H Financial Statements

This appendix presents the audited financial statements for the Productivity Commission for 2010-11.

Contents

Australian National
Audit Office

INDEPENDENT AUDITOR'S REPORT

To the Assistant Treasurer

I have audited the accompanying financial statements of the Productivity Commission for the year ended 30 June 2011, which comprise: a Statement by the Chairman and Chief Finance Officer; Statement of Comprehensive Income; Balance Sheet; Statement of Changes in Equity; Cash Flow Statement; Schedule of Commitments; Schedule of Asset Additions and Notes comprising a Summary of Significant Accounting Policies and other explanatory information.

Chairman's Responsibility for the Financial Statements

The Chairman of the Productivity Commission's 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 the Chairman determines is necessary to enable the preparation of the financial statements that 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 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 Productivity 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

GPO Box 707 CANBERRA ACT 2601
19 National Circuit BARTON ACT
Phone (02) 6203 7300 Fax (02) 6203 7777

the effectiveness of the Productivity 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 Chairman of the Productivity Commission, as well as evaluating the overall presentation of the financial statements.

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 Productivity Commission:

(a) 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

(b) give a true and fair view of the matters required by the Finance Minister's Orders including the Productivity Commission's financial position as at 30 June 2011 and of its financial performance and cash flows for the year then ended.

Australian National Audit Office

John Jones

Executive Director

Delegate of the Auditor-General

Canberra

Date: 25 August 2011

Australian Government
Productivity Commission

GPO Box 1428
Canberra City ACT 2601
Telephone 02 6240 3202
Facsimile 02 6240 3300
www.pc.gov.au

From the Chairman's Office

Statement by the Chairman and Chief Finance Officer

In our opinion, the attached financial statements for the year ended 30 June 2011 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 1997,* as amended.

Gary Banks
Chairman

24 August 2011

Brian Scammell
Chief Finance Officer

24 August 2011

Statement of Comprehensive Income

for the period ended 30 June 2011

	Notes	*2011* $'000	*2010* $'000
EXPENSES			
Employee benefits	3A	**26,748**	24,839
Supplier expenses	3B	**9,437**	7,440
Depreciation and amortisation	3C	**997**	1,033
Finance costs	3D	**34**	31
Losses from asset sales	3E	**64**	7
Total Expenses		**37,280**	33,350
LESS:			
OWN-SOURCE INCOME			
Own-source revenue			
Sale of goods and rendering of services	4A	**272**	250
Total own-source revenue		**272**	250
Gains			
Other gains	4B	**36**	35
Total gains		**36**	35
Total own-source income		**308**	285
Net cost of services		**36,972**	33,065
Revenue from Government	4C	**37,279**	34,388
Surplus		**307**	1,323
OTHER COMPREHENSIVE INCOME			
Changes in asset revaluation reserves	5A	**–**	429
Total comprehensive income		**307**	1,752

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

Balance Sheet

as at 30 June 2011

		2011	*2010*
	Notes	**$'000**	$'000
ASSETS			
Financial Assets			
Cash and cash equivalents	6A	**387**	415
Trade and other receivables	6B	**15,873**	9,901
Total financial assets		**16,260**	10,316
Non-Financial Assets			
Leasehold improvements	7A	**5,714**	2,972
Property, plant and equipment	7B, D	**726**	666
Intangibles	7C, D	**87**	101
Other	7E	**555**	522
Total non-financial assets		**7,082**	4,261
Total Assets		**23,342**	14,577
LIABILITIES			
Payables			
Suppliers	8A	**585**	371
Other	8B	**3,527**	439
Total payables		**4,112**	810
Provisions			
Employee provisions	9A	**10,180**	9,017
Other provisions	9B	**386**	538
Total provisions		**10,566**	9,555
Total Liabilities		**14,678**	10,365
Net Assets		**8,664**	4,212
EQUITY			
Contributed equity		**1,804**	(2,341)
Reserves		**2,154**	2,154
Retained earnings		**4,706**	4,399
Total Equity		**8,664**	4,212

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

Statement of Changes in Equity

for the period ending 30 June 2011

Item	*Retained earnings*		*Asset revaluation reserve*		*Contributed equity*		*Total equity*	
	2011	2010	**2011**	2010	**2011**	2010	**2011**	2010
	$'000	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000
Opening balance								
Balance carried forward from previous period	**4,399**	3,076	**2,154**	1,725	**(2,341)**	2,858	**4,212**	7,659
Adjustment for changes in accounting policies	**–**	–	**–**	–	**–**	–	**–**	–
Adjusted opening balance	**4,399**	3,076	**2,154**	1,725	**(2,341)**	2,858	**4,212**	7,659
Comprehensive Income								
Other comprehensive income	**–**	–	**–**	429	**–**	–	**–**	429
Surplus for the period	**307**	1,323	**–**	–	**–**	–	**307**	1,323
Total comprehensive income	**307**	1,323	**–**	429	**–**	–	**307**	1,752
Transactions with owners								
Distributions to Owners								
Other – net cash appropriations	**–**	–	**–**	–	**–**	(5,199)	**–**	(5,199)
Contributions by Owners								
Departmental capital budget	**–**	–	**–**	–	**4,145**	–	**4,145**	–
Sub-total transactions with owners	**–**	–	**–**	–	**4,145**	(5,199)	**4,145**	(5,199)
Closing balance as at 30 June	**4,706**	4,399	**2,154**	2,154	**1,804**	(2,341)	**8,664**	4,212

