Financial statements

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**Independent Audit Report**

**INDEPENDENT AUDITOR’S REPORT**



**To the Attorney-General**

I have audited the accompanying financial statements of the Australian Human Rights Commission for the year ended 30 June 2014, which comprise: a Statement by the Chief Executive and Chief Finance Officer; the Statement of Comprehensive Income; Statement of Financial Position; Statement of Changes in Equity; Cash Flow Statement; Schedule of Commitments; Schedule of Contingencies; Administered Schedule of Comprehensive Income; Administered Schedule of Assets and Liabilities; Administered Reconciliation Schedule; Administered Cash Flow Statement; and Notes to and forming part of the financial statements comprising a Summary of Significant Accounting Policies and other explanatory information.

***Chief Executive’s Responsibility for the Financial Statements***

The Chief Executive of the Australian Human Rights Commission is responsible for the preparation of financial statements that give a true and fair view in accordance with the Finance Minister’s Orders made under the *Financial Management and Accountability Act 1997*, including the Australian Accounting Standards, and for such internal control as is necessary to enable the preparation of financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

***Auditor’s Responsibility***

My responsibility is to express an opinion on the financial statements based on my audit. I have conducted my audit in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards. These auditing standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Australian Human Rights Commission’s preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Australian Human Rights Commission’s internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Chief Executive of the Australian Human Rights Commission, as well as evaluating the overall presentation of the financial statements.

GPO Box 707 CANBERRA ACT 2601

19 National Circuit BARTON ACT 2600

Phone (02) 6233 7300 Fax (02) 6203 7777

#### Independent Audit Report

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

***Independence***

In conducting my audit, I have followed the independence requirements of the Australian National Audit Office, which incorporate the requirements of the Australian accounting profession.

***Opinion***

In my opinion, the financial statements of the Australian Human Rights Commission:

1. have been prepared in accordance with the Finance Minister’s Orders made under the *Financial Management and Accountability Act 1997*, including the Australian Accounting Standards; and
2. give a true and fair view of the matters required by the Finance Minister’s Orders, including the Australian Human Rights Commission’s financial position as at 30 June 2014 and its financial performance and cash flows for the year then ended.

Australian National Audit Office

Peter Kerr Executive Director

Delegate of the Auditor-General Canberra

12 February 2015

#### Statement by the Chief Executive and Chief Finance Officer

**AUSTRALIAN HUMAN RIGHTS COMMISSION**

**FINANCIAL STATEMENTS**

*for the period ended 30 June 2014*

**STATEMENT BY THE CHIEF EXECUTIVE AND CHIEF FINANCE OFFICER**

In our opinion, the attached financial statements for the period ended 30 June 2014 are based on properly maintained financial records and give a true and fair view

of the matters required by the Finance Minister’s Orders made under the *Financial Management and Accountability Act 199*7, as amended.

**Professor Gillian Triggs**

President and Chief Executive 12 February 2015

David Richards

Chief Finance Officer 12 February 2015

#### Statement of Comprehensive Income

##### for the period ended 30 June 2014

|  |  |  |  |
| --- | --- | --- | --- |
|  | Notes | **2014**  **$’000** | 2013  $’000 |
| **Net Cost of Services Expenses** | | | |
| Employee benefits | 3A | **15,855** | 16,384 |
| Supplier | 3B | **8,228** | 8,547 |
| Depreciation and amortisation | 3C | **978** | 905 |
| Write-down and impairment of assets | 3D | **2** | 2 |
| **Total expenses** |  | **25,063** | 25,838 |
| **Own-source income** | | | |
| **Own-source revenue** | | | |
| Sale of goods and rendering of services | 4A | **5,140** | 6,017 |
| Rental income | 4B | **900** | 882 |
| **Total own-source revenue** |  | **6,040** | 6,899 |
| **Gains** | | | |
| Sale of assets | 4C | – | 1 |
| Other gains | 4D | **68** | 71 |
| **Total gains** |  | **68** | 72 |
| **Total own-source income** |  | **6,108** | 6,971 |
| **Net cost of services** |  | **(18,995)** | (18,867) |
| Revenue from Government | 4E | **18,092** | 17,979 |
| **Deficit attributable to the Australian Government** |  | **(863)** | (888) |
| **Other Comprehensive Income** | | | |
| **Items not subject to subsequent reclassification to net cost of services** | | | |
| Changes in asset revaluation surplus |  | **51** | 287 |
| **Total other comprehensive income after income tax** |  | **51** | 287 |
| **Total comprehensive loss attributable to the Australian Government** |  | **(812)** | (601) |
| The above statement should be read in conjunction with the accompanying notes. | | | |

**Statement of Financial Position**

as at 30 June 2014

|  |  |  |  |
| --- | --- | --- | --- |
|  | Notes | **2014**  **$’000** | 2013  $’000 |
| **Assets** | | | |
| **Financial Assets** | | | |
| Cash and cash equivalents | 6A | **8,835** | 1,045 |
| Trade and other receivables | 6B | **681** | 6,711 |
| Other financial assets | 6C | **286** | – |
| **Total financial assets** |  | **9,802** | 7,756 |
| **Non-Financial Assets** | | | |
| Infrastructure, plant and equipment | 7A,B | **4,430** | 5,034 |
| Intangibles | 7C,D | **804** | 893 |
| Other non-financial assets | 7E | **162** | 100 |
| **Total non-financial assets** |  | **5,396** | 6,027 |
| **Total assets** |  | **15,198** | 13,783 |
| **Liabilities** | | | |
| **Payables** | | | |
| Suppliers | 8A | **1,724** | 1,660 |
| Other payables | 8B | **5,551** | 3,093 |
| **Total payables** |  | **7,275** | 4,753 |
| **Non-interest Bearing Liabilities** | | | |
| Lease incentives | 9A | **3,962** | 4,529 |
| **Total non-interest bearing liabilities** |  | **3,962** | 4,529 |
| **Provisions** | | | |
| Employee provisions | 10A | **3,374** | 3,804 |
| Other provisions | 10B | **702** | 243 |
| **Total provisions** |  | **4,076** | 4,047 |
| **Total liabilities** |  | **15,313** | 13,329 |
| **Net assets** |  | **(115)** | 454 |
| **Equity** | | | |
| Contributed equity |  | **2,134** | 1,961 |
| Asset revaluation reserve |  | **338** | 287 |
| Accumulated results |  | **(2,587)** | (1,794) |
| **Total equity** |  | **(115)** | 454 |
| The above statement should be read in conjunction with the accompanying notes. | | | |

**Statement of Changes in Equity**

for the period ended 30 June 2014

**Retained earnings**

**Asset revaluation reserve**

**Contributed equity/ capital**

**Total equity**

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | **2014**  **$’000** | 2013  $’000 | **2014**  **$’000** | 2013  $’000 | **2014**  **$’000** | 2013  $’000 | **2014**  **$’000** | 2013  $’000 |
| **Opening balance** |  |  |  |  | |  |  |  |
| Balance carried forward from previous period | **(1,794)** | (906) | **287** | – **1,961** | | 1,788 | **454** | 882 |
| Adjustment for errors and revised estimates | **70** | – | – | – – | | – | **70** | – |
| **Adjusted opening balance** | **(1,724)** | (906) | **287** | – **1,961** | | 1,788 | **524** | 882 |
| **Comprehensive income** |  |  |  |  |  | | |  |
| Deficit for the period | **(863)** | (888) | – | – | – – **(863)** | | | (888) |
| Other comprehensive income | – | – | **51** | 287 | – – **51** | | | 287 |
| **Total comprehensive income** | **(863)** | (888) | **51** | 287 | – – **(812)** | | | (601) |
| of which: |  |  |  |  |  | | |  |
| Attributable to the Australian Government | **(863)** | (888) | **51** | 287 | – – **(812)** | | | (601) |
| **Transactions with owners** |  |  |  |  |  |  |  |  |
| **Contributions by owners** |  |  |  |  |  |  |  |  |
| Departmental capital budget | – | – | – | – | **173** | 173 | **173** | 173 |
| **Sub-total transactions with owners** | – | – | – | – | **173** | 173 | **173** | 173 |
|  | **Closing balance attributable to the Australian Government** | **(2,587)** | (1,794) | **338** | 287 | **2,134** | 1,961 | **(115)** | 454 |

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

#### Cash Flow Statement

##### for the period ended 30 June 2014

|  |  |  |  |
| --- | --- | --- | --- |
|  | Notes | **2014**  **$’000** | 2013  $’000 |
| **Operating Activities** | | | |
| **Cash received** | | | |
| Appropriations |  | **18,092** | 18,249 |
| Cash transferred from the Official Public Account |  | **11,020** | 6,256 |
| Sales of goods and rendering of services |  | **8,048** | 8,205 |
| Net GST received |  | **318** | 267 |
| **Total cash received** |  | **37,478** | 32,977 |
| **Cash used** | | | |
| Employees |  | **(16,279)** | (15,533) |
| Suppliers |  | **(8,602)** | (9,587) |
| Section 31 receipts transferred to Official Public Account |  | **(5,188)** | (8,491) |
| **Total cash used** |  | **(30,069)** | (33,611) |
| **Net cash from (used by) operating activities** | 11 | **7,409** | (634) |
| **Investing Activities** | | | |
| **Cash used** | | | |
| Purchase of infrastructure, plant and equipment |  | **(92)** | (36) |
| Purchase of intangibles |  | **(144)** | (182) |
| **Total cash used** |  | **(236)** | (218) |
| **Net cash used by investing activities** |  | **(236)** | (218) |
| **Financing Activities** | | | |
| **Cash received** | | | |
| Contributed equity |  | **617** | 216 |
| **Total cash received** |  | **617** | 216 |
| **Net increase (decrease) in cash held** |  | **7,790** | (636) |
| Cash and cash equivalents at the beginning of the reporting period |  | **1,045** | 1,681 |
| **Cash and cash equivalents at the end of the reporting period** | 6A | **8,835** | 1,045 |
| The above statement should be read in conjunction with the accompanying notes. | | | |

**Schedule of Commitments**

as at 30 June 2014

|  |  |  |
| --- | --- | --- |
|  | **2014**  **$’000** | 2013  $’000 |
| **BY TYPE** | | |
| **Commitments receivable** | | |
| Sublease rental income | **(8,116)** | (9,113) |
| Other commitments | **(665)** | (1,776) |
| Net GST recoverable on commitments1 | **(1,705)** | (1,831) |
| **Total commitments receivable** | **(10,486)** | (12,720) |
| **Commitments payable** | | |
| **Capital commitments** | | |
| Infrastructure, plant and equipment2 | **72** | – |
| **Total capital commitments** | **72** | – |
| **Other commitments** | | |
| Operating leases2 | **27,272** | 30,893 |
| Other | **195** | 140 |
| **Total other commitments** | **27,467** | 31,033 |
| **Total commitments payable** | **27,539** | 31,033 |
| **Net commitments by type** | **17,053** | 18,313 |
| **BY MATURITY** | | |
| **Commitments receivable** | | |
| **Operating lease income** | | |
| One year or less | **(1,034)** | (997) |
| From one to five years | **(5,789)** | (5,578) |
| Over five years | **(1,293)** | (2,538) |
| **Total operating lease income** | **(8,116)** | (9,113) |
| **Other commitments receivable** | | |
| One year or less | **(862)** | (1,865) |
| From one to five years | **(1,233)** | (1,201) |
| Over five years | **(275)** | (541) |
| **Total other commitments receivable** | **(2,370)** | (3,607) |
| **Total commitments receivable** | **(10,486)** | (12,720) |

**Schedule of Commitments**

as at 30 June 2014

|  |  |  |
| --- | --- | --- |
|  | **2014**  **$’000** | 2013  $’000 |
| **Commitments payable** | | |
| **Capital commitments** | | |
| One year or less | **72** | – |
| **Total capital commitments** | **72** | – |
| **Operating lease commitments** | | |
| One year or less | **3,593** | 3,620 |
| From one to five years | **19,357** | 18,786 |
| Over five years | **4,322** | 8,487 |
| **Total operating lease commitments** | **27,272** | 30,893 |
| **Other commitments** | | |
| One year or less | **195** | 140 |
| **Total other commitments** | **195** | 140 |
| **Total commitments payable** | **27,539** | 31,033 |
| **Net commitments by maturity** | **17,053** | 18,313 |

Note: Commitments are GST inclusive where relevant

**Nature of Leases/General Description**

1. Outstanding payments for leasehold improvements
2. Operating leases included are effectively non-cancellable and comprise:

*Leases for office accommodation*

Lease payments are subject to fixed annual rental increases. The initial periods of accommodation are still current and there are two options in the lease agreement to renew.

