Financial Statements
for the year ended 30 June 2005

Australian National Audit Office

INDEPENDENT AUDIT REPORT

To the Attorney-General

Scope

The financial statements and Chief Executive's responsibility

The financial statements comprise:

- Statement by the Chief Executive and Chief Finance Officer;
- Statements of Financial Performance, Financial Position and Cash Flows;
- Schedules of Commitments and Contingencies;
- Schedule of Administered Items; and
- Notes to and forming part of the Financial Statements

of the Administrative Appeals Tribunal for the year ended 30 June 2005.

The Administrative Appeals Tribunal's Chief Executive is responsible for preparing financial statements that give a true and fair presentation of the financial position and performance of the Administrative Appeals Tribunal, and that comply with accounting standards and other mandatory financial reporting requirements in Australia, and the Finance Minister's Orders made under the *Financial Management and Accountability Act 1997*. The Administrative Appeals Tribunal's Chief Executive is also responsible for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial statements.

Audit approach

I have conducted an independent audit of the financial statements in order to express an opinion on them to you. My audit has been conducted in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing and Assurance Standards, in order to provide reasonable assurance as to whether the financial statements are free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal control, and the availability of persuasive, rather than conclusive, evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

While the effectiveness of management's internal controls over financial reporting was considered when determining the nature and extent of audit procedures, the audit was not designed to provide assurance on internal controls.

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I have performed procedures to assess whether, in all material respects, the financial statements present fairly, in accordance with the Finance Minister's Orders made under the *Financial Management and Accountability Act 1997*, accounting standards and other mandatory financial reporting requirements in Australia, a view which is consistent with my understanding of the Administrative Appeals Tribunal's financial position, and of its performance as represented by the statements of financial performance and cash flows.

The audit opinion is formed on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial statements; and
- assessing the appropriateness of the accounting policies and disclosures used, and the reasonableness of significant accounting estimates made by the Chief Executive.

Independence

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

Audit Opinion

In my opinion, the financial statements of the Administrative Appeals Tribunal:

(a) have been prepared in accordance with the Finance Minister's Orders made under the *Financial Management and Accountability Act 1997*; and

(b) give a true and fair view of the Administrative Appeals Tribunal's financial position as at 30 June 2005 and of its performance and cash flows for the year then ended, in accordance with:

(i) the matters required by the Finance Minister's Orders; and

(ii) applicable accounting standards and other mandatory financial reporting requirements in Australia.

Australian National Audit Office

Mark Moloney
Acting Executive Director

Delegate of the Auditor-General

Canberra
13 October 2005

STATEMENT BY THE CHIEF EXECUTIVE AND CHIEF FINANCE OFFICER

In our opinion, the attached financial statements for the year ended 30 June 2005 have been prepared 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.

Douglas Humphreys

Chief Executive
13 October 2005

Stephen Wise

Chief Finance Officer
13 October 2005

STATEMENT OF FINANCIAL PERFORMANCE

for the year ended 30 June 2005

	Notes	2005 $'000	2004 $'000
Revenues from ordinary activities			
Revenues from government	4A	28,352	27,404
Goods and services	4B	891	802
Revenue from sale of assets		-	-
Revenues from ordinary activities		29,243	28,206
Expenses from ordinary activities			
Employees	5A	16,002	15,484
Suppliers	5B	12,324	11,629
Depreciation and amortisation	5C	1,187	1,012
Write-down and impairment of assets	5D	126	29
Value of assets sold	5D	-	-
Expenses from ordinary activities		29,639	28,154
Net surplus/(deficit) from ordinary activities		(396)	52
Net credit to asset revaluation reserve	11	272	-
Increase/(decrease) in accumulated results on initial application of fair value under accounting standard AASB 1041 *Revaluation of Non-Current Assets*	11	-	(352)
Total revenues, expenses and valuation adjustments attributable to members of the parent entity and recognised directly in equity		272	(352)
Total changes in equity other than those resulting from transactions with owners as owners	11	(124)	(300)

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

STATEMENT OF FINANCIAL POSITION

as at 30 June 2005

	Notes	2005 $'000	2004 $'000
ASSETS			
Financial assets			
Cash	6A	276	569
Receivables	6B	9,769	8,814
Total financial assets		10,045	9,383
Non-financial assets			
Land and buildings	7A,D	295	765
Infrastructure, plant and equipment	7B,D	1,432	1,700
Intangibles	7C,D	20	194
Other non-financial assets	7E	2,126	2,257
Total non-financial assets		3,873	4,916
TOTAL ASSETS		13,918	14,299
LIABILITIES			
Non-Interest bearing liabilities			
Other	8	110	217
Total non-interest bearing liabilities		110	217
Provisions			
Employees	9A	3,936	4,445
Accommodation leases—make good	9B	275	-
Total provisions		4,211	4,445
Payables			
Suppliers	10	671	587
Total payables		671	587
TOTAL LIABILITIES		4,992	5,249
NET ASSETS		8,926	9,050
EQUITY			
Contributed equity		2,133	2,133
Asset Revaluation Reserve		272	-
Retained surpluses		6,521	6,917
TOTAL EQUITY	11	8,926	9,050
Current assets		12,171	11,640
Non-current assets		1,747	2,659
Current liabilities		2,293	2,222
Non-current liabilities		2,699	3,027