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

Cash Flow Statement

for the period ended 30 June 2011

	Notes	2011 $'000	2010 $'000
OPERATING ACTIVITIES			
Cash received			
Appropriations		**35,037**	31,488
Goods and services		**598**	789
Net GST received		**663**	716
Total cash received		**36,298**	32,993
Cash used			
Employees		**25,464**	23,915
Suppliers		**9,850**	8,266
Other		**2,641**	515
Total cash used		**37,955**	32,696
Net cash from (used by) operating activities	10	**(1,657)**	297
INVESTING ACTIVITIES			
Cash received			
Proceeds from sale of property, plant and equipment		**5**	–
Total cash received		**5**	–
Cash Used			
Purchase of property, plant and equipment		**3,464**	106
Other		**570**	–
Total cash used		**4,034**	106
Net cash (used by) investing activities		**(4,029)**	(106)
FINANCING ACTIVITIES			
Cash received			
Contributed equity		**3,404**	–
Other		**2,254**	–
Total cash received		**5,658**	–
Net cash from financing activities		**5,658**	–
Net increase (decrease) in cash held		**(28)**	191
Cash and cash equivalents at the beginning of the reporting period		**415**	224
Cash and cash equivalents at the end of the reporting period	6A	**387**	415

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

Schedule of Commitments

as at 30 June 2011

	2011	*2010*
	$'000	$'000
BY TYPE		
Commitments receivable		
GST recoverable on commitments	**(2,632)**	(1,256)
Total commitments receivable	**(2,632)**	(1,256)
Commitments payable		
Other commitments		
Operating leases [1]	**28,502**	13,105
Other commitments [2]	**450**	707
Total other commitments	**28,952**	13,812
Net commitments by type	**26,320**	12,556
BY MATURITY		
Commitments receivable		
Other commitments receivable		
One year or less	**(312)**	(310)
From one to five years	**(1,281)**	(633)
Over five years	**(1,039)**	(313)
Total other commitments receivable	**(2,632)**	(1,256)
Commitments payable		
Operating lease commitments		
One year or less	**3,099**	2,867
From one to five years	**13,973**	6,799
Over five years	**11,430**	3,439
Total operating lease commitments	**28,502**	13,105
Other commitments		
One year or less	**335**	539
From one to five years	**115**	168
Over five years	**–**	–
Total other commitments	**450**	707
Net commitments by maturity	**26,320**	12,556

Note: Commitments are GST inclusive where relevant.

[1] Operating leases included are effectively non-cancellable and comprise:

Leases for office accommodation and carparking

Lease payments are subject to a fixed percentage annual increase in accordance with the lease agreement. In Melbourne, the current lease expires on 31 May 2021, with a five year option. In Canberra the current lease expires on 30 April 2017, with a five year option.

Agreements for the provision of motor vehicles to senior executive officers

Lease payments are fixed at the commencement of each vehicle lease. Vehicles are returned on lease expiry.

2 Other commitments are primarily contracts for office services.

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

Schedule of Asset Additions

for the period ending 30 June 2011

The following non-financial non-current assets were added in 2010-11:

	Leasehold improvements	***Property, plant & equipment***	***Intangibles***	***Total***
	$'000	**$'000**	**$'000**	**$'000**
Additions funded in the current year				
By purchase – appropriation ordinary annual services				
Departmental capital budget	**3,097**	**289**	**18**	**3,404**
Ordinary operating costs	**–**	**60**	**–**	**60**
Total additions funded in the current year	**3,097**	**349**	**18**	**3,464**
Additions recognised in 2010-11 – to be funded in future years				
Make-good	**384**	**–**	**–**	**384**
Total future years/unfunded additions	**384**	**–**	**–**	**384**
Total additions	**3,481**	**349**	**18**	**3,848**

The following non-financial non-current assets were added in 2009-10:

	Leasehold improvements	*Property, plant & equipment*	*Intangibles*	*Total*
	$'000	$'000	$'000	$'000
Additions funded in the current year				
By purchase – appropriation ordinary annual services				
Ordinary operating costs	–	77	29	106
Total additions	–	77	29	106

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

Notes to and forming part of the Financial Statements

Note	Description
1	Summary of Significant Accounting Policies
2	Events after the Reporting Period
3	Expenses
4	Income
5	Other Comprehensive Income
6	Financial Assets
7	Non-Financial Assets
8	Payables
9	Provisions
10	Cash Flow Reconciliation
11	Contingent Liabilities and Assets
12	Senior Executive Remuneration
13	Remuneration of Auditors
14	Financial Instruments
15	Appropriations
16	Special Accounts
17	Compensation and Debt Relief
18	Reporting of Outcomes
19	Comprehensive Income (Loss) Attributable to the Entity

Note 1: Summary of Significant Accounting Policies

1.1 Objectives of the Productivity Commission

The Productivity Commission (the Commission) is an Australian Government controlled entity. The Commission is the Australian Government's independent research and advisory body on a range of economic, social and environmental issues affecting the welfare of Australians. The Commission's work extends to the public and private sectors, including areas of State, Territory and local government, as well as federal responsibility.