*Agreements for the provision of motor vehicles to senior executive officers*

No contingent rentals exist and there are no renewal or purchase options available to the Commission.

*Lease agreement in relation to the provision of desktop computer equipment and printers*

The lessor provides all desktop computer equipment and software. The lease agreement allows for variations to the duration of the rental period and to the equipment being provided.

*Other commitments*

Consists of agreements with other entities for the provision of goods and services, outgoings and agreements equally proportionately unperformed.

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

#### Schedule of Contingencies

##### as at 30 June 2013

|  |  |  |
| --- | --- | --- |
|  | **2014**  **$’000** | 2013  $’000 |
| **Contingent assets** | – | – |
| **Total contingent assets** | – | – |
| **Contingent liabilities** | | |
| Make-good costs | **79** | 79 |
| **Total contingent liabilities** | **79** | 79 |
| **Net contingent liabilities** | **(79)** | (79) |
| Details of each class of contingent liabilities and contingent assets listed above are disclosed in Note 12, along with information on significant remote contingencies and contingencies that cannot be quantified. | | |
| The above schedule should be read in conjunction with the accompanying notes. | | |

|  |  |  |  |
| --- | --- | --- | --- |
| **Administered Schedule of Comprehensive Income**  for the period ended 30 June 2014 | | | |
|  | Notes | **2014**  **$’000** | 2013  $’000 |
| **Expenses** | | | |
| Suppliers | 17A | **144** | 143 |
| **Total expenses administered on behalf of Government** |  | **144** | 143 |
| **Net cost of services** |  | **144** | 143 |
| **Deficit** |  | **(144)** | (143) |
| **Total other comprehensive income attributable to the Australian Government** |  | **(144)** | (143) |
| The above schedule should be read in conjunction with the accompanying notes. | | | |

|  |  |  |  |
| --- | --- | --- | --- |
| **Administered Schedule of Assets and Liabilities**  as at 30 June 2014 | | | |
|  | Notes | **2014**  **$’000** | 2013  $’000 |
| **Assets** | | | |
| **Financial assets** | | | |
| Cash and cash equivalents | 19A | **17** | – |
| **Total financial assets** |  | **17** | – |
| **Total assets administered on behalf of Government** |  | **17** | – |
| **Liabilities** | | | |
| **Payables** | | | |
| Suppliers | 20A | **17** | – |
| **Total payables** |  | **17** | – |
| **Total liabilities administered on behalf of Government** |  | **17** | – |
| **Net assets** |  | – | – |
| The above schedule should be read in conjunction with the accompanying notes. | | | |

|  |  |  |
| --- | --- | --- |
| **Administered Reconciliation Schedule** | | |
|  | **2014**  **$’000** | 2013  $’000 |
| **Opening administered assets less administered liabilities as at 1 July** | – | 11 |
| Adjustment for errors | – | (11) |
| **Adjusted opening administered assets less administered liabilities** | – | – |
| Surplus (deficit) items: | | |
| Less: Administered expenses (non CAC) | **(144)** | (143) |
| Administered transfers to/from Australian Government: | | |
| Appropriation transfers from OPA: | | |
| Annual appropriations for administered expenses (non CAC) | **144** | 143 |
| **Closing administered assets less administered liabilities as at 30 June** | – | – |
| This shedule should be read in conjunction with the accompanying notes. | | |

|  |  |  |  |
| --- | --- | --- | --- |
| **Administered Cash Flow Statement**  for the period ended 30 June 2014 | | | |
|  | Notes | **2014**  **$’000** | 2013  $’000 |
| **Operating Activities** | | | |
| **Cash received** |  | – | – |
| **Total cash received** |  | – | – |
| **Cash used** | | | |
| Suppliers |  | **(127)** | (143) |
| **Total cash used** |  | **(127)** | (143) |
| **Net cash flows used by operating activities** |  | **(127)** | (143) |
| Cash and cash equivalents at the beginning of the reporting period |  | – | – |
| Cash from Official Public Account for: | | | |
| – Appropriations |  | **144** | 143 |
| **Cash and cash equivalents at the end of the reporting period** | 19A | **17** | – |
| This schedule should be read in conjunction with the accompanying notes. | | | |

**Notes to and forming part of the financial statements**

for the period ended 30 June 2014

Note 1: Summary of Significant Accounting Policies

* 1. **Objectives of the Australian Human Rights Commission**

The Australian Human Rights Commission (the Commission) is an Australian Government controlled entity. It is a not-for-profit entity. The Commission’s objective is to ensure that Australians have access to independent human rights complaint handling and public inquiries processes and benefit from human rights education, promotion, monitoring and compliance activities.

The Commission is structured to meet the following outcome:

*“An Australian Society in which human rights are respected, protected and promoted through independent investigation and resolution of complaints, education and research to promote and eliminate discrimination, and monitoring, and reporting on human rights.”*

The continued existence of the Commission in its present form and with its present programs is dependent on Government policy and on continuing appropriations by Parliament for the Commission’s administration and programs.

Commission activities contributing toward this outcome are classified as either departmental or administered. Departmental activities involve the use of assets, liabilities, income and expenses controlled or incurred by the Commission in its own right. Administered activities involve the management or oversight by the Commission, on behalf of the Government, of items controlled or incurred by the Government.

The administered activities conducted by the Commission on behalf of the Government relate to the National Anti-Racism Partnership Strategy.

* 1. **Basis of Preparation of the Financial Statements**

The financial statements are required by section 49 of the *Financial Management and Accountability Act 1997*

and are general purpose financial statements.

The Financial Statements have been prepared in accordance with:

* Finance Minister’s Orders (or FMO) for reporting periods ending on or after 1 July 2011; and
* Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period.

The financial statements have been prepared on an accrual basis and in accordance with the historical cost convention, except for certain assets and liabilities at fair value. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position.

The financial statements are presented in Australian dollars and values are rounded to the nearest thousand dollars unless otherwise specified.

Unless an alternative treatment is specifically required by an accounting standard or the FMO, assets and liabilities are recognised in the statement of financial position when and only when it is probable that future economic benefits will flow to the entity or a future sacrifice of economic benefits will be required and the amounts of the assets or liabilities can be reliably measured. However, assets and liabilities arising under executory contracts are not recognised unless required by an accounting standard. Liabilities and assets that are unrecognised are reported in the schedule of commitments or the schedule of contingencies.

Unless alternative treatment is specifically required by an accounting standard, income and expenses are recognised in the statement of comprehensive income when and only when the flow, consumption or loss of economic benefits has occurred and can be reliably measured.

#### Notes to and forming part of the financial statements

##### for the period ended 30 June 2014

Note 1: Summary of Significant Accounting Policies (continued)

During 2012-13 additional legal advice was received that indicated there could be breaches of Section 83 of the Constitution under certain circumstances with payments for long service leave, goods and services tax and payments under determinations of the Remuneration Tribunal. The Commission has reviewed its processes and controls over payments for these items to minimise the possibility for future breaches as a

result of these payments. The Commission has determined that there is a low risk of the certain circumstances mentioned in the legal advice applying to the Commission. The Commission is not aware of any specific breaches of Section 83 of the Constitution in respect of these items.

The Australian Government continues to have regard to developments in case law, including the High Court’s most recent decision on Commonwealth expenditure in *Williams v Commonwealth* [2014] HCA 23, as they contribute to the larger body of law relevant to the development of Commonwealth programs. In accordance with its general practice, the Government will continue to monitor and assess risk and decide on any appropriate actions to respond to risks of expenditure not being consistent with constitutional or other legal requirements.

* 1. **Significant Accounting Judgements and Estimates**

In the process of applying the accounting policies listed in this note, the Commission has made the following judgements that have significant impact on the amounts recorded in the financial statements:

The fair value of infrastructure, plant and equipment has been taken to be the market value of similar assets as determined by an independent valuer;

The relevant government bond rate has been used to discount non-current liabilities in accordance with the FMOs; and

The liability for long service leave has been estimated as per the FMOs. This takes into account expected salary growth, attrition and future discounting using the government bond.

* 1. **New Australian Accounting Standards**

*Adoption of New Australian Accounting Standard Requirements*

The following new standards/revised standards/interpretations/amending standards issued prior to the sign-off date that were applicable to the current reporting period:

AASB 119 *Employee Benefits 2014*

AASB 2011-10 *Australian Accounting Standards arising from AASB 119 (September 2011)*

AASB 13 *Fair Value Measurement 2014*

AASB 2011-8 *Amendments to Australian Accounting Standards arising from AASB 13*

Other new standards, revised standards, interpretations and amending standards that were issued prior to the sign-off date and are applicable to the current reporting period did not have a financial impact, and are not expected to have a future financial impact on the Commission.

*Future Australian Accounting Standard Requirements*

The following new standard will have a disclosure impact only in future reporting periods: AASB 1055 – Budgetary Reporting – March 2013 (Principal) – Disclosure impact

* 1. **Revenue**

*Revenue from Government*

Amounts appropriated for departmental outputs for the year (adjusted for any formal additions and reductions) are recognised as revenue when the Commission gains control of the appropriation, except for certain amounts that relate to activities that are reciprocal in nature, in which case revenue is recognised only when it has been earned.

Appropriations receivable are recognised at their nominal amounts.

#### Notes to and forming part of the financial statements

##### for the period ended 30 June 2014

Note 1: Summary of Significant Accounting Policies (continued)

*Other Types of Revenue*

Revenue from the sale of goods is recognised when:

* the risks and rewards of ownership have been transferred to the buyer;
* the Commission retains no managerial involvement or effective control over the goods;
* the revenue and transaction costs incurred can be reliably measured; and
* it is probable that the economic benefits associated with the transaction will flow to the entity.

