and collaboration. In Victoria, initiatives such as data.vic aim to unlock unnecessary restrictions on government information and provide the means to get information out into the public domain. This approach to public sector information is foreshadowed in the PDPA which requires that interests in promoting open access to information are balanced with protecting its security.

At the same time, governments are also concerned to ensure that policies, programs and initiatives meet community needs. They want to provide services that have the equivalent functionality as those that people have come to expect from the private sector. For example, government is increasingly looking to undertake more effective research to shape the contours of service delivery for the benefit of the community. This can encompass activities as diverse as gathering better intelligence on organised crime, devising policy responses to homelessness or measuring the effectiveness of changes to school curricula. Sometimes this can mean using personal information in new and unanticipated ways.

New technologies, such as advanced data analytics and the internet of things, can assist to achieve these objectives. But they – as well as information sharing initiatives – must be designed to appropriately protect and respect individuals' privacy and security. In this context, government has sensitive trust responsibilities. An individual's loss of privacy extends further than this – it can also lead to a breakdown of trust in government.

More often than not, individuals have no choice but to interact with government and in many cases personal information is collected and handled by government under compulsion. Often that personal information relates to the most vulnerable members of the community. The community expects that its representatives scrupulously observe high standards of privacy and security protection so that collecting and handling personal information occurs respectfully, transparently and for the benefit of the community.

One of the new objectives of the *Privacy and Data Protection Act* is to promote responsible data security practices in the public sector. Security has always been one of the most fundamental elements of protecting personal information from unauthorised access and disclosure. Our new legislation is unique in requiring privacy and security to be dealt with cohesively through developing and implementing explicit security standards backed by the law and guided and overseen by an independent statutory office.

Victoria's new approach to the security of personal information - as well as government information more generally - signals a new and innovative approach to producing public value for the benefit of the Victorian community. Our contribution to realising this objective is to provide the regulatory leadership to affect a sustained program of cultural change for Victorian public sector information.

The Role of the Commissioner for Privacy and Data Protection

The *Privacy and Data Protection Act* (the Act) was passed by the Parliament of Victoria in 2014 and came into effect on 17 September 2014. It repealed the *Information Privacy Act 2000* and the *Commissioner for Law Enforcement Data Security Act 2005*, but combined those regulatory functions in the one piece of legislation. In addition it introduced new privacy flexibility mechanisms that permit departures from the Information Privacy Principles (IPPs) if there is a substantial public interest in doing so, and established a legislative basis for the development of a protective data security framework across the Victorian public sector.

The Commissioner for Privacy and Data Protection provides an annual report to the Special Minister of State who is required to lay it before the Victorian Parliament

The purpose of the *Privacy and Data Protection Act 2014* is principally:

- to provide for responsible collection and handling of personal information in the Victorian public sector
- to provide remedies for interference with the information privacy of an individual
- to establish a protective data security regime for the Victorian public sector
- to establish a regime for monitoring and assuring public sector data security

The Act seeks to achieve these objectives through the establishment of the office of the Commissioner for Privacy and Data Protection. The office became operational on 17 September 2014.

The Commissioner for Privacy and Data Protection has a number of legislated functions. For information privacy, they are principally:

- to promote an understanding and acceptance of the IPPs and their objectives
- to develop and approve codes of practice
- to publish model terms capable of being adopted in a contract or arrangement with a recipient of personal information
- to examine practices, including the conduct of audits, to ascertain compliance with the IPPs
- to receive and handle information privacy complaints
- to issue compliance notices and carry out investigations
- to review proposed legislation with regard to its impact on information privacy
- to consult and cooperate with persons or organisations concerned with information privacy and make public statements regarding information privacy
- to issue guidelines and other material with regard to the IPPs
- to carry out information privacy related research

For protective data security and law enforcement data security, they are principally:

- to issue protective data security standards and law enforcement data security standards and promote their uptake
- to develop the Victorian protective data security framework
- to conduct monitoring and assurance activities to ascertain compliance with data security standards
- to issue guidelines and other material with regard to protective data security standards
- to carry out data security related research

The Commissioner for Privacy and Data Protection exercises a number of powers, notably:

- to require access to data and data systems from public sector body heads and the Chief Commissioner of Police
- to request access to crime statistics data
- to make public interest determinations with regard to information privacy arrangements
- to approve information usage arrangements
- to certify the consistency of an act or practice with the IPPs
- to issue information privacy compliance notices
- to examine witnesses

The jurisdiction of the Commissioner extends to public sector agencies with regard to protective data security and public sector agencies and local government with regard to information privacy. The Commissioner's jurisdiction extends also to contractors providing services under a State contract which binds the service provider to adherence to the IPPs.

The Objectives of the Commissioner for Privacy and Data Protection

The Commissioner's objectives form the basis of a three year strategic plan. A number of key activities and projects are directly related to and support the achievement of these objectives.

The Commissioner's objectives are to:

- build information privacy and data security capability, resilience and assurance across the Victorian public sector
- enable privacy-respectful and secure information sharing practices in the public sector
- encourage public sector agencies and citizens to share responsibility for data protection
- enable new technologies through implementing Privacy by Design and Security by Design
- provide privacy and data security thought leadership
- contribute to the development of public value across the Victorian public sector.

PART TWO

The year in review

Protective data security

The *Privacy and Data Protection Act 2014* obliges the Commissioner to develop a Victorian Protective Data Security Framework.

The Framework consists of the Victorian Protective Data Security Standards and a monitoring and assurance regime.

Victorian Protective Data Security Standards (VPDSS)

Work to develop the VPDSS began in September 2014 and was nearing completion at the end of the reporting period. Our aim was to develop a set of security standards that do not present a bureaucratic burden to be endured, but to enable the Victorian public sector to work confidently with security to improve their ability to carry out these functions and deliver services to the community. The Standards will help Victorian public sector agencies:

- identify and value their data
- assess their data security risks
- apply the appropriate security controls
- develop a security culture that embeds good security practices from the ground up.

The Standards are consistent with local, national and international standards for information security. They focus on the outcomes that are required to achieve a proportionate and risk managed approach to information security that enables government business to function effectively, safely and securely.

The VPDSS consist of:

- 20 high level security standards – *what has to be done*
- a statement of objective for each standard – *why it has to be done*
- four protocols for each standard, based on a 'plan, do, check and act' model to encourage continuous improvement – *how it should be done*
- elements – non-mandatory guidance measures that provide further information on the *how*
- resources – tools to assist in implementing the standards and protocols.

The Standards are divided into five domains:

- governance
- information security
- personnel security
- physical security
- ICT security

The standards and objectives (without protocols and elements) were put through a rigorous consultation process that covered the Victorian public sector, at both executive and practitioner levels, other government organisations from the Commonwealth and the States, and which also involved participation from the private sector. Support and in-principle acceptance was sought, and obtained.

Since December 2014, the Data Protection Branch has undertaken the considerable task of developing the protocols and associated elements for each of the 20 standards. The complete standards and protocols were finalised in June 2015 and were made available to government departments and agencies on the collaboration platform, Govdex, for information and 'socialisation'. It is envisaged that the VPDSS will be released and become binding on Victorian public sector agencies at the beginning of 2016.

Under the *Privacy and Data Protection Act 2014*¹, public sector agencies or bodies have two years from the date of issue of the VPDSS to undertake a security risk profile assessment and develop a protective data security plan that addresses the VPDSS. All protective data security plans must be lodged with the Commissioner. This obligation under the Act will impose a considerable and potentially resource intensive burden on the Commissioner. Funding will be sought to implement an ICT solution to collect and hold data security plans and conduct analytics on the data received.

Business Impact Levels

A concurrent major piece of work undertaken by the Data Protection Branch, to assist public sector agencies identify and value their data, and to underpin the VPDSS, has been the development of a Business Impact Level Table.

The Business Impact Level Table (BIL) is designed to provide users with an assessment tool to consider official information, review content and assess the likely impact on their business which would result from a compromise of the confidentiality, integrity or availability of that information.

The Data Protection Branch undertook an initial desktop review of existing BIL tables from the Commonwealth, UK, Victorian and other state governments, together with some existing agency specific BIL tables. The content of these existing tables was then contextualised for the Victorian public sector environment, in accordance with the recommendation of the Australian Government Protective Data Security Framework (PSPF). Consequence statements were adjusted to reflect the local environment.

A Guide to Business Impact Levels and Protective Markings has been developed as a tool to assist the Victorian public sector to operationalise the VPDSS and will be released following their issue.

Data Security Assurance Framework

Work also began during the reporting period on the development of a monitoring and assurance regime. The regime is one of the pillars of the Victorian Protective Data Security Framework and will meet the Commissioner's legislated obligation to 'establish a regime for monitoring and assuring public sector data security'².

The objectives of the monitoring and assurance framework are to:

- provide a degree of confidence that the Victorian public sector is effectively and efficiently protecting the information it holds
- measure the performance of public sector agencies and bodies in their application of the VPDSS
- support improved understanding of protective data security maturity across the Victorian public sector
- promote transparency and accountability for data protection within the Victorian government.

The monitoring and assurance regime will be aligned with industry standards, for example:

- ISO19600 – Compliance Management Systems
- ASAE3000 and 3105 – Australian Standards for Assurance Engagements
- ISO3100 – Risk Management

The regime will align with other industry and government reference models and assurance frameworks.

During the development process, consultation will take place across the public sector to ensure that it represents best practice.

The work of the Data Protection Branch in developing the Victorian Protective Data Security Framework has involved consultation and collaboration with other Australian states and territories. States and territories have asked permission to use the materials being developed in Victoria, meeting one of the objectives of the Commissioner's Strategic Plan – to provide privacy and data protection thought leadership.

1 Section 89(1)(b)

2 *Privacy and Data Protection Act 2014*, Part 1, Section 1(d)

Privacy policy

One of the key objectives of the Commissioner for Privacy and Data Protection is to provide thought leadership around contemporary public sector information privacy issues.

Privacy by Design

The Commissioner has formally adopted Privacy by Design (PbD) as a core policy to underpin information and privacy management in the Victorian public sector. PbD enables privacy to be 'built in' to the design and architecture of information systems, business processes and networked infrastructure. It aims to ensure that privacy is considered before, at the start of, and throughout the development and implementation of initiatives where personal information is collected and handled.

CPDP's commitment to PbD was enabled in 2015 by the addition of a new position within the office, Special Counsel – Privacy by Design. The role of the Special Counsel is to guide CPDP's realisation of PbD as a core policy in the work that it does, and help operationalise PbD throughout the Victorian public sector.

Assisting public sector organisations to understand and implement PbD is a fundamental part of providing privacy leadership to the public sector. As such CPDP has developed specific guidance for both senior managers and employees on how to implement PbD within organisations.

In 2015 CPDP released a radical revision of its Privacy Impact Assessment (PIA) guidance material. A PIA is the core document that is needed to plan and manage any project that involves personal information. The previous PIA tool, while comprehensive, consisted of over 150 pages of daunting text, which deterred many from undertaking a PIA. The revised guidance is designed to simplify and streamline the PIA process, and supports the public sector adopting a PbD approach.

Information Sharing:

During the reporting period, CPDP has been briefed on a number of information sharing projects being undertaken by a range of public sector agencies. Their approach, in many cases, falls well short of acceptable privacy practice. One of the key pitfalls is an assumption that the sharing of personal information for improved service delivery invariably must occur at the expense of privacy.

PbD encourages us to approach the handling of personal information with care and respect. It requires a commitment to designing information sharing, service delivery reform and privacy processes *together* rather than simply seizing on a new service offering and attempting to implement it without considering the necessary information governance structures. With planning and innovative thinking, it should be possible to maintain good privacy and security, while enabling effective, efficient information sharing.

One particularly topical area in which the issue of information sharing has become very significant is family violence. The need to identify, reduce and prevent family violence, and ensure the safety of individuals affected by family violence, requires seamless integration and coordination between various organisations. This will regularly involve the sharing of personal information.

CPDP began an on-going consultation process with the Risk Assessment Management Panel (RAMPs) initiative regarding the privacy implications of the program. The Commissioner's guidance so far has been that privacy laws in Victoria can enable information sharing in both day-to-day operations and emergency situations for the prevention and response to family violence, provided that the necessary protections and information governance arrangements are in place before a program goes live. There is a great deal of work that still needs to be done to ensure that the information sharing needs of frontline service delivery workers are clarified and simplified.

Breaking down perceived legislative barriers does not invariably ensure that better information sharing practices will emerge. An 'information sharing culture' requires a willingness by public sector organisations to value and respect the balance between privacy and information sharing, and to engage for a common purpose. Accountability and transparency built into governance structures, coupled with collaborative approaches will create an environment ripe for appropriate, protected and timely information sharing.

The Commissioner aims to provide leadership in this important area. Privacy should not be seen as a barrier to information sharing, and CPDP wants to help build a practical solutions that authorise appropriate information sharing for the benefit of the community that is clearly and widely understood in the Victorian public sector.

New Technology

Cloud computing

The Commissioner initiated two important pieces of work looking at implementing new technologies into the Victorian public sector that are intended to complement our work on Privacy by Design.

The first is a joint CPDP/Public Records Office of Victoria discussion paper on public sector cloud computing. Although the former Office of the Victorian Privacy Commissioner produced cloud computing guidance in 2011, the new discussion paper accounts for the advances in technology that have been made since then, and is consistent with a Privacy by Design methodology. The paper also takes a whole of information lifecycle approach to cloud computing, and is informed by the security and data sovereignty issues that have become more important since the enactment of the *Privacy and Data Protection Act 2014*.

The discussion paper will form the basis of consultation across the public and private sector and lead to a Guide to Cloud Computing in the Victorian Public Sector in 2015-16.

Big Data

The Commissioner is also leading work on a whole of government big data strategy. Work commenced in 2015 on exploring big data use in the public sector, specifically looking at its implications for information privacy and data security. In 2015/16 we will release a discussion paper, which consolidates much of the debate around the challenges that big data poses to the public sector, as well as some of the ways that risks can be avoided or reduced. Following the release of the paper, we intend to host a forum to facilitate discussion amongst experts and practitioners, after which we will produce a final guidance document for the Victorian public sector.