The Commission is structured to meet one outcome:

Outcome 1: Well-informed policy decision-making and public understanding on matters relating to Australia's productivity and living standards, based on independent and transparent analysis from a community-wide perspective.

Activities contributing toward this outcome are classified as departmental. Departmental activities involve the use of assets, liabilities, income and expenses controlled or incurred by the Commission in its own right.

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

1.2 Basis of Preparation of the Financial Statements

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

The financial statements have been prepared in accordance with:

- Finance Minister's Orders (FMOs) for reporting periods ending on or after 1 July 2010; 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 alternative treatment is specifically required by an accounting standard or the FMOs, assets and liabilities are recognised in the Balance Sheet when and only when it is probable that future economic benefits will flow to the Commission 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 executor contracts are not recognised unless required by an accounting standard. Liabilities and assets that are unrecognised are reported in the Schedule of Commitments.

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.

1.3 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 the most significant impact on the amounts recorded in the financial statements:

- The fair value of leasehold improvements has been taken to be the fair value of similar leasehold improvements as determined by an independent valuer.

No accounting assumptions or estimates have been identified that have a significant risk of causing a material adjustment to carrying amounts of assets and liabilities within the next accounting period.

1.4 New Australian Accounting Standards

Adoption of New Australian Accounting Standard Requirements

No accounting standard has been adopted earlier than the application date as stated in the standard.

New standards, amendments to standards or interpretations 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

New standards, amendments to standards or interpretations that were issued by the Australian Accounting Standards Board prior to the sign-off date and are applicable for future reporting periods are not expected to have a future financial impact on the Commission.

1.5 Revenue

Revenue from Government

Amounts appropriated for departmental appropriations for the year (adjusted for any formal additions and reductions) are recognised as Revenue from Government 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.

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 transactions costs incurred can be reliably measured; and
- it is probable that the economic benefits associated with the transaction will flow to the Commission.

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 Commission.

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.

Parental Leave Payments Scheme

Amounts received under the Parental Leave Payments Scheme by the Commission not yet paid to employees would be presented gross as cash and a liability (payable). There were no amounts received under this scheme in 2010-11.

1.6 Gains

Other 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.

Resources received free of charge are recorded as either revenue or gains depending on their nature.

Contributions of assets at no cost of acquisition or for nominal consideration are recognised as gains at their fair value when the asset qualifies for recognition, unless received from another Government entity as a consequence of a restructuring of administrative arrangements (Refer to Note 1.7).

Sale of Assets

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

1.7 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.

Restructuring of Administrative Arrangements

Net assets received from or relinquished to another Australian Government entity under a restructuring of administrative arrangements are adjusted at their book value directly against contributed equity.

Other Distributions to Owners

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

1.8 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.

The leave liabilities are calculated on the basis of employees' remuneration at the estimated salary rates that 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 use of the Australian Government Actuary's shorthand method using the Standard Commonwealth sector probability profile. The estimate of the present value of the liability takes into account attrition rates and pay increases through promotion and inflation.

Separation and redundancy

No provision has been made for separation and redundancy payments as the Commission has not formally identified any positions as excess to requirements at 30 June 2011 (2010: Nil).

Superannuation

The majority of the 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 by the Department of Finance and Deregulation as an administered item.

The Commission makes employer contributions to the employees' 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 in respect for the final fortnight of the year.

1.9 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 property, 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.

1.10 Borrowing Costs

All borrowing costs are expensed as incurred.

1.11 Cash

Cash and cash equivalents includes cash on hand, cash with outsiders, and 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.

1.12 Financial Assets

The Commission classifies its financial assets in the following categories:

- financial assets as at fair value through profit or loss;
- held-to-maturity investments;
- available-for-sale financial assets; and
- loans and receivables.

The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. The Commission only holds financial assets of loans and receivables.

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.

Income is recognised on an effective interest rate basis except for financial assets that are recognised at fair value through profit or loss.

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 amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest rate.

Impairment of financial assets

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

Financial assets held at amortised cost – if there is objective evidence that an impairment loss has been incurred for loans and receivables held at amortised cost, the amount of the loss is measured as the difference between the asset’s carrying amount and the present value of estimated future cash flows discounted at the asset’s original effective interest rate. The carrying amount is reduced by way of an allowance account. The loss is recognised in the Statement of Comprehensive Income.

1.13 Financial Liabilities

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities. The Commission only holds other financial liabilities.

Financial liabilities are recognised and derecognised upon 'trade date'.

Other financial liabilities

Other financial liabilities, including 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).

1.14 Contingent Liabilities and Contingent Assets

Contingent liabilities and contingent assets are not recognised in the Balance Sheet but are reported in the relevant notes. They may arise from uncertainty as to the existence of a liability or an 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.

Details of each class of contingent liabilities and contingent assets are disclosed in Note 11: Contingent Liabilities and Contingent Assets.

1.15 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's accounts immediately prior to the restructuring.

