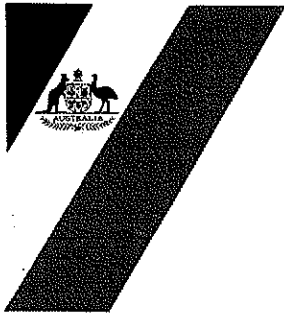

G Financial statements

This appendix presents the audited financial statements for the Productivity Commission for 2007-08.

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INDEPENDENT AUDITOR'S REPORT

To the Assistant Treasurer

Scope

I have audited the accompanying financial statements of the Productivity Commission for the year ended 30 June 2008, which comprise: a statement by the Chairman and Chief Finance Officer; income statement; balance sheet; statement of changes in equity; cash flow statement; schedule of commitments; summary of significant accounting policies; and other explanatory notes.

The Responsibility of the Chairman for the Financial Statements

The Chairman is responsible for the preparation and fair presentation of the financial statements in accordance with the Finance Minister's Orders made under the *Financial Management and Accountability Act 1997* and the Australian Accounting Standards (including the Australian Accounting Interpretations). This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

My responsibility is to express an opinion on the financial statements based on my audit. My audit has been conducted 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 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 Commission's preparation and fair presentation of the financial statements 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 Commission's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Chairman of the 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

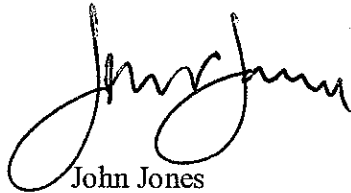
In conducting the audit, I have followed the independence requirements of the Australian National Audit Office, which incorporate the requirements of the Australian accounting profession.

Auditor's 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*, and the Australian Accounting Standards (including the Australian Accounting Interpretations); 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 2008 and its financial performance and its cash flows for the year then ended.

Australian National Audit Office



John Jones
Executive Director

Delegate of the Auditor General

Canberra
25 August 2008



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 2008 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.

A handwritten signature in black ink, appearing to read 'G Banks'.

Gary Banks AO
Chairman

22 August 2008

A handwritten signature in black ink, appearing to read 'Brian Scammell'.

Brian Scammell
Chief Finance Officer

22 August 2008

Income Statement

for the period ended 30 June 2008

		2008	2007
	Notes	\$'000	\$'000
Income			
Revenue			
Revenue from Government	3A	32,389	32,251
Sale of goods and rendering of services	3B	<u>226</u>	<u>33</u>
Total revenue		<u>32,615</u>	<u>32,284</u>
Gains			
Sale of assets	3C	-	8
Other gains	3D	<u>33</u>	<u>168</u>
Total gains		<u>33</u>	<u>176</u>
Total Income		<u>32,648</u>	<u>32,460</u>
Expenses			
Employee benefits	4A	22,984	22,311
Suppliers	4B	8,244	6,177
Depreciation and amortisation	4C	1,052	585
Finance costs	4D	34	32
Write-down and impairment of assets	4E	-	8
Losses from sale of assets	4F	<u>127</u>	<u>-</u>
Total Expenses		<u>32,441</u>	<u>29,113</u>
Surplus		<u>207</u>	<u>3,347</u>

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

Balance Sheet

as at 30 June 2008

		2008	2007
	Notes	\$'000	\$'000
ASSETS			
Financial Assets			
Cash and cash equivalents	5A	288	225
Trade and other receivables	5B	<u>9,188</u>	<u>11,930</u>
Total financial assets		<u>9,476</u>	<u>12,155</u>
Non-Financial Assets			
Land and buildings	6A	4,407	1,286
Infrastructure, plant and equipment	6B	1,260	1,125
Intangibles	6C	61	22
Other non-financial assets	6E	<u>475</u>	<u>310</u>
Total non-financial assets		<u>6,203</u>	<u>2,743</u>
Total Assets		<u>15,679</u>	<u>14,898</u>
LIABILITIES			
Payables			
Suppliers	7A	<u>623</u>	<u>434</u>
Total payables		<u>623</u>	<u>434</u>
Provisions			
Employee provisions	8A	7,512	7,495
Other provisions	8B	<u>479</u>	<u>573</u>
Total provisions		<u>7,991</u>	<u>8,068</u>
Total Liabilities		<u>8,614</u>	<u>8,502</u>
Net Assets		<u>7,065</u>	<u>6,396</u>
EQUITY			
Contributed equity		2,858	2,396
Reserves		1,725	1,725
Retained earnings		<u>2,482</u>	<u>2,275</u>
Total Equity		<u>7,065</u>	<u>6,396</u>
Current Assets		9,951	12,465
Non-Current Assets		5,728	2,433
Current Liabilities		7,646	7,487
Non-Current Liabilities		968	1,015