Tools and Resources

There are a number of new resources and educational tools that CPDP produced in the reporting period. The Commissioner initiated engagement with the Deputy Secretary Council to ensure executive level awareness of the importance of appropriate information sharing and early consultation with CPDP. An information sharing checklist was also developed and a project is now underway, in collaboration with the Information Privacy Commissioners of New South Wales and British Columbia, to produce comprehensive guidelines for public sector information sharing.

The development of an information sharing master class, targeted at senior executives across government, is also underway. The master class will be part of a suite of training and educational tools to be rolled out in 2015-16.

CPDP has also started to update existing legacy guidelines on outsourcing to reflect the changing technological landscape and provide a more sophisticated analysis of privacy and data security issues.

Cooperation and Engagement

Engagement in policy and practice with privacy practitioners locally and internationally sits at the intersection of operational privacy and policy. At the international level in particular, this engagement allows for discussion of current and emerging issues which inform the direction of policy development and thought leadership.

Privacy Awareness Week

The Commissioner launched Privacy Awareness Week (PAW) in May 2015, the theme for which was Privacy by Design. During the week, staff of CPDP presented to a number of government departments and agencies. More than 100 public sector employees attended the launch of PAW, during which the Commissioner released the revised Privacy Impact Assessment template and the discussion paper on cloud computing.

Youth Advisory Group

In 2015 the Commissioner re-established a Youth Advisory Group to provide CPDP with a means to identify and address the specific privacy needs of children and young people. The nine members of the Youth Advisory Group provide feedback and input for the development of targeted products and services for young people in Victoria.

Inter-agency Privacy Officers Forum

This forum was established in 2015 to facilitate strategic engagement with government departments and public sector agencies.

Global Privacy Enforcement Network (GPEN)

GPEN is an informal global network of privacy and data protection authorities established to foster cross-border cooperation.

In May 2015 CPDP participated, together with 39 other privacy authorities, in the third annual GPEN 'sweep' of applications and websites. The theme for the 2015 'sweep' was 'Children's Privacy', with participants focusing on examining mobile applications and websites for issues related to children's privacy.

CPDP staff were assisted in the 'sweep' by members of the Youth Advisory Group.

Cross-border Privacy Enforcement Arrangement

In 2004, the APEC Privacy Framework was endorsed by APEC ministers as acknowledgement of the importance of information privacy protection and the free flow of information in the Asia Pacific region. The framework includes a Cross-border Privacy Enforcement Arrangement (CPEA) which aims to:

- facilitate information sharing among privacy enforcement authorities
- provide mechanisms to promote effective cross-border cooperation on privacy investigation and enforcement

The Commissioner for Privacy and Data Protection was approved as a participant in the CPEA in September 2014.

UN Global Pulse

UN Global Pulse is an initiative of the UN Secretary General for innovation in harnessing digital information for sustainable development and humanitarian action. The aims of Global Pulse are to:

- promote public awareness of big data as a public good
- conduct joint innovation projects
- build open source tools for digital innovation
- operate a network of 'Pulse Labs' in developing countries to ensure innovation addresses real-world problems.

The Commissioner was appointed as a member of the Data Privacy Advisory Group of UN Global Pulse in 2014.

Federal Trade Commission of the United States

In 2015 the Commissioner established a process for cooperation with the Federal Trade Commission of the United States which allows the reporting and investigation of potential breaches of Victorian privacy law by private companies domiciled in the United States of America.

Asia Pacific Privacy Authorities (APPA)

APPA is the principal forum for privacy authorities in the Asia Pacific region to form partnerships and exchange ideas about privacy regulation, new technologies and the management of privacy enquiries and complaints.

APPA meets twice yearly and the Commissioner or a member of CPDP staff attend all meetings. The Commissioner made a presentation at the 43rd meeting of APPA in Hong Kong on the development of the Victorian Protective Data Security Framework.

Operational Privacy

The Operational Privacy Branch carries out the Commissioner's legislated responsibilities with regard to information privacy.

Information Privacy Enquiries and Complaints

CPDP received 1,436 enquiries during the reporting period. Of these, approximately half were within the jurisdiction of the Commissioner for Privacy and Data Protection. Enquiries received that were outside the jurisdiction of CPDP were referred to the appropriate agency, principally the Office of the Australian Information Commissioner (enquiries regarding Commonwealth agencies or private sector organisations), the Health Services Commissioner (enquiries regarding health records) and Victoria Police (enquiries regarding the use of CCTV).

Almost all the enquiries that were within jurisdiction concerned Information Privacy Principles (IPP) 2 (use and disclosure of information) and 4 (data security), with a smaller group concerning IPP 1 (collection of information – individuals alleging that their personal information had been collected without prior notice and consent).

Recurring themes in enquiries overall were:

- cloud computing and outsourcing
- biometric technology in schools and the workplace
- CCTV in the workplace and public areas
- employees recording work-related conversations
- the use of GPS to track a worker's location
- local council's recording council meetings and uploading to the internet without prior consent
- the use of personally owned ICT equipment in Victorian public schools.

These themes reflect community concerns about the impact of current and emerging technologies on personal information, which are the subject of much of our privacy policy work.

If an enquiry falls within jurisdiction and concerns a grievance or dissatisfaction by an individual regarding the handling of their personal information, the individual is requested to refer the potential complaint to the organisation in question as the first step. Doing so affords procedural fairness and meets the Commissioner's obligation to give an organisation adequate opportunity to address a matter before formal involvement by CPDP.

If the individual is not satisfied with the outcome of that step, the matter will be formally assessed to determine if it is a complaint, that is a matter which:

- involves an organisation within the jurisdiction of the Commissioner
- involves personal information, and
- raises one or more of the IPPs.

Of the 1,436 enquiries received in the reporting period, only 34 became formal complaints handled by the CPDP.

While the number appears small, it both belies the complexity of some of the complaints and does not reflect the considerable time spent by staff in assisting complainants to resolve privacy disputes before they escalate to full blown complaints. The following table gives examples of some of the complaints and outcomes.

Issue	Outcome
<p>An individual alleged that a school failed to provide adequate security for a confidential memorandum, which contained sensitive personal information. The complaint brought IPP 2.1 (use and disclosure) and IPP 4.1 (data security) into question.</p>	<p>Whilst the school stated that it had appropriate data security practices in place, it acknowledged an inadvertent disclosure occurred in this instance. Our office was able to conciliate, the outcome being an apology from the school, an undertaking to review its data security practices, and the destruction of the copy of the memorandum.</p>
<p>Individuals alleged that an organisation disclosed a copy of a statement which contained personal information to third parties, in circumstances which the individual did not expect to occur, or was advised would occur. The complaint brought IPP 1.3 (collection notice), 2.1 (use and disclosure) and IPP 4.1 (data security) into question.</p>	<p>The Commissioner found no grounds to decline the complaints. However, having regard to the complexity of the complaints, the relationship between the Complainant and Respondent and the outcomes sought by the Complainants, the Commissioner decided that conciliation was not reasonably possible in the matter. The matter was referred to VCAT.</p>
<p>A parent alleged that she made enquiries to transfer her child to School B. The parent emphasised to School B that she had not made a definitive decision to transfer her child, and was only making preliminary enquiries. School B then contacted School A (the school the complainant's child then attended) to query the child's performance. School A then contacted the parent and queried why she wanted to transfer him. The individual alleged that personal information was disclosed in circumstances she did not expect, and the schools do not have a clear policy in place in relation to information sharing on this matter. The complaint brought IPP 1.3 (collection notice), 2.1 (use and disclosure), IPP 4.1 (data security) and IPP 5.1 (openness) into question.</p>	<p>This matter remains ongoing. The parties are engaged in (indirect) conciliation, facilitated by this office. The individual is seeking implementation of a policy around information sharing between schools in relation to students transferring.</p>
<p>An individual alleged her local Council sent a rate notice to an incorrect address, which brought IPP 2.1 (use and disclosure), IPP 3.1 (data quality) and IPP 4.1 (data security) into question.</p>	<p>The complaint was ultimately declined. The Commissioner concluded, on the facts presented to him, that an inference with privacy had not occurred as the Council had not been provided with sufficient information from the individual.</p>
<p>An individual alleged that whilst he was imprisoned, legal mail addressed to him was forwarded by the prison to a prisoner with the same name, and then opened. The mail did not state the intended prisoner's Corrections Reference Number, which would have prevented the incident from occurring. Senders are encouraged to state this information on mail. The complaint brought IPP 2.1 (use and disclosure), IPP 3.1 (data quality) and IPP 4.1 (data security) into question.</p>	<p>The Commissioner was unable to conclude that the response from the organisation adequately dealt with the complaint. The Complainant provided evidence from medical and legal professionals outlining what harm he suffered as a result of the disclosure. The matter was unsuccessfully referred to conciliation. The Complainant did not exercise their right to refer the matter to VCAT.</p>
<p>An enquirer alleged that an organisation disclosed her personal information (address) to a person against whom she has an intervention order. That person subsequently attended her property and made threats of violence to harm her. The complaint brought IPP 2.1 (use and disclosure) and IPP 4.1 (data security) into question.</p>	<p>The matter was investigated by the organisation's legal department and a confidential in-principle agreement has been reached between the Complainant and Respondent. The Commissioner concluded that the complaint was being adequately dealt with.</p>

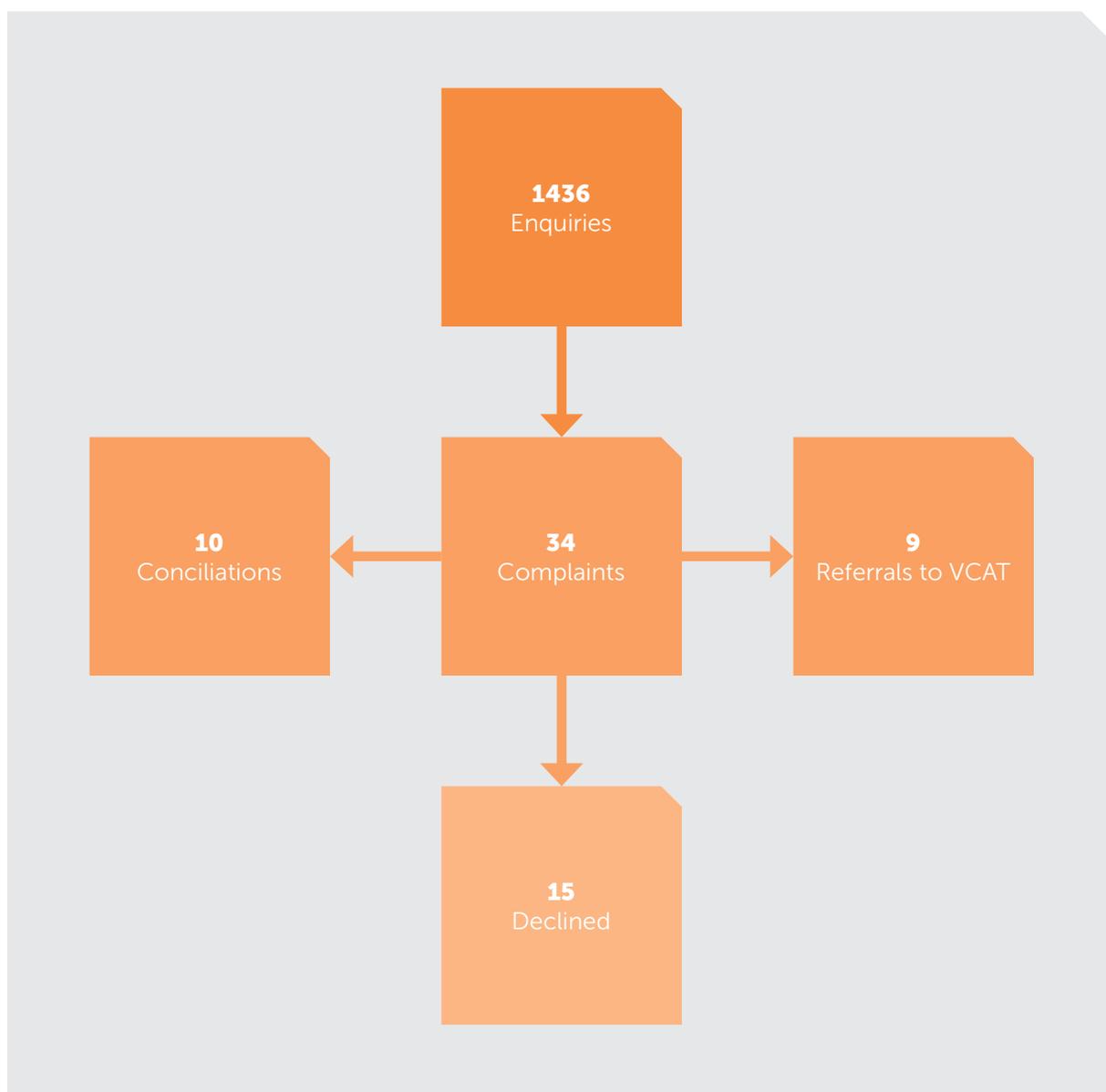
Once a complaint has been accepted by CPDP for investigation, the Commissioner will then approach the organisation in question for a formal response to the complaint. Upon receipt of the response, the Commissioner will decide to either decline the complaint or take it to conciliation. Individuals whose complaints are declined are advised of their right to request the Commissioner to refer the complaint to the Victorian Civil and Administrative Tribunal (VCAT).

Of the 34 complaints handled during the reporting period, 10 were conciliated and 9 were referred to VCAT.

Typical outcomes of conciliation include:

- an apology to the complainant
- an undertaking to destroy a paper copy of a document or destroy CCTV footage
- agreement by the respondent to provide privacy training to staff or review its own complaint handling processes.

Operational Privacy in a nutshell



The Commissioner is currently undertaking a review of CPDP's information privacy complaints handling process. The aim of the review is to ensure that:

- all legislative requirements under the PDPA are met in a timely, efficient and effective way
- opportunities for improving and streamlining the process are identified
- trends in complaints are identified and used to inform our privacy policy work.

The review involves a comparison of CPDP's complaint handling process against those of other agencies, both within Victoria and in other Australian jurisdictions. The review also aims to develop measures, policies and procedures to assist organisations to better manage their information privacy obligations.