1.16 Property, Plant and Equipment

Asset Recognition Threshold

Purchases of property, plant and equipment are recognised initially at cost in the Balance Sheet, 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 'make-good' premises. 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*
Leasehold improvements	Depreciated replacement cost
Infrastructure, plant and equipment	Market selling price

Following initial recognition at cost, property, plant and equipment are carried at fair value less accumulated depreciation and accumulated impairment losses. Valuations are conducted with sufficient frequency to ensure that the carrying amounts of assets do not differ materially from the assets' fair values at the reporting date. The regularity of independent valuations depends upon the volatility of movements in market values for the relevant assets. Assets were revalued by the Australian Valuation Office (AVO) as at 30 June 2010.

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 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.

Depreciation

Depreciable property, 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:

	2011	*2010*
Leasehold improvements and make-good	**Lease term**	Lease term
Plant and equipment	**3 to 20 years**	3 to 20 years
Intangibles (computer software)	**5 years**	5 years

Impairment

All assets were assessed for impairment at 30 June 2011. 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 property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

1.17 Intangibles

The Commission's intangibles comprise commercially purchased 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 5 years (2009-10: 5 years).

All software assets were assessed for indications of impairment as at 30 June 2011.

1.18 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.

Note 2: Events after the Reporting Period

No significant events requiring disclosure in, or adjustment to, these financial statements have occurred subsequent to balance date.

Note 3: Expenses

Note 3A: Employee benefits

	2011	2010
	$'000	$'000
Wages and salaries	**20,244**	18,730
Superannuation:		
Defined contribution plans	**857**	624
Defined benefit plans	**2,452**	2,310
Leave and other entitlements	**3,195**	3,175
Total employee benefits	**26,748**	24,839

Note 3B: Suppliers

	2011	2010
	$'000	$'000
Goods and Services		
Consultants	**33**	45
Contractors	**3,801**	2,747
Travel	**1,342**	1,254
IT services	**671**	660
Total goods and services	**5,847**	4,706
Goods and services are made up of:		
Provision of goods – external parties	**242**	226
Rendering of services – related entities	**491**	363
Rendering of services – external parties	**5,114**	4,117
Total goods and services	**5,847**	4,706
Other supplier expenses		
Operating lease rentals – external parties:		
Minimum lease payments	**3,560**	2,693
Workers compensation premiums	**30**	41
Total other supplier expenses	**3,590**	2,734
Total supplier expenses	**9,437**	7,440

Note 3C: Depreciation and Amortisation

	2011	2010
	$'000	$'000
Depreciation:		
Buildings - leasehold improvements	**739**	668
Property, plant and equipment	**226**	338
Total depreciation	**965**	1,006
Amortisation:		
Intangibles:		
Computer software	**32**	27
Total amortisation	**32**	27
Total depreciation and amortisation	**997**	1,033

Note 3D: Finance Costs

	2011	2010
	$'000	$'000
Unwinding of discount	**34**	31
Total finance costs	**34**	31

Note 3E: Losses from asset sales

	2011	2010
	$'000	$'000
Property, plant and equipment:		
Proceeds from sale	**(5)**	–
Carrying value of assets sold	**63**	6
Selling expense	**6**	–
Intangibles:		
Proceeds from sale	**–**	–
Carrying value of assets sold	**–**	1
Selling expense	**–**	–
Total losses from asset sales	**64**	7

Note 4: Income

Revenue

Note 4A: Sale of Goods and Rendering of Services

	2011	2010
	$'000	$'000
Provision of goods – related entities	**–**	–
Provision of goods – external parties	**14**	24
Rendering of services – related entities	**179**	184
Rendering of services – external parties	**79**	42
Total sales of goods and rendering of services	**272**	250

Gains

Note 4B: Other Gains

	2011	2010
	$'000	$'000
Resources received free of charge	**36**	35
Total other gains	**36**	35

Revenue from Government

Note 4C: Revenue from Government

	2011	2010
	$'000	$'000
Appropriations:		
Departmental appropriations	**37,279**	34,388
Total revenue from Government	**37,279**	34,388

Note 5: Other Comprehensive Income

Note 5A: Changes in asset revaluation reserves

	2011	*2010*
	$'000	$'000
Buildings - leasehold improvement revaluation increment	–	449
Property, plant and equipment revaluation decrement	–	(20)
Total other comprehensive income	–	429

Note 6: Financial assets

Note 6A: Cash and Cash Equivalents

	2011	*2010*
	$'000	$'000
Cash on hand or on deposit	**387**	415
Total cash and cash equivalents	**387**	415

Note 6B: Trade and Other Receivables

	2011	2010
	'000	'000
Goods and Services:		
Goods and services – related entities	**36**	–
Goods and services – external parties	**24**	17
Total receivables for goods and services	**60**	17
Appropriations receivable:		
For existing programs	**15,410**	9,786
Total appropriations receivable	**15,410**	9,786
Other receivables:		
GST receivable from the Australian Taxation Office	**400**	89
Other	**3**	9
Total other receivables	**403**	98
Total trade and other receivables	**15,873**	9,901
Receivables are expected to be recovered in:		
No more than 12 months	**15,873**	9,901
More than 12 months	**–**	–
Total trade and other receivables	**15,873**	9,901
Receivables are aged as follows:		
Not overdue	**15,389**	9,901
Overdue by:		
0 to 30 days	**437**	–
31 to 60 days	**4**	–
61 to 90 days	**3**	–
More than 90 days	**40**	–
Total receivables	**15,873**	9,901

Note 7: Non-Financial Assets

Note 7A: Leasehold improvements

	2011	2010
	$'000	$'000
Leasehold improvements		
Fair value	**6,116**	2,972
Accumulated depreciation	**(402)**	–
Total leasehold improvements	**5,714**	2,972
Total land and buildings	**5,714**	2,972

No indicators of impairment were found for leasehold improvements.