Revenue from rendering of services is recognised by reference to the stage of completion of contracts at the reporting date. The revenue is recognised when:

* the amount of revenue, stage of completion and transaction costs incurred can be reliably measured; and
* the probable economic benefits associated with the transaction will flow to the entity. The stage of completion of contracts at the reporting date is determined by reference to:
* the proportion that costs incurred to date bear to the estimated total costs of the transaction.

Receivables for goods and services, which have 30 day terms, are recognised at the nominal amounts due less any impairment allowance account. Collectability of debts is reviewed at end of reporting period. Allowances are made when collectability of the debt is no longer probable.

* 1. **Gains**

*Resources Received Free of Charge*

Resources received free of charge are recognised as gains when, and only when, a fair value can be reliably determined and the services would have been purchased if they had not been donated. Use of those resources is recognised as an expense.

*Sale of Assets*

Gains from disposal of assets are recognised when control of the asset has passed to the buyer.

* 1. **Transactions with the Government as Owner**

*Equity Injections*

Amounts appropriated which are designated as ‘equity injections’ for a year (less any formal reductions) and Departmental Capital Budgets (DCBs) are recognised directly in contributed equity in that year.

*Other Distributions to Owners*

The FMOs require that distributions to owners be debited to contributed equity unless in the nature of a dividend.

* 1. **Employee Benefits**

Liabilities for ‘short-term employee benefits’ (as defined in AASB 119 Employee Benefits) and termination benefits due within twelve months of end of reporting period are measured at their nominal amounts.

The nominal amount is calculated with regard to the rates expected to be paid on settlement of the liability.

Other long-term employee benefits are measured as net total of the present value of the defined benefit obligation at the end of the reporting period minus the fair value at the end of the reporting period of plan assets (if any) out of which the obligations are to be settled directly.

*Leave*

The liability for employee benefits includes provision for annual leave and long service leave. No provision has been made for sick leave as all sick leave is non-vesting and the average sick leave taken in future years by employees of the Commission is estimated to be less than the annual entitlement for sick leave.

#### Notes to and forming part of the financial statements

##### for the period ended 30 June 2014

Note 1: Summary of Significant Accounting Policies (continued)

The leave liabilities are calculated on the basis of employees’ remuneration at the estimated salary rates that will applied at the time the leave is taken, including the Commission’s employer superannuation contribution rates to the extent that the leave is likely to be taken during service rather than paid out on termination.

The liability for long service leave has been determined by reference to the work of an actuary as at

30 June 2014. The estimate of the present value of the liability takes into account attrition rates and pay increases through promotion and inflation.

*Separation and Redundancy*

Provision is made for separation and redundancy benefit payments. The Commission recognises a provision for termination when it has developed a detailed formal plan for the terminations and has informed those employees affected that it will carry out the terminations.

*Superannuation*

Staff of the Commission are members of the Commonwealth Superannuation Scheme (CSS), the Public Sector Superannuation Scheme (PSS) or the PSS accumulation plan (PSSap).

The CSS and PSS are defined benefit schemes for the Australian Government. The PSSap is a defined contribution scheme.

The liability for defined benefits is recognised in the financial statements of the Australian Government and is settled by the Australian Government in due course. This liability is reported in the Department of Finance’s administered schedules and notes.

The Commission makes employer contributions to the employee superannuation scheme at rates determined by an actuary to be sufficient to meet the current cost to the Government. The Commission accounts for the contributions as if they were contributions to defined contribution plans.

The liability for superannuation recognised as at 30 June represents outstanding contributions for the final fortnight of the year.

* 1. **Leases**

A distinction is made between finance leases and operating leases. Finance leases effectively transfer from the lessor to the lessee substantially all the risks and rewards incidental to ownership of leased assets.

An operating lease is a lease that is not a finance lease. In operating leases, the lessor effectively retains substantially all such risks and benefits.

Where an asset is acquired by means of a finance lease, the asset is capitalised at either the fair value of the lease infrastructure or, if lower, the present value of minimum lease payments at the inception of the contract and a liability is recognised at the same time and for the same amount.

The discount rate used is the interest rate implicit in the lease. Leased assets are amortised over the period of the lease. Lease payments are allocated between the principal component and the interest expense.

Operating lease payments are expensed on a straight-line basis which is representative of the pattern of benefits derived from the leased assets.

* 1. **Fair Value Measurement**

The Commission deems transfers between levels of the fair value hierarchy to have occurred at the date of the event or change in circumstances that caused the transfer. There were no transfers in or out of any levels during the reporting period.

#### Notes to and forming part of the financial statements

##### for the period ended 30 June 2014

Note 1: Summary of Significant Accounting Policies (continued)

* 1. **Cash**

Cash and cash equivalents includes cash on hand, cash held with outsiders, demand deposits in bank accounts with an original maturity of 3 months or less that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value. Cash is recognised at its nominal amount.

* 1. **Financial Assets**

The Commission classifies its financial assets as ‘loans and receivables’.

The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Financial assets are recognised and derecognised upon trade date.

*Effective Interest Method*

The effective interest method is a method of calculating 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 asset, or, where appropriate, a shorter period.

*Loans and Receivables*

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as ‘loans and receivables’. Loans and receivables are measured at cost.

*Impairment of Financial Assets*

Financial assets are assessed for impairment at the end of each reporting period.

Financial assets held at cost – If there is objective evidence that an impairment loss has been incurred for loans and receivables the amount of the impairment loss is the difference between the carrying amount of the asset and the present value of the estimated future cash flows discounted at the current market rate for similar assets.

* 1. **Financial Liabilities**

Financial liabilities are classified as ‘other financial liabilities’.

Financial liabilities are recognised and derecognised upon ‘trade date’.

*Other Financial Liabilities*

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate,

a shorter period.

Supplier and other payables are recognised at amortised cost. Liabilities are recognised to the extent that the goods or services have been received (and irrespective of having been invoiced).

#### Notes to and forming part of the financial statements

##### for the period ended 30 June 2014

Note 1: Summary of Significant Accounting Policies (continued)

* 1. **Contingent Liabilities and Contingent Assets**

Contingent liabilities and contingent assets are not recognised in the statement of financial position but are reported in the relevant schedules and notes. They may arise from uncertainty as to the existence of a

liability or asset or represent an asset or liability in respect of which the amount cannot be reliably measured. Contingent assets are disclosed when settlement is probable but not virtually certain and contingent liabilities are disclosed when settlement is greater than remote.

* 1. **Acquisition of Assets**

Assets are recorded at cost on acquisition except as stated below. The cost of acquisition includes the fair value of assets transferred in exchange and liabilities undertaken. Financial assets are initially measured at their fair value plus transaction costs where appropriate.

Assets acquired at no cost, or for nominal consideration, are initially recognised as assets and income at their fair value at the date of acquisition, unless acquired as a consequence of restructuring of administrative arrangements. In the latter case, assets are initially recognised as contributions by owners at the amounts at which they were recognised in the transferor agency’s accounts immediately prior to the restructuring.

* 1. **Infrastructure, Plant and Equipment**

*Asset Recognition Threshold*

Purchases of infrastructure, plant and equipment are recognised initially at cost in the statement of financial position, except for purchases costing less than $2,000, which are expensed in the year of acquisition (other than where they form part of a group of similar items which are significant in total).

The initial cost of an asset includes an estimate of the cost of dismantling and removing the item and restoring the site on which it is located. This is particularly relevant to ‘make good’ provisions in property leases taken up by the Commission where there exists an obligation to restore the property to its original condition. These costs are included in the value of the Commission’s leasehold improvements with a corresponding provision for the ‘make good’ recognised.

*Revaluations*

Fair values for each class of asset are determined as shown below:

|  |  |
| --- | --- |
| **Asset Class** | **Fair Value Measured at:** |
| Computer, plant and equipment | Market value |
| Leasehold improvements | Depreciated replacement cost |

Following initial recognition at cost, infrastructure, plant and equipment are carried at fair value. Valuations are conducted with sufficient frequency to ensure that the carrying amounts of assets do not differ materially from the assets’ fair values as at the reporting date. The regularity of independent valuations depends upon the volatility of movements in market values for the relevant assets.

Revaluation adjustments are made on a class basis. Any revaluation increment is credited to equity under the heading of asset revaluation reserve except to the extent that it reverses a previous revaluation decrement

of the same asset class that was previously recognised in the surplus/deficit. Revaluation decrements for a class of assets are recognised directly in the surplus/deficit except to the extent that they reverse a previous revaluation increment for that class.

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the asset restated to the revalued amount.

#### Notes to and forming part of the financial statements

##### for the period ended 30 June 2014

Note 1: Summary of Significant Accounting Policies (continued)

*Depreciation*

Depreciable infrastructure, plant and equipment assets are written-off to their estimated residual values over their estimated useful lives to the Commission using, in all cases, the straight-line method of depreciation.

Depreciation rates (useful lives), residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate.

Depreciation rates applying to each class of depreciable asset are based on the following useful lives:

|  |  |  |
| --- | --- | --- |
| **Asset Class** | **2014** | 2013 |
| Computer, plant and equipment | 4 to 10 years | 4 to 10 years |
| Leasehold improvements | Lease term | Lease term |

*Impairment*

All assets were assessed for impairment at 30 June 2014. Where indications of impairment exist, the asset’s recoverable amount is estimated and an impairment adjustment made if the asset’s recoverable amount is less than its carrying amount.

The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset’s ability to generate future cash flows, and the asset would be replaced if the Commission were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

*Derecognition*

An item of infrastructure, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

* 1. **Intangibles**

The Commission’s intangibles comprise internally developed and/or customised software for internal use. These assets are carried at cost less accumulated amortisation and accumulated impairment losses.

Software is amortised on a straight-line basis over its anticipated useful life. The useful lives of the Commission’s software are 2 to 5 years (2012-13: 2 to 5 years).

All software assets were assessed for indications of impairment as at 30 June 2014.

* 1. **Taxation**

The Commission is exempt from all forms of taxation except Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST).

Revenues, expenses and assets are recognised net of GST except:

* where the amount of GST incurred is not recoverable from the Australian Taxation Office; and
* for receivables and payables.

#### Notes to and forming part of the financial statements

##### for the period ended 30 June 2014

Note 1: Summary of Significant Accounting Policies (continued)

**1.19 Reporting of Administered Activities**

Administered revenues, expenses, assets, liabilities and cash flows are disclosed in the administered schedules and related notes.

Except where otherwise stated below, administered items are accounted for on the same basis and using the same policies as for departmental items, including the application of Australian Accounting Standards.

*Administered Cash Transfers to and from the Official Public Account*

Revenue collected by the entity for use by the Government rather than the entity is administered revenue. Collections are transferred to the Official Public Account (OPA) maintained by the Department of Finance. Conversely, cash is drawn from the OPA to make payments under Parliamentary appropriation on behalf of Government. These transfers to and from the OPA are adjustments to the administered cash held by the entity on behalf of the Government and reported as such in the schedule of administered cash flows and in the administered reconciliation schedule.

Note 2: Events After the Reporting Period

From 1 July 2014 the Commission became a Corporate Commonwealth Entity under the *Public Governance, Performance and Accountability Act 2013* (PGPA). The Commission continues to undertake the necessary arrangements to reflect its status as a Corporate Commonweatlh Entity and implement changes brought about by the PGPA.