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

Statement of Changes in Equity

as at 30 June 2008

Item	Retained earnings		Asset revaluation reserve		Contributed equity		Total equity	
	2008	2007	2008	2007	2008	2007	2008	2007
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Opening Balance								
Balance carried forward from previous period	2,275	(1,072)	1,725	1,172	2,396	1,711	6,396	1,811
Adjustment for changes in accounting policies	-	-	-	-	-	-	-	-
Adjusted Opening Balance	2,275	(1,072)	1,725	1,172	2,396	1,711	6,396	1,811
Income and Expense								
Revaluations recognised Directly in Equity (Plant & Equipment)	-	-	-	99	-	-	-	99
Revaluations recognised Directly in Equity (Leasehold Improvements)	-	-	-	454	-	-	-	454
Sub-total income and expenses recognised Directly in Equity	-	-	-	553	-	-	-	553
Surplus (Deficit) for the period	207	3,347	-	-	-	-	207	3,347
Total Income and Expense	207	3,347	-	553	-	-	207	3,900
Transactions with owners								
<i>Contributions by Owners</i>								
Appropriation (equity injection)	-	-	-	-	462	685	462	685
Sub-total transactions with owners	-	-	-	-	462	685	462	685
Closing Balance at 30 June	2,482	2,275	1,725	1,725	2,858	2,396	7,065	6,396

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

Cash Flow Statement

for the year ended 30 June 2008

		2008	2007
	Notes	\$'000	\$'000
OPERATING ACTIVITIES			
Cash received			
Goods and services		1,453	144
Appropriations		33,675	28,580
Net GST received from ATO		<u>1,249</u>	<u>735</u>
Total cash received		<u>36,377</u>	<u>29,459</u>
Cash used			
Employees		23,069	22,364
Suppliers		<u>9,918</u>	<u>6,375</u>
Total cash used		<u>32,987</u>	<u>28,739</u>
Net cash from (used by) operating activities	10	<u>3,390</u>	<u>720</u>
INVESTING ACTIVITIES			
Cash received			
Proceeds from sale of property, plant and equipment		<u>16</u>	<u>8</u>
Total cash received		<u>16</u>	<u>8</u>
Cash Used			
Purchase of plant and equipment		<u>4,490</u>	<u>700</u>
Total cash used		<u>4,490</u>	<u>700</u>
Net cash from (used by) investing activities		<u>(4,474)</u>	<u>(692)</u>
FINANCING ACTIVITIES			
Cash received			
Appropriations – contributed equity		<u>1,147</u>	<u>25</u>
Total cash received		<u>1,147</u>	<u>25</u>
Cash Used			
Other cash used		<u>-</u>	<u>-</u>
Total cash used		<u>-</u>	<u>-</u>
Net cash from (used by) financing activities		<u>1,147</u>	<u>25</u>
Net increase (decrease) in cash held		63	53
Cash and cash equivalents at the beginning of the reporting period		<u>225</u>	<u>172</u>
Cash and cash equivalents at the end of the reporting period		<u>288</u>	<u>225</u>

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

Schedule of Commitments

as at 30 June 2008

	2008	2007
	\$'000	\$'000
BY TYPE		
Commitments receivable		
GST recoverable on commitments	<u>(1,885)</u>	<u>(696)</u>
Total commitments receivable	<u>(1,885)</u>	<u>(696)</u>
Other commitments		
Operating leases	19,239	6,812
Other commitments	<u>1,499</u>	<u>848</u>
Total other commitments	<u>20,738</u>	<u>7,660</u>
Net commitments by type	<u>18,853</u>	<u>6,964</u>
BY MATURITY		
GST recoverable on commitments		
One year or less	(293)	(269)
From one to five years	(866)	(427)
Over five years	<u>(726)</u>	<u>—</u>
Total commitments receivable	<u>(1,885)</u>	<u>(696)</u>
Operating lease commitments		
One year or less	2,689	2,376
From one to five years	9,099	4,436
Over five years	<u>7,451</u>	<u>—</u>
Total operating lease commitments	<u>19,239</u>	<u>6,812</u>
Other commitments		
One year or less	538	588
From one to five years	427	260
Over five years	<u>534</u>	<u>—</u>
Total other commitments	<u>1,499</u>	<u>848</u>
Net commitments by maturity	<u>18,853</u>	<u>6,964</u>

NB: Commitments are GST inclusive where relevant.

Other commitments are primarily contracts for office services.

Operating leases included are effectively non-cancellable and comprise:

Leases for office accommodation

Lease payments are subject to fixed annual increase in accordance with the lease agreement. In Melbourne, the current lease expiry is 30 June 2011. In Canberra the current lease commenced on 1 August 2007 and 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.

The above statement 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 Balance Sheet Date
3	Income
4	Expenses
5	Financial Assets
6	Non-Financial Assets
7	Payables
8	Provisions
9	Restructuring
10	Cash Flow Reconciliation
11	Contingent Liabilities and Assets
12	Executive Remuneration
13	Remuneration of Auditors
14	Average Staffing Levels
15	Financial Instruments
16	Appropriations
17	Special Accounts
18	Compensation and Debt Relief
19	Reporting of Outcomes

Note 1: Summary of Significant Accounting Policies

1.1 Objectives of the Productivity Commission

The Productivity Commission (the Commission) is an Australian Public Service organisation. The Commission is the Australian Government's principal review and advisory body on microeconomic policy and regulation.

The Commission is structured to meet a single 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.