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

All revaluations were conducted in accordance with the revaluation policy stated at Note 1. On 30 June 2010, an independent valuer from the Australian Valuation Office conducted the revaluations.

Note 7B: Property, plant and equipment

	2011	2010
	$'000	$'000
Other property, plant and equipment		
Fair value	**929**	666
Accumulated depreciation	**(203)**	–
Total other property, plant and equipment	**726**	666
Total property, plant and equipment	**726**	666

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.

All revaluations were conducted in accordance with the revaluation policy stated at Note 1. On 30 June 2010, an independent valuer from the Australian Valuation Office conducted the revaluations.

The revaluation increment for leasehold improvements and decrement for plant and equipment were credited and debited respectively to the asset revaluation reserve by asset class, and included in the equity section of the balance sheet; no increments or decrements were expensed. See Note 5A.

Note 7C: Intangibles

	2011	2010
	$'000	$'000
Computer software		
Purchased	**562**	544
Accumulated amortisation	**(475)**	(443)
Total intangibles	**87**	101

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: Analysis of property, plant and equipment, and intangibles

Reconciliation of the opening and closing balances of property, plant and equipment, and intangibles (2010-11)

	Leasehold improvements	*Property, plant & equipment*	*Computer software purchased*	*Total*
	$'000	$'000	$'000	$'000
As at 1 July 2010				
Gross book value	**2,972**	**666**	**544**	**4,182**
Accumulated depreciation / amortisation and impairment	**–**	**–**	**(443)**	**(443)**
Net book value 1 July 2010	**2,972**	**666**	**101**	**3,739**
Additions: *				
By purchase	**3,481**	**349**	**18**	**3,848**
Revaluations and impairments recognised in other comprehensive income	**–**	**–**	**–**	**–**
Depreciation / amortisation expense	**(739)**	**(226)**	**(32)**	**(997)**
Disposals:				
Other	**–**	**(63)**	**–**	**(63)**
Net book value 30 June 2011	**5,714**	**726**	**87**	**6,527**
Net book value as of 30 June 2011 represented by:				
Gross book value	**6,116**	**929**	**562**	**7,607**
Accumulated depreciation/amortisation and impairment	**(402)**	**(203)**	**(475)**	**(1,080)**
	5,714	**726**	**87**	**6,527**

* Disaggregated additions information are disclosed in the Schedule of Asset Additions

Reconciliation of the opening and closing balances of property, plant and equipment, and intangibles (2009-10)

	Leasehold improvements	*Property, plant and equipment*	*Computer software purchased*	*Total*
	$'000	$'000	$'000	$'000
As at 1 July 2009				
Gross book value	4,797	1,762	524	7,083
Accumulated depreciation / amortisation and impairment	(1,606)	(809)	(424)	(2,839)
Net book value 1 July 2009	3,191	953	100	4,244
Additions: *				
By purchase	–	77	29	106
Revaluations and impairments recognised in other comprehensive income	449	(20)	–	429
Depreciation / amortisation expense	(668)	(338)	(27)	(1,033)
Disposals:				
Other	–	(6)	(1)	(7)
Net book value 30 June 2010	2,972	666	101	3,739
Net book value as of 30 June 2010 represented by:				
Gross book value	2,972	666	544	4,182
Accumulated depreciation/amortisation and impairment	–	–	(443)	(443)
	2,972	666	101	3,739

* Disaggregated additions information are disclosed in the Schedule of Asset Additions

Note 7E: Other non-financial assets

	2011	*2010*
	$'000	$'000
Prepayments	**555**	522
Total other non-financial assets	**555**	522
Total other non-financial assets – are expected to be recovered in:		
No more than 12 months	**555**	522
More than 12 months	**–**	–
Total other non-financial assets	**555**	522

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

Note 8: Payables

Note 8A: Suppliers

	2011	2010
	$'000	$'000
Trade creditors and accruals	585	371
Total supplier payables	**585**	371
Supplier payables expected to be settled within 12 months:		
Related entities	**17**	52
External parties	**568**	319
Total supplier payables	**585**	371

Settlement is usually made within 30 days.