In the 2014-15 Budget the Government announced that from 1 January 2015, an Office of the Privacy Commissioner will be established as a separate statutory office, exercising statutory privacy functions under the *Privacy Act 1988* and related legislation. These functions are currently performed through the Office of the Australian Information Commissioner. The legislation giving effect to this announcement has not yet been enacted.

**Unquantifiable Contingencies**

At 12 February 2015 the Commission is appearing as an intervener in one matter before the Family Court of Western Australia.

It is not possible to estimate the amounts of the eventual payments that may be required in relation to the unresolved claims, though it is not common for costs to be awarded against the Commission in these matters.

**Reporting of Administered Activities**

From 1 July 2014 the Commission became a Commonwealth corporate entity under the *Public Governance, Performance and Accountability Act 2013* and the Commission’s administered appropriation funding will no longer be required to be reported separately from its departmental funding.

#### Notes to and forming part of the financial statements

##### for the period ended 30 June 2014

Note 3: Expenses

|  |  |  |
| --- | --- | --- |
|  | **2014**  **$’000** | 2013  $’000 |
| **Note 3A: Employee Benefits** | | |
| Wages and salaries | **12,458** | 12,304 |
| Superannuation: | | |
| Defined contribution plans | **1,198** | 1,152 |
| Defined benefit plans | **967** | 877 |
| Leave and other entitlements | **831** | 1,340 |
| Separation and redundancies | **319** | 635 |
| Other employee expenses | **82** | 76 |
| **Total employee benefits** | **15,855** | 16,384 |
| **Note 3B: Supplier** | | |
| **Goods and services supplied or rendered** | | |
| General property operating expenses | **862** | 859 |
| Insurance | **38** | 38 |
| Office consumables | **87** | 87 |
| Official travel | **1,204** | 1,418 |
| Postage and freight | **42** | 43 |
| Printing and publications | **251** | 336 |
| Professional services and fees | **2,462** | 2,410 |
| Reference materials, subscriptions and licences | **344** | 272 |
| Staff training | **101** | 170 |
| Telecommunications | **228** | 263 |
| Other | **308** | 247 |
| **Total goods and services supplied or rendered** | **5,927** | 6,143 |
| **Goods supplied in connection with** | | |
| Related entities | **42** | 11 |
| External parties | **790** | 778 |
| **Total goods supplied** | **832** | 789 |
| **Services rendered in connection with** | | |
| Related entities | **247** | 298 |
| External parties | **4,848** | 5,056 |
| **Total services rendered** | **5,095** | 5,354 |
| **Total goods and services supplied or rendered** | **5,927** | 6,143 |

**Notes to and forming part of the financial statements**

for the period ended 30 June 2014

Note 3: Expenses (continued)

|  |  |  |
| --- | --- | --- |
|  | **2014**  **$’000** | 2013  $’000 |
| **Note 3B: Supplier** (continued) | | |
| **Other supplier expenses** | | |
| Operating lease rentals in connection with | | |
| Related parties | | |
| Sublease | **118** | 180 |
| External parties | | |
| Minimum lease payments | **2,145** | 2,179 |
| Workers compensation expenses | **38** | 45 |
| **Total other supplier expenses** | **2,301** | 2,404 |
| **Total suppliers** | **8,228** | 8,547 |
| **Note 3C: Depreciation and Amortisation** | | |
| **Depreciation** | | |
| Infrastructure, plant and equipment: | | |
| Computer, plant and equipment | **153** | 152 |
| **Total depreciation** | **153** | 152 |
| **Amortisation** | | |
| Infrastructure, plant and equipment: | | |
| Leasehold improvements | **591** | 558 |
| Intangibles: | | |
| Computer software | **234** | 195 |
| **Total amortisation** | **825** | 753 |
| **Total depreciation and amortisation** | **978** | 905 |
| **Note 3D: Write-Down and Impairment of Assets** | | |
| **Asset write-downs and impairments from** | | |
| Financial assets – written off | – | 1 |
| Non-financial assets – written off | **2** | 1 |
| **Total write-down and impairment of assets** | **2** | 2 |

**Notes to and forming part of the financial statements**

for the period ended 30 June 2014

Note 4: Income

|  |  |  |
| --- | --- | --- |
|  | **2014**  **$’000** | 2013  $’000 |
| **OWN-SOURCE REVENUE** | | |
| **Note 4A: Sale of Goods and Rendering of Services** | | |
| **Sale of goods in connection with** | | |
| External parties | **1** | 1 |
| **Total sale of goods** | **1** | 1 |
| **Rendering of services in connection with** | | |
| Related entities | **4,741** | 5,627 |
| External parties | **398** | 389 |
| **Total rendering of services** | **5,139** | 6,016 |
| **Total sale of goods and rendering of services** | **5,140** | 6,017 |
| **Note 4B: Rental Income** | | |
| Operating lease | | |
| Sub lease rental income | **900** | 882 |
| **Total rental income** | **900** | 882 |
| **GAINS** | | |
| **Note 4C: Sale of Assets** | | |
| **Property, plant and equipment** | | |
| Proceeds from sale | – | 1 |
| **Total sale of assets** | – | 1 |
| **Note 4D: Other Gains** | | |
| Resources received free of charge | **51** | 50 |
| Gain on reduction of prior year provisions | **17** | 21 |
| **Total other gains** | **68** | 71 |
| **REVENUE FROM GOVERNMENT** | | |
| **Note 4E: Revenue from Government** | | |
| **Appropriations** | | |
| Departmental appropriations | **18,092** | 17,979 |
| **Total revenue from Government** | **18,092** | 17,979 |

**Notes to and forming part of the financial statements**

for the period ended 30 June 2014

Note 5: Fair Value Measurements

The following tables provide an analysis of assets and liabilities that are measured at fair value. The different levels of the fair value hierarchy are defined below.

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

**Note 5A: Fair Value Measurements**

**Fair value measurements at the end of the reporting period by hierarchy for assets in 2014**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Fair value measurements at the end of the reporting period using** | | | | |
|  | **Fair value**  **$’000** | **Level 1 inputs**  **$’000** | **Level 2 inputs**  **$’000** | **Level 3 inputs**  **$’000** |
| **Non-financial assets** | | | | |
| Infrastructure, plant and equipment | 4,430 | – | 4,430 | – |
| **Total non-financial assets** | 4,430 | – | 4,430 | – |
| **Total fair value measurements of assets in the statement of financal position** | 4,430 | – | 4,430 | – |

**Fair value measurements – highest and best use differs from current use for non-financial assets (NFAs)**

There were no NFAs where the highest and best use differed from its current use during the reporting period.

**Note 5B: Level 1 and Level 2 Transfers for Recurring Fair Value Measurements**

The Commission made no transfers between level 1 and level 2 for recurring fair value measurements during the reporting period.

The Commission’s policy for determining when transfers between the levels are deemed to have occurred can be found in Note 1.

#### Notes to and forming part of the financial statements

##### for the period ended 30 June 2014

Note 5: Fair Value Measurements (continued)

**Note 5C: Valuation Techniques and Inputs for Level 2 and Level 3 Fair Value Measurements**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Category (Level 2 or**  **Level 3)** | **Fair Value**  **$’000** | **Valuation Technique** | **Inputs used** |
| **Assets not measured at fair value in the statement of financial position** | | | | |
| Infrastructure, plant and equipment | Level 2 | 4,430 | Market Approach | Market replacement cost less estimate of written down value of asset used |

**Note 5D: Reconciliation of Recurring Level 3 Fair Value Measurements**

The Commission had no recurring Level 3 fair value measurements for assets or liabilities during the reporting period.

The Commission’s policy for determining when transfers between the levels are deemed to have occurred can be found in Note 1.

#### Notes to and forming part of the financial statements

##### for the period ended 30 June 2014

Note 6: Financial Assets

|  |  |  |
| --- | --- | --- |
|  | **2014**  **$’000** | 2013  $’000 |
| **Note 6A: Cash and Cash Equivalents** | | |
| Cash on hand or on deposit | **8,835** | 1,045 |
| **Total cash and cash equivalents** | **8,835** | 1,045 |
| **Note 6B: Trade and Other Receivables** | | |
| **Goods and Services receivables in connection with** | | |
| Related entities | **513** | 345 |
| External parties | **78** | 50 |
| **Total goods and services receivables** | **591** | 395 |
| **Appropriations receivables** | | |
| Existing programs | **−** | 6,275 |
| **Total appropriations receivables** | **−** | 6,275 |
| **Other receivables:** | | |
| GST receivable from the Australian Taxation Office | **109** | 60 |
| **Total other receivables** | **109** | 60 |
| **Total trade and other receivables (gross)** | **700** | 6,730 |
| **Less impairment allowance account** | | |
| Goods and services | **(19)** | (19) |
| **Total impairment allowance account** | **(19)** | (19) |
| **Total trade and other receivables (net)** | **681** | 6,711 |
| **Trade and other receivables (net) expected to be recovered** | | |
| No more than 12 months | **681** | 6,711 |
| **Total trade and other receivables (net)** | **681** | 6,711 |
| **Trade and other receivables (gross) aged as follows** | | |
| Not overdue | **635** | 6,702 |
| Overdue by: | | |
| 0 to 30 days | **22** | 7 |
| 31 to 60 days | – | – |
| 61 to 90 days | **22** | – |
| More than 90 days | **21** | 21 |
| **Total receivables (gross)** | **700** | 6,730 |

**Notes to and forming part of the financial statements**

for the period ended 30 June 2014

Note 6: Financial Assets (continued)

|  |  |  |
| --- | --- | --- |
|  | **2014**  **$’000** | 2013  $’000 |
| **Note 6B: Trade and Other Receivables** (continued)  **The impairment allowance account is aged as follows:** | | |
| Not overdue | – | – |
| Overdue by: | | |
| 0 to 30 days | – | – |
| 31 to 60 days | – | – |
| 61 to 90 days | – | – |
| More than 90 days | **(19)** | (19) |
| **Total impairment allowance account** | **(19)** | (19) |
| **Reconciliation of the Impairment Allowance Account:** | | |
| **Movements in relation to 2014** | | |
|  | **Goods and services**  **$’000** | **Total**  **$’000** |
| **Opening balance** | **(19)** | (19) |
| Amounts written off | – | – |
| Amounts recovered and reversed | – | – |
| **Closing balance** | **(19)** | (19) |
| **Movements in relation to 2013** | | |
|  | Goods and services  $’000 | Total  $’000 |
| **Opening balance** | – | – |
| Amounts written off | (19) | (19) |
| **Closing balance** | (19) | (19) |
| **Note 6C: Other Financial Assets** | | |
| Rent in advance | **277** | – |
| Accrued revenue | **6** | – |
| Accomodation bond | **3** | – |
| **Total other financial assets** | **286** | – |
| **Other financial assets expected to be recovered** | | |
| No more than 12 months | **283** | – |
| More than 12 months | **3** | – |
| **Total other financial assets** | **286** | – |

**Notes to and forming part of the financial statements**

for the period ended 30 June 2014

Note 7: Non-Financial Assets

|  |  |  |
| --- | --- | --- |
|  | **2014**  **$’000** | 2013  $’000 |
| **Note 7A: Infrastructure, Plant and Equipment** | | |
| **Computer, plant and equipment** | | |
| Fair value | **305** | 304 |
| **Total computer, plant and equipment** | **305** | 304 |
| **Leasehold improvements** | | |
| Fair value | **4,125** | 4,730 |
| **Total leasehold improvements** | **4,125** | 4,730 |
| **Total infrastructure, plant and equipment** | **4,430** | 5,034 |

No indicators of impairment were found for property, plant and equipment.