The Commission's single outcome consists of 4 outputs:

- Output 1 – Government commissioned projects;
- Output 2 – Performance reporting and other services to government bodies;
- Output 3 – Competitive neutrality complaints activities; and
- Output 4 – Supporting research and activities and annual reporting.

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

The Commission's outputs have been revised to reflect the transfer of the Office of Best Practice Regulation to the Department of Finance and Deregulation as part of the revised administrative arrangements implemented following the 2007 Federal Election. Commissioned projects of an inquiry and research nature relating to regulatory issues are included in Output 1 — Government commissioned projects.

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.

1.2 Basis of Preparation of the Financial Report

The Financial Statements and notes are required by section 49 of the *Financial Management and Accountability Act 1997* and are a General Purpose Financial Report.

The Financial Statements and notes have been prepared in accordance with:

- Finance Minister's Orders (FMOs) for reporting periods ending on or after 1 July 2007; and
- Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period.

The financial report has been prepared on an accrual basis and is in accordance with historical cost convention, except for certain assets 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 report is 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 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 agreements equally proportionately unperformed are not recognised unless required by an Accounting Standard. Liabilities and assets that are unrealised are reported in the Schedule of Commitments.

Unless alternative treatment is specifically required by an Accounting Standard, revenues and expenses are recognised in the Income Statement 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 Statement of Compliance

Adoption of new Australian Accounting Standard requirements

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

The following new standards are applicable to the current reporting period.

Financial instrument disclosure

AASB 7 *Financial Instruments: Disclosures* is effective for reporting periods beginning on or after 1 January 2007 (the 2007-08 financial year) and amends the disclosure requirements for financial instruments. In general AASB 7 requires greater disclosure than that previously required. Associated with the introduction of AASB 7 a number of accounting standards were amended to reference the new standard or remove the present disclosure requirements through 2005-10 Amendments to Australian Accounting Standards [AASB 132, AASB 101, AASB 114, AASB 117, AASB 133, AASB 139, AASB 1, AASB 4, AASB 1023 & AASB 1038]. These changes have no financial impact but will effect the disclosure presented in future financial reports.

The following new standards, amendments to standards or interpretations for the current financial year have no material financial impact on the Commission.

2007-4 Amendments to Australian Accounting Standards arising from ED 151 and Other Amendments and Erratum: Proportionate Consolidation

2007-7 Amendments to Australian Accounting Standards

2008-4 Amendments to Australian Accounting Standard – Key Management Personnel Disclosures by Disclosing Entities

UIG Interpretation 11 AASB 2 – Group and Treasury Share Transactions and 2007-1 Amendments to Australian Accounting Standards arising from AASB Interpretation 11

Future Australian Accounting Standard requirements

The following new standards, amendments to standards or interpretations have been issued by the Australian Accounting Standards Board but are effective for future reporting periods. It is estimated that the impact of adopting these pronouncements when effective will have no material financial impact on future reporting periods.

AASB Interpretation 12 Service Concession Arrangements and 2007-2 Amendments to Australian Accounting Standards arising from AASB Interpretation 12

AASB 1004 Contributions

AASB 8 Operating Segments and 2007-3 Amendments to Australian Accounting Standards arising from AASB 8

2007-6 Amendments to Australian Accounting Standards arising from AASB 123

AASB Interpretation 13 Customer Loyalty Programmes

AASB Interpretation 14 AASB 119 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

Other

The following standards and interpretations have been issued but are not applicable to the operations of the Commission.

AASB 1049 Whole of Government and General Government Sector Financial Reporting

AASB 1049 specifies the reporting requirements for the General Government Sector, and therefore, has no effect on the Commission's financial statements.

1.5 Revenue

Revenue from Government

Amounts appropriated for departmental output appropriations for the year (adjusted for any formal additions and reductions) are recognised as revenue when the agency 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 seller retains no managerial involvement nor 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 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 provision for bad and doubtful debts. Collectability of debts is reviewed at balance date. Provisions are made when collectability of the debt is no longer probable.

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.

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 Agency or Authority as a consequence of a restructuring of administrative arrangements (Refer to Note 1.7 and 9).

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

Sale of Assets

Gains from disposal of non-current 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) are recognised directly in Contributed Equity in that year.

Restructuring of Administrative Arrangements

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

1.8 Employee Benefits

Liabilities for services rendered by employees are recognised at the reporting date to the extent that they have not been settled.

Liabilities for 'short-term employee benefits' (as defined in AASB 119) and termination benefits due within twelve months of balance date 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.

All other employee benefit liabilities are measured at the present value of the estimated future cash outflows to be made in respect of services provided by employees up to the reporting date.

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, 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 2008.

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

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

From 1 July 2005, new employees are eligible to join the PSSap scheme.

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 non-current 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 a non-current 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 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 Cash

Cash and cash equivalents includes notes and coins held and any deposits in bank accounts with 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.

1.11 Financial Assets

The Commission classifies its financial assets in the following categories:

- financial assets as ‘at fair value through profit and 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.

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 ‘at fair value through profit and 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'. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non current assets. 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 each balance date.

Financial assets held at amortised cost - If there is objective evidence that an impairment loss has been incurred for loans and receivables or held to maturity investments 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 Income Statement.