Breach Notifications

Although not mandatory under the PDPA, public sector organisations are encouraged to notify the Commissioner if they believe they have breached one or more of the Information Privacy Principles. Voluntary disclosure allows CPDP to provide appropriate information and guidance to the community, helps us to resolve complaints and demonstrates public sector commitment to transparent and accountable privacy practices.

During the reporting period, the Commissioner received 13 breach notifications and issued no compliance notices.

Breach notifications received referred to:

- CCTV cameras being installed in government operated facilities without notice to individuals
- invoices and notices containing personal informant being sent to unintended recipients
- documents containing personal information being misplaced
- local council websites containing personal information being 'hacked', and
- emails being sent or copied to a large group of unintended recipients.

Flexibility Mechanisms

The *Privacy and Data Protection Act 2014* introduced a number of flexibility mechanisms to the Victorian information privacy regime. These enable the Commissioner to grant Public Interest Determinations, Temporary Public Interest Determinations, Information Usage Arrangements and Certifications.

The Commissioner has received 15 enquiries about the flexibility mechanisms from public sector agencies, including pre-application enquiries and requests for consultation. As at 30 June 2015, no formal application had been made in respect of the flexibility mechanisms.

Submissions to Government

Data Retention Bill

In January 2015 the Commissioner made a submission to the Commonwealth Parliamentary Joint Committee on Intelligence and Security regarding its enquiry into the proposed Data Retention Bill. The Committee acknowledged CPDP's position that 'the wide scale collection of metadata is an unjustified infringement on human rights'¹ and that retained data 'would reveal patterns of communications that will enable those who have access to it to investigate and understand the private lives of all Australians, such as the habits of everyday life, places of residence, minute by minute movements, activities undertaken, social, professional and commercial arrangements, and relationships and social environments frequented'².

1 Advisory Report on the Telecommunications (Interception and Access) Amendment (Data Retention) Bill 2014, page 50, paragraph 2.143

2 *ibid.*

Eight-year Review of the Charter of Human Rights and Responsibilities

In June 2015 the Commissioner made a submission to the eight-year review of the Charter of Human Rights and Responsibilities. CPDP's submission identified opportunities to enhance the effectiveness and operation of the Charter, including the introduction of a stand-alone cause of action, enhanced powers for the Victorian Equal Opportunities and Human Rights Commission and enhanced information sharing powers between key agencies.

Royal Commission into Family Violence (Victoria)

The Commissioner provided a written submission in May 2015 to an issues paper published by the Royal Commission regarding information sharing for the purpose of addressing family violence. In his submission the Commissioner noted that, although privacy law is often regarded as inhibiting the sharing of personal information between agencies, the *Privacy and Data Protection Act 2014* permits information sharing in certain cases, which could include the prevention or prosecution of family violence.

Royal Commission into Institutional Responses to Child Sexual Abuse (Commonwealth)

Representatives of CPDP attended a closed roundtable discussion in June 2015. Topics of discussion included issues around privacy and the disclosure of records containing third party information.

Law Enforcement Data Security

The Commissioner for Privacy and Data Protection assumed the powers and functions of the previous Commissioner for Law Enforcement Data Security (CLEDS). The work undertaken by the Commissioner in this area is therefore principally a continuation of the work carried out by CLEDS between 2006 and 2014. The content of this report regarding Victoria Police should be read in the context of previous annual reports by the CLEDS.

Part 5 of the *Privacy and Data Protection Act 2014* calls out law enforcement data security as a special case within the framework of protective data security and extends the Commissioner's jurisdiction to cover both Victoria Police and the newly created Crime Statistics Agency.

Crime Statistics Agency

The Crime Statistics Agency (CSA) was established in 2014. It is an agency independent of Victoria Police with responsibility for producing Victoria's official recorded crime statistics and conducting research into crime and criminal justice trends.

The nature of the work of the CSA entails it receiving and holding law enforcement data.

Under section 92(1) of the *Privacy and Data Protection Act 2014*, The Commissioner is required to develop and issue Crime Statistics Data Security Standards. This task was completed in March 2015.

Given the close link between Victoria Police and the Crime Statistics Agency, the CSA Standards were developed as a tailored version of the Standards for Law Enforcement Data Security, which bind Victoria Police. However the CSA Standards were developed following the draft format of the Victorian Protective Data Security Standards and form a bridge between the two.

Following the issue of the CSA Standards, the Commissioner provided the CSA with a draft Protective Data Security Plan Template and Data Assurance Reporting Template in order to conduct a compliance gap analysis against the Standards. The gap analysis was completed in June 2015 and is in the process of being analysed.

Using the VPDSS format for the CSA Standards and the two assurance templates developed by the Commissioner will provide CPDP with a proof of concept for the roll out of the Victorian Protective Data Security Framework across the public sector.

Victoria Police

Implementation of Recommendations

The joint Victoria Police and CPDP Implementation Working Group continued to meet and progress outstanding recommendations throughout 2014-15

As noted in the 2013-14 CLEDS annual report, most outstanding recommendations are IT/system specific and include recommendations that require business cases to secure funding and/or are beyond Victoria Police's current resources. As such, progress to full implementation is slower than usual.

Victoria Police also need to remain focused on finalising recommendations concerning personal holdings of law enforcement data by Victoria Police employees. The recommendations were established under a review undertaken in June 2008. While we note activities which will address personal holdings are planned, to date only 2 of 6 recommendations have been implemented, with only 1 meeting implementation in 2014/15.

2014-15 saw the inclusion of 8 new recommendations around the management and response to malware infections driving a slight decrease in the percentage of active recommendations implemented.

However, it should be noted that as at 30 June 2015, Victoria Police has a number of outstanding recommendations close to full implementation.

Status	Pre IWG	30/6/12	30/6/13	30/6/14	30/6/15
Implemented	41	71	132	164	166
Not Fully Implemented	110	54	41	25	24
Not Implemented	62	56	41	23	30
Withdrawn	0	32	39	41	41
Total Recommendations	213	213	253	253	261
Total Outstanding	172	110	82	48	54
% of active recommendations implemented	19%	39%	62%	77%	75%

Breach Reporting – Security Incident Register (SIR)

In 2013 Victoria Police initiated the Security Incident Register (SIR) as the central organisational repository for the reporting, recording, recovery and post-incident analysis of information security incidents. The security incident register is important in that it is designed to capture security incidents that do not necessarily involve misconduct or illegal activity.

It does however record and maintain all information security incidents reported to the Professional Standards Command (PSC).

Part of the process of continual improvement of the SIR in 2015-15 was the development and promulgation of a protocol for establishing, maintaining and communicating the reporting, escalation and response procedures for 'information events and weaknesses that may affect law enforcement data'¹.

SIR Statistics

This is the first year that statistical analysis has been attempted on events and incidents captured by the SIR. CPDP receives weekly reports from the SIR that include all events/incidents captured over the preceding week. The information is divided into categories (Information, ICT, Information, and Physical) and types of event/incident, using defined typologies for each category.

A total 332 information security events and incidents were reported in 2014-15. CPDP will begin more detailed, analytical reporting on SIR statistics by type in 2015-16.

Breach Reporting – Register of Complaints Serious Incidents and Discipline (ROCSID)

ROCSID is a major source for recording, managing and investigating incidents involving sworn members of Victoria Police. This database is used and managed by the Professional Standards Command (PSC).

While investigations are managed by PSC, information security incidents should be reported to the Security Incident Registry that, as already noted, has been developed to (attempt to) capture all substantiated and unsubstantiated security incidents involving sworn and unsworn staff, and incidents that do not necessarily involve misconduct or illegal activity.

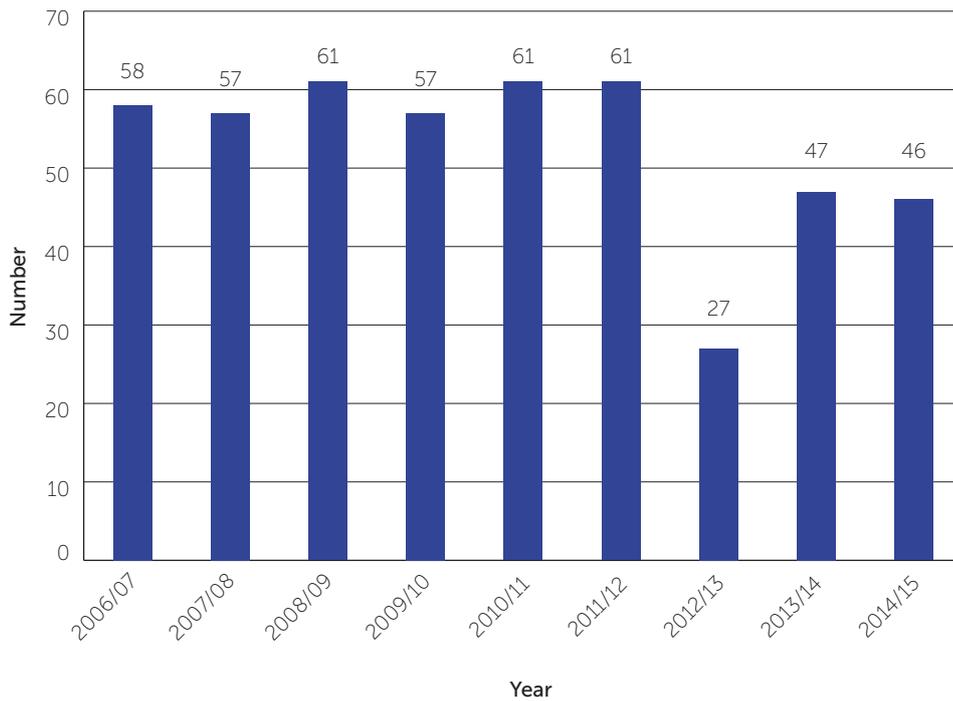
To align with the previous annual report, CPDP analysed data extracted via a standardised report function executed within the ROCSID database. This report returned 348 incidents entered onto ROCSID in 2014/15².

CPDP reviewed all files individually and assessed them against the information contained within the file. Three reports were identified as not being information security breaches and were excluded. Overall, 46 breaches had been substantiated as at 30 June 2015 (Figure 1), although this number will likely increase with 85 alleged incidents still being investigated.

1 Standards for Law Enforcement Data Security, standard 32.

2 Report run 10 July 2015. Figures are correct at time of compilation. Factors such as re-classification of complaint files, and general ongoing quality control by Victoria Police, will cause variations in extracted data.

Figure 1. Confirmed Breaches

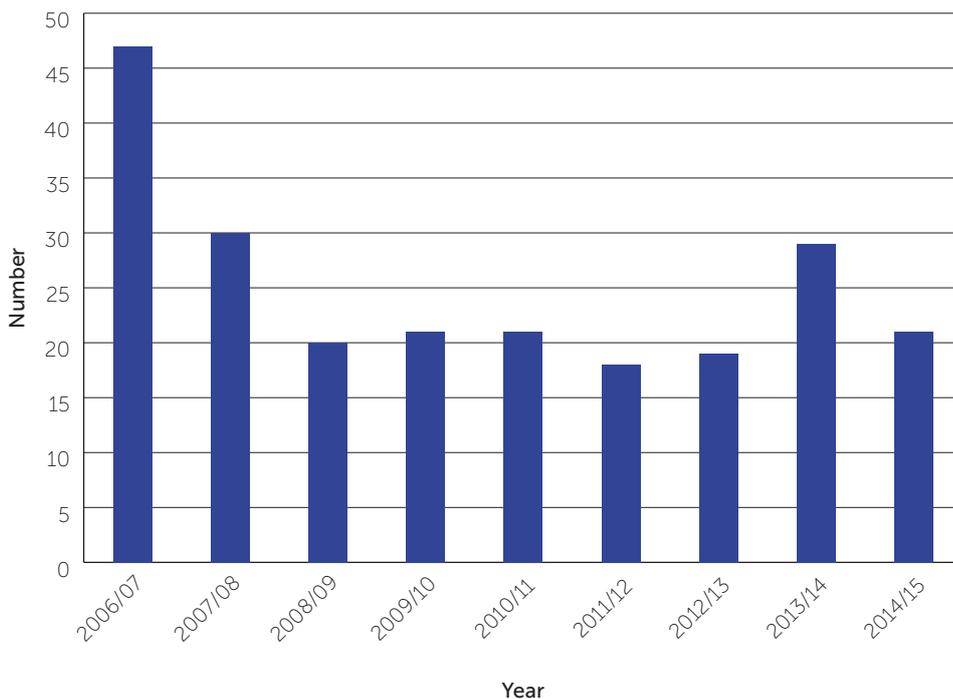


It should be noted that statistics contained within ROCSID are likely to be partially, or totally, duplicated in the 332 incidents reported and recorded by the SIR. However, no separation of statistics was possible given limitations in the information provided, and overall data accuracy.

For consistency CPDP is reporting against the key breach categories outlined in last year's CLEDS report.

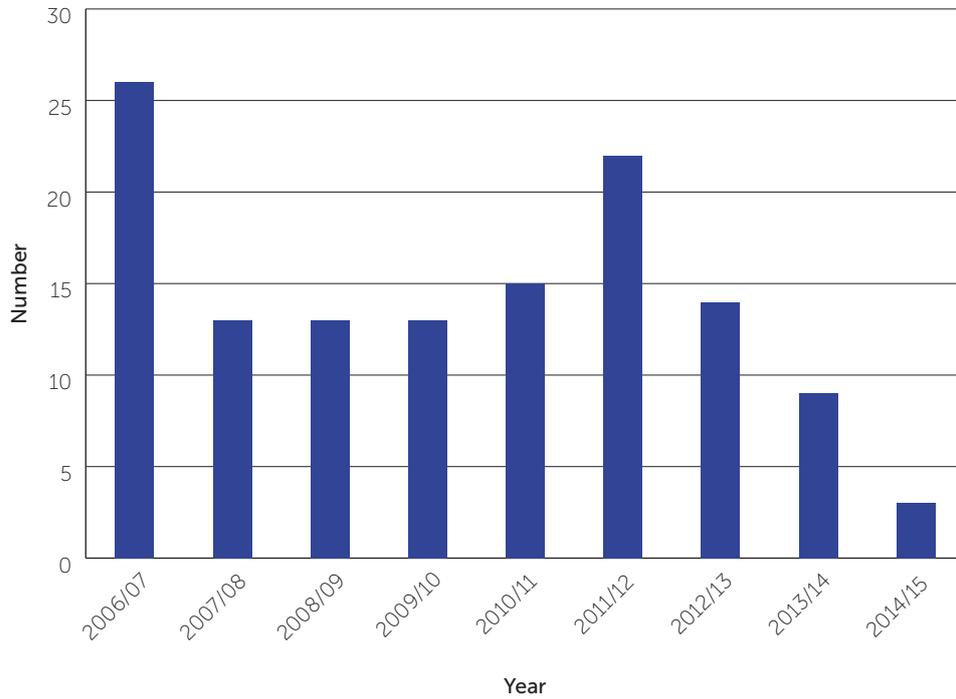
Misuse of LEAP (Figure 2) has decreased since 2013/14 but maintains the mean value of incidents reported since 2006/07, being 21 incidents.