Note 8B: Other Payables

	2011	2010
	$'000	$'000
Salaries and wages	**526**	381
Superannuation	**84**	58
Prepayments received/unearned income	**56**	–
Rent (lease) payable	**626**	–
Lease incentive	**2,235**	–
Total other payables	**3,527**	439
Total other payables are expected to be settled in:		
No more than 12 months	**891**	439
More than 12 months	**2,636**	439
Total other payables	**3,527**	439

Note 9: Provisions

Note 9A: Employee provisions

	2011	*2010*
	$'000	$'000
Leave	**10,180**	9,017
Total employee provisions	**10,180**	9,017
Employee provisions are expected to be settled in:		
No more than 12 months	**2,716**	2,543
More than 12 months	**7,464**	6,474
Total employee provisions	**10,180**	9,017

Note 9B: Other provisions

	2011	*2010*
	$'000	$'000
Provision for restoration obligations	**386**	538
Total other provisions	**386**	538
Other provisions are expected to be settled in:		
No more than 12 months	**–**	538
More than 12 months	**386**	–
Total other provisions	**386**	538

	Provision for restoration $'000
Carrying amount 1 July 2010	**538**
Additional provisions made	**384**
Amounts used	**(570)**
Unwinding of discount or change in discount rate	**34**
Closing balance 2011	**386**

The Commission currently has 1 agreement for the leasing of premises which has a provision requiring the Commission to restore the premises to its original condition at the conclusion of the lease. The Commission has made provision to reflect the present value of this obligation. (2009-10: 1 agreement)

Note 10: Cash Flow Reconciliation

	2011	2010
	$'000	$'000
Reconciliation of cash and cash equivalents as per Balance Sheet to Cash Flow Statement		
Cash and Cash Equivalents as per:		
Cash Flow Statement	**387**	415
Balance Sheet	**387**	415
Difference	**–**	–
Reconciliation of net cost of services to net cash from operating activities:		
Net cost of services	**(36,972)**	(33,065)
Add revenue from Government	**37,279**	34,388
Adjustments for non-cash items		
Depreciation / amortisation	**997**	1,033
(Gain) / loss on disposal of assets	**64**	7
Change in assets / liabilities:		
(Increase) / decrease in net receivables **	**(5,237)**	(3,316)
(Increase) / decrease in prepayments	**(33)**	(6)
Increase / (decrease) in employee provisions	**1,163**	1,209
Increase / (decrease) in supplier payables	**214**	(92)
Increase / (decrease) in other payables	**834**	108
Increase / (decrease) in other provisions	**34**	31
Net cash from / (used by) operating activities	**(1,657)**	297

** is net of the Distribution to owners in the Statement of Changes in Equity

Note 11: Contingent Liabilities and Contingent Assets

At 30 June 2011, to the best of its knowledge, the Commission was not exposed to any unrecognised contingencies that would have any material effect on the financial statements.

The Commission had no significant remote contingencies.

Note 12: Senior Executive Remuneration

Note 12A: Senior executive remuneration expense for the reporting period

	2011	*2010*
	$	$
Short-term employee benefits:		
Salary	**4,934,520**	4,821,178
Annual leave accrued	**425,247**	403,011
Performance bonus	**205,766**	327,188
Allowances	**417,981**	212,450
Total short-term employee benefits	**5,983,514**	5,763,827
Post-employment benefits:		
Superannuation	**828,175**	764,756
Total post-employment benefits	**828,175**	764,756
Other long-term benefits:		
Long-service leave	**129,030**	131,398
Total other long-term benefits	**129,030**	131,398
Total	**6,940,719**	6,659,981

Notes:

1. This note includes remuneration of members of the Commission and employees in the Senior Executive Service.
2. Note 12A was prepared on an accrual basis (so the performance bonus expenses disclosed above may differ from the cash 'Bonus paid' in Note 12B).
3. Note 12A excludes acting arrangements and part-year service where remuneration expensed for a senior executive was less than $150,000.
4. During the year the Commission paid nil in termination benefits to senior executives. (2010: nil)

Note 12B: Average annualised remuneration packages and bonus paid for senior executives as at the end of the reporting period

	As at 30 June 2011					*As at 30 June 2010*				
		Fixed elements					*Fixed elements*			
Fixed elements and bonus paid [1]	***Senior Exec-utives***	***Salary***	***Allow ances***	***Total***	***Bonus paid*** [2]	***Senior Exec-utives***	*Salary*	*Allow-ances*	*Total*	*Bonus paid* [2]
	No.	**$**	**$**	**$**	**$**	No.	$	$	$	$
Total remuneration (including part-time arrangements):										
Less than $150,000	**3**	**138,823**	**997**	**139,820**	**–**	3	120,430	997	121,427	6,638
$150,000 to $179,999	**9**	**153,222**	**20,235**	**173,457**	**8,295**	9	152,307	15,855	168,162	8,494
$180,000 to $209,999	**7**	**174,276**	**20,520**	**194,796**	**12,330**	6	168,020	20,632	188,652	12,811
$210,000 to $239,999	**3**	**209,621**	**15,151**	**224,772**	**10,243**	6	213,495	14,623	228,118	16,248
$240,000 to $269,999	**3**	**251,590**	**8,074**	**259,665**	**4,689**	2	250,791	997	251,788	20,695
$270,000 to $299,999	**2**	**280,044**	**997**	**281,041**	**–**	–	–	–	–	–
$300,000 to $329,999	**1**	**306,704**	**778**	**307,482**	**–**	1	278,828	22,114	300,942	–
$330,000 to $359,999	**–**	**–**	**–**	**–**	**–**	–	–		–	–
$360,000 to $389,999	**–**	**–**	**–**	**–**	**–**	–	–		–	–
$390,000 to $419,999	**–**	**–**	**–**	**–**	**–**	1	400,767	–	400,767	–
$420,000 to $449,999	**1**	**429,728**	**1,813**	**431,542**	**–**	–	–	–	–	–
$450,000 to $479,999	**–**	**–**	**–**	**–**	**–**	–	–	–	–	–
$480,000 to $509,999	**–**	**–**	**–**	**–**	**–**	–	–	–	–	–
$510,000 to $539,999	**–**	**–**	**–**	**–**	**–**	–	–	–	–	–
Total	29					28				

Notes:

1 This table reports members of the Commission and substantive senior executives who were employed by the Commission at the end of the reporting period. Fixed elements were based on the employment agreement of each individual. Each row represents an average annualised figure (based on headcount) for the individuals in that remuneration package band (i.e. the 'Total' column).