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

STATEMENT OF CASH FLOWS

for the year ended 30 June 2005

	Notes	2005 $'000	2004 $'000
OPERATING ACTIVITIES			
Cash received			
Goods and services		982	690
Appropriations		27,116	26,176
Net GST received from ATO		1,139	984
Total cash received		29,237	27,850
Cash used			
Employees		(16,355)	(14,912)
Suppliers		(13,046)	(13,049)
Cash transferred to the Official Public Account		-	-
Total cash used		(29,401)	(27,961)
Net cash from/(used by) operating activities	12	(164)	(111)
INVESTING ACTIVITIES			
Cash used			
Purchase of property, plant and equipment		(113)	(280)
Purchase of intangibles		(16)	-
Total cash used		(129)	(280)
Net cash from/(used by) investing activities		(129)	(280)
Net increase/(decrease) in cash held		(293)	(391)
Cash at beginning of the reporting period		569	960
Cash at the end of the reporting period	12	276	569

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

SCHEDULE OF COMMITMENTS

as at 30 June 2005

	Notes	2005 $'000	2004 $'000
BY TYPE			
Other commitments			
Operating leases[1,2]		13,223	15,972
Total other commitments		13,223	15,972
Commitments receivable		(1,202)	(1,452)
Net commitments by type		12,021	14,520
BY MATURITY			
Operating lease commitments			
One year or less		4,671	5,683
From one to five years		7,610	10,289
Over five years		942	-
Total operating lease commitments by maturity		13,223	15,972
Commitments receivable		(1,202)	(1,452)
Net commitments by maturity		12,021	14,520

NB: Commitments are GST inclusive where relevant.

[1] These commitments comprise leases of hearing rooms and office accommodation for the Tribunal.

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

Nature of lease	*General description of leasing arrangement*
Leases for office accommodation	• lease payments are subject to fixed or market review increases as listed in the lease agreements; and • all office accommodation leases are current and most have extension options for the Tribunal following a review of rentals to current market.
Agreements for the provision of motor vehicles to senior executives	• no contingent rentals exist; and • there are no renewal or purchase options available to the Tribunal.

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

SCHEDULE OF CONTINGENCIES

as at 30 June 2005

	Notes	2005 $'000	2004 $'000
Contingent liabilities			
Restoration of Lease Costs			
Balance from previous period		510	-
New		75	510
Re-measurement		-	-
Liabilities crystallised	9B, 13	(160)	-
Obligations expired		-	-
Total contingent liabilities		425	510

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

SCHEDULE OF ADMINISTERED ITEMS

as at 30 June 2005

	Notes	2005 $'000	2004 $'000
Revenues administered on behalf of government			
for the year ended 30 June 2005			
Non-taxation revenue			
Filing fees		1,094	729
Total revenues administered on behalf of government		1,094	729
Expenses administered on behalf of government			
for the year ended 30 June 2005			
Refund of filing fees		371	784
Total expenses administered on behalf of government		371	784

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

There were no administered assets or liabilities as at 30 June 2005.

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

SCHEDULE OF ADMINISTERED ITEMS (CONTINUED)

As at 30 June 2005

	Notes	2005 $'000	2004 $'000
Administered Cash Flows			
for the year ended 30 June 2005			
Operating activities			
Cash received			
Filing fees		1,094	729
Total cash received		1,094	729
Cash used			
Refund of filing fees		371	784
Total cash used		371	784
Net cash from/(used in) operating activities		723	(55)
Net increase/(decrease) in cash held		723	(55)
Cash at the beginning of the reporting period		-	-
Cash from Official Public Account for Appropriations		371	784
Cash to Official Public Account for Appropriations		(1,094)	(729)
Cash at the end of the reporting period		-	-

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

There were no administered commitments as at 30 June 2005.

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

There were no administered contingencies as at 30 June 2005.

Statement of Activities Administered on behalf of the Government

The major administered activities of the Tribunal are directed towards achieving the outcome described in Note 1 to the Financial Statements. The major financial activities are the collection of fees payable on lodging with the Tribunal of an application for a review of a decision, other than in income maintenance matters. On matters other than income maintenance, applicants may apply for a waiver of the fee under regulation 19(6) of the *Administrative Appeals Tribunal Regulations 1976*.

Fees are refunded in whole if the proceedings terminate in a manner favourable to the applicant except for Small Taxation Claims Tribunal applications where a smaller once-only fee is payable irrespective of the outcome of the decision.

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2005

Note 1—Summary of Significant Accounting Policies

1.1 Objectives of the Tribunal

The objective and sole outcome of the Tribunal is to provide independent review on merit of a wide range of administrative decisions of the Australian Government so as to ensure in each case the correct or preferable decision is made.

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

1.2 Basis of Accounting

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

The statements have been prepared in accordance with:

- Finance Minister's Orders (or FMOs, being the *Financial Management and Accountability Orders (Financial Statements for reporting periods ending on or after 30 June 2005)*);
- Australian Accounting Standards and Accounting Interpretations issued by the Australian Accounting Standards Board; and
- Consensus Views of the Urgent Issues Group.

The Statements of Financial Performance and Financial Position have been prepared on an accrual basis and are in accordance with historical cost convention, except for certain assets which, as noted, are at valuation. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position.

Assets and liabilities are recognised in the Statement of Financial Position when and only when it is probable that future economic benefits will flow 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 which are unrecognised are reported in the Schedule of Commitments and the Schedule of Contingencies (other than unquantifiable or remote contingencies, which are reported at Note 13).

Revenues and expenses are recognised in the Statement of Financial Performance when and only when the flow or consumption or loss of economic benefits has occurred and can be reliably measured.

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

Administered revenues, expenses, assets and liabilities and cash flows reported in the Schedule of Administered Items and related notes are accounted for on the same basis and using the same policies as for Tribunal items except where otherwise stated.

1.3 Revenue

Revenues from Government

Amounts appropriated for Departmental outputs appropriations for the year (adjusted for any formal additions and reductions) are recognised as revenue, 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.