Figure 2. Misuse of LEAP



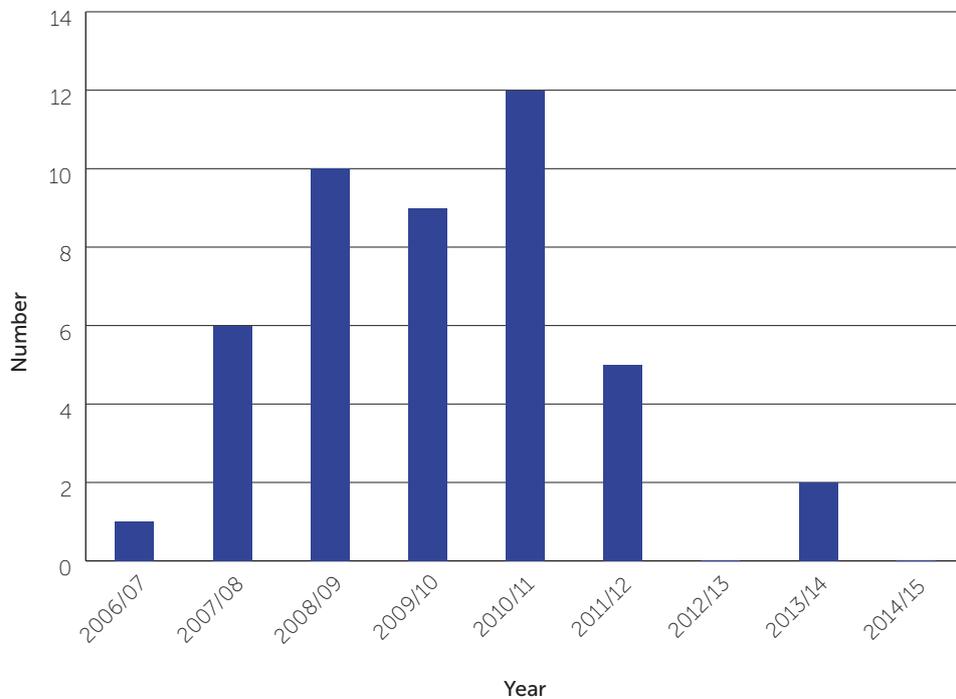
The number of breaches identified as being due to 'personal convenience' (improper access to law enforcement data for non-criminal, non-work related and private matters, such as checking a family member's vehicle registration) is at its lowest point in 9 years, with 3 identified incidents (Figure 3).

Figure 3. Personal Convenience



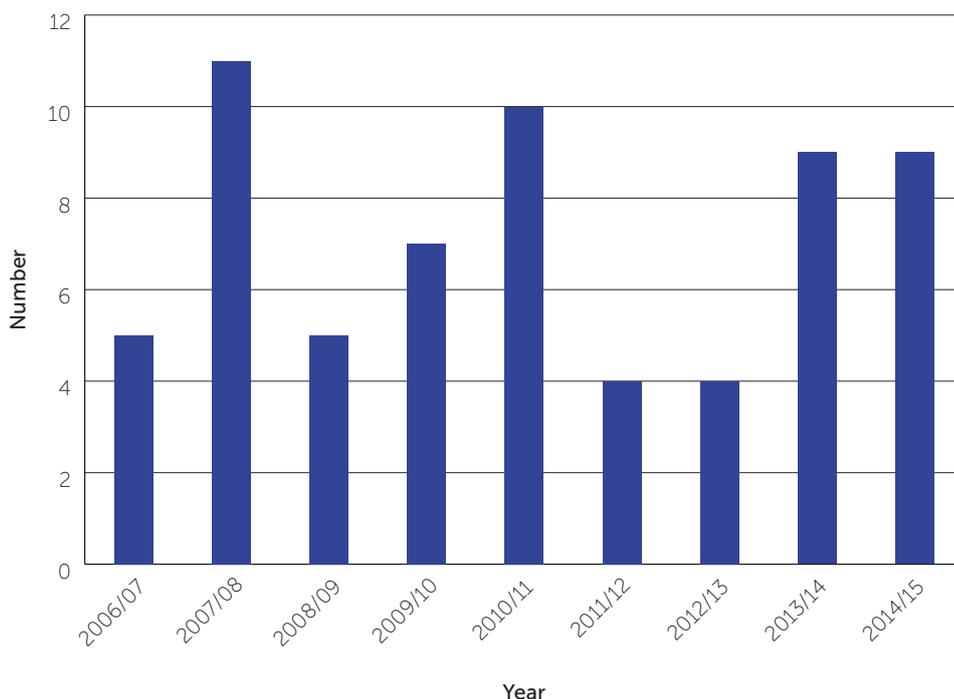
While incidents have been reported concerning allegations of improper release to the media, there have been no confirmed breaches in 2014/15 (Figure 4).

Figure 4. Improper release to the Media



Improper disclosure to members of the public (Figure 5) have fluctuated over the years, with 2014/15 results (9 incidents) remaining slightly above the 9-year average (7 incidents).

Figure 5. Improper disclosure to Members of the Public



It is important to reiterate concerns raised with ROCSID data from the 2013/14 CLEDS report: that some of the figures are so low / and or coming off such a low base, that their statistical use is questionable.

Furthermore, no assessment could be made as to whether all incidents recorded with PSC were being captured by the SIR – incidents listed with the SIR as being investigated by PSC did not contain a ROCSID reference number and therefore datasets could not be aligned.

CPDP intends to conduct a review of security incident reporting in 2015/16. While this will be a general review to support implementation of the VPDSS, not targeted at Victoria Police, the security incident reporting processes and experience of Victoria Police will be at its heart. It is expected that this review will assist in developing more transparent information sharing between PSC, the SIR and CPDP and consequently in the creation of a more robust and accurate data capture and reporting process.

Statistical processes aside, the figures point to a disturbing and unacceptable plateau in Victoria Police's security performance across a range of indices. During 2015-16 we will be asking Victoria Police to take further steps to address these issues and to analyse and remedy its security performance.

Site Inspections

The site inspection program is designed to assess information security process and procedures 'on the ground' in operational policing environments

One site inspection was carried out in 2014/15 at a metropolitan Police station, incorporating Uniform general duties, Highway Patrol, and Youth Resource Officers.

This review differed in both style and scope from previous site inspections, with a thematic approach being developed to help identify and consider key areas of relevance to the station. The theme-based inquiry also allowed CPDP to consider key information security priorities being focused on by both Victoria Police and CPDP at an operational and strategic level.

The site inspection identified Force-wide organisational issues that are played out at the local level. There continues to be confusion amongst personnel around information management and information security (IM/IS) policy and procedures at both a local and organisational level.

Personnel remain confused or unaware of organisational changes to information classification and information protective markings. This finding, overall, highlights an ongoing lack of understanding of the inherent value of law enforcement data obtained, stored, accessed, and used, within the organisation.

Victoria Police will need to remain focused on the rapidly evolving landscape of the 'bring your own device' culture. No different to any workplace, Victoria Police personnel continue to use personal smart phones, USB's and other mass storage devices, and visual recording devices in aspects of their work. While this site inspection noted a more robust culture against the use of personal devices at work, personal devices continue to be considered a viable option to undertake official duties if required.

Organisationally, training focused on information management and information security remains diffuse and fragmented. Personnel often learn 'on the job' from colleagues or from experience, or rely on 'common sense' rather than policy. Finally, there is limited to no engagement of unsworn personnel around IM/IS training. Unsworn personnel exhibited the mindset that they just 'process admin' rather than realising that they handle and manage the same law enforcement data as their sworn counterparts.

Theme-based reviews will also inform the way ahead for site inspections planned in 2015/16. While internal reports will be developed from findings at each inspection, an overall omnibus report will be authored for publishing at the conclusion of the final inspection.

Survey of Victoria Police Members

Following the second wave of the quantitative survey into the attitude of sworn members of Victoria Police to information security, the Commissioner undertook further qualitative research in 2014-15 in order to gain more insight into some of the quantitative findings.

The research took the form of eight group sessions across both metropolitan and regional police complexes. Its specific objectives were to:

- gain a broad understanding of members' knowledge of Victoria Police data security policies
- explore the perceived relevance of these policies
- understand members' attitudes toward information management
- identify the key influences on attitudes and behaviours in relation to data security management
- explore the motivations and barriers to adopting appropriate behaviours, and
- explore attitudes and behaviours with regard to the use of personally owned devices, data storage, working off-site and the disclosure of classified information.

The key take outs of the qualitative research were:

- members have general awareness of and confidence in Victoria Police's data security protocols
- awareness by members that management accept 'work arounds' with regard to data security so long as they are justified by good judgement
- understanding by members of the potential impact of data security breaches on themselves, colleagues and Victoria Police as a whole
- a disconnect between the real world of modern technology in which members live and the equipment and supporting policy provided by Victoria Police, leading to greater use of personally owned devices.

Cultural Change

In reviews conducted in 2009 and 2011, the Commissioner for Law Enforcement Data Security recommended that Victoria Police develop and implement a plan for information security cultural change.

Victoria Police continued cultural change implementation activities throughout 2014-15, notably:

- reviewing workplace inspection templates to identify information security and management gaps
- publishing guides to the management of portable computing devices
- revising the End of Service Form to include the return of personal holdings of law enforcement data upon retirement or resignation
- widening the scope of the SIR in order to capture incidents involving contact reporting and social grooming
- developing a project plan to implement an Amnesty for the return of personal holdings of law enforcement data
- developing a communications plan to embed information security messages and expectations of behaviours

The planned roll out of Regional Sergeant Information Management and Information Security Portfolios – ‘go to’ officers, the need for which was also identified during the qualitative research sessions, is scheduled to commence at the beginning of the 2015-16 reporting period.

Insider Intrusion

An insider intruder is a trusted person such as an employee, contractor, consultant or business partner of an organisation who has access to official information, assets and resources as part of their duties and who conducts activities (intentional or unintentional) that cause harm to the organisation.

The inside intruder represents a real and on-going risk to an organisation and highlights the need for robust personnel practices – both at time of employment or contract and at regular intervals.

There have been past incidences of insider intrusion within Victoria Police, which have been investigated and appropriate action taken. The Commissioner holds concerns about the possibility of further incidences, particularly with regard to external parties with direct access to Victoria Police law enforcement data systems and outsourced service providers. The Commissioner is undertaking analytic work in collaboration with Victoria Police in relation to identifying and minimising insider intrusion risks during 2015-16.

PART THREE

About the office

About the Office of the Commissioner for Privacy and Data Protection

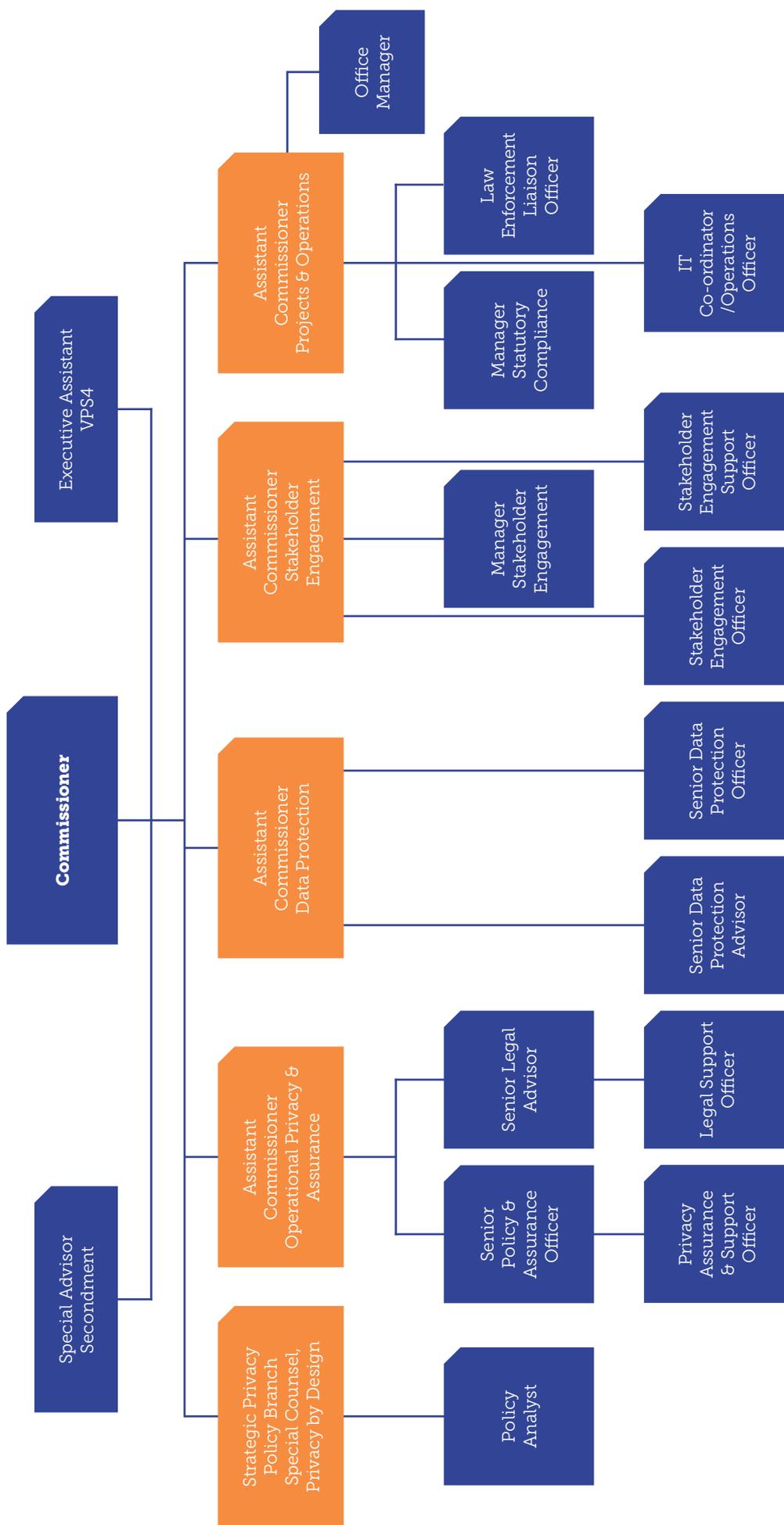
The Office of the Commissioner for Privacy and Data Protection was formed through the amalgamation of the Offices of the Commissioner for Law Enforcement Data Security and of the Victorian Privacy Commissioner.