2 This represents average actual bonuses paid during the reporting period in that remuneration package band. The 'Bonus paid' was excluded from the 'Total' calculation, (for the purpose of determining remuneration package bands). The 'Bonus paid' within a particular band may vary between financial years due to various factors such as individuals commencing with or leaving the Commission during the financial year.

Variable elements:

With the exception of bonuses, variable elements were not included in the 'Fixed Elements and Bonus Paid' table above. The following variable elements were available as part of senior executives' remuneration package:

(a) Bonuses:

- Bonuses were based on the performance rating of each individual where eligible for a bonus. The maximum bonus that an individual could receive was 10 per cent of his/her base salary.

(b) On average senior executives were entitled to the following leave entitlements:

- Annual Leave (AL): entitled to 20 days (2010: 20 days) each full year worked (pro-rata for part-time SES);• Personal Leave (PL): entitled to 15 days (2010: 15 days) or part-time equivalent; and• Long Service Leave (LSL): in accordance with *Long Service Leave (Commonwealth Employees) Act 1976*.

(c) Senior executives were members of one of the following superannuation funds:

- Commonwealth Superannuation Scheme (CSS): this scheme is closed to new members, and employer contributions were averaged 22.7 per cent (2010: 19 per cent) (including productivity component). More information on CSS can be found at http://www.css.gov.au;
- Public Sector Superannuation Scheme (PSS): this scheme is closed to new members, with current employer contributions were set at 16.3 per cent (2010: 15.9 per cent) (including productivity component). More information on PSS can be found at http://www.pss.gov.au;
- Public Sector Superannuation accumulation plan (PSSap): employer contributions were set at 15.4 percent (2010: 15.4 per cent), and the fund has been in operation since July 2005. More information on PSSap can be found at http://www.pssap.gov.au; and
- Other: there were some senior executives who had their own superannuation arrangements (e.g. self-managed superannuation funds, Australian Government Employee Superannuation Trust (AGEST), or other commercial superannuation funds.). Their employer contributions were set at the superannuation guarantee (SG) rate (9%) or 15.4 per cent depending on their instrument of employment. (2010: SG rate or 15.4 per cent).

(d) Various salary sacrifice arrangements were available to senior executives including super, motor vehicle and expense payment fringe benefits.

Note 12C: Other highly paid staff

During the reporting period, there was 1 employee (2010: 1 employee) whose salary plus performance bonus was $150,000 or more. This employee did not have a role as a senior executive and were therefore not disclosed as a senior executive in Note 12A and Note 12B.

Note 13: Remuneration of Auditors

	2011	*2010*
	$'000	$'000
Financial statement audit services are provided free of charge to the Commission.		
The fair value of the services provided was:	**36**	35
	36	35

No other services were provided by the auditors of the financial statements.

Note 14: Financial Instruments

Note 14A: Categories of financial instruments

	2011	2010
	$'000	$'000
Financial Assets		
Loans and receivables		
Cash and cash equivalents	**387**	415
Trade receivables	**60**	17
Carrying amount of financial assets	**447**	432
Financial Liabilities		
Other liabilities		
Payables – suppliers	**585**	371
Carrying amount of financial liabilities	**585**	371

Note 14B: Net income and expense from financial assets

There is no income or expense from financial assets – loans and receivables in the year ending 30 June 2011. (2010: nil)

Note 14C: Net income and expense from financial liabilities

There is no income or expense from other financial liabilities in the year ending 30 June 2011. (2010: nil)

Note 14D: Fair value of financial instruments

There are no financial instruments held at 30 June 2011 where the carrying amount is not a reasonable approximation of fair value. (2010: nil)

Note 14E: Credit Risk

The Commission is exposed to minimal credit risk as loans and receivables are cash and trade receivables. The maximum exposure to credit risk is the risk that arises from potential default of a debtor. This amount is equal to the total of trade receivables (2011: $60,000 and 2010: $17,000). The Commission has assessed that there is no risk of default on payment.

The Commission credit risk is reduced as it mainly deals with other government agencies.

The Commission holds no collateral to mitigate against credit risk.

No financial instruments were impaired in 2011. (2010: nil)

Ageing of financial assets that are not past due nor impaired and past due but not impaired are shown at Note 6B.

Note 14F: Liquidity Risk

The Commission's financial liabilities are payables. 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 highly unlikely due to appropriation funding and mechanisms available to the Commission (eg. Advance to the Finance Minister) and internal policies and procedures put in place to ensure there are appropriate resources to meet its financial obligations.

The Commission is appropriated funding from the Australian Government. The Commission manages its budgeted funds to ensure it has adequate funds to meet payments as they fall due. In addition, the Commission has policies in place to ensure timely payments are made when due and has no past experience of default.