No property, plant or equipment is expected to be sold or disposed of within the next 12 months.

**Revaluations of non-financial assets**

All revaluations were conducted in accordance with the revaluation policy stated at Note 1. On 30 June 2014, an independent valuer conducted the revaluations.

A revaluation decrement of $22,750 for leasehold improvements was debited to the asset revaluation surplus (2013: $267,160 increment) and $73,873 for plant and equipment (2013: $20,173) was credited to the asset revaluation surplus by asset class and included in the equity section of the balance sheet; no increments/ decrements were expensed (2013: nil expensed).

**Note 7B: Reconciliation of the Opening and Closing Balances of Infrastructure, Plant and Equipment 2014**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Computer, plant and equipment**  **$’000** | **Leasehold improvements**  **$’000** | **Total**  **$’000** |
| **As at 1 July 2013** | | | |
| Gross book value | **304** | **4,730** | **5,034** |
| Accumulated depreciation and impairment | – | – | – |
| **Net book value 1 July 2013** | **304** | **4,730** | **5,034** |
| Additions: | | | |
| By purchase | **82** | **9** | **91** |
| Revaluations recognised in other comprehensive income | **74** | **(23)** | **51** |
| Depreciation/Amortisation expense | **(153)** | **(591)** | **(744)** |
| Disposals: | | | |
| Other | **(2)** | – | **(2)** |
| **Net book value 30 June 2014** | **305** | **4,125** | **4,430** |
| **Net book value as of 30 June 2014 represented by:** | | | |
| Gross book value | **305** | **4,125** | **4,430** |
| Accumulated depreciation and impairment | – | – | – |
|  | **305** | **4,125** | **4,430** |

**Notes to and forming part of the financial statements**

for the period ended 30 June 2014

Note 7: Non-Financial Assets (continued)

**Note 7B: Reconciliation of the Opening and Closing Balances of Infrastructutre, Plant and Equipment 2013**

|  |  |  |  |
| --- | --- | --- | --- |
|  | Computer, plant and equipment  $’000 | Leasehold improvements  $’000 | Total  $’000 |
| **As at 1 July 2012** | | | |
| Gross book value | 606 | 5,577 | 6,183 |
| Accumulated depreciation and impairment | (201) | (559) | (760) |
| **Net book value 1 July 2012** | 405 | 5,018 | 5,423 |
| Additions: | | | |
| By purchase | 20 | 267 | 287 |
| Revaluations recognised in other comprehensive income | 32 | 3 | 35 |
| Depreciation/Amortisation expense | (152) | (558) | (710) |
| Disposals: | | | |
| Other | (1) | – | (1) |
| **Net book value 30 June 2013** | 304 | 4,730 | 5,034 |
| **Net book value as of 30 June 2013 represented by:** | | | |
| Gross book value | 304 | 4,730 | 5,034 |
| Accumulated depreciation and impairment | – | – | – |
|  | 304 | 4,730 | 5,034 |

**Notes to and forming part of the financial statements**

for the period ended 30 June 2014

Note 7: Non-Financial Assets (continued)

|  |  |  |
| --- | --- | --- |
|  | **2014**  **$’000** | 2013  $’000 |
| **Note 7C: Intangibles** | | |
| **Computer software** | | |
| Internally customised – in progress | **128** | – |
| Internally developed – in use | **1,143** | 1,131 |
| Accumulated amortisation | **(472)** | (238) |
| **Total computer software** | **799** | 893 |
| **Other intangibles** | | |
| Purchased | **5** | – |
| **Total other intangibles** | **5** | – |
| **Total intangibles** | **804** | 893 |

No indicators of impairment were found for intangible assets.

No intangibles are expected to be sold or disposed of within the next 12 months.

**Note 7D: Reconciliation of the Opening and Closing Balances of Intangibles 2014**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Computer software internally customised**  **– in progess**  **$’000** | **Computer software internally developed**  **– in use**  **$’000** | **Other intangibles**  **– intellectual**  **property**  **$’000** | **Total**  **$’000** |
| **As at 1 July 2013** | | | | |
| Gross book value | – | **1,131** | – | **1,131** |
| Accumulated amortisation and impairment | – | **(238)** | – | **(238)** |
| **Net book value 1 July 2013** | – | **893** | – | **893** |
| Additions: | | | | |
| **By purchase or internally developed** | **128** | **12** | **5** | **140** |
| Amortisation | – | **(234)** | – | **(234)** |
| Work-in-progress transfer | – | – | – | – |
| **Net book value 30 June 2014** | **128** | **671** | **5** | **799** |
| **Net book value as of 30 June 2014 represented by:** | | | | |
| Gross book value | **128** | **1,143** | **5** | **1,276** |
| Accumulated amortisation and impairment | – | **(472)** | – | **(472)** |
|  | **128** | **671** | **5** | **804** |

**Notes to and forming part of the financial statements**

for the period ended 30 June 2014

Note 7: Non-Financial Assets (continued)

**Note 7D: Reconciliation of the Opening and Closing Balances of Intangibles 2013**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | Computer software internally customised  – in progess  $’000 | Computer software internally developed  – in use  $’000 | Other intangibles  – intellectual  property  $’000 | Total  $’000 |
| **As at 1 July 2012** | | | | |
| Gross book value | 166 | 784 | – | 950 |
| Accumulated amortisation and impairment | – | (43) | – | (43) |
| **Net book value 1 July 2012** | 166 | 741 | – | 907 |
| Additions: | | | | |
| By purchase or internally customised | – | 181 | – | 181 |
| Amortisation | – | (195) | – | (195) |
| Work-in-progress transfer | (166) | 166 | – | – |
| **Net book value 30 June 2013** | – | 893 | – | 893 |
| **Net book value as of 30 June 2013 represented by:** | | | | |
| Gross book value | – | 1,131 | – | 1,131 |
| Accumulated amortisation and impairment | – | (238) | – | (238) |
|  | – | 893 | – | 893 |

|  |  |  |
| --- | --- | --- |
|  | **2014**  **$’000** | 2013  $’000 |
| **Note 7E: Other Non-Financial Assets** | | |
| Prepayments | **162** | 100 |
| **Total other non-financial assets** | **162** | 100 |
| **Total other non-financial assets – are expected to be recovered in:** | | |
| No more than 12 months | **155** | 99 |
| More than 12 months | **7** | 1 |
| **Total other non-financial assets** | **162** | 100 |

No indicators of impairment were found for other non-financial assets.

#### Notes to and forming part of the financial statements

##### for the period ended 30 June 2014

Note 8: Payables

|  |  |  |
| --- | --- | --- |
|  | **2014**  **$’000** | 2013  $’000 |
| **Note 8A: Suppliers** | | |
| Trade creditors and accruals | **689** | 882 |
| Rent payable | **1,035** | 778 |
| **Total suppliers payables** | **1,724** | 1,660 |
| **Suppliers expected to be settled** | | |
| No more than 12 months | **689** | 882 |
| More than 12 months | **1,035** | 778 |
| **Total suppliers** | **1,724** | 1,660 |
| **Suppliers in connection with** | | |
| Related entities | **57** | 271 |
| External parties | **1,667** | 1,389 |
| **Total suppliers** | **1,724** | 1,660 |

Settlement is generally made in accordance with the terms of the supplier invoice.

|  |  |  |
| --- | --- | --- |
|  | **2014**  **$’000** | 2013  $’000 |
| **Note 8B: Other Payables** | | |
| Wages and salaries | **386** | 354 |
| Superannuation | **54** | 54 |
| Other employee expenses | **24** | 18 |
| Revenue received in advance | **5,087** | 2,667 |
| **Total other payables** | **5,551** | 3,093 |
| **Other payables expected to be settled** | | |
| No more than 12 months | **5,551** | 3,093 |
| **Total other payables** | **5,551** | 3,093 |

#### Notes to and forming part of the financial statements

##### for the period ended 30 June 2014

Note 9: Non-interest Bearing Liabilities

|  |  |  |
| --- | --- | --- |
|  | **2014**  **$’000** | 2013  $’000 |
| **Note 9A: Non-interest Bearing Liabilities** | | |
| Lease incentives1 | **3,962** | 4,529 |
| **Total non-interest bearing liabilities** | **3,962** | 4,529 |
| **Non-interest bearing liabilities expected to be settled** | | |
| Within one year | **566** | 557 |
| Between one to five years | **2,834** | 2,785 |
| More than five years | **562** | 1,187 |
| **Total loans** | **3,962** | 4,529 |

1 Lease incentive included in property operating lease.

#### Notes to and forming part of the financial statements

##### for the period ended 30 June 2014

Note 10: Provisions

|  |  |  |
| --- | --- | --- |
|  | **2014**  **$’000** | 2013  $’000 |
| **Note 10A: Employee Provisions** | | |
| Leave | **3,248** | 3,317 |
| Separations and redundancies | **126** | 487 |
| **Total employee provisions** | **3,374** | 3,804 |
| **Employee provisions are expected to be settled in** | | |
| No more than 12 months | **2,593** | 2,963 |
| More than 12 months | **781** | 841 |
| **Total employee provisions** | **3,374** | 3,804 |
| **Note 10B: Other Provisions** | | |
| Provision for contract obligations | **623** | 164 |
| Provision for restoration obligations | **79** | 79 |
| **Total other provisions** | **702** | 243 |
| **Other provisions are expected to be settled in** | | |
| No more than 12 months | **623** | 164 |
| More than 12 months | **79** | 79 |
| **Total other provisions** | **702** | 243 |

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Provision for contract obligations**  **$’000** | **Provision**  **for restoration**  **$’000** | **Total**  **$’000** |
| **Carrying amount 1 July 2013** | **164** | **79** | **243** |
| Additional provisions made | **639** | – | **639** |
| Amounts used | **(163)** | – | **(163)** |
| Amounts reversed | **(17)** | – | **(17)** |
| **Closing balance 30 June 2014** | **623** | **79** | **702** |

**Notes to and forming part of the financial statements**

for the period ended 30 June 2014

Note 11: Cash Flow Reconciliation

|  |  |  |
| --- | --- | --- |
|  | **2014**  **$’000** | 2013  $’000 |
| **Reconciliation of cash and cash equivalents as per statement of financial position to cash flow statement** | | |
| **Cash and cash equivalents as per:** | | |
| Cash flow statement | **8,835** | 1,045 |
| Statement of financial position | **8,835** | 1,045 |
| **Difference** | – | – |
| **Reconciliation of net cost of services to net cash from operating activities:** | | |
| Net cost of services | **(18,955)** | (18,867) |
| Add revenue from Government | **18,092** | 18,249 |
| **Adjustments for non-cash items** | | |
| Depreciation/amortisation | **978** | 905 |
| Net write down of financial assets | – | 1 |
| Net write down of non-financial assets | **2** | – |
| Adjustment for errors and revised estimates | **70** | – |
| Unwinding of leasehold fitout incentive | **(567)** | (566) |
| **Changes in assets/liabilities** | | |
| (Increase)/decrease in net receivables | **5,588** | (885) |
| (Increase)/decrease in other non-financial assets | **(62)** | 8 |
| Increase/(decrease) in employee provisions | **(430)** | 872 |
| Increase/(decrease) in supplier payables | **64** | (388) |
| Increase/(decrease) in other payables | **2,171** | 32 |
| Increase/(decrease) in other provisions | **458** | 5 |
| **Net cash from/(used by) operating activities** | **7,409** | (634) |

**Notes to and forming part of the financial statements**

for the period ended 30 June 2014

Note 12: Contingent Assets and Liabilities

**Unquantifiable Contingencies**

At 30 June 2014 the Commission is appearing as an intervener in one matter before the High Court, a respondent in two proceedings in the Federal Court and a respondent to proceedings before the Administrative Appeals Tribunal.