1.12 Financial Liabilities

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

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

Supplier and other payables

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).

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

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

1.14 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 revenues 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.

1.15 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 ‘makegood’ provisions in property leases taken up by the Commission where there exists an obligation to ‘makegood’ premises. These costs are included in the value of the Commission’s leasehold improvements with a corresponding provision for the ‘makegood’ recognised.

Revaluations

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

<i>Asset class</i>	<i>Fair value measured at</i>
Leasehold improvements	Depreciated replacement cost
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.

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 through the operating result. Revaluation decrements for a class of asset are recognised directly through the operating result 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) 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:

	2008	2007
Leasehold improvements	Lease term	Lease term
Plant and equipment	3 to 10 years	3 to 10 years
Intangibles (Computer Software)	5 years	5 years
Leasehold make-good	Lease term	Lease term

Impairment

All assets were assessed for impairment at 30 June 2008. 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.

1.16 Intangibles

The Commission's intangibles comprise commercially purchased software. 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 (2006-07: 5 years).

All software assets were assessed for indicators of impairment as at 30 June 2008.

1.17 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
- except for receivables and payables.

Note 2: Events after the Balance Sheet Date

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

Note 3: Income**Revenue***Note 3A: Revenue from Government*

	2008	2007
	\$'000	\$'000
Appropriation:		
Departmental Outputs	<u>32,389</u>	<u>32,251</u>
Total revenue from Government	<u>32,389</u>	<u>32,251</u>

Note 3B: Sale of goods and rendering of services

	2008	2007
	\$'000	\$'000
Provision of goods - related entities	-	-
Provision of goods - external entities	22	3
Rendering of services - related entities	58	16
Rendering of services - external entities	<u>146</u>	<u>14</u>
Total sales of goods and rendering of services	<u>226</u>	<u>33</u>

Gains*Note 3C: Sale of assets*

	2008	2007
	\$'000	\$'000
Infrastructure, plant and equipment		
Proceeds from sale	-	8
Carrying value of assets sold	-	-
Selling expense	<u>-</u>	<u>-</u>
Net gain from sale of assets	<u>-</u>	<u>8</u>

Note 3D: Other gains

	2008	2007
	\$'000	\$'000
Resources received free of charge	<u>33</u>	<u>168</u>
Total other gains	<u>33</u>	<u>168</u>

Note 4: Expenses

Note 4A: Employee benefits

	2008	2007
	\$'000	\$'000
Wages and salaries	18,494	17,810
Superannuation		
Defined contribution plans	431	252
Defined benefit plans	2,594	2,770
Leave and other entitlements	1,465	1,479
Separation and redundancies	-	-
Total employee expenses	<u>22,984</u>	<u>22,311</u>

Note 4B: Suppliers

	2008	2007
	\$'000	\$'000
Provision of goods - related entities	1	25
Provision of goods - external entities	488	397
Rendering of services - related entities	148	130
Rendering of services - external entities	4,806	3,654
Operating lease rentals:		
Minimum lease payments	2,731	1,866
Workers compensation premiums	70	105
Total supplier expenses	<u>8,244</u>	<u>6,177</u>

Note 4C: Depreciation and amortisation

	2008	2007
	\$'000	\$'000
Depreciation:		
Leasehold improvements	533	224
Infrastructure, plant and equipment	<u>445</u>	<u>290</u>
Total depreciation	<u>978</u>	<u>514</u>
Amortisation:		
Leasehold make-good	59	59
Intangibles:		
Computer software	<u>15</u>	<u>12</u>
Total amortisation	<u>74</u>	<u>71</u>
Total depreciation and amortisation	<u>1,052</u>	<u>585</u>

Note 4D: Finance costs

	2008	2007
	\$'000	\$'000
Unwinding of discount	<u>34</u>	<u>32</u>
Total finance costs	<u>34</u>	<u>32</u>

Note 4E: Write-down and impairment of assets

	2008	2007
	\$'000	\$'000
Asset writedowns from		
Impairment of plant & equipment	-	8
Impairment of computer software	<u>-</u>	<u>-</u>
Total write-down and impairment of assets	<u>-</u>	<u>8</u>

The recoverable amount of items of plant and equipment and software written-off during 2006-07 which were no longer in use and / or unserviceable, was determined as nil.

Note 4F: Losses from asset sales

	2008	2007
	\$'000	\$'000
Land and buildings		
Proceeds from sale	-	-
Carrying value of assets sold	127	-
Selling expense	-	-
Infrastructure, plant and equipment		
Proceeds from sale	(16)	-
Carrying value of assets sold	16	-
Selling expense	-	-
Intangibles		
Proceeds from sale	-	-
Carrying value of assets sold	-	-
Selling expense	<u>-</u>	<u>-</u>
Losses form asset sales	<u><u>127</u></u>	<u><u>-</u></u>

Note 5: Financial Assets

Note 5A: Cash and cash equivalents

	2008	2007
	\$'000	\$'000
Cash on hand or on deposit	<u>288</u>	<u>225</u>
Total cash and cash equivalents	<u><u>288</u></u>	<u><u>225</u></u>