All financial liabilities mature within one year. (2010: one year)

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

Note 14G: Market Risk

The Commission holds basic financial instruments that do not expose the Commission to certain market risks.

The Commission is not exposed to currency risk, other price risk or interest rate risk.

Note 15: Appropriations

Table A: Annual Appropriations ('Recoverable GST' exclusive)

	2010-11 Appropriations					Appropriation applied in 2011 (current and prior years)	Variance
	Appropriation Act		*FMA Act*				
	Annual Appropriation	Appropriations reduced (a)	Section 30	Section 31	Total appropriation		
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Departmental							
Ordinary annual services	**41,424**	**–**	**56**	**2,708**	**44,188**	**38,375**	**5,813**
Other services							
Equity	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total departmental	**41,424**	**–**	**56**	**2,708**	**44,188**	**38,375**	**5,813**

Notes:

(a) Appropriations reduced under Appropriation Acts (No.1,3,5) 2010-11: sections 10, 11, 12 and 15 and under Appropriation Acts (No.2,4,6) 2010-11: sections 12,13, 14 and 17. 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 reduce that appropriation. The reduction in the appropriation is effected by the Finance Minister's determination and is disallowable by Parliament.

(b) S.31 receipts include a cash payment for lease incentive on the Melbourne premises - this will be reduced on a straight-line basis over the term of the lease.

Table A: Annual Appropriations ('Recoverable GST' exclusive) continued

	2009-10 Appropriations					Appropriation applied in 2010 (current and prior years)	Variance
	Appropriation Act		***FMA Act***				
	Annual Appropriation	**Appropriations reduced [(a)]**	**Section 30**	**Section 31 [(b)]**	**Total appropriation**		
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Departmental							
Ordinary annual services	34,561	(5,372)	21	768	29,978	30,681	(703)
Other services							
Previous years' outputs	868	–	–	–	868	868	–
Total departmental	35,429	(5,372)	21	768	30,846	31,549	(703)

Notes:

(a) Appropriations reduced under Appropriation Acts (No.1,3) 2009-10: sections 10, 11 and 12 and under Appropriation Acts (No.2,4) 2009-10: sections 12, 13 and 14. 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 reduce that appropriation. The reduction in the appropriation is effected by the Finance Minister's determination and is disallowable by Parliament. On 13 May 2010, the Finance Minister issued a determination to reduce departmental appropriations. The amount of the reduction under Appropriation Act (No.3) 2009-10 was $5,199,000. On 29 June 2010, the Finance Minister issued a determination to reduce departmental appropriations following a request by the Treasurer. The amount of the reduction under Appropriation Act (No.1) 2009-10 was $173,000.

Table B: Unspent Departmental Annual appropriations ('Recoverable GST exclusive')

		2011	2010
	Authority	$'000	$'000
Appropriation Act (No.1) 2008-09		–	1,343
Appropriation Act (No.1) 2009-10		–	8,858
Appropriation Act (No.1) 2010-11		**15,797**	–
Total as at 30 June		**15,797**	10,201

Note 16: Special Accounts

The Commission had an Other Trust Monies Special Account. This account was established under section 20 of the *Financial Management and Accountability Act 1997*. The purpose of the Other Trust Monies Special Account was for expenditure of monies temporarily held on trust or otherwise for the benefit of a person other than the Commonwealth. Any money held was thus special public money under section 16 of the *Financial Management and Accountability Act 1997*. For the years ended 30 June 2000-2010, the account had a nil balance and there were no transactions debited or credited to it. This account was abolished with effect from 19 October 2010.

Note 17: Compensation and Debt Relief

	2011	2010
	$	$
Departmental		
No 'Act of Grace' expenses were incurred during the reporting period. (2010: No expenses)	–	–
No waivers of amounts owing to the Australian Government were made pursuant to subsection 34(1) of the *Financial Management and Accountability Act 1997*. (2010: 2 waivers)	–	54,268
No payments were provided under the Compensation for Detriment caused by Defective Administration (CDDA) Scheme during the reporting period. (2010: No payments)	–	–
No ex gratia payments were provided for during the reporting period. (2010: No payments)	–	–
No payments were provided in special circumstances relating to APS employment pursuant to section 73 of the *Public Service Act 1999* (PS Act) during the reporting period. (2010: No payments)	–	–

Note 18: Reporting of Outcomes

Note 18A: Net Cost of Outcome Delivery

	Outcome 1	
	2011	*2010*
	$'000	$'000
Expenses		
Departmental	**37,280**	33,350
Total	**37,280**	33,350
Other own-source income		
Departmental	**308**	285
Total	**308**	285
Net cost of outcome delivery	**36,972**	33,065

Outcome 1 is described in Note 1.1. Net costs shown include intra-government costs that were eliminated in calculating the actual Budget Outcome. Refer to Outcome 1 Resourcing Table on page [page no.] of this Annual Report.

Note 19: Comprehensive Income attributable to the Commission

	2011	*2010*
	$'000	$'000
Total Comprehensive Income [1]	**307**	1,752
Plus: non-appropriated expenses		
Depreciation and amortisation expenses	**997**	–
Total Comprehensive Income attributable to the Commission	**1,304**	1,752

1 As per the Statement of Comprehensive Income.