This amalgamation involved the physical relocation of the two legacy agencies to a single location, the fit out of new premises and essential ICT upgrades to create a single environment from two very different legacy systems. No extra funding was provided for this quite major work, with costs being covered from the existing budget of the Commissioner for Law Enforcement Data Security.

The amalgamation also involved a staffing restructure, to better reflect the new functions and responsibilities of the Commissioner under the *Privacy and Data Protection Act 2014*.

The Office of the Commissioner for Privacy and Data Protection came into existence on 17 September 2014. While an independent statutory body, the Office came under the portfolio of the Department of Justice and Regulation until 31 December 2014. It moved to the portfolio of the Department of Premier and Cabinet on 1 January 2015.

Organisational Structure and Staffing



The Office of the Commissioner for Privacy and Data Protection also includes an Audit and Finance Committee comprised of three external members and governed by a charter.

The Office had a staff of 20.4 FTE at 30 June 2015, of which 1FTE was on secondment from the Victorian Auditor General's Office, 3FTE on fixed term contracts and 16.4 FTE on-going members of the Victorian Public Service.

Gender	On-going	Fixed term	Secondment
Female	9	3	0
Male	6.4	1	1

Age	On-going	Fixed term	Secondment
Under 25	0	1	0
25 – 34	5.4	1	0
35 – 44	4.6	1	0
45 – 54	3	0	1
55 – 64	1.8	1	0
Over 64	1.6	0	0

Classification	On-going	Fixed term	Secondment
VPS1	0	0	0
VPS2	0	0	0
VPS3	2	1	0
VPS4	3.4	1	0
VPS5	4.6	1	0
VPS6	4.6	0	0
STS	0.8	0	0
EO3	0	0	1
Statutory Office Holder	0	1	0

The Commissioner is committed to applying merit and equity principles when appointing staff. The selection process ensures that applicants are assessed and evaluated fairly and equitably on the basis of key selection criteria and other accountabilities without discrimination. The Commissioner offers a flexible working environment and is committed to fostering diversity in the workplace.

Governance and Reporting

The Commissioner maintains a compliance register to ensure it meets its statutory obligations.

Internal work reporting occurs on a monthly basis, linked to projects identified in the Commissioner's strategic plan. This reporting feeds into reporting to the Audit and Finance Committee and, ultimately, Budget Paper 3 output reporting to government.

The Budget Paper 3 output measures reported for 2014-15 in Appendices are legacy measures from the previous Office of the Victorian Privacy Commissioner.

As such, they do not adequately reflect the scope of work of the Commissioner for Privacy and Data Protection.

In January 2015, the Commissioner and the Department of Premier and Cabinet agreed to discontinue the legacy measures and introduce new CPDP specific measures, to commence with the 2015-16 reporting year.

The new output measures will be:

- number of law enforcement, data security and privacy reviews completed – *quantity*
- % client satisfaction with data security and privacy training provided – *quality*
- responses with 15 days to written enquiries relating to the legislated responsibilities of the Commissioner for Privacy and Data Protection – *timeliness*.

Shared Services

A range of corporate support services is provided to the Commissioner by the Department of Premier and Cabinet, notably in the areas of human resources and financial management.

Communications and Publications

The Commissioner and staff had an active program of speaking engagements over the reporting period, principally around introducing the *Privacy and Data Protection Act 2014*, embedding Privacy by Design and explaining the proposed Victorian Protective Data Security Framework. This program covered Victorian public sector agencies and umbrella bodies, national and international forums.

Apart from technical, topic-specific publications, the Commissioner also launched the monthly on-line information sheet Victoria Data Bites.

A CPDP website was launched in 2015. This basic website will be developed and enhanced in 2015-16 to provide information and tools for the public as well as privacy and data protection practitioners.

Occupational Health and Safety

The Commissioner aims to provide employees with a healthy and safe workplace. No time was lost in 2014-15 due to workplace injuries. The Office OH&S representative conducted a workplace hazard inspection and completed an office safety checklist during the year. No unacceptable OH&S risks were identified.

Workplace Relations

The Commissioner is advised on industrial relations issues by the Department of Premier and Cabinet. No industrial relations issues were registered or grievances received in the course of the reporting period.

Public Sector Conduct

Staff of the Commissioner for Privacy and Data Protection uphold the Code of Conduct for Victorian Public Sector Employees. No breaches of the Code of Conduct by the Commissioner's staff occurred in 2014-15.

Environmental Impacts

Under the terms of the Occupancy Agreement between the Department of Treasury and Finance/ Shared Services Provider and the Commissioner for Privacy and Data Protection, the lessor has responsibility for the provision of energy, water and waste disposal for the premises occupied by the Commissioner. Energy and water are not metered separately. The principal environmental impacts of the Office of the Commissioner are therefore not included in this report.

Risk Management

The Commissioner has risk management processes in place which meet the requirements of the Victorian Government Risk Management Framework 2015, including the Australian/New Zealand Risk Management Standard AS/NZS ISO 31000:2009. These processes include the maintenance of a risk management plan, risk register and regular reviews.

Freedom of Information

The Commissioner received one Freedom of Information request in 2014-15, which was successfully handled and finalised in the course of the reporting period.

The Commissioner maintains copies of all reviews undertaken by his office and relevant working papers and correspondence. Due to the nature of the functions of the office, particularly with regard to public sector information security and law enforcement data, the Commissioner holds much information that would be considered exempt material under the *Freedom of Information Act 1982*.

Consultancies

The following consultancies were entered into in the course of 2014-15.

Consultant	Service provided	\$ ex GST
Corporate Capability Pty Ltd	Human resources	18,750
Cirk Risk Solutions	Risk management	15,500
EY Sweeney	Market research	40,000
Nous Group	Market research	22,500
Sandra Beanham and Associates	Marketing	21,000
Trusted Impact	Data protection	21,850

Overseas Travel

The Commissioner attended the 36th Annual Meeting of Privacy and Data Protection Commissioners in Mauritius in October 2014 and a meeting of the Asia Pacific Privacy Authorities in Hong Kong in June 2015.

Major Contracts

The Commissioner did not enter into any contracts valued at more than \$10 million in 2014-15.

Protected Disclosures

The Commissioner received no disclosures made under the *Protected Disclosures Act 2012* during 2014-15.

Gifts, Benefits and Hospitality

The Commissioner maintains a register of gifts, benefits and hospitality. No declarable items were registered in 2014-15.

Statement of Availability of Other Information

The Directions of the Minister for Finance pursuant to the *Financial Management Act 1994* require a range of information to be prepared for the reporting period. The relevant information is included in this report, with the exception of a statement that declarations of pecuniary interests have been duly completed by all relevant officers, which is held by the Commissioner and is available on request to the relevant Minister, Members of Parliament and the public (subject to Freedom of Information requirements, if applicable).

ANNUAL FINANCIAL STATEMENTS

2014–2015

Annual Financial Statements 2014-15

Contents	Page
Accountable Officer's and Chief Finance and Accounting Officer's Declaration	37
Comprehensive operating statement	38
Balance sheet	39
Statement of changes in equity	40
Cash flow statement	41
Note 1. Summary of significant accounting policies.....	42
Note 2. Expenses from transactions	51
Note 3. Other economic flows included in net result.....	51
Note 4. Receivables	52
Note 5. Property, plant and equipment	53
Note 6. Intangible assets	55
Note 7. Payables	56
Note 8. Provisions	56
Note 9. Leases	57
Note 10. Superannuation.....	57
Note 11. Commitments for expenditure	58
Note 12. Contingent assets and contingent liabilities.....	58
Note 13. Financial instruments.....	58
Note 14. Cash flow information.....	60
Note 15. Responsible persons.....	61
Note 16. Remuneration of executives.....	61
Note 17. Remuneration of auditors.....	61
Note 18. Subsequent events.....	61
Note 19. Glossary of terms.....	62

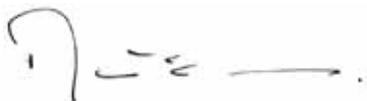
Accountable Officer's and Chief Finance and Accounting Officer's Declaration

The attached financial statements for the Office of the Commissioner for Privacy and Data Protection have been prepared in accordance with Standing Direction 4.2 of the *Financial Management Act 1994*, applicable Financial Reporting Directions, Australian Accounting Standards including Interpretations, and other mandatory professional reporting requirements.

We further state that, in our opinion, the information set out in the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement and accompanying notes, presents fairly the financial transactions during the period ended 30 June 2015 and financial position of the Office of the Commissioner for Privacy and Data Protection at 30 June 2015.

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

We authorise the attached financial statements for issue on 10 September 2015.



David Watts
Commissioner for Privacy and Data Protection
Melbourne
10 September 2015



Ingrid Klein
Chief Finance and Accounting Officer
Melbourne
10 September 2015

Comprehensive operating statement

for the financial period 17 September 2014 to 30 June 2015

	Notes	2015 \$
Income from transactions		
Grants from State Government		3,796,432
Resources received free of charge		234,410
Other income		135,374
Total income from transactions		4,166,216
Expenses from transactions		
Employee expenses	2(a)	2,423,452
Supplies and services	2(b)	1,223,973
Depreciation and amortisation	2(c)	54,823
Total expenses from transactions		3,702,248
Net result from transactions (net operating balance)		463,968
Other economic flows included in net result		
Other gains/(losses) from other economic flows	3	(1,399)
Total other economic flows included in net result		(1,399)
Net result		462,569
Other economic flows - other comprehensive income		-
Total other economic flows - other comprehensive income		-
Comprehensive result		462,569

The above comprehensive operating statement should be read in conjunction with the accompanying notes.

Balance sheet

as at 30 June 2015

	Notes	2015 \$
Assets		
Financial assets		
Receivables	4	1,720,209
Total financial assets		1,720,209
Non-financial assets		
Property, plant and equipment	5	352,693
Intangible assets	6	37,500
Total non-financial assets		390,193
Total assets		2,110,402
Liabilities		
Payables	7	765,406
Provisions	8	809,456
Total liabilities		1,574,862
Net assets		535,540
Equity		
Accumulated surplus		462,569
Contributed capital		72,971
Net worth		535,540
Commitments for expenditure	11	
Contingent assets and contingent liabilities	12	

The above balance sheet should be read in conjunction with the accompanying notes.

Statement of changes in equity

for the financial period 17 September 2014 to 30 June 2015

	Accumulated Surplus \$	Contributions by owners \$	Total \$
Balance at 17 September 2014	-	-	-
Net result for the period	462,569		462,569
Net asset transfers through contributed capital		72,971	72,971
Balance at 30 June 2015	462,569	72,971	535,540

The above statement of changes in equity should be read in conjunction with the accompanying notes.

Cash flow statement

for the financial period 17 September 2014 to 30 June 2015

	Notes	2015 \$
Cash flows from operating activities		
Receipts from Government		2,256,176
Payments to suppliers		(478,303)
Payments to employees		(1,597,467)
Net cash flows from operating activities	14(b)	180,406
Cash flows from investing activities		
Purchases of non-financial assets		(180,406)
Net cash flows used in investing activities		(180,406)
Net increase/(decrease) in cash and cash equivalents		-
Cash and cash equivalents at the beginning of the financial period		-
Cash and cash equivalents at the end of the financial period	14(a)	-

The above cash flow statement should be read in conjunction with the accompanying notes.

Notes to the financial statements for the financial period 17 September 2014 to 30 June 2015

Note 1. Summary of significant accounting policies

The Office of the Commissioner for Privacy and Data Protection (the Office) was established by the *Privacy and Data Protection Act 2014* and commenced operations on 17 September 2014. The Office brought together the skills and resources of the Office of the Victorian Privacy Commissioner and the Commissioner for Law Enforcement Data Security, which it replaced. The functions and powers of both former agencies have been vested in the Office of the Commissioner for Privacy and Data Protection, with the additional obligations on the Commissioner to oversee the implementation of privacy flexibility mechanisms and the establishment of a Victorian Protective Data Security Framework.

These annual financial statements represent the audited general purpose financial statements for the Office for the period from 17 September 2014 to 30 June 2015. The purpose of the report is to provide users with information about the Office's stewardship of resources entrusted to it.

(a) Statement of compliance

These general purpose financial statements have been prepared in accordance with the *Financial Management Act 1994* (FMA) and applicable Australian Accounting Standards (AAS), which include Interpretations issued by the Australian Accounting Standards Board (AASB). In particular, they are presented in a manner consistent with the requirements of AASB 1049 *Whole of Government and General Government Sector Financial Reporting*.

Where appropriate, those AAS paragraphs applicable to not-for-profit entities have been applied.

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

To gain a better understanding of the terminology used in this report, a glossary of terms can be found in Note 19.

These annual financial statements were authorised for issue by the Commissioner on 10 September 2015.

(b) Basis of accounting preparation and measurement

The accrual basis of accounting has been applied in the preparation of these financial statements whereby assets, liabilities, equity, income and expenses are recognised in the reporting period to which they relate, regardless of when cash is received or paid.