Resources received free of charge

Services received free of charge are recognised as revenue 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 revenue at their fair value when the asset qualifies for recognition, unless received from another government agency as a consequence of a restructuring of administrative arrangements (Refer to Note 1.4).

Other revenue

Revenue from the sale of goods is recognised upon the delivery of goods to customers.

Revenue from the rendering of a service is recognised by reference to the stage of completion of contracts or other agreements to provide services. The stage of completion is determined according to the proportion that costs incurred to date bear to the estimated total costs of the transaction.

Receivables for goods and services 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 judged to be less rather than more likely.

Interest revenue is recognised on a time proportionate basis that takes into account the effective yield on the relevant asset.

Revenue from disposal of non-current assets is recognised when control of the asset has passed to the buyer.

1.4 Transactions by the Government as Owner

Equity injections

Amounts appropriated which are designated as ‘equity injections’ for a year (less any savings offered up in Portfolio Additional Estimates Statements) are recognised directly in Contributed Equity in that year.

Restructuring of Administrative Arrangements

Net assets received from or relinquished to another Commonwealth agency or authority 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 in the nature of a dividend.

1.5 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 wages and salaries (including non-monetary benefits), annual leave, sick leave are measured at their nominal amounts. Other employee benefits expected to be settled within 12 months of the reporting date are also 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 as 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 Tribunal 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 Tribunal's employer superannuation contribution rates to the extent that the leave is likely to be taken during the service rather than paid out on termination.

The liability for annual leave reflects the value of total annual leave entitlements of all employees at 30 June 2005 and is recognised at the nominal amount. The nominal amount is calculated with regard to the rates expected to be paid on settlement of the liability. The Tribunal's certified agreement raises pay rates on 1 July each year and the financial effect of this change has been included.

The non-current portion of the liability for long service leave is recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at 30 June 2005. In determining the present value of the liability, the Tribunal has taken into account attrition rates and pay increases through promotion and inflation.

Separation and redundancy

Provision is also made for separation and redundancy benefit payments in circumstances where the Tribunal has formally identified positions as excess to requirements and a reliable estimate of the amount of the payments can be determined.

Superannuation

Most members and staff of the Tribunal are members of the Commonwealth Superannuation Scheme and the Public Sector Superannuation Scheme. The liability for their superannuation benefits is recognised in the financial statements of the Australian Government and is settled by the Australian Government in due course.

The Tribunal makes employer contributions to the Australian Government at rates determined by an actuary to be sufficient to meet the cost to the Commonwealth of the superannuation entitlements of the Tribunal's employees.

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

1.6 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 benefits incidental to ownership of leased non-current assets. In operating leases, the lessor 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 the present value of minimum lease payments at the beginning of the lease term 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 basis which is representative of the pattern of benefits derived from the leased assets. The net present value of future net outlays in respect of surplus space under non-cancellable lease agreements is expensed in the period in which the space becomes surplus.

Lease incentives taking the form of 'free' leasehold improvements and rent holidays are recognised as liabilities. These liabilities are reduced by allocating lease payments between rental expense and reduction of the liability over the term of the related lease (refer Note 8).

1.7 Borrowing Costs

All borrowing costs are expensed as incurred except to the extent that they are directly attributable to qualifying assets, in which case they are capitalised. The amount capitalised in a reporting period does not exceed the amounts of costs incurred in that period.

1.8 Cash

Cash includes notes and coins held and any deposits held at call with a bank or financial institution. Cash is recognised at its nominal amount.

1.9 Other Financial Instruments

Trade creditors

Trade creditors and accruals are recognised at their nominal amounts, being the amounts at which the liabilities will be settled. Liabilities are recognised to the extent that the goods or services have been received (and irrespective of having been invoiced).

Contingent liabilities and contingent assets

Contingent liabilities (assets) are not recognised in the Statement of Financial Position but are discussed in the related schedules and notes. They may arise from uncertainty as to the existence of a liability (asset), or represent an existing liability (asset) in respect of which settlement is not probable or the amount cannot be reliably measured. Remote contingencies are part of the disclosure. Where settlement becomes probable, a liability (asset) is recognised. A liability (asset) is recognised when its existence is confirmed by a future event, settlement becomes probable or reliable measurement becomes possible.

1.10 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. The Tribunal does not own any land and buildings.

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 administrative arrangements. In the latter case, the 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.

1.11 Property, Plant and Equipment (PP & E)

Asset recognition threshold

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

Revaluations

Basis

Land, buildings, plant and equipment are carried at valuation, being revalued annually (with sufficient frequency) such that the carrying amount of each asset class is not materially different, at reporting date, from its fair value. Valuations undertaken in each year are as at 30 June.

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

Asset class	Fair value measured at:
Leasehold improvements	Depreciated replacement cost
Plant and equipment	Market selling price

Assets which are surplus to requirements are measured at their net realisable value. The Tribunal has no assets of this nature.

A full revaluation of all assets (excluding software) was undertaken at 30 June 2004. Full valuations are done at least every three years with annual desktop valuations done in between. All full and desktop valuations are completed by an independent, qualified valuer.

Depreciation

Depreciable property, plant and equipment assets are written-off to their estimated residual values over their estimated remaining useful lives to the Tribunal using, in all cases, the straight-line method of depreciation. Leasehold improvements are depreciated on a straight-line basis over the lesser of the estimated remaining useful life of the improvements or the unexpired period of the lease.

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. Residual values are re-estimated for a change in prices only when assets are revalued.

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

	2005	2004
Leasehold improvements (fitout)	Lease term	Lease term
Plant and equipment	3–20 years	3–20 years
Intangibles (software)	3–5 years	3–5 years

The aggregate amount of depreciation for each class of asset during the reporting period is disclosed in Note 5C.