It is not possible to estimate the amounts of the eventual payments that may be required in relation to the unresolved claims, though it is not common for costs to be awarded against the Commission in these matters.

Please refer to Note 2 of these accounts for events after balance date.

##### Note 13: Senior Executive Remuneration

|  |  |  |
| --- | --- | --- |
|  | **2014**  **$** | 2013  $ |
| **Note 13A: Senior Executive Remuneration Expenses for the Reporting Period** | | |
| **Short-term employee benefits:** | | |
| Salary | **2,824,752** | 2,295,182 |
| Other | **1,590** | 1,595 |
| **Total short-term employee benefits** | **2,826,342** | 2,296,777 |
| **Post-employment benefits:** | | |
| Superannuation | **277,054** | 193,765 |
| **Total post-employment benefits** | **277,054** | 193,765 |
| **Other long-term employee benefits:** | | |
| Annual leave accrued | **19,743** | 39,499 |
| Long-service leave | **65,854** | 29,921 |
| **Total other long-term employee benefits** | **85,597** | 69,420 |
| **Termination benefits:** | | |
| Separation and redundancy payments | – | – |
| **Total termination benefits** | – | – |
|  |  |  |
| **Total senior executive remuneration expenses** | **3,188,993** | 2,559,962 |

**Notes:**

1. Note 13A is prepared on an accrual basis.
2. Note 13A excludes acting arrangements and part-year service where total remuneration expensed as a senior executive was less than $195,000.

#### Notes to and forming part of the financial statements

##### for the period ended 30 June 2014

Note 13: Senior Executive Remuneration (continued)

**Note 13B: Average Annual Reportable Remuneration Paid to Substantive Senior Executives during the Reporting Period**

**Average annual reportable remuneration paid to substantive senior executives in 2014:**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Average annual reportable remuneration1** | **Substantive**  **senior executives**  **No.** | **Reportable**  **salary2**  **$** | **Contributed superannuation3**  **$** | **Reportable allowances4**  **$** | **Bonus paid5**  **$** | **Total reportable remuneration**  **$** |
| **Total reportable remuneration (including part-time arrangements):** | | | | | | |
| Less than $195,000 | **1** | **105,075** | **6,153** | – | – | **111,228** |
| $195,000 to $224,999 | **2** | **183,492** | **31,378** | – | – | **214,870** |
| $255,000 to $284,999 | **1** | **262,094** | **15,040** | – | – | **277,134** |
| $315,000 to $344,999 | **6** | **300,887** | **30,253** | **208** | – | **331,348** |
| $405,000 to $434,999 | **1** | **390,350** | **17,740** | **343** | – | **408,433** |
| **Total number of substantive senior executives** | **11** |  |  |  |  |  |
| Average annual reportable remuneration paid to substantive senior executives in 2013: | | | | | | |
| Average annual reportable remuneration1 | Substantive  senior executives  No. | Reportable  salary2  $ | Contributed superannuation3  $ | Reportable allowances4  $ | Bonus paid5  $ | Total reportable remuneration  $ |
| Total reportable remuneration (including part-time arrangements): | | | | | | |
| Less than $195,000 | 2 | 77,836 | 7,391 | – | – | 85,227 |
| $195,000 to $224,999 | 3 | 178,737 | 22,125 | – | – | 200,862 |
| $285,000 to $314,999 | 4 | 282,367 | 20,301 | 300 | – | 302,968 |
| $315,000 to $344,999 | 2 | 314,751 | 27,843 | 198 | – | 342,792 |
| Total number of substantive senior executives | 11 |  |  |  |  |  |

**Notes**

* 1. This table reports substantive senior executives who received remuneration during the reporting period. Each row is an averaged figure based on headcount for individuals in the band.
  2. ‘Reportable salary’ includes the following:
     1. gross payments (less any bonuses paid, which are separated out and disclosed in the ‘bonus paid’ column);
     2. reportable fringe benefits (at the net amount prior to ‘grossing up’ for tax purposes);
     3. exempt foreign employment income; and
     4. salary sacrificed benefits.
  3. The ‘contributed superannuation’ amount is the average cost to the entity for the provision of superannuation benefits to substantive senior executives in that reportable remuneration band during the reporting period.
  4. ‘Reportable allowances’ are the average actual allowances paid as per the ‘total allowances’ line on individuals’ payment summaries.
  5. ‘Bonus paid’ represents average actual bonuses paid during the reporting period in that reportable remuneration band. The ‘bonus paid’ within a particular band may vary between financial years due to various factors such as individuals commencing with or leaving the entity during the financial year.

#### Notes to and forming part of the financial statements

##### for the period ended 30 June 2014

Note 13: Senior Executive Remuneration (continued)

**Note 13C: Average Annual Reportable Remuneration Paid to Other Highly Paid Staff during the Reporting Period**

There were no employees whose salary plus performance bonus was $195,000 or more and did not have a role as a senior executive and are therefore not disclosed as a senior executive in Notes 13A and Note 13B above during the 2014 reporting period. (2013: Nil).

##### Note 14: Remuneration of Auditors

|  |  |  |
| --- | --- | --- |
|  | **2014**  **$’000** | 2013  $’000 |
| Financial statement audit services were provided free of charge  to the Commission by the Australian National Audit Office (ANAO). | | |
| **Fair value of the services provided** | | |
| Financial statement audit services | **51** | 50 |
| **Total** | **51** | 50 |

No other services were provided by the ANAO.

##### Note 15: Financial Instruments

|  |  |  |
| --- | --- | --- |
|  | **2014**  **$’000** | 2013  $’000 |
| **Note 15A: Categories of Financial Instruments** | | |
| **Financial Assets** | | |
| **Loans and receivables:** | | |
| Cash and cash equivalents | **8,835** | 1,045 |
| Trade receivables | **572** | 376 |
| Other financial assets | **286** | – |
| **Carrying amount of financial assets** | **9,693** | 1,421 |
| **Financial Liabilities** | | |
| **Other liabilities:** | | |
| Trade creditors and accruals | **1,724** | 1,660 |
| Lease incentives | **3,962** | 4,529 |
| Revenue received in advance | **5,087** | 2,667 |
| **Carrying amount of financial liabilities** | **10,773** | 8,856 |

**Notes to and forming part of the financial statements**

for the period ended 30 June 2014

Note 15: Financial Instruments (continued)

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Carrying amount 2014**  **$’000** | **Fair value 2014**  **$’000** | Carrying amount 2013  $’000 | Fair value  2013  $’000 |
| **Note 15B: Fair Value of Financial Instruments** | | | | |
| **Financial Assets** | | | | |
| Cash and cash equivalents | **8,835** | **8,835** | 1,045 | 1,045 |
| Trade receivable | **572** | **572** | 376 | 376 |
| Other financial assets | **286** | **286** | – | – |
| **Total** | **9,693** | **9,693** | 1,421 | 1,421 |
| **Financial Liabilities** | | | | |
| Trade creditors and accruals | **1,724** | **1,724** | 1,660 | 1,660 |
| Lease incentives | **3,962** | **3,962** | 4,529 | 4,529 |
| Revenue received in advance | **5,087** | **5,087** | 2,667 | 2,667 |
| **Total** | **10,773** | **10,773** | 8,856 | 8,856 |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Note 15C: Credit Risk** | | | | |
| The Commission’s maximum exposures to credit risk at reporting date in relation to each class of recognised financial asset is the carrying amount of those assets as indicated in the statement of financial position.  The Commission has no significant exposures to any concentrations of credit risk nor does it hold any collateral to mitigate against credit risk. | | | | |
| **Credit quality of financial instruments not past due or individually determined as impaired:** | | | | |
|  | **Not past due nor impaired**  **2014**  **$’000** | Not past due nor impaired  2013  $’000 | **Past due or impaired**  **2014**  **$’000** | Past due or impaired  2013  $’000 |
| **Loans and receivables** | | | | |
| Cash and cash equivalents | **8,835** | 1,045 | – | – |
| Trade receivables | **507** | 348 | **65** | 28 |
| Other financial assets | **286** | – | – | – |
| **Total** | **9,628** | 1,393 | **65** | 28 |

**Notes to and forming part of the financial statements**

for the period ended 30 June 2014

Note 15: Financial Instruments (continued)

**Note 15C: Credit Risk** (continued)

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Ageing of financial assets that were past due but not impaired for 2014:** | | | | | |
|  | **0 to 30 days**  **$’000** | **31 to 60**  **days**  **$’000** | **61 to 90**  **days**  **$’000** | **90+**  **days**  **$’000** | **Total**  **$’000** |
| Trade receivables | **22** | – | **22** | **21** | **65** |
| **Total** | **22** | – | **22** | **21** | **65** |
| **Ageing of financial assets that were past due but not impaired for 2013:** | | | | | |
|  | 0 to 30 days  $’000 | 31 to 60  days  $’000 | 61 to 90  days  $’000 | 90+  days  $’000 | Total  $’000 |
| Trade receivables | 7 | – | – | 21 | 28 |
| **Total** | 7 | – | – | 21 | 28 |

**Note 15D: Liquidity Risk**

The Commission’s financial liabilities are payables, accrued expenses, revenue received in advance and other non-interest bearing liabilities. The exposure to liquidity risk is based on the notion that the Commission will encounter difficulty in meeting its obligations associated with financial liabilities. This is unlikely due to the appropriation funding and mechanisms available to the Commission (e.g. Advance to the Minister for Finance) and internal policies and procedures put in place to ensure there are appropriate resources to meet its financial obligations.

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Maturities for non-derivative financial liabilities 2014:** | | | | | | |
|  | **On demand**  **$’000** | **within 1 year**  **$’000** | **1 to 2 years**  **$’000** | **2 to 5 years**  **$’000** | **> 5**  **years**  **$’000** | **Total**  **$’000** |
| Trade creditors and accruals | – | **689** | – | – | **1,035** | **1,724** |
| Lease incentives | – | **566** | **1,132** | **1,698** | **566** | **3,962** |
| Revenue received in advance | – | **5,087** | – | – | – | **5,087** |
| **Total** | – | **6,342** | **1,132** | **1,698** | **1,601** | **10,773** |

#### Notes to and forming part of the financial statements

##### for the period ended 30 June 2014

Note 15: Financial Instruments (continued)

**Note 15D: Liquidity Risk** (continued)

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Maturities for non-derivative financial liabilities 2013:** | | | | | | |
|  | On demand  $’000 | within 1 year  $’000 | 1 to 2 years  $’000 | 2 to 5 years  $’000 | > 5  years  $’000 | Total  $’000 |
| Trade creditors and accruals | – | 1,660 | – | – | – | 1,660 |
| Lease incentives | – | 557 | 1,114 | 1,671 | 1,187 | 4,529 |
| Revenue received in advance | – | 2,667 | – | – | – | 2,667 |
| **Total** | – | 4,884 | 1,114 | 1,671 | 1,187 | 8,856 |

The Commission had no derivative financial liabilities in both the current and prior year.