Judgements, estimates and assumptions are required to be made about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on professional judgements derived from historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

Revisions to accounting estimates are recognised in the period in which the estimate is revised and also in future periods that are affected by the revision. Judgements and assumptions made by management in the application of AASs that have significant effects on the financial statements and estimates relate to:

- the fair value of plant and equipment, (refer to Note 1(j));
- actuarial assumptions for employee benefit provisions based on likely tenure of existing staff, patterns of leave claims, future salary movements and future discount rates (refer Note 1(k)); and
- superannuation expense (refer to Note 1(f)).

These financial statements are presented in Australian dollars, and prepared in accordance with the historical cost convention, except where noted.

Consistent with AASB 13 *Fair Value Measurement*, the Office determines the policies and procedures for both recurring fair value measurements such as property, plant and equipment and financial instruments and for non-recurring fair value measurements such as non-financial physical assets held for sale, in accordance with the requirements of AASB 13 and the relevant Financial Reporting Directions.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For the purpose of fair value disclosures, the Office has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

In addition, the Office determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

(c) Reporting entity

The financial statements cover the Office as an individual reporting entity.

The financial statements include all activities of the Office. Its principal address is:

Level 6
121 Exhibition Street
Melbourne VIC 3000

Enabling legislation (*Privacy and Data Protection Act 2014*)

The Office is a department established under Part 6(1)(f) of the *Public Administration Act 2004* and is preparing this report in accordance with the *Privacy and Data Protection Act 2014* (the Act) under Division 3, Section 116. The Office is operating under the auspices of the Department of Premier and Cabinet and reporting to Parliament through the Special Minister of State. The Office's purposes, functions, powers and duties are set out in Part 1 and Part 3 of the Act.

Objectives and Funding

The main functions of the Office of the Commissioner for Privacy and Data Protection, under the Act, are:

- to balance the public interest in the free flow of information with the public interest in protecting the privacy of personal information in the public sector;
- to balance the public interest in promoting open access to public sector information with the public interest in protecting its security;
- to promote awareness of responsible personal information handling practices in the public sector;
- to promote the responsible and transparent handling of personal information in the public sector;
- to promote responsible data security practices in the public sector.

The Office is funded for the provision of outputs consistent with its statutory functions. Funds are from accrual-based grants derived from monies appropriated annually by Parliament through the Department of Premier and Cabinet.

(d) Scope and presentation of financial statements

Comprehensive operating statement

The comprehensive operating statement comprises three components, being 'net result from transactions' (or termed as 'net operating balance'), 'other economic flows included in net result', as well as 'other economic flows – other comprehensive income'. The sum of the former two represents the net result.

The net result is equivalent to profit or loss derived in accordance with AASs.

'Other economic flows' are changes arising from market remeasurements. They include:

- gains and losses from disposals of non-financial assets;
- revaluations and impairments of non-financial physical and tangible assets;
- remeasurement arising from defined benefit superannuation plans;
- fair value changes of financial instruments and agricultural assets; and
- depletion of natural assets (non-produced) from their use or removal.

This classification is consistent with the whole of government reporting format and is allowed under AASB 101 *Presentation of Financial Statements*.

Balance sheet

Assets and liabilities are presented in liquidity order with assets aggregated into financial assets and non-financial assets.

Current and non-current assets and liabilities (non-current being those assets or liabilities expected to be recovered or settled beyond 12 months) are disclosed in the notes, where relevant.

Cash flow statement

Cash flows are classified according to whether or not they arise from operating, investing, or financing activities. This classification is consistent with requirements under AASB 107 *Statement of Cash Flows*.

Statement of changes in equity

The statement of changes in equity presents reconciliations of each non-owner and owner changes in equity from opening balance at the beginning of the reporting period to the closing balance at the end of the reporting period. It also shows separately changes due to amounts recognised in the 'comprehensive result' and amounts recognised in 'other economic flows - other movements in equity' related to 'transactions with owner in its capacity as owner'.

(e) Income from transactions

Income is recognised to the extent that it is probable that the economic benefits will flow to the entity and the income can be reliably measured at fair value.

Grants

Income from grants (other than contribution by owners) is recognised when the Office obtains control over the contribution.

Fair value of assets and services received free of charge or for nominal consideration

Contributions of resources received free of charge or for nominal consideration are recognised at fair value when control is obtained over them, irrespective of whether these contributions are subject to restrictions or conditions over their use. Contributions in the form of services are only recognised when a fair value can be reliably determined and the services would have been purchased if not received as a donation.

The Department of Premier and Cabinet has been centrally funded for services it provides to the Office. These services are not recognised in the financial statements of the Office as their fair values cannot be reliably determined. The services that are utilised include the use of financial systems, payroll systems, accounts payable, asset register and IT network.

(f) Expenses from transactions

Expenses from transactions are recognised as they are incurred and reported in the financial period to which they relate.

Employee expenses

Refer to the section in Notes 1(k) regarding employee benefits.

These expenses include all costs related to employment, including wages and salaries, superannuation, fringe benefits tax, leave entitlements, redundancy payments and WorkCover premiums.

The amount recognised in the comprehensive operating statement for superannuation expense is the employer contributions for members of both defined benefit and defined contribution superannuation plans that are paid or payable to these plans during the reporting period.

The Department of Treasury and Finance (DTF), in their annual financial statements, disclose on behalf of the State as the sponsoring employer, the net defined benefit cost related to the members of these plans as an administered liability. Refer to DTF's Annual Financial Statements for more detailed disclosures in relation to these plans.

Depreciation and amortisation

Depreciation is generally calculated on a straight-line basis, at rates that allocate the asset's value, less any estimated residual value, over its estimated useful life.

Intangible assets with finite useful lives are depreciated as an expense on a straight line basis over the asset's useful life.

Refer to Note 1(j) for the amortisation policy for leasehold improvements.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period, and adjustments made where appropriate.

The following are typical estimated useful lives for the different asset classes.

- plant, computers and communications equipment - 3-10 years
- leasehold improvements - 8 years
- software development and licence costs - 3 years

Supplies and services

Supplies and services costs are recognised as expenses in the reporting period in which they are incurred.

(g) Other economic flows included in the net result

Other economic flows measure the change in volume or value of assets or liabilities that do not result from transactions.

Net gain/(loss) on non-financial assets

Net gain/(loss) on non-financial assets and liabilities includes realised and unrealised gains and losses as follows:

Disposal of non-financial assets

Any gain or loss on the disposal of non-financial assets is recognised at the date of disposal and is determined after deducting from the proceeds the carrying value of the asset at that time.

Impairment of non-financial assets

All non-financial assets are assessed annually for impairment, as to whether their carrying value exceeds their recoverable amount and so require write downs, and whenever there is an indication that the asset may be impaired.

If there is an indication of impairment, the assets concerned are tested as to whether their carrying value exceeds their recoverable amount. Where an asset's carrying value exceeds its recoverable amount, the difference is written off as an other economic flow, except to the extent that the write-down can be debited to an asset revaluation surplus amount applicable to that class of asset.

If there is an indication that there has been a change in the estimate of an asset's recoverable amount since the last impairment loss was recognised, the carrying amount shall be increased to its recoverable amount. This reversal of the impairment loss occurs only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised in prior years.

It is deemed that, in the event of the loss or destruction of an asset, the future economic benefits arising from the use of the asset will be replaced unless a specific decision to the contrary has been made. The recoverable amount for most assets is measured at the higher of depreciated replacement cost and fair value less costs to sell. Recoverable amount for assets held primarily to generate net cash inflows is measured at the higher of the present value of future cash flows expected to be obtained from the asset and fair value less costs to sell.

Refer to Note 1(i) in relation to the recognition and measurement of non-financial assets.

Impairment of financial assets

At the end of each reporting period, the Office assesses whether there is objective evidence that a financial asset or group of financial assets is impaired. All financial instrument assets, except those measured at fair value through profit or loss, are subject to annual review for impairment.

Receivables are assessed for bad and doubtful debts on a regular basis. Those bad debts considered as written off by mutual consent are classified as a transaction expense. The allowance for doubtful receivables and bad debts not written off by mutual consent are adjusted as other economic flows.

Net gain/(loss) on financial instruments

Net gain/(loss) on financial instruments includes:

- realised and unrealised gains and losses from revaluations of financial instruments at fair value;
- impairment and reversal of impairment for financial instruments at amortised cost (refer to Note 1(i)); and
- disposals of financial assets.

Other gains/(losses) from other economic flows

Other gains/(losses) from other economic flows include the gains or losses from:

- the revaluation of the present value of the long service leave liability due to changes in the bond interest rates; and
- transfer of amounts from the reserves to accumulated surplus or net result due to disposal or derecognition or reclassification.

(h) Financial instruments

Financial instruments arise out of contractual agreements that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Due to the nature of the Office's activities, certain financial assets and financial liabilities arise under statute rather than a contract. Such financial assets and financial liabilities do not meet the definition of financial instruments in AASB 132 *Financial Instruments: Presentation*. For example, statutory receivables arising from taxes, fines and penalties do not meet the definition of financial instruments as they do not arise under contract.

Where relevant, for note disclosure purposes, a distinction is made between those financial assets and financial liabilities that meet the definition of financial instruments in accordance with AASB 132 and those that do not.

The following refers to financial instruments unless otherwise stated.

Loans and receivables

Loans and receivables are financial instrument assets with fixed and determinable payments that are not quoted on an active market. These assets are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial measurement, loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Loans and receivables category includes cash and deposits, term deposits with maturity greater than three months, trade receivables, loans and other receivables, but not statutory receivables.

Financial liabilities at amortised cost

Financial instrument liabilities are initially recognised on the date they are originated. They are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial instruments are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in profit and loss over the period of the interest-bearing liability, using the effective interest rate method (refer to Note 19).

Financial instrument liabilities measured at amortised cost include all of the Office's contractual payables, deposits held and advances received, and interest-bearing arrangements other than those designated at fair value through profit or loss.

(i) Financial assets***Receivables***

Receivables consist of:

- contractual receivables, such as debtors in relation to goods and services.
- statutory receivables, which include predominantly amounts owing from the Victorian Government.

Where applicable, contractual receivables are classified as financial instruments and categorised as loans and receivables (refer to Note 13 Financial Instruments for recognition and measurement). Statutory receivables are recognised and measured similarly to contractual receivables (except for impairment), but are not classified as financial instruments because they do not arise from a contract.

Receivables are subject to impairment testing as described above. A provision for doubtful receivables is recognised when there is objective evidence that the debts may not be collected, and bad debts are written off when identified.

(j) Non-financial assets***Plant and equipment***

All non-financial physical assets are measured initially at cost and subsequently revalued at fair value less accumulated depreciation and impairment. Where an asset is acquired for no or nominal cost, the cost is its fair value at the date of acquisition. Assets transferred as part of a machinery of government change are transferred at their carrying amount.

Plant and equipment is held at fair value. The Office applies an individual asset capitalisation threshold of \$5,000. Individual acquisitions below this value are expensed.

Leasehold improvements

The cost of leasehold improvements is capitalised as an asset and depreciated over the shorter of the term of the lease or the estimated useful life of the improvements.

Intangible assets

Intangible assets are initially recognised at cost. Subsequently, intangible assets with finite useful lives are carried at cost less accumulated amortisation and accumulated impairment losses. Costs incurred subsequent to initial acquisition are capitalised when it is expected that additional future economic benefits will flow to the Office.

(k) Liabilities***Payables***

Payables consist of:

- contractual payables, such as accounts payable. Accounts payable represent liabilities for goods and services provided to the Office prior to the end of the financial year that are unpaid, and arise when the Office becomes obliged to make future payments in respect of the purchase of those goods and services.
- statutory payables, such as goods and services tax and fringe benefits tax payables.

Contractual payables are classified as financial instruments and categorised as financial liabilities at amortised cost (refer to Note 7). Statutory payables are recognised and measured similarly to contractual payables, but are not classified as financial instruments and not included in the category of financial liabilities at amortised cost, because they do not arise from a contract.

Provisions

Provisions are recognised when the Office has a present obligation, the future sacrifice of economic benefits is probable, and the amount of the provision can be measured reliably.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows, using discount rate that reflects the time value of money and risks specific to the provision.

When some or all of the economic benefits required to settle a provision are expected to be received from a third party, the receivable is recognised as an asset if it is virtually certain that recovery will be received and the amount of the receivable can be measured reliably.

Employee benefits

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave for services rendered to the reporting date.

(i) Wages and salaries and annual leave

Liabilities for wages and salaries, including non monetary benefits annual leave and accumulating sick leave, are all recognised in the provision for employee benefits as 'current liabilities', because the Office does not have an unconditional right to defer settlements of these liabilities.

Depending on the expectation of the timing of settlement, liabilities for wages and salaries, annual leave and sick leave are measured at:

- undiscounted value if the Office expects to wholly settle within 12 months; or
- present value if the Office does not expect to wholly settle within 12 months.

(ii) Long service leave

Liability for long service leave (LSL) is recognised in the provision for employee benefits.

Unconditional LSL is disclosed in the notes to the financial statements as a current liability even where the Office does not expect to settle the liability within 12 months because it will not have the unconditional right to defer the settlement of the entitlement should an employee take leave within 12 months.

The components of this current LSL liability are measured at:

- undiscounted value if the Office expects to wholly settle within 12 months; and
- present value if the Office does not expect to wholly settle within 12 months.

Conditional LSL is disclosed as a non-current liability. There is an unconditional right to defer the settlement of the entitlement until the employee has completed the requisite years of service. This non-current LSL liability is measured at present value.

Any gain or loss following revaluation of the present value of non-current LSL liability is recognised as a transaction, except to the extent that a gain or loss arises due to changes in bond interest rates for which it is then recognised as an other economic flow (refer to Note 1(g)).

(iii) Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee decides to accept an offer of benefits in exchange for the termination of employment. The Office recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

(iv) On-costs

Provisions for on-costs such as payroll tax, workers compensation and superannuation are recognised separately from provision for employee benefits.

(l) Leases

A lease is a right to use an asset for an agreed period of time in exchange for payment.

Leases are classified at their inception as either operating or finance leases based on the economic substance of the agreement so as to reflect the risk and reward incidental to ownership. Leases of property, plant and equipment are classified as finance infrastructure leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership from the lessor to the lessee. All other leases are classified as operating leases.