1.12 Impairment of Non-Current Assets

Non-current assets carried at up to date value at the reporting date are not subject to impairment. All assets excluding intangibles have been revalued using the fair value method.

1.13 Intangibles

The Tribunal's intangibles comprise externally purchased software.

Intangible assets are held at cost and amortised on a straight-line basis over their anticipated useful lives.

All software assets were assessed for indications of impairment as at 30 June 2005. No provision was deemed necessary.

1.14 Inventories

Inventories held for resale are valued at the lower of cost and net realisable value.

Inventories not held for resale are valued at cost, unless they are no longer required, in which case they are valued at net realisable value.

The Tribunal has no inventories held for resale.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2005

1.15 Taxation

The Tribunal is exempt from all forms of taxation except fringe benefits tax 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.

1.16 Foreign Currency

Transactions denominated in a foreign currency are converted at the exchange rate at the date of the transaction. Foreign currency receivables and payables are translated at the exchange rate current as at balance date. Associated currency gains and losses are not material.

1.17 Insurance

The Tribunal has insured against risks through the Government's insurable risk managed fund, called 'Comcover'. Workers compensation is insured through Comcare Australia.

1.18 Reporting of Administered Activities

The Administered revenues, expenses, assets, liabilities and cash flows are disclosed in the Schedule of Administered Items and related Notes.

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

1.18 Reporting of Administered Activities

Administered Cash Transfers to and from Official Public Account

Revenue collected by the Tribunal for use by the Government rather than the Tribunal is Administered Revenue. Collections are transferred to the Official Public Account (OPA) maintained by the Department of Finance and Administration. Conversely, cash is drawn from the OPA to make payments under Parliamentary appropriation on behalf of Government. These transfers to and from the OPA are adjustments to the administered cash held by the Tribunal on behalf of the Government and reported as such in the Statement of Cash Flows in the Schedule of Administered Items and in the Administered Reconciliation Table in Note 18. Thus the Schedule of Administered Items largely reflects the Government's transactions, through the Tribunal, with parties outside the Government.

Revenue

All administered revenues are revenues relating to the core operating activities performed by the Tribunal on behalf of the Commonwealth.

Fees are charged on lodgement of applications for review. Some exemptions and waivers can apply to the payment of a fee. Applications deemed to be successful may result in a refund of the fee paid.

1.19 Comparative Figures

Comparative figures have been adjusted to conform with changes in presentation in these financial statements where required.

1.20 Rounding

Amounts have been rounded to the nearest $1,000 except in relation to the following items:

- act of grace payments and waivers;
- remuneration of executives;
- remuneration of auditors; and
- appropriations note disclosures.

Note 2—Adoption of Australian Equivalents to International Financial Reporting Standards from 2005–06

The Australian Accounting Standards Board has issued replacement Australian Accounting Standards to apply from 2005–06. The new standards are the Australian Equivalents to International Financial Reporting Standards (AEIFRS). The International Financial Reporting Standards are issued by the International Accounting Standards Board. The new standards cannot be adopted early. The standards being replaced are to be withdrawn with effect from 2005–06, but continue to apply in the meantime, including reporting periods ending on 30 June 2005.

The purpose of issuing AEIFRS is to enable Australian reporting entities reporting under the *Corporations Act 2001* to be able to more readily access overseas capital markets by preparing their financial reports according to accounting standards more widely used overseas.

For-profit entities complying with AEIFRS will be able to make an explicit and unreserved statement of compliance with International Financial Reporting Standards (IFRS) as well as a statement that the financial report has been prepared in accordance with Australian Accounting Standards.

AEIFRS contain certain additional provisions that will apply to not-for-profit entities, including Australian Government agencies. Some of these provisions are in conflict with IFRS, and therefore the Tribunal will only be able to assert that the financial report has been prepared in accordance with Australian Accounting Standards.

AAS 29 *Financial Reporting by Government Departments* will continue to apply under AEIFRS.

Accounting Standard AASB 1047 *Disclosing the Impacts of Adopting Australian Equivalents to International Financial Reporting Standards* requires that the financial statements for 2004–05 disclose:

- an explanation of how the transition to AEIFRS is being managed;
- narrative explanations of the key policy differences arising from the adoption of AEIFRS;
- any known or reliably estimable information about the impacts on the financial report had it been prepared using the Australian equivalents to IFRS; and
- if the impacts of the above are not known or reliably estimable, a statement to that effect.

Where an entity is not able to make a reliable estimate, or where quantitative information is not known, the entity should update the narrative disclosures of the key differences in accounting policies that are expected to arise from the adoption of AEIFRS.

The purpose of this Note is to make these disclosures.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2005

Management of the transition to AEIFRS

The Tribunal has taken the following steps for the preparation towards the implementation of AEIFRS:

- The Tribunal's Audit Committee is tasked with oversight of the transition to and implementation of AEIFRS. The Chief Finance Officer is formally responsible for the project and reports regularly to the Audit Committee on progress to the Committee.
- All major accounting policy differences between current AASB standards and AEIFRS were identified by 31 December 2004.
- System changes necessary to be able to report under the AEIFRS, including those necessary to capture data under both sets of rules for 2004–05 have been completed.
- A transitional balance sheet as at 1 July 2004 under AEIFRS has been completed.
- An AEIFRS compliant balance sheet as at 30 June 2005 was also prepared during the preparation of the 2004–05 statutory financial reports.
- The 2004–05 Balance Sheet under AEIFRS will be reported to the Department of Finance and Administration in line with their reporting deadlines.