Note 5B: Trade and other receivables

	2008	2007
	\$'000	\$'000
Goods and services	105	233
Appropriations receivable: for existing outputs	<u>8,979</u>	<u>11,610</u>
Total appropriations receivable	<u>8,979</u>	<u>11,610</u>
GST receivable from the Australian Taxation Office	<u>104</u>	<u>87</u>
Total trade and other receivables	<u>9,188</u>	<u>11,930</u>
Receivables are aged as follows:		
Not overdue	9,135	11,886
Overdue by:		
30 to 60 days	52	41
More than 90 days	<u>1</u>	<u>3</u>
Total receivables	<u>9,188</u>	<u>11,930</u>
Receivables are represented by:		
Current	9,188	11,930
Non-current	<u>-</u>	<u>-</u>
Total trade and other receivables	<u>9,188</u>	<u>11,930</u>

Note 6: Non-Financial Assets**Note 6A: Land and buildings**

	2008	2007
	\$'000	\$'000
Leasehold improvements		
- fair value	4,855	1,286
- accumulated depreciation	<u>(448)</u>	<u>-</u>
Total leasehold improvements	<u>4,407</u>	<u>1,286</u>
Total land and buildings (non-current)	<u>4,407</u>	<u>1,286</u>

All revaluations are conducted in accordance with the revaluation policy stated at Note 1. On 30 June 2007, an independent valuer, Kyle Baxter JP (Qualified), AVAA, SAPI, of the Australian Valuation Office conducted the valuations. Revaluation increment of \$454,000 for leasehold improvements was credited to the asset revaluation reserve by asset class and included in the equity section of the balance sheet, no decrements were expensed.

No indicators of impairment were found for leasehold improvements.

Note 6B: Infrastructure, plant and equipment

	2008	2007
	\$'000	\$'000
Infrastructure, plant and equipment		
- gross carrying value (at fair value)	1,678	1,125
- accumulated depreciation	<u>(418)</u>	<u>-</u>
Total infrastructure, plant and equipment	<u>1,260</u>	<u>1,125</u>
Total infrastructure, plant and equipment (non-current)	<u>1,260</u>	<u>1,125</u>

All revaluations are conducted in accordance with the revaluation policy stated at Note 1. On 30 June 2007, an independent valuer, Kyle Baxter JP (Qualified), AVAA, SAPI, of the Australian Valuation Office conducted the valuations. Revaluation increment of \$99,000 for infrastructure, plant and equipment was credited to the asset revaluation reserve by asset class and included in the equity section of the balance sheet, no decrements were expensed. (2006: nil).

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

Note 6C: Intangibles

	2008	2007
	\$'000	\$'000
Computer software at cost		
Purchased	471	463
Accumulated amortisation	<u>(410)</u>	<u>(441)</u>
Total intangibles (non-current)	<u>61</u>	<u>22</u>

No indicators of impairment were found for intangibles.

*Note 6D: Analysis of property, plant and equipment, and intangibles**TABLE A - Reconciliation of the opening and closing balances of property, plant and equipment (2008-07)*

<i>Item</i>	<i>Leasehold improvements</i>	<i>Plant and equipment</i>	<i>Total</i>
	\$'000	\$'000	\$'000
As at 1 July 2007			
Gross book value	1,286	1,125	2,411
Accumulated depreciation/amortisation and impairment	<u>(-)</u>	<u>(-)</u>	<u>(-)</u>
Net book value 1 July 2007	<u>1,286</u>	<u>1,125</u>	<u>2,411</u>
Additions - by purchase	3,840	596	4,436
Depreciation/amortisation expense	(592)	(445)	(1,037)
Impairments recognised in the operating result	-	-	-
Disposals:			
Other disposals	<u>(127)</u>	<u>(16)</u>	<u>(143)</u>
Net book value 30 June 2008	<u>4,407</u>	<u>1,260</u>	<u>5,667</u>
Net book value as of 30 June 2008 represented by:			
Gross book value	<u>4,855</u>	1,678	6,533
Accumulated depreciation/amortisation and impairment	<u>(448)</u>	<u>(418)</u>	<u>(866)</u>
	<u>4,407</u>	<u>1,260</u>	<u>5,667</u>

TABLE A - Reconciliation of the opening and closing balances of property, plant and equipment (2006-07)

<i>Item</i>	<i>Leasehold improvements</i>	<i>Plant and equipment</i>	<i>Total</i>
	\$'000	\$'000	\$'000
As at 1 July 2006			
Gross book value	1,969	2,661	4,630
Accumulated depreciation/amortisation and impairment	<u>(673)</u>	<u>(2,037)</u>	<u>(2,710)</u>
Net book value 1 July 2006	<u>1,296</u>	<u>624</u>	<u>1,920</u>
Additions - by purchase	-	700	700
Revaluations and impairments through equity			
	454	99	553
Depreciation/amortisation expense	(283)	(290)	(573)
Impairments recognised in the operating result	-	(8)	(8)
Other movements - adjustment to provision for makegood	<u>(181)</u>	<u>-</u>	<u>(181)</u>
Net book value 30 June 2007	<u>1,286</u>	<u>1,125</u>	<u>2,411</u>
Net book value as of 30 June 2007 represented by:			
Gross book value	1,286	1,125	2,411
Accumulated depreciation/amortisation and impairment	<u>-</u>	<u>-</u>	<u>-</u>
	<u>1,286</u>	<u>1,125</u>	<u>2,411</u>