**Note 15E: Market Risk**

The Commission holds basic financial instruments that do not expose the Commission to certain market risks. The Commission is not exposed to ‘interest rate risk’, ‘currency risk’ or ‘other price risk’.

##### Note 16: Financial Assets Reconciliation

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Notes** | **2014**  **$’000** | 2013  $’000 |
| **Financial Assets** | | | |
| **Total financial assets as per statement of financial position** |  | **9,802** | 7,756 |
| Less: non-financial instrument components | | | |
| GST Receivable from the Australian Taxation Office | 6B | **109** | 60 |
| Appropriations receivable | 6B | **−** | 6,275 |
| Total non-financial instrument components |  | **109** | 6,335 |
| **Total financial assets as per financial instruments note** |  | **9,693** | 1,421 |

**Notes to and forming part of the financial statements**

Note 18: Administered – Financial Assets

for the period ended 30 June 2014

Note 17: Administered – Expenses

|  |  |  |
| --- | --- | --- |
|  | **2014**  **$’000** | 2013  $’000 |
| **Note 17A: Suppliers** | | |
| **Goods and services supplied or rendered** | | |
| Professional services and fees | **114** | 77 |
| Printing and promotion | **11** | 39 |
| Official travel | **14** | 17 |
| Other | **5** | 10 |
| **Total goods and services supplied or rendered** | **144** | 143 |
| **Goods supplied in connection with** | | |
| External parties | **11** | 40 |
| **Total goods supplied** | **11** | 40 |
| **Services rendered in connection with** | | |
| Related entities | **2** | – |
| External parties | **131** | 103 |
| **Total services rendered** | **133** | 103 |
| **Total goods and services supplied or rendered** | **144** | 143 |

|  |  |  |
| --- | --- | --- |
|  | **2014**  **$’000** | 2013  $’000 |
| **Note 18A: Cash and Cash Equivalents** | | |
| Cash on hand or on deposit | 17 | – |
| **Total cash and cash equivalents** | 17 | – |

**Notes to and forming part of the financial statements**

Note 20: Administered – Cash Flow Reconciliation

for the period ended 30 June 2014

Note 19: Administered – Payables

|  |  |  |
| --- | --- | --- |
|  | **2014**  **$’000** | 2013  $’000 |
| **Note 19A: Suppliers** | | |
| Trade creditors and accruals | **17** | – |
| **Total suppliers** | **17** | – |
| **Suppliers expected to be settled** | | |
| External parties | **17** | – |
| **Total supplier payables** | **17** | – |
| Settlement is generally made in accordance with the terms of the supplier invoice. | | |

|  |  |  |
| --- | --- | --- |
|  | **2014**  **$’000** | 2013  $’000 |
| **Reconciliation of cash and cash equivalents as per Administered Schedule of Assets and Liabilities to Administered Cash Flow Statement** | | |
| **Cash and cash equivalents as per:** | | |
| Schedule of administered cash flows | **17** | – |
| Schedule of administered assets and liabilities | **17** | – |
| **Difference** | – | – |
| **Reconciliation of net cost of services to net cash from operating activities:** | | |
| Net cost of services | **(144)** | (143) |
| **Changes in assets/liabilities** | | |
| Increase/(decrease) in supplier payables | **17** | – |
| **Net cash used by operating activities** | **(127)** | (143) |

**Notes to and forming part of the financial statements**

Note 22: Administered – Financial Instruments

**Note 22C: Credit Risk**

**The following table illustrates the Commission’s gross exposure to credit risk, excluding any collateral or credit.**

for the period ended 30 June 2014

Note 21: Administered – Contingent Assets and Liabilities

The Commission has no administered contingent assets or liabilities.

|  |  |  |
| --- | --- | --- |
|  | **2014**  **$’000** | 2013  $’000 |
| **Note 22A: Categories of Financial Instruments** | | |
| **Financial Liabilities** | | |
| **Other liabilities** | | |
| Trade creditors and accruals | **17** | – |
| **Carrying amount of financial liabilities** | **17** | – |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Carrying amount 2014**  **$’000** | **Fair value**  **2014**  **$’000** | Carrying amount 2013  $’000 | Fair value  2013  $’000 |
| **Note 22B: Fair Value of Financial Instruments** | | | | |
| **Financial Liabilities** | | | | |
| Trade creditors and accruals | **17** | **17** | – | – |
| **Total** | **17** | **17** | – | – |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | **2014**  **$’000** | 2013  $’000 |  |
| **Financial Liabilities** | | | |  |
|  | Trade creditors and accruals | **17** | – |  |
|  | **Total** | **17** | – |  |
| In relation to the Commission’s gross credit risk the following collateral is held: nil (2013: nil). | | | |  |

**Notes to and forming part of the financial statements**

Note 23: Administered Financial Assets Reconciliation

for the period ended 30 June 2014

Note 22: Administered – Financial Instruments (continued)

**Note 22D: Liquidity Risk**

**Maturities for non-derivative financial liabilities 2014:**

**Maturities for non-derivative financial liabilities 2013:**

The Commission had no derivative financial liabilities in both the current and prior financial year.

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | **On demand**  **$’000** | **within 1 year**  **$’000** | **1 to 2 years**  **$’000** | **2 to 5 years**  **$’000** | **> 5**  **years**  **$’000** | **Total**  **$’000** |
| Trade creditors and accruals | – | **17** | – | – | – | **17** |
| **Total** | – | **17** | – | – | – | **17** |

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | On demand  $’000 | within 1 year  $’000 | 1 to 2 years  $’000 | 2 to 5 years  $’000 | > 5  years  $’000 | Total  $’000 |
| Trade creditors and accruals | – | – | – | – | – | – |
| **Total** | – | – | – | – | – | – |

|  |  |  |
| --- | --- | --- |
|  | **2014**  **$’000** | 2013  $’000 |
| **Financial Assets** | | |
| **Total financial assets as per schedule of administered assets and liabilities:** | **17** | – |
| Less: non-financial instrument components | – | – |
| Total non-financial instrument components | – | – |
| **Total financial assets as per financial instruments note** | **17** | – |

#### Notes to and forming part of the financial statements

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Note 24: Appropriations

**Table A: Annual Appropriations (‘Recoverable GST exclusive’)**

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **2014 Appropriations** | | | | | | | **Appropriation applied in 2014 (current and prior years)**  **$’000** | **Variance2**  **$’000** |
| ***Appropriation Act***  **Annual Appropriations Appropriation reduced1 AFM**  **$’000 $’000 $’000** | | | **Section 30**  **$’000** | ***FMA Act***  **Section 31 Section 32**  **$’000 $’000** | | **Total appropriation**  **$’000** |
| **DEPARTMENTAL** | **18,092** | – | – | – | **7,978** | – | **26,070** | **(25,307)** | **763** |
| **Ordinary annual services** |
| **Other services** |  |  |  |  |  |  |  |  |
| Equity | – | – | – | – |  | – | – | – | – |
| Loans | – | – | – | – | – | – | – | – |
| **Total departmental** | **18,092** | – | – | – | **7,978** | – | **26,070** | **(25,307)** | **763** |
| **ADMINISTERED**  **Ordinary annual services**  Administered items | **144** | – | – | – |  | – | **144** | **(144)** | – |
|  |
| **Total administered** | **144** | – | – | – |  | – | **144** | **(144)** | – |

**Notes:**

1. Departmental appropriations do not lapse at financial year-end. However, the responsible Minister may decide that part or all of a departmental appropriation is not required and request that the Finance Minister to reduce that appropriation. The reduction in the appropriation is effected by the Finance Minister’s determination and is disallowable by Parliament. In 2014, there was no

reduction in departmental and non-operating departmental appropriations. As with departmental appropriations, the responsible Minister may decide that part or all of an administered appropriation is not required and request that the Finance Minister reduce that appropriation. For administered appropriations reduced under section 11 of Appropriation Acts (Nos. 1,3&5) 2013-14 and section 12 of Appropriation Acts (Nos. 2,4&6) 2013-14, the appropriation is taken to be reduced to the required amount specified in Note 25D of this note once the annual report is tabled in Parliament.

All administered appropriations may be adjusted by a Finance Minister’s determination, which is disallowable by Parliament.

1. Variance represents unspent appropriation funding.

**Notes to and forming part of the financial statements**

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for the period ended 30 June 2014

Note 24: Appropriations (continued)

**Table A: Annual Appropriations (‘Recoverable GST exclusive’)** (continued)

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **2013 Appropriations** | | | | | | | **Appropriation applied in 2013 (current and prior years)**  **$’000** | **Variance2**  **$’000** |
| ***Appropriation Act***  **Annual Appropriations Appropriation reduced1 AFM**  **$’000 $’000 $’000** | | | **Section 30**  **$’000** | ***FMA Act***  **Section 31 Section 32**  **$’000 $’000** | | **Total appropriation**  **$’000** |
| **DEPARTMENTAL** | 18,215 | – | – | – | 7,496 | – | 25,711 | (32,897) | (7,186) |
| **Ordinary annual services** |
| **Other services** |  |  |  |  |  |  |  |  |
| Equity | – | – | – | – |  | – | – | – | – |
| Loans | – | – | – | – | – | – | – | – |
| **Total departmental** | 18,215 | – | – | – | 7,496 | – | 25,711 | (32,897) | (7,186) |
| **ADMINISTERED**  **Ordinary annual services**  Administered items | 143 | – | – | – |  | – | 143 | (143) | – |
|  |
| Total administered | 143 | – | – | – |  | – | 143 | (143) | – |

**Notes:**

* 1. Departmental appropriations do not lapse at financial year-end. However, the responsible Minister may decide that part or all of a departmental appropriation is not required and request that the Finance Minister to reduce that appropriation. The reduction in the appropriation is effected by the Finance Minister’s determination and is disallowable by Parliament. In 2014, there was no

reduction in departmental and non-operating departmental appropriations. As with departmental appropriations, the responsible Minister may decide that part or all of an administered appropriation is not required and request that the Finance Minister reduce that appropriation. For administered appropriations reduced under section 11 of Appropriation Acts (Nos. 1,3&5) 2013-14 and section 12 of Appropriation Acts (Nos. 2,4&6) 2013-14, the appropriation is taken to be reduced to the required amount specified in Note 25D of this note once the annual report is tabled in Parliament.

All administered appropriations may be adjusted by a Finance Minister’s determination, which is disallowable by Parliament.

* 1. Variance represents utilisation of the Commission’s prior year cash balance and appropriations receivable.