Major changes in accounting policy

Changes in accounting policies under AEIFRS are applied retrospectively i.e. as if the new policy had always applied except in relation to the exemptions available under AASB 1 First-time Adoption of Australian Equivalents to International Financial Reporting Standards. This rule means that an AEIFRS compliant balance sheet had to be prepared as at 1 July 2004. This will enable the 2005–06 financial statements to report comparatives under AEIFRS.

Changes to major accounting policies are discussed in the following paragraphs.

Management's review of the quantitative impacts of AEIFRS represents the best estimates of the impacts of the changes as at reporting date. The actual effects of the impacts of AEIFRS may differ from these estimates due to:

- continuing review of the impacts of AEIFRS on Tribunal operations;
- potential amendments to the AEIFRS and AEIFRS Interpretations; and
- emerging interpretation as to the accepted practice in the application of AEIFRS and the AEIFRS Interpretations.

Property plant and equipment

It is expected that the 2005–06 Finance Minister's Orders will continue to require property plant and equipment assets to be valued at fair value in 2005–06.

Intangible Assets

The Tribunal has no internally developed software. All other software is valued at cost.

Impairment of Non-Current Assets

The Tribunal's policy on impairment of non-current assets is at Note 1.12.

Under AEIFRS these assets will be subject to assessment for impairment and, if there are indications of impairment, an assessment of the degree of impairment. (Impairment measurement must also be done, irrespective of any indications of impairment, for intangible assets not yet available for use). The impairment test is that the carrying amount of an asset must not exceed the greater of (a) its fair value less costs to sell and (b) its value in use. 'Value in use' is the net present value of net cash inflows for for-profit assets of the Tribunal and depreciated replacement cost for other assets which would be replaced if the Tribunal were deprived of them.

The Tribunal has no assets assessed as impaired.

Decommissioning, Restoration and Make-good

When assessing accommodation leases for the preparation of the opening balance sheet, no obligations under the leases for make-good were determined. A contingent liability of $510,000 in respect of lease restoration costs as valued by the Australian Valuation Office relating to our premises in Sydney ($350,000) and Perth ($160,000) was disclosed as at 30 June 2004. An additional contingent liability for the future make-good of our premises in Canberra ($75,000) has also been disclosed as at 30 June 2005. The contingent liability for Perth has been upgraded to a provision as at 30 June 2005.

Employee Benefits

The provision for long service leave is measured at the present value of estimated future cash outflows using the approved discounting method for small agencies.

AEIFRS requires that annual leave that is not expected to be taken within 12 months of the balance date is to be discounted. After assessing the staff leave profile, the Tribunal expects that 50% of the annual leave balance will not be taken in the next 12 months which is in line with prior years. The non-current portion of annual leave has been measured at the present value of estimated future cash outflows using the approved discounting method for small agencies. No net adjustment is expected for the AEIFRS transition.

Administered Items

The Tribunal has no administered assets and liabilities therefore no adjustments due to the transition to AEIFRS will be necessary.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2005

Reconciliation of Impacts—AGAAP to AEFIRS

	30 June 2005* $'000	30 June 2004 $'000
Reconciliation of Departmental Equity		
Total Departmental Equity under AGAAP	8,926	9,050
Adjustments to accumulated results	-	-
Adjustments to other reserves	-	-
Total Equity under AEIFRS	8,926	9,050
Reconciliation of Departmental Accumulated Results		
Total Departmental Accumulated Results under AGAAP	6,521	6,917
Adjustments:		
Work in progress	-	-
Assets—Carrying Value	-	-
Asset Revaluation Reserves	-	-
Depreciation	-	-
Total Accumulated Results under AEIFRS	6,521	6,917
Reconciliation of Departmental Reserves		
Total Departmental Reserves under AGAAP	272	-
Adjustment:		
Asset Revaluation Reserve	-	-
Total Departmental Reserves under AEIFRS	272	-
Reconciliation of Departmental Contributed Equity		
Total Contributed Equity under AAS—30 June 2004	2,133	2,133
Adjustments	-	-
Total Contributed Equity under AEIFRS	2,133	2,133
Reconciliation of Net Surplus/(deficit) from ordinary activities for year ending 30 June 2005		
Net surplus/(deficit) from ordinary activities under AGAAP	(396)	
Adjustments:		
Depreciation and amortisation	-	
Write-down of assets	-	
Net surplus/(deficit) from ordinary activities under AEIFRS	(396)	

* 30 June 2005 total represents the accumulated impacts of AEIFRS from the date of transition.

Note 3—Events Occurring After Balance Date

There were no significant events occurring after the balance date.

Note 4—Operating Revenues

	2005 $'000	2004 $'000
Note 4A—Revenues from Government		
Appropriations for outputs	28,162	27,227
Resources received free of charge	34	34
Liabilities assumed by other departments	156	143
Total revenues from government	28,352	27,404
Note 4B—Sales of Services		
Services	891	802
Total sales of services	891	802
Rendering of services to:		
Related entities	664	542
External entities	227	260
Total rendering of services	891	802

Note 5—Operating Expenses

	2005 $'000	2004 $'000
Note 5A—Employee Expenses		
Wages and salary	12,514	12,232
Superannuation	2,293	2,149
Leave and other entitlements	652	598
Separation and redundancy	-	-
Other employee expenses	467	422
Total employee benefits expense	15,926	15,401
Workers compensation premiums	76	83
Total employee expenses	16,002	15,484
Note 5B—Supplier Expenses		
Goods from related entities	-	-
Goods from external entities	367	311
Services from related entities	810	619
Services from external entities	5,642	5,334
Operating lease rentals[1]	5,505	5,365
Total supplier expenses	12,324	11,629

[1]These comprise minimum lease payments only.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2005

	2005 $'000	2004 $'000
Note 5C—Depreciation and Amortisation		
Depreciation of property, plant and equipment	890	713
Amortisation of lease incentives	107	107
Amortisation of intangibles—software	190	192
Total depreciation and amortisation	1,187	1,012
The aggregate amounts of depreciation or amortisation expensed during the reporting period for each class of depreciable asset are as follows:		
Leasehold improvements	771	503
Plant and equipment	226	317
Intangibles—software	190	192
Total depreciation and amortisation	1,187	1,012

No depreciation was allocated to the carrying amounts of other assets.