TABLE A - Reconciliation of the opening and closing balances of intangibles (2008-07)

<i>Item</i>	<i>Computer software purchased</i>	<i>Total</i>
	\$'000	\$'000
As at 1 July 2007		
Gross book value	463	463
Accumulated depreciation/amortisation and impairment	<u>(441)</u>	<u>(441)</u>
Net book value 1 July 2007	<u>22</u>	<u>22</u>
Additions - by purchase	54	54
Depreciation/amortisation expense	(15)	(15)
Impairments recognised in the operating result	-	-
Other movements - adjustment to provision for makegood	<u>-</u>	<u>-</u>
Net book value 30 June 2008	<u>61</u>	<u>61</u>
Net book value as of 30 June 2008 represented by:		
Gross book value	471	471
Accumulated depreciation/amortisation and impairment	<u>(410)</u>	<u>(410)</u>
	<u>61</u>	<u>61</u>

TABLE A - Reconciliation of the opening and closing balances of intangibles (2006-07)

<i>Item</i>	<i>Computer software purchased</i>	<i>Total</i>
	\$'000	\$'000
As at 1 July 2006		
Gross book value	575	575
Accumulated depreciation/amortisation and impairment	<u>(541)</u>	<u>(541)</u>
Net book value 1 July 2006	<u>34</u>	<u>34</u>
Additions - by purchase	-	-
Revaluations and impairments through equity	-	-
Depreciation/amortisation expense	(12)	(12)
Impairments recognised in the operating result	-	-
Other movements - adjustment to provision for makegood	<u>-</u>	<u>-</u>
Net book value 30 June 2007	<u>22</u>	<u>22</u>
Net book value as of 30 June 2007 represented by:		
Gross book value	463	463
Accumulated depreciation/amortisation and impairment	<u>(441)</u>	<u>(441)</u>
	<u>22</u>	<u>22</u>

Note 6E: Other non-financial assets

	2008	2007
	\$'000	\$'000
Prepayments	<u>475</u>	<u>310</u>
Total other non-financial assets	<u>475</u>	<u>310</u>

All other non-financial assets are current assets.

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

Note 7: Payables*Note 7A: Suppliers*

	2008	2007
	\$'000	\$'000
Trade creditors	<u>623</u>	<u>434</u>
Total supplier payables	<u>623</u>	<u>434</u>
Supplier payables represented by:		
Current	623	434
Non-current	<u>-</u>	<u>-</u>
Total supplier payables	<u>623</u>	<u>434</u>

Settlement is usually made net 30 days.

Note 8: Provisions

Note 8A: Employee provisions

	2008	2007
	\$'000	\$'000
Salaries and wages	191	161
Leave	7,263	7,304
Superannuation	<u>58</u>	<u>30</u>
Total employee provisions	<u>7,512</u>	<u>7,495</u>
Employee provisions are represented by:		
Current	7,023	7,053
Non-current	<u>489</u>	<u>442</u>
Total employee provisions	<u>7,512</u>	<u>7,495</u>

The classification of current includes amounts for which there is not an unconditional right of deferral of one year, hence in the case of employee provisions the above classification does not equal the amount expected to be settled within one year of the reporting date. Employee provisions expected to be settled in twelve months from the reporting date are \$3,765,000 (2007: \$3,802,000), and in excess of one year \$3,747,000 (2007: \$3,693,000).

Note 8B: Other provisions

	2008	2007
	\$'000	\$'000
Restoration obligations	479	<u>573</u>
Total other provisions	<u>479</u>	<u>573</u>
Other provisions are represented by:		
Current	-	-
Non-current	479	<u>573</u>
Total other provisions	<u>479</u>	<u>573</u>

	Provision for restoration \$'000
Carrying amount 1 July 2007	573
Amount paid on makegood	(128)
Unwinding of discount	<u>34</u>
Closing balance 2008	<u>479</u>

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. (2006-07: 2 agreements)

Note 9: Restructuring***Departmental Restructuring***

As a result of a restructuring of administrative arrangements in the 2006-2007 financial year, the Commission assumed responsibility for the function: Business Cost Calculator

In respect of functions assumed, there were no assets or liabilities transferred to the Commission.

	2008	2007
	\$'000	\$'000
Revenues and Expenses of the Business Cost Calculator		
<i>Revenues</i>		
Recognised by the Commission	-	712
Recognised by the Department of Industry, Tourism and Resources	-	211
<i>Total Revenues</i>	-	923
<i>Expenses</i>		
Recognised by the Commission	-	479
Recognised by the Department of Industry, Tourism and Resources	-	211
<i>Total Expenses</i>	-	690

This function was included in the transfer of the Office of Best Practice Regulation to the Department of Finance and Deregulation in 2007-2008 as per note 1.1. There were no assets or liabilities transferred to the Department of Finance and Deregulation in respect of this function.