Operating leases

Operating lease payments, including any contingent rentals, are recognised as an expense in the comprehensive operating statement on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern of the benefits derived from the use of the leased asset. The leased asset is not recognised in the balance sheet.

All incentives for the agreement of a new or renewed operating lease are recognised as an integral part of the net consideration agreed for the use of the leased asset, irrespective of the incentive's nature or form or the timing of payments.

In the event that lease incentives are received to enter into operating leases, the aggregate cost of incentives are recognised as a reduction of rental expense over the lease term on a straight-line basis, unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

(m) Equity

Consistent with the requirements of AASB1004 *Contributions*, contributions by owners (that is contributed capital and its repayment) are treated as equity transactions and, therefore, do not form part of the income and expenses of the Office.

Additions to net assets which have been designated as contributions by owners are recognised as contributed capital. Other transfers that are in the nature of contributions or distributions have also been designated as contributions by owners.

(n) Commitments

Commitments for future expenditure include operating and capital commitments arising from contracts. These commitments are disclosed by way of a note at their nominal value and exclusive of the goods and services tax (GST) payable. In addition, where it is considered appropriate and provides relevant information to users, the net present values of significant individual projects are stated. These future expenditures cease to be disclosed as commitments once the related liabilities are recognised in the balance sheet.

(o) Contingent assets and contingent liabilities

Contingent assets and contingent liabilities are not recognised in the balance sheet, but are disclosed by way of a note (refer to Note 12) and, if quantifiable, are measured at nominal value. Contingent assets and liabilities are presented inclusive of GST receivable or payable respectively.

(p) Accounting for the goods and services tax (GST)

Income, expenses and assets are recognised net of the amount of associated GST, except where the GST incurred is not recoverable from the taxation authority. In this case, the GST payable is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from or payable to the taxation authority is included with other receivables or payables in the balance sheet.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from or payable to the taxation authority are presented as an operating cash flow.

(q) Events after the reporting period

Assets, liabilities, income or expenses arise from past transactions or other past events. Where the transactions result from an agreement between the Office and other parties, the transactions are only recognised when the agreement is irrevocable at or before the end of the reporting period. Adjustments are made to amounts recognised in the financial statements for events which occur between the end of the reporting period and the date when the financial statements are authorised for issue, where those events provide information about conditions which existed at the reporting date. Note disclosure is made about events between the end of the reporting period and the date the financial statements are authorised for issue where the events relate to conditions which arose after the end of the reporting period that are considered to be of material interest.

(r) Australian Accounting Standards issued that are not yet effective

The Office has elected to early adopt the following standard, which was not mandatory for the 30 June 2015 reporting period:

AASB 2015-7 Amendments to Australian Accounting Standards – Fair Value Disclosures of Not-for-Profit Public Sector Entities, applicable for reporting periods commencing 1 July 2016. This standard provides scope-limited relief for not-for-profit public sector entities from making certain specified disclosures about the fair value measurement of assets within the scope of *AASB 116 Property, Plant and Equipment*. In accordance with *FRD 7A Early Adoption of Authoritative Accounting Pronouncements*, the Office has elected to early adopt *AASB 2015-7* for the 2014-15 reporting period. Specifically, for fair value measurements that have been categorised within Level 3 of the fair value hierarchy, the Office is no longer required to provide quantitative information about the 'significant unobservable inputs' used in the fair value measurement.

As at 30 June 2015, the following standards had been issued but were also not mandatory for the 30 June 2015 reporting period. The Inspectorate has not adopted, and does not intend to adopt, these standards early:

AASB 9 Financial Instruments. The key changes include simplified requirements for the classification and measurement of financial assets, a new hedging accounting model and a revised impairment loss model to recognise impairment losses earlier, as opposed to the current approach that recognises impairment only when incurred. Applicable for annual reporting periods beginning on 1 January 2018. The assessment has identified that the financial impact of available for sale assets will now be reported through other comprehensive income and no longer recycled to the profit and loss. While the preliminary assessment has not identified any material impact arising from *AASB 9*, it will continue to be monitored and assessed.

AASB 15 Revenue from Contracts with Customers. The core principle of *AASB 15* requires an entity to recognise revenue when the entity satisfies a performance obligation by transferring a promised good or service to a customer. Applicable for annual reporting periods beginning on 1 January 2017 (Exposure Draft 263 – potential deferral to 1 January 2018). The changes in revenue recognition requirements in *AASB 15* may result in changes to the timing and amount of revenue recorded in the financial statements. The Standard will also require additional disclosures on service revenue and contract modifications.

AASB 2014 4 Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation [*AASB 116* and *AASB 138*]. Amends *AASB 116 Property, Plant and Equipment* and *AASB 138 Intangible Assets* to:

- establish the principle for the basis of depreciation and amortisation as being the expected pattern of consumption of the future economic benefits of an asset;
- prohibit the use of revenue based methods to calculate the depreciation or amortisation of an asset, tangible or intangible, because revenue generally reflects the pattern of economic benefits that are generated from operating the business, rather than the consumption through the use of the asset. Applicable for annual reporting periods beginning on 1 January 2016. There is no expected impact as the revenue-based method is not used for depreciation and amortisation.

Note 2. Expenses from transactions

	2015 \$
Expenses from transactions includes:	
(a) Employee expenses	
Salaries and wages	1,877,481
Annual leave and long service leave	300,821
Post employment benefits	
Defined contribution superannuation expense	145,492
Defined benefit superannuation expense	10,971
Other on-costs (fringe benefits tax, payroll tax and WorkCover levy)	88,687
Total employee expenses	2,423,452
(b) Supplies and services	
Professional services	172,106
Information technology	291,156
Operating lease rentals	465,985
Other	294,726
Total supplies and services	1,223,973
(c) Depreciation and amortisation	
Depreciation - plant, computers and communications equipment	23,083
Amortisation - building leasehold improvements	24,240
Amortisation - software development and licence costs	7,500
Total depreciation and amortisation	54,823

Note 3. Other economic flows included in net result

	2015 \$
Other gains/(losses) from other economic flows	
Net gain/(loss) arising from revaluation of leave liabilities ⁽ⁱ⁾	(1,399)
Total other gains/(losses) from other economic flows	(1,399)

Note:

(i) Revaluation gain/(loss) due to changes in government bond rates.

Note 4. Receivables

	2015 \$
Current receivables	
Statutory	
GST recoverable	1,808
Amounts receivable from Victorian government departments ⁽ⁱ⁾	1,668,061
Total current receivables	1,669,869
Non-current receivables	
Statutory	
Amounts receivable from Victorian government departments ⁽ⁱ⁾	50,340
Total non-current receivables	50,340
Total receivables	1,720,209

(i) The amounts receivable from Victorian government departments represent funding for all commitments incurred through the appropriations and are drawn down as the commitments fall due.

Note 5. Property, plant and equipment**Gross carrying amounts and accumulated depreciation**

	Gross carrying amount 2015 \$	Accumulated depreciation 2015 \$	Net carrying amount 2015 \$
Leasehold improvements at fair value	226,071	(35,380)	190,691
Construction in progress at cost	80,000	-	80,000
Plant, computers and communications equipment at fair value	93,945	(11,943)	82,002
Total property, plant and equipment	400,016	(47,323)	352,693

Movements in carrying amounts

	2015 \$
	Leasehold improvements at fair value
Opening balance	-
Additions	55,406
Transfers free of charge	135,482
Reclassifications	24,043
Amortisation	(24,240)
Closing balance	190,691

	Construction in progress at cost
Opening balance	-
Additions	80,000
Closing balance	80,000

	Plant, computers and communications equipment at fair value
Opening balance	-
Transfers free of charge	98,928
Transfers through contributed capital	30,200
Reclassifications	(24,043)
Depreciation	(23,083)
Closing balance	82,002

Plant, computers and communications equipment

Plant, computers and communications equipment is held at fair value. When such equipment is specialised in use, such that it is rarely sold other than as part of a going concern, fair value is determined using the depreciation replacement cost method.

There were no changes in valuation techniques throughout the period to 30 June 2015.

For all assets measured at fair value, the current use is considered the highest and best use.

Fair value measurement hierarchy for assets as at 30 June 2015

	Carrying amount \$	Fair value measurement, using:		
		Level 1 ⁽ⁱ⁾ \$	Level 2 ⁽ⁱ⁾ \$	Level 3 ⁽ⁱ⁾ \$
Leasehold improvements at fair value	190,691			190,691
Plant, computers and communications equipment at fair value	82,002			82,002
Total of property, plant and equipment at fair value	272,693	-	-	272,693

(i) Classified in accordance with the fair value hierarchy, see Note 1(b).

Description of significant unobservable inputs to Level 3 valuations

	Valuation technique ⁽ⁱⁱ⁾	Significant unobservable inputs ⁽ⁱⁱ⁾
Plant, computers and communications equipment	Depreciated replacement cost	Cost per unit Useful life of equipment
Leasehold improvements	Depreciated replacement cost	Cost per square metre Lease period

(i) Plant, computers and communications equipment and leasehold improvements are held at fair value. When such assets are specialised in use, such that they are rarely sold other than as part of a going concern, fair value is determined using the depreciated replacement cost method.

Note 6. Intangible assets***Gross carrying amounts and accumulated amortisation***

	Gross carrying amount 2015 \$	Accumulated amortisation 2015 \$	Net carrying amount 2015 \$
Software development and licence costs at fair value	45,000	(7,500)	37,500
Total intangible assets	45,000	(7,500)	37,500

Movements in carrying amounts

Opening balance	-
Additions	45,000
Amortisation	(7,500)
Closing balance	37,500

Note 7. Payables

	2015 \$
Current payables	
Contractual	
Supplies and services	744,181
Other payables	19,142
	763,323
Statutory	
Fringe benefits tax payable	2,083
	2,083
Total payables	765,406

(a) Maturity analysis of contractual payables

Refer to Note 13 for the maturity analysis of contractual payables.

(b) Nature and extent of risk arising from contractual payables

Refer to Note 13 for the nature and extent of risks arising from contractual payables.

Note 8. Provisions

	2015 \$
Current provisions	
Employee benefits - annual leave	
Unconditional and expected to settle within 12 months	192,135
Unconditional and expected to settle after 12 months	50,909
Employee benefits - long service leave:	
Unconditional and expected to settle within 12 months	90,313
Unconditional and expected to settle after 12 months	425,759
Total current provisions	759,116
Non-current provisions	
Employee benefits - long service leave	50,340
Total non-current provisions	50,340
Total provisions	809,456

Note 9. Leases

Operating leases

Commitments under a non-cancellable operating lease at the reporting date are as follows:

	2015 \$
Not longer than 1 year	330,649
Longer than one year and not longer than 5 years	1,402,001
Longer than 5 years	785,683
Total commitments	2,518,333

Leasing arrangements

The Exhibition Street, Melbourne office facilities have an initial lease term of eight years, terminating as at 30 June 2022, with an option to extend for a further five years. The Office does not have an option to purchase the leased asset at the expiry of the lease period.

Note 10. Superannuation

Employees of the Office are entitled to receive superannuation benefits and the Office contributes to both defined benefit and defined contribution plans. The defined benefit plans provide benefits based on years of service and final average salary.

The Office does not recognise any defined benefit liability in respect of the plans because the entity has no legal or constructive obligation to pay future benefits relating to its employees; its only obligation is to pay superannuation contributions as they fall due. The Department of Treasury and Finance recognises and discloses the State's defined benefit liabilities in its disclosure for administered items.

However, superannuation contributions paid or payable for the reporting period are included as part of employee benefits in the comprehensive operating statement of the Office.

The name, details and amounts expensed in relation to the major employee superannuation funds and contributions made by the Office are as follows:

Fund	Paid contribution for the year 2015 \$	Contribution outstanding at year end 2015 \$
Defined benefit funds		
State Superannuation Fund	10,971	-
Defined contribution funds		
VicSuper	124,258	-
Other	21,234	-
Total	156,463	-

Note 11. Commitments for expenditure

Apart from operating lease commitments (refer Note 8), there were no commitments for capital or other expenditure at 30 June 2015.

Note 12. Contingent assets and contingent liabilities

There were no contingent assets or contingent liabilities at 30 June 2015.

Note 13. Financial instruments**(a) Financial risk management objectives and policies**

The Office's financial instruments comprise:

- receivables (excluding statutory receivables); and
- payables (excluding statutory payables).

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement, and the basis on which expenses and income are recognised, with respect to each class of financial asset, financial liability and equity instrument above are disclosed in Note 1 to the financial statements.

The main purpose in holding financial instruments is to prudentially manage the Office's financial risks in the government policy parameters.

The carrying amounts of the Office's contractual financial assets and contractual financial liabilities by category are set out below:

Categorisation of financial instruments

2015	Contractual financial liabilities at amortised cost \$
Contractual financial liabilities	
Payables ⁽ⁱ⁾	763,323
Total contractual financial liabilities	763,323

(i) The total amounts disclosed here exclude statutory amounts (e.g. amounts owing from Victorian Government and taxes payable).

(b) Credit risk

Credit risk associated with the Office's financial assets is minimal because the main debtor is the Victorian Government. For debtors other than the Government, it is the Office's policy to only deal with entities with high credit ratings of a minimum triple B rating and to obtain sufficient collateral or credit enhancements, where appropriate.

Note 13. Financial instruments (cont)

(c) Liquidity risk

Liquidity risk is the risk that the Office would be unable to meet its financial obligations as and when they fall due. The Office operates under the Government fair payments policy of settling financial obligations within 30 days and, in the event of a dispute, make payments within 30 days from the date of resolution.

The Office's exposure to liquidity risk is deemed insignificant based on the current assessment of risk.

The following table discloses the contractual maturity analysis for the Office's contractual financial liabilities.

Maturity analysis of contractual financial liabilities⁽ⁱ⁾

	Carrying amount \$	Nominal amount \$	Maturity dates ⁽ⁱ⁾				
			Less than 1 month \$	1 month to 3 months \$	3 months to 1 year \$	1 year to 5 years \$	5+ years \$
2015							
Payables ⁽ⁱⁱ⁾	763,323	763,323	763,323	-	-	-	-
	763,323	763,323	763,323	-	-	-	-

(i) Maturity analysis is presented using the contractual undiscounted cash flows.