Note 5D—Write Down of Assets

	2005 $'000	2004 $'000
Non-financial assets		
Write off	-	29
Property, plant and equipment—revaluation decrement	126	-
Leasehold improvements—revaluation decrement	-	-
Intangibles—software	-	-
Total write down of assets	126	29

Note 6—Financial Assets

	2005 $'000	2004 $'000
Note 6A—Cash		
Departmental (other than special accounts)	276	569
Total cash	276	569
Note 6B—Receivables		
Goods and services	43	132
GST receivable from the Australian Taxation Office	129	131
Appropriations receivable		
- undrawn	9,597	8,551
Total receivables (net)	9,769	8,814
All receivables are current assets.		
Appropriations receivable undrawn are appropriations controlled by the Tribunal but held in the Official Public Account under the Government's just-in-time drawdown arrangements.		
Receivables (gross) are aged as follows:		
Current	9,763	8,806
Overdue by:		
Less than 30 days	6	7
30 to 60 days	-	-
60 to 90 days	-	1
More than 90 days	-	-
	6	8
Total receivables (gross)	9,769	8,814

Note 7—Non-Financial Assets

	2005 $'000	2004 $'000
Note 7A—Leasehold Improvements		
Leasehold improvements—at fair value	295	765
Accumulated amortisation	-	-
Total leasehold improvements	295	765
Note 7B—Infrastructure, Plant and Equipment		
Plant and equipment—at fair value	1,432	1,700
Accumulated depreciation	-	-
Total infrastructure plant and equipment	1,432	1,700

All revaluations are in accordance with the revaluation policy stated in Note 1.11. The 2004 revaluation decrement in the transition to fair value that would otherwise be accounted for as revenue or expense was taken directly to accumulated results in accordance with transitional provisions of AASB 1041 Revaluation of Non-current Assets. The current year's net revaluation increment has been transferred to asset revaluation reserve in accordance with the revaluation policy stated in Note 1.11. The valuation was provided by Simon O'Leary for and on behalf of the Australian Valuation Office. The revaluation increment applicable to Leasehold Improvements for the current year was $272,124 and a decrement of $126,430 applied to Infrastructure, Plant and Equipment ($351,688 total expensed against retained surpluses in 2004).

Note 7C—Intangibles

	2005 $'000	2004 $'000
Computer software (at cost)	958	942
Accumulated depreciation	(938)	(748)
Total intangibles	20	194

Note 7D—Analysis of Property, Plant, Equipment and Intangibles

TABLE A—Reconciliation of the opening and closing balances of property, plant and equipment and intangibles

Item	Buildings —Leasehold Improvements $'000	Infrastructure, Plant and Equipment $'000	Computer Software— Total Intangibles $'000	TOTAL $'000
As at 1 July 2004				
Gross book value	765	1,700	942	3,407
Accumulated depreciation/amortisation	-	-	(748)	(748)
Opening Net Book Value	765	1,700	194	2,659
Additions				
by purchase	29	84	16	129
from acquisition of operations	-	-	-	-
Net revaluation increment/ (decrement)	272	(126)	-	146
Depreciation/amortisation expense	(771)	(226)	(190)	1,187
Recoverable amount write-downs	-	-	-	-
Disposals				
From disposal of operations	-	-	-	-
Other disposals	-	-	-	-
As at 30 June 2005				
Gross book value	295	1,432	958	2,685
Accumulated depreciation/amortisation	-	-	(938)	(938)
Closing Net book value	295	1,432	20	1,747

TABLE B—Assets at valuation

Item	Buildings —Leasehold Improvements $'000	Infrastructure, Plant and Equipment $'000	Computer Software —Total Intangibles $'000	TOTAL $'000
As at 30 June 2005				
Gross value	295	1,432	-	1,727
Accumulated Depreciation/ Amortisation	-	-	-	-
Net book value				
As at 30 June 2004				
Gross value	765	1,700	-	2,465
Accumulated Depreciation/ Amortisation	-	-	-	-
Net book value	765	1,700	-	2,465

Note 7E—Other Non-Financial Assets

	2005 $'000	2004 $'000
Prepayments	2,126	2,257
Total Prepayments	2,126	2,257

All other non-financial assets are current assets.

Note 8—Other Non-Interest Bearing Liabilities

	2005 $'000	2004 $'000
Lease incentives	110	217
Total lease incentives	110	217
Current	110	106
Non-current	-	111

Note 9—Provisions

Note 9A—Employee Provisions

	2005 $'000	2004 $'000
Salaries and wages	205	560
Leave	3,194	3,286
Superannuation	512	577
Aggregate employee entitlement liability	3,911	4,423
Worker's compensation	25	22
Aggregate employee benefit liability and related on-costs	3,936	4,445
Current	1,236	1,529
Non-current	2,700	2,916

Note 9B—Accommodation leases—make good Provision

Perth lease make good	275	-
Total make good provision	275	-
Current	275	-
Non-current	-	-

The Perth accommodation lease expires as at March 31, 2006. The building owner has indicated that a renewal or extension of the lease will not be offered and the Tribunal is in the process of negotiating a lease at other premises. A new valuation was sought from the independent valuer resulting in an increase in the anticipated make-good liability.