Note 10: Cash Flow Reconciliation

	<i>2008</i>	<i>2007</i>
	\$'000	\$'000
Reconciliation of cash and cash equivalents as per Balance Sheet to Cash Flow Statement		
Report Cash and Cash Equivalents as per:		
Cash Flow Statement	288	225
Balance Sheet	<u>288</u>	<u>225</u>
Difference	<u><u>-</u></u>	<u><u>-</u></u>
Reconciliation of operating result to net cash from operating activities:		
Operating result	207	3,347
Depreciation / amortisation	1,052	585
Finance costs	34	32
Net write-down of non-financial assets	-	8
(Gain) / loss on disposal assets	127	(8)
(Increase) / decrease in net receivables	2,057	(3,690)
(Increase) / decrease in prepayments	(165)	27
Increase / (decrease) in employee provisions	17	132
Increase / (decrease) in supplier payables	189	287
Increase / (decrease) in other provisions	<u>(128)</u>	<u>-</u>
<i>Net cash from / (used by) operating activities</i>	<u><u>3,390</u></u>	<u><u>720</u></u>

Note 11: Contingent Liabilities and Assets

At 30 June 2008, 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.

Note 12: Executive Remuneration

	<i>2008</i>	<i>2007</i>
The number of executives who received or were due to receive total remuneration of \$130,000 or more:		
\$130,000 to \$144,999	2	3
\$145,000 to \$159,999	2	2
\$160,000 to \$174,999	1	-
\$175,000 to \$189,999	2	6
\$190,000 to \$204,999	5	3
\$205,000 to \$219,999	4	2
\$220,000 to \$234,999	1	3
\$235,000 to \$249,999	2	1
\$250,000 to \$264,999	1	2
\$265,000 to \$279,999	3	2
\$280,000 to \$294,999	-	1
\$310,000 to \$324,999	1	1
\$355,000 to \$369,999	<u>1</u>	<u>-</u>
Total	<u>25</u>	<u>26</u>
Aggregate amount of total remuneration of executives shown above	5,415,321	\$5,413,701
Aggregate amount of separation and redundancy/termination payments during the year to executives shown above	-	-

Note 13: Remuneration of Auditors

	<i>2008</i>	<i>2007</i>
	\$'000	\$'000
Financial statement audit services are provided free of charge to the Commission.		
The value of the services provided was:	<u>33</u>	<u>32</u>
	<u>33</u>	<u>32</u>

No other services were provided by the Auditor-General.

Note 14: Average Staffing Levels

	2008	<i>2007</i>
The average staffing levels for the Commission during the year were:	199	202

The average staffing level is in respect of all employees of the Commission including Holders of Public Office.

Further information on staffing levels is provided in Appendix A of the Annual Report.

Note 15: Financial Instruments

Note 15A: Categories of financial instruments

	2008	<i>2007</i>
	\$'000	\$'000
Financial Assets		
Loans and receivables		
Cash and cash equivalents	288	225
Trade receivables	<u>105</u>	<u>233</u>
Carrying amount of financial assets	<u>393</u>	<u>458</u>
Financial Liabilities		
Other liabilities		
Payables – suppliers	<u>623</u>	<u>434</u>
Carrying amount of financial liabilities	<u>623</u>	<u>434</u>

Note 15B: 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 2008. (2007: nil)

Note 15C: Net income and expense from financial liabilities

There is no income or expense from financial liabilities – payables in the year ending 30 June 2008. (2007: nil)

Note 15D: Fair value of financial instruments

There are no financial instruments held at 30 June 2008 where the carrying amount is not a reasonable approximation of fair value. (2007: nil)

Note 15E: 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 (2008: \$105,000 and 2007: \$233,000). The Commission has assessed that there is no the risk of default on payment.

The Commission manages its credit risk by mainly dealing with other government agencies.

The Commission holds no collateral to mitigate against credit risk.

No financial instruments were impaired in 2008 (2007: nil).

Ageing of financial assets that are not past due nor impaired and past due but not impaired are shown at Note 5B.

Note 15F: 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 (2007: one year).

Note 15F: 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 16: Appropriations

Table A: Acquittal of Authority to Draw Cash from the Consolidated Revenue Fund (CRF) for Ordinary Annual Services Appropriations

<i>Particulars</i>	<i>Departmental Outputs</i>	
	<i>2008</i>	<i>2007</i>
	<i>\$'000</i>	<i>\$'000</i>
Balance carried forward from previous period	11,237	7,568
Appropriation Act:		
Appropriation Act (No 1)	34,443	28,471
Appropriation Act (No 3)	-	3,068
Reductions of appropriations (Appropriation Act section 9)	(150)	-
FMA Act:		
Refunds credited (FMA section 30)		-
Appropriations to take account of recoverable GST (FMA s 30A)	1,323	680
Annotations to 'net appropriations' (FMA s 31)	1,412	152
Adjustment of appropriations on change of entity function (FMA s 32)	(2,564)	712
Total appropriations available for payments	45,701	40,651
Cash payments made during the year (GST inclusive)	(36,330)	(29,414)
Balance of authority to draw cash from the CRF for Ordinary Annual Services Appropriations	9,371	11,237
<i>Represented by:</i>		
Cash at bank and on hand	288	225
Departmental appropriations receivable	8,979	10,925
GST receivable from the ATO	104	87
Total	9,371	11,237

Departmental and non-operating appropriations do not lapse at financial year end. However, the responsible Minister may decide that part or all of a departmental or non-operating appropriation is not required and request 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. On 24 June 2008, the Finance Minister determined reduction in departmental outputs appropriations following a request by the Treasurer. The amount determined under Appropriation Act (No.1) of 2007-08 was \$150,000.