(ii) The carrying amounts disclosed exclude statutory amounts (e.g. FBT payable).

(d) Market risk

The Office's exposure to market risk is deemed insignificant based on current assessment of risk.

(e) Fair Value

The fair values and net fair values of financial instrument assets and liabilities are determined as follows:

- Level 1 – the fair value of financial instruments with standard terms and conditions and traded in active liquid markets are determined with reference to quoted market prices;
- Level 2 – the fair value is determined using inputs other than quoted prices that are observable for the financial asset or liability, either directly or indirectly; and
- Level 3 – the fair value is determined in accordance with generally accepted pricing models based on discounted cash flow analysis using unobservable market inputs.

The Office considers that the carrying amount of financial assets and financial liabilities recorded in the financial statements to be a fair approximation of their fair values, because of the short term nature of the financial instruments and the expectation that they will be paid in full.

Note 14. Cash flow information**(a) Reconciliation of cash and cash equivalents**

	2015 \$
Total cash and cash equivalents disclosed in the balance sheet ⁽ⁱ⁾	-
Balance as per cash flow statement	-

Note:

(i) Due to the State of Victoria's investment policy and government funding arrangements, government departments and agencies generally do not hold a large cash reserve in their bank accounts. Cash received by a department and agencies from the generation of revenue is generally paid into the State's bank account, known as the Public Account. Similarly, any departmental or agency expenditure, including those in the form of cheques drawn by the Office for the payment of goods and services to its suppliers and creditors, are made via the Public Account. The process is such that the Public Account would remit cash required for the amount drawn on the cheques. This remittance by the Public Account occurs upon the presentation of the cheques by the Office's suppliers or creditors.

(b) Reconciliation of net result for the period

	2015 \$
Net result for the period	462,569
Non-cash movements	
Depreciation and amortisation of non-current assets	54,823
Resources received free of charge	(234,410)
Movements in assets and liabilities (net of effects of restructuring)	
(Increase)/decrease in receivables	(1,379,190)
(Decrease)/increase in payables	738,642
(Decrease)/increase in provisions	537,972
Net cash flows from operating activities	180,406

Note 15. Responsible persons

In accordance with the Ministerial Directions issued by the Minister for Finance under the *Financial Management Act 1994*, the following disclosures are made regarding responsible persons for the reporting period.

Names

The persons who held the positions of Ministers and Accountable Officers in the Office are as follows:

The Hon Robert Clark MP	Attorney-General	17 September 2014 to 4 December 2014
The Hon Gavin Jennings MP	Special Minister of State	4 December 2014 to 30 June 2015
David Watts	Commissioner	17 September 2014 to 30 June 2015

Remuneration

Remuneration received or receivable by the Accountable Officer in connection with the management of the Office during the reporting period (17 September 2014 to 30 June 2015) was in the range:

\$220,000 to \$229,999

Amounts relating to Ministers are reported in the financial statements of the Department of Premier and Cabinet.

Other transactions

Other related transactions and loans requiring disclosure under the Directions of the Minister for Finance have been considered and there are no matters to report.

Related party transactions

During the financial period, the Office, the Department of Justice and the Department of Premier and Cabinet conducted business transactions at arms length and at normal commercial terms.

Note 16. Remuneration of executives

Other than the Accountable Officer (refer above), there were no executive officers within the Office during the reporting period.

No contractors held significant management responsibilities within the Office.

Note 17. Remuneration of auditors

	2015 \$
Victorian Auditor-General's Office	
Audit of the financial statements	15,000
	15,000

Note 18. Subsequent events

No events that should be reported have occurred after the end of the financial period.

Note 19. Glossary of terms

Commitments

Commitments include those operating, capital and other outsourcing commitments arising from non-cancellable contractual or statutory sources.

Comprehensive result

The net result of all items of income and expense recognised for the period. It is the aggregate of operating result and other comprehensive income.

Depreciation

Depreciation is an expense that arises from the consumption through wear or time of a produced physical or intangible asset. This expense is classified as a 'transaction' and so reduces the 'net result from transactions'.

Effective interest method

The effective interest method is used to calculate the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument, or, where appropriate, a shorter period.

Employee benefits expenses

Employee benefits expenses include all costs related to employment including wages and salaries, fringe benefits tax, leave entitlements, redundancy payments, defined benefits superannuation plans, and defined contribution superannuation plans.

Financial asset

A financial asset is any asset that is:

- (a) cash;
- (b) an equity instrument of another equity;
- (c) a contractual or statutory right;
 - to receive cash or another financial asset from another entity; or
 - to exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity; and
- (d) a contract that will or may be settled in the entity's own equity instruments and is:
 - a non-derivative for which the entity is or may be obliged to receive a variable number of the entity's own equity instruments; or
 - a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments.

Financial instrument

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets or liabilities that are not contractual (such as statutory receivables or payables that arise as a result of statutory requirements imposed by governments) are not financial instruments.

Financial liability

A financial liability is any liability that is:

- (a) a contractual obligation:
 - (i) to deliver cash or another financial asset to another entity; or
 - (ii) to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the entity.
- (b) A contract that will or may be settled in the entity's own equity instruments and is:
 - (i) a non-derivative for which the entity is or may be obliged to deliver a variable number of the entity's own equity instruments; or
 - (ii) a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments. For this purpose, the entity's own equity instruments do not include instruments that are themselves contracts for the future receipt or delivery of the entity's own equity instruments.

Financial statements

A complete set of financial statements comprises:

- (a) a balance sheet as at the end of the period;
- (b) a comprehensive operating statement for the period;
- (c) a statement of changes in equity for the period;
- (d) a cash flow statement for the period;
- (e) notes, comprising a summary of significant accounting policies and other explanatory information;
- (f) comparative information in respect of the preceding period as specified in paragraphs 38 of AASB 101 *Presentation of Financial Statements*; and
- (g) a statement of financial position as at the beginning of the preceding period when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements in accordance with paragraphs 41 of AASB 101.

Grants

Transactions in which one unit provides goods, services, assets (or extinguishes a liability) or labour to another unit without receiving approximately equal value in return. Grants can either be operating or capital in nature.

While grants to governments may result in the provision of some goods or services to the transferor, they do not give the transferor a claim to receive directly benefits of approximately equal value. For this reason, grants are referred to by the AASB as involuntary transfers and are termed non-reciprocal transfers. Receipt and sacrifice of approximately equal value may occur, but only by coincidence. For example, governments are not obliged to provide commensurate benefits, in the form of goods or services, to particular taxpayers in return for their taxes.

Grants can be paid as general purpose grants which refer to grants that are not subject to conditions regarding their use. Alternatively, they may be paid as specific purpose grants which are paid for a particular purpose and/or have conditions attached regarding their use.

Interest expense

Costs incurred in connection with the borrowing of funds. Interest expenses include interest on bank overdrafts and short-term and long-term borrowings, amortisation of discounts or premiums relating to borrowings, interest component of finance leases repayments, and the increase in financial liabilities and non-employee provisions due to the unwinding of discounts to reflect the passage of time.

Net result

Net result is a measure of financial performance of the operations for the period. It is the net result of items of income, gains and expenses (including losses) recognised for the period, excluding those that are classified as 'other economic flows – other comprehensive income'.

Net result from transactions/net operating balance

Net result from transactions or net operating balance is a key fiscal aggregate and is income from transactions minus expenses from transactions. It is a summary measure of the ongoing sustainability of operations. It excludes gains and losses resulting from changes in price levels and other changes in the volume of assets. It is the component of the change in net worth that is due to transactions and can be attributed directly to government policies.

Net worth

Assets less liabilities, which is an economic measure of wealth.

Non-financial assets

Non-financial assets are all assets that are not 'financial assets'. It includes land, buildings, plant and equipment and intangible assets.

Other economic flows included in net result

Other economic flows included in net result are changes in the volume or value of an asset or liability that do not result from transactions. It includes:

- gains and losses from disposals, revaluations and impairments of non financial physical and intangible assets;
- fair value changes of financial instruments and agricultural assets; and
- depletion of natural assets (non produced) from their use or removal.

Payables

Includes short and long term trade debt and accounts payable, grants, taxes and interest payable.

Receivables

Includes amounts owing from government through appropriation receivable, short and long term trade credit and accounts receivable, accrued investment income, grants, taxes and interest receivable.

Supplies and services

Supplies and services generally represent cost of goods sold and the day-to-day running costs, including maintenance costs, incurred in the normal operations of the Inspectorate.

Transactions

Transactions are those economic flows that are considered to arise as a result of policy decisions, usually an interaction between two entities by mutual agreement. They also include flows within an entity such as depreciation where the owner is simultaneously acting as the owner of the depreciating asset and as the consumer of the service provided by the asset. Taxation is regarded as mutually agreed interactions between the government and taxpayers. Transactions can be in kind (e.g. assets provided/given free of charge or for nominal consideration) or where the final consideration is cash. In simple terms, transactions arise from the policy decisions of the government.

APPENDICES

Disclosure Index

The Annual Report of the Commissioner for Privacy and Data Protection is prepared in accordance with all relevant Victorian legislation. This index has been prepared to facilitate identification of compliance with statutory disclosure requirements.

Legislation	Requirement	Page Reference
Ministerial Directions		
Report of Operations – FRD Guidance		
Charter and purpose		
FRD 22F	Manner of establishment and the relevant Ministers	Page 9
FRD 22F	Objectives, functions, powers and duties	Page 9–10
FRD 22F	Nature and range of services provided	Page 12–28
Management and structure		
FRD 22F	Organisational structure	Page 31
Financial and other information		
FRD 8C	Performance against output performance measures	Page 68
FRD 10	Disclosure index	Page 66–67
FRD 12A	Disclosure of major contracts	Page 34
FRD 15B	Executive officer disclosures	Page 34
FRD 22F	Employment and conduct principles	Page 32
FRD 22F	Occupational health and safety policy	Page 33
FRD 22F	Summary of the financial results for the year	Page 36–64
FRD 22F	Application and operation of <i>Freedom of Information Act 1982</i>	Page 34
FRD 22F	Application and operation of the <i>Protected Disclosure Act 2012</i>	Page 34
FRD 22F	Details of consultancies over \$10 000	Page 34
FRD 22F	Details of consultancies under \$10 000	Page 34
FRD 22F	Statement of availability of other information	Page 34
FRD 24C	Reporting of officebased environmental impacts	Page 33
FRD 29A	Workforce Data disclosures	Page 32
SD 4.5.5.5	Risk management compliance attestation	Page 33
SD.4.5.5.1	Insurance compliance attestation	Page 70
Financial statements required under Part 7 of the FMA		
SD4.2(a)	Statement of changes in equity	Page 40
SD4.2(b)	Operating statement	Page 38
SD4.2(b)	Balance sheet	Page 39
SD4.2(b)	Cash flow statement	Page 41

Other requirements under Standing Directions 4.2

SD4.2(c)	Compliance with Australian accounting standards and other authoritative pronouncements	Page 37
SD4.2(c)	Compliance with Ministerial Directions	Page 37
SD4.2(c)	Accountable officers' declaration	Page 37

Other disclosures required by FRDs in notes to the financial statements

FRD21B	Disclosure of Responsible Persons, Executive Officers and other Personnel (Contractors with Significant Management Responsibilities) in the Financial Report	Page 47
FRD103E	Non-current Physical Assets	Page 41
FRD110	Cash Flow Statements	Page 58
FRD114A	Financial Instruments – General Government Entities and Public Non Financial Corporations	

Legislation

Commissioner for Privacy and Data Protection Act 2014

Freedom of Information Act 1982

Protected Disclosure Act 2012

Financial Management Act 1994

Audit Act 1994

Financial Statements

Budget Paper Number Three (BP3) Output Performance 2014-15

The performance measures detailed below are legacy measures published in the 2014-15 budget papers for the former Office of the Victorian Privacy Commissioner (OVPC). Performance measures for the Office of the Commissioner for Privacy and Data Protection (CPDP) have been published in the 2015-16 budget papers.

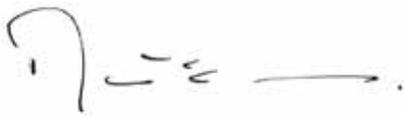
Performance measures	Unit of measure	2014-15 actual	2014-15 target	Performance variation (%)	Result ¹
Quantity					
Compliance activities conducted	number	2255	2700	-7.7	■
<i>Underperformance in this former OVPC measure reflects changes to enquiries and complaint handling consistent with CPDP legislation and priorities.</i>					
Privacy awareness activities	number	101	195	-48	■
<i>Underperformance in this former OVPC measure is due to reprioritisation of activities to reflect CPDP legislation and priorities.</i>					
Quality					
Client feedback of satisfaction with complaint handling and training services provided.	level	high	high	0	✓
Timeliness					
Statutory or agreed timelines met.	per cent	90.0	90.0	0	✓

Note:

- Performance target not achieved – exceeds 5 per cent variance.
 - ✓ Performance target achieved or exceeded. [A variance exceeding 5 per cent is a significant variance that requires an explanation, including internal or external factors that cause the variance].
 - ™ Performance target not achieved – within 5 per cent variance;

Attestation on Compliance with the Australian / New Zealand Risk Management Standard

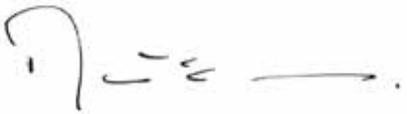
I, David Watts, certify that the Office of the Commissioner for Privacy and Data Protection has risk management processes in place consistent with the Australian/New Zealand Risk Management Standard and an internal control system is in place that enables the executive to understand, manage and satisfactorily control risk exposures. The Commissioner for Privacy and Data Protection's Audit and Finance Committee verified this assurance and that the risk profile of the Commissioner for Privacy and Data Protection has been critically reviewed within the past twelve months.



David Watts
Commissioner for Privacy and Data Protection
30 June 2015

Attestation on Insurance

I, David Watts, certify that the Office of the Commissioner for Privacy and Data Protection has complied with Ministerial Direction 4.5.5.1- Insurance.

A handwritten signature in black ink, appearing to read 'D. Watts', is written on a light-colored rectangular background.

David Watts
Commissioner for Privacy and Data Protection
June 30 2015

Enquiries Line 1300 666 444
www.dataprotection.vic.gov.au