#### Notes to and forming part of the financial statements

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Note 24: Appropriations (continued)

**Table B: Departmental and Administered Capital Budgets (‘Recoverable GST exclusive’)**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | **2014 Capital Budget Appropriations** | | | **Capital Budget Appropriations applied in 2014 (current and prior years)** | | | **Variance3**  **$’000** |
| ***Appropriation Act***  **Annual Capital Appropriations Budget reduced1**  **$’000 $’000** | ***FMA Act***  **Section 32**  **$’000** | **Total Capital**  **Budget Appropriations**  **$’000** | **Payments for non-financial**  **assets2**  **$’000** | **Payments for other purposes**  **$’000** | **Total payments**  **$’000** |

**Notes:**

**DEPARTMENTAL**

**Ordinary annual services** – Departmental Capital Budget1

**173**

–

–

**173**

**(236)**

–

**(236)**

**(63)**

1. Departmental and Administered Capital Budgets are appropriated through Appropriation Acts (No.1,3,5). They form part of ordinary annual services, and are not separately identified in the Appropriation Acts. For more information on ordinary annual services appropriations, please see Table A: Annual appropriations.
2. Payments made on non-financial assets include purchases of assets, expenditure on assets which has been capitalised.
3. Variance represents prior year departmental capital budget appropriation drawdown and spent in current period.

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | **2013 Capital Budget Appropriations** | | | **Capital Budget Appropriations applied in 2013 (current and prior years)** | | | **Variance3**  **$’000** |
| ***Appropriation Act***  **Annual Capital Appropriations Budget reduced1**  **$’000 $’000** | ***FMA Act***  **Section 32**  **$’000** | **Total Capital**  **Budget Appropriations**  **$’000** | **Payments for non-financial**  **assets2**  **$’000** | **Payments for other purposes**  **$’000** | **Total payments**  **$’000** |

**Notes:**

**DEPARTMENTAL**

**Ordinary annual services** – Departmental Capital Budget1

173

–

–

173

(216)

–

(216)

(43)

1. Departmental and Administered Capital Budgets are appropriated through Appropriation Acts (No.1,3,5). They form part of ordinary annual services, and are not separately identified in the Appropriation Acts. For more information on ordinary annual services appropriations, please see Table A: Annual appropriations.
2. Payments made on non-financial assets include purchases of assets, expenditure on assets which has been capitalised.
3. Variance represents prior year departmental capital budget appropriation drawndown and spent in the current period.

#### Notes to and forming part of the financial statements

##### for the period ended 30 June 2014

Note 24: Appropriations (continued)

**Table C: Unspent Annual Appropriations (‘Recoverable GST exclusive’)**

|  |  |  |
| --- | --- | --- |
| **Authority** | **2014**  **$’000** | 2013  $’000 |
| **DEPARTMENTAL** | | |
| Appropriation Act (No. 1) 2012-2013 | – | 5,895 |
| Capital Budget Bill 1 (DCB) 2011-2012 | – | 271 |
| Capital Budget Bill 1 (DCB) 2012-2013 | – | 173 |
| Cash held by the Commission | **8,835** | 1,045 |
| **Total** | **8,835** | 7,384 |
|  |  |  |
| **ADMINISTERED** | | |
| Appropriation Act (No.1) 2013-2014 | **–** | 18 |
| Cash held by the Commission | **17** | – |
| **Total** | **17** | 18 |

**Table D: Reduction in Administered Items (‘Recoverable GST exclusive’)**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **2014** | **Amount required3 – by Appropriation Act** | | | **Total amount**  **required3** | **Total amount appropriated4** | **Total reduction5** |
| **Ordinary Annual Services** | **Act (No.1)** | **Act (No.3)** | **Act (No.5)** |  |  |  |
| Outcome 1 | **$144,000.00** | – | – | **$144,000.00** | **$144,000.00** | – |

**Notes:**

* 1. Numbers in this section of the table must be disclosed to the cent.
  2. Administered items for 2014 were reduced to these amounts when these financial statements were tabled in Parliament as part of the entity’s 2014 annual report. This reduction will be effective in 2015, but the amounts have been reflected in Table A in the 2014 financial statements in the column ‘Appropriations reduced’ as they were adjustments to 2014 appropriations.
  3. Amount required as per Appropriation Act (Act 1 s. 11; Act 2 s. 12).
  4. Total amount appropriated in 2014.
  5. Total reduction effective in 2015.

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **2013** | **Amount required3 – by Appropriation Act** | | | **Total amount**  **required3** | **Total amount appropriated4** | **Total reduction5** |
| **Ordinary Annual Services** | **Act (No.1)** | **Act (No.3)** | **Act (No.5)** |  |  |  |
| Outcome 1 | $142,956.36 | – | – | $142,956.36 | $143,000.00 | ($43.64) |

**Notes:**

1. Numbers in this section of the table must be disclosed to the cent.
2. Administered items for 2013 were reduced to these amounts when these financial statements were tabled in Parliament as part of the entity’s 2013 annual report. This reduction was effective in 2014, but the amounts were reflected in Table A in the 2013 financial statements in the column ‘Appropriations reduced’ as they were adjustments to 2013 appropriations.
3. Amount required as per Appropriation Act (Act 1 s. 11; Act 2 s. 12).
4. Total amount appropriated in 2013.
5. Total reduction effective in 2014.

#### Notes to and forming part of the financial statements

##### for the period ended 30 June 2014

Note 25: Special Accounts and FMA Act Section 39

The Commission has a ‘Services for Other Entities and Trust Moneys’ sepcial account. The account was established under *Section 20 of the Financial Management and Accountabilitiy Act 1997 (FMA Act) by the Financial Management and Accountability (Establishment of SOETM Special Account – AHRC) Determination 2012/05*. The year ended 30 June 2014 the account had a nil opening balance and there were no transactions debited or credited to it in the 2013-2014 financial year.

The purpose of the ‘Services to Other Entities and Trust Moneys’ special account was for the expenditure of monies temporarily held on trust or otherwise for the benefit of a person other than the Commonwealth. Any money held in this account is special public money under section 20 of the FMA Act.

The Commission has no investments made under Section 39 of the FMA Act.

**Special Accounts and FMA Act Section 39 – Administered**

The Commission has no administered special accounts.

The Commission has no administered investments made under Section 39 of the FMA Act.

##### Note 26: Compensation and Debt Relief

The Commission made no payments for compensation or debt relief during the reporting period.

**Compensation and Debt Relief – Administered**

The Commission made no administered payments for compensation or debt relief during the reporting period.

##### Note 27: Reporting of Outcomes

**Note 27A: Net Cost of Outcome Delivery**

**Outcome 1 Total**

**2014**

**$’000**

2013

$’000

**2014**

**$’000**

2013

$’000

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **DEPARTMENTAL** |  | | | |
| Expenses | **25,063** | 25,838 | **25,063** | 25,838 |
|  | Own-source income | **6,108** | 6,971 | **6,108** | 6,971 |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **ADMINISTERED**  Expenses | **144** | 143 | **144** | 143 |
| **Net cost of outcome delivery** | **(19,099)** | (19,010) | **(19,099)** | (19,010) |

#### Notes to and forming part of the financial statements

##### for the period ended 30 June 2014

Note 27: Reporting of Outcomes (continued)

**Note 27B: Major Classes of Departmental Expense, Income, Assets and Liabilities by Outcome**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  |  | **Outcome 1** |  | **Total** |  |
|  | **2014**  **$’000** | 2013  $’000 | **2014**  **$’000** |  | 2013  $’000 |
| **Expenses** | | | | | |
| Employee benefits | **15,855** | 16,384 | **15,855** |  | 16,384 |
| Supplier | **8,228** | 8,547 | **8,228** |  | 8,547 |
| Depreciation and Amortisation | **978** | 905 | **978** |  | 905 |
| Other | **2** | 2 | **2** |  | 2 |
| **Total** | **25,063** | 25,838 | **25,063** |  | 25,838 |
| **Income** | | | | | |
| Sales of goods and services | **5,140** | 6,017 | **5,140** |  | 6,017 |
| Revenue from Government | **18,092** | 17,979 | **18,092** |  | 17,979 |
| Rental income (sub-lease) | **900** | 882 | **900** |  | 882 |
| Other gains | **68** | 71 | **68** |  | 71 |
| **Total** | **24,200** | 24,949 | **24,200** |  | 24,949 |
| **Assets** | | | | | |
| Cash and cash equivalents | **8,835** | 1,045 | **8,835** |  | 1,045 |
| Trade and other receivables | **681** | 6,730 | **681** |  | 6,730 |
| Other financial assets | **286** | – | **286** |  | – |
| Infrastructure, plant and equipment | **4,430** | 5,034 | **4,430** |  | 5,034 |
| Intangibles | **804** | 893 | **804** |  | 893 |
| Other non-financial assets | **162** | 100 | **162** |  | 100 |
| **Total** | **15,198** | 13,802 | **15,198** |  | 13,802 |
| **Liabilities** | | | | | |
| Suppliers | **1,724** | 1,660 | **1,724** |  | 1,660 |
| Lease incentives | **3,962** | 4,529 | **3,962** |  | 4,529 |
| Employee provisions | **3,374** | 3,804 | **3,374** |  | 3,804 |
| Other provisions and payables | **6,253** | 3,336 | **6,253** |  | 3,336 |
| **Total** | **15,313** | 13,329 | **15,313** |  | 13,329 |

Outcome 1 is described in Note 1.1. Net costs shown included intra-government costs that were eliminated in calculating the actual Budget Outcome. Refer to Outcome 1 Resourcing Table on page 130 of this Annual Report.

#### Notes to and forming part of the financial statements

##### for the period ended 30 June 2014

Note 27: Reporting of Outcomes (continued)

**Note 27C: Major Classes of Administered Expenses, Income, Assets and Liabilities by Outcome**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  |  | **Outcome 1** |  |  | **Total** |  |
|  | **2014**  **$’000** |  | 2013  $’000 | **2014**  **$’000** |  | 2013  $’000 |
| **Expenses** | | | | | | |
| Supplier | **144** |  | 143 | **144** |  | 143 |
| **Total** | **144** |  | 143 | **144** |  | 143 |
| **Income** | | | | | | |
| Revenue from Government | | | | | | |
| Administered | **144** |  | 143 | **144** |  | 143 |
| **Total** | **144** |  | 143 | **144** |  | 143 |
| **Assets** | | | | | | |
| Cash and cash equivalents | **17** |  | – | **17** |  | – |
| **Total** | **17** |  | – | **17** |  | – |
| **Liabilities** | | | | | | |
| Suppliers | **17** |  | – | **17** |  | – |
| **Total** | **17** |  | – | **17** |  | – |

Outcome 1 is described in Note 1.1. Net costs shown included intra-government costs that were eliminated in calculating the actual Budget Outcome. Refer to Outcome 1 Resourcing Table on page 130 of this Annual Report.

##### Note 28: Net Cash Appropriation Arrangements

|  |  |  |
| --- | --- | --- |
|  | **2014**  **$’000** | 2013  $’000 |
| **Total comprehensive income (loss) less depreciation/amortisation expenses previously funded through revenue appropriations**1 | **166** | 304 |
| Plus: depreciation/amortisation expenses previously funded through revenue appropriation | **(978)** | (905) |
| **Total comprehensive loss per the Statement of Comprehensive Income** | **(812)** | (601) |

1. From 2010-11, the Government introduced net cash appropriation arrangements, where revenue appropriations for depreciation/ amortisation expenses ceased. Entities now receive a separate capital budget provided through equity appropriations. Capital budgets are to be appropriated in the period when cash payment for capital expenditure is required.