Table B: Acquittal of Authority to Draw Cash from the Consolidated Revenue Fund (CRF) for Other than Ordinary Annual Services Appropriations

Particulars	Non-operating	
	<i>Equity</i>	
	2008	2007
	\$'000	\$'000
Balance carried forward from previous period	685	25
Appropriation Act:		
Appropriation Act (No 2)	462	-
Appropriation Act (No 4)	-	685
FMA Act:		
Appropriations to take account of recoverable GST (FMA s 30A)	<u>-</u>	<u>-</u>
Total appropriations available for payments	1,147	710
Cash payments made during the year (GST inclusive)	<u>(1,147)</u>	<u>(25)</u>
Balance of authority to draw cash from the CRF for Other than Ordinary Annual Services Appropriations	<u>-</u>	<u>685</u>
<i>Represented by:</i>		
Cash at bank and on hand	-	-
Appropriations receivable	<u>-</u>	<u>685</u>
Total	<u>-</u>	<u>685</u>

Departmental and non-operating appropriations do not lapse at financial year end. However, the responsible Minister may decide that part or all of a departmental or non-operating appropriation is not required and request 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.

Note 17: Special Accounts

The Commission has an Other Trust Monies Special Account and a Services for other Governments and Non-Agency Bodies Account. Both accounts were established under section 20 of the *Financial Management and Accountability Act 1997*. For the years ended 30 June 2000-2008 the accounts had nil balances and there were no transactions debited or credited to them.

The purpose of the Other Trust Monies Special Account is for expenditure of monies temporarily held on trust or otherwise for the benefit of a person other than the Commonwealth. Any money held is thus special public money under section 16 of the *Financial Management and Accountability Act 1997*.

The purpose of the Services for other Governments and Non Agency Bodies Special Account is for expenditure in connection with services performed on behalf of other Governments and bodies that are not Agencies under the *Financial Management and Accountability Act 1997*.

Note 18: Compensation and Debt Relief

In both 2007-08 and 2006-07, no expenses and/or provisions in relation to the following compensation and debt relief mechanisms were made during the reporting period:

- (a) 'Act of Grace' expenses;
- (b) waivers of amounts owing to the Australian Government were made pursuant to subsection 34(1) of the *Financial Management and Accountability Act 1997*;
- (c) ex-gratia payments;
- (d) payments under the Compensation for Detriment caused by Defective Administration (CDDA) Scheme; and
- (e) payments in special circumstances relating to APS employment pursuant to section 73 of the *Public Service Act 1999*.

Note 19: Reporting of Outcomes

Note 19A: Net Cost of Outcome Delivery

	<i>Outcome 1</i>	
	<i>2008</i>	<i>2007</i>
	<i>\$'000</i>	<i>\$'000</i>
Expenses		
Departmental	<u>32,441</u>	<u>29,113</u>
Total expenses	<u>32,441</u>	<u>29,113</u>
Costs recovered from provision of goods and service to the non government sector		
Departmental	<u>168</u>	<u>17</u>
Total costs recovered	<u>168</u>	<u>17</u>
Other external revenues		
Departmental	<u>58</u>	<u>24</u>
Total other external revenues	<u>58</u>	<u>24</u>
Net cost of outcome	<u>32,215</u>	<u>29,072</u>

Outcome 1 is described in Note 1.1. Net costs shown include intra-government costs that are eliminated in calculating the actual Budget Outcome.

Note 19B: Major Classes of Departmental Revenues and Expenses by Output Groups and Outputs

Outcome 1	Output Group 1.1						Outcome 1			
	Output 1.1.1		Output 1.1.2		Output 1.1.3		Output 1.1.		Total	
	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Departmental expenses										
Employees	15,785	14,154	2,650	3,123	158	178	4,391	4,856	22,984	22,311
Suppliers	5,813	3,909	972	1,006	33	37	1,426	1,225	8,244	6,177
Depreciation and amortisation	705	364	138	86	6	5	203	130	1,052	585
Other	108	25	21	6	1	-	31	9	161	40
Total expenses	22,411	18,452	3,781	4,221	198	220	6,051	6,220	32,441	29,113
Funded by:										
Revenues from government	22,375	20,680	3,775	4,700	198	200	6,041	6,671	32,389	32,251
Sales of goods and services	157	21	26	5	1	-	42	7	226	33
Other non-taxation revenues	23	94	4	6	-	-	6	76	33	176
Total revenues	22,555	20,795	3,805	4,711	199	200	6,089	6,754	32,648	32,460

Outcome 1 is described in Note 1.1. Net costs shown include intra-government costs that are eliminated in calculating the actual Budget Outcome.