Note 10—Payables

	2005 $'000	2004 $'000
Trade creditors	671	587
Total payables	671	587

All supplier payables are current liabilities. Settlement is usually made 28 days from receipt of invoice.

Note 11—Equity

	Accumulated Results		Asset Revaluation Reserve		Contributed Equity		TOTAL EQUITY	
	2005 $'000	2004 $'000	2005 $'000	2004 $'000	2005 $'000	2004 $'000	2005 $'000	2004 $'000
Opening balance as at 1 July	6,917	7,217	-	-	2,133	2,133	9,050	9,350
Net surplus/(deficit)	(396)	52	-	-	-	-	(396)	52
Net revaluation increment/ (decrement)	-	-	272	-	-	-	272	-
Decrease in retained surpluses on application of transition provisions in accounting standard AASB 1041 *Revaluation of Non-Current Assets*	-	(352)	-	-	-	-	-	(352)
Transactions with owner:								
Distribution to owner:								
Returns on Capital								
Dividends	-	-	-	-	-	-	-	-
Closing balance as at 30 June	6,521	6,917	272	-	2,133	2,133	8,926	9,050

Note 12—Cash Flow Reconciliation

	2005 $'000	2004 $'000
Reconciliation of cash per Statement of Financial Position to Statement of Cash Flows		
Cash at year end per Statement of Cash Flows	276	569
Statement of Financial Position items comprising above cash: 'Financial Assets-Cash'	276	569
Reconciliation of operating surplus to net cash from operating activities:		
Net surplus/(deficit)	(396)	52
Depreciation/amortisation	1,187	1,012
Write off of assets	-	29
Net write-down of non-financial assets	126	-
(Increase)/Decrease in receivables	(955)	(1,163)
(Increase)/Decrease in prepayments	131	(451)
Increase/(Decrease) in employee provisions	(509)	429
Increase/(Decrease) in supplier payables	84	87
Increase/(Decrease) in other liabilities	168	(106)
Net cash from/(used by) operating activities	(164)	(111)

Note 13—Contingent Liabilities and Assets

Quantifiable Contingencies

The Schedule of Contingencies reports a contingent liability as at 30 June 2005 in respect of lease restoration costs as valued by the Australian Valuation Office relating to our premises in Sydney ($350,000) and Canberra ($75,000). The contingent liability recognised for our Perth premises ($160,000) has been upgraded to a provision of $275,000 as there is now a high degree of certainty that the make good requirement of the lease will occur.

Unquantifiable or Remote Contingencies

At 30 June 2005, the Tribunal has not identified any unquantifiable or remote contingencies.

Note 14—Executive Remuneration

The number of executives who received or were due to receive total remuneration of $100,000 or more are shown in the following bands:

	2005	2004
$120,000 to $129,999	1	1
$190,000 to $199,999	1	-
The aggregate amount of total remuneration of executives shown above.	$323,485	$124,889
The aggregate amount of separation and redundancy/termination benefit payments during the year to executives shown above.	Nil	Nil

The 2004 Executive Remuneration has been restated to exclude the President of the Tribunal on the basis that a Judicial Officer is not considered an executive for reporting purposes.

Note 15—Remuneration of Auditors

	2005 $	2004 $
Financial statement audit services are provided free of charge to the Tribunal.		
The fair value of the audit services provided was:	34,000	34,000

No other services were provided by the Auditor-General.

Note 16—Average Staffing Levels

	2005	2004
The average full time equivalent staffing levels for the Tribunal during the year were:	161	160

Note 17—Financial Instruments

Note 17A—Interest Rate Risk

Financial Instrument	Note	Floating Interest Rate		Non Interest-bearing		Total		Weighted Average Effective Interest Rate	
		2005 $'000	2004 $'000	2005 $'000	2004 $'000	2005 $'000	2004 $'000	2005 $'000	2004 $'000
Financial Assets									
Cash at bank	6A	-	-	276	569	276	569	n/a	n/a
Receivables for goods and services	6B	-	-	172	263	172	263	n/a	n/a
Appropriations receivable	6B	-	-	9,597	8,551	9,597	8,551	n/a	n/a
Total		-	-	10,045	9,383	10,045	9,383		
Total Assets						13,918	14,299		
Financial Liabilities									
Trade creditors	10	-	-	671	587	671	587	n/a	n/a
Make good	9B	-	-	275	-	275	-	n/a	n/a
Lease-incentives	8	-	-	110	217	110	217	n/a	n/a
Total		-	-	1,056	804	1,056	804		
Total Liabilities						4,992	5,249		

Note 17B—Net Fair Values of Financial Assets and Liabilities

		2005		2004	
	Notes	Total Carrying Amount $'000	Aggregate Net Fair Value $'000	Total Carrying Amount $'000	Aggregate Net Fair Value $'000
Departmental Financial Assets					
Cash at bank	6A	276	276	569	569
Receivables for goods and services (net)	6B	172	172	263	263
Appropriations receivable	6B	9,597	9,597	8,551	8,551
Total Financial Assets		10,045	10,045	9,383	9,383
Financial Liabilities (Recognised)					
Lease incentives	8	110	110	217	217
Make good	9B	275	275	-	-
Trade creditors	10	671	671	587	587
Total Financial Liabilities (Recognised)		1,056	1,056	804	804

Note 17B—Net Fair Values of Financial Assets and Liabilities (continued)

Financial assets

The net fair value of cash and non interest-bearing monetary financial assets approximate their carrying amounts.

Financial liabilities

The net fair value of lease incentive liabilities are based on discounted cash flows using current interest rates for liabilities with similar risk profiles.

The net fair values for trade creditors are approximated by their carrying amounts.

Note 17C—Credit Risk Exposure

The Tribunal's maximum exposures to credit risk at reporting date in relation to each class of recognised financial assets is the carrying amount of those assets as indicated in the Statement of Financial Position.

The Tribunal has no significant exposures to any concentration of credit risk.

All figures for credit risk referred to do not take into account the value of any collateral or other security.

NOTE 18—ADMINISTERED RECONCILIATION TABLE

	2005 $'000	2004 $'000
Opening administered assets less administered liabilities as at 1 July	-	-
Plus: Administered revenues	1,094	729
Less: Administered expenses	(371)	(784)
Administered transfers to/from Australian Government:		
Transfers (to)/from OPA	(723)	55
Closing administered assets less administered liabilities as at 30 June	-	-

NOTE 19—APPROPRIATIONS

Note 19A—Acquittal of Authority to Draw Cash from the Consolidated Revenue Fund (CRF) for Ordinary Annual Services Appropriations

Particulars	Administered Expenses Outcome 1	Departmental Outputs	Total
Year ended 30 June 2005	**$**	**$**	**$**
Balance carried from previous year	-	9,119,614	9,119,614
Reduction of appropriations (prior years)	-	-	-
Unspent receipts from 1999–2004 where no s31 agreement was deemed to be in place[1]	-	(4,517,349)	(4,517,349)
Adjusted Balance carried for previous period	-	4,602,265	4,602,265
Appropriation Act (No.1) 2004–2005 —basic appropriation	-	27,582,000	27,582,000
Appropriation Act (No.3) 2004–2005 —basic appropriation	-	568,000	568,000
Appropriation Act (No.5) 2004–2005 —basic appropriation	-	12,000	12,000
Departmental Adjustments by the Finance Minister (Appropriation Acts)	-	-	-
Comcover receipts (Appropriation Act s13)	-	7,602	7,602
Advance to the Finance Minister	-	-	-
Adjustment of appropriations on change of entity function (FMAA s32)	-	-	-
Refunds credited (FMAA s30)	-	-	-
Appropriation reduced by section 9 determinations (current year)[2]	-	-	-
Subtotal 2004–05 Annual Appropriation	-	32,771,867	32,771,867
Appropriations to take account of recoverable GST (FMAA s30A)	-	1,138,991	1,138,991
Annotations to 'net appropriations' (FMAA s31)	-	490,367	490,367
Total appropriations available for payments	-	34,401,225	34,401,225
Cash payments made during the year (GST inclusive)	-	(29,537,170)	(29,537,170)
Appropriations credited to Special Accounts (excluding GST)	-	-	-
Balance of Authority to Draw Cash from the CRF for Ordinary Annual Services Appropriations	-	4,864,055	4,864,055

Note 19A—Acquittal of Authority to Draw Cash from the Consolidated Revenue Fund (CRF) for Ordinary Annual Services Appropriations (continued)

Particulars	Administered Expenses Outcome 1	Departmental Outputs	Total
Year ended 30 June 2005	**$**	**$**	**$**
Represented by:			
Cash at bank and on hand	-	275,733	275,733
Receivable—departmental appropriations	-	9,597,000	9,597,000
Receivables—GST receivable from customers	-	8,235	8,235
Receivables—GST receivable from the ATO	-	129,127	129,127
Receivables—departmental appropriations—drawing rights withheld by the Finance Minister (FMAA s27(4))	-	-	-
Formal reductions of appropriations	-	-	-
Receivables—departmental appropriations (appropriation for additional outputs)	-	-	-
Payables—GST payable	-	(137,362)	(137,362)
Receipts from periods of no s31 agreement in years 1999–2005 not currently available	-	(5,008,678)	(5,008,678)
Total	-	4,864,055	4,864,055

Particulars	Administered Expenses Outcome 1	Departmental Outputs	Total
Year ended 30 June 2004 (comparative period)[2]	$	$	$
Balance carried from previous year	-	8,459,408	8,459,408
Appropriation Act (No.1) 2003–2004	-	27,227,000	27,227,000
Appropriation Act (No.3) 2003–2004	-	-	-
Departmental adjustments determined by the Finance Minister (Appropriation Acts)	-	-	-
Advance to the Finance Minister	-	-	-
Refunds credited (FMAA s30)	-	-	-
Appropriations to take account of recoverable GST (FMAA s30A)	-	983,883	983,883
Annotations to ‘net appropriations’ (FMAA s31)	-	690,322	690,322
Adjustment of appropriations on change of entity function (FMAA s32)	-	-	-
Appropriation lapsed	-	-	-
Total appropriations available for payments	-	37,360,613	37,360,613
Payments made during the year (GST inclusive)	-	28,240,999	28,240,999
Appropriations credited to Special Accounts	-	-	-
Balance carried to the next period	-	9,119,614	9,119,614

[1] Under section 31 of the *Financial Management and Accountability Act 1997* (the FMA Act), the Minister for Finance and Administration may enter into a net appropriation agreement with an agency Minister. Appropriation Acts Nos. 1 and 3 (for the ordinary annual services of government) authorise the supplementation of an agency’s annual net appropriation by amounts received in accordance with its Section 31 Agreement eg, receipts from charging for goods and services.

Although the Tribunal has operated and recorded receipts as though a valid section 31 was in place, receipts collected in the period 1 July 1999 to 1 December 2004 have not been captured by a valid section 31 agreement.

As a result:

- Receipts collected from 1 July 1999 up to 30 June 2004 under the departmental outputs appropriations regime that were not captured by a valid section 31 agreement amounted to $4,517,349;
- Receipts totalling $491,329 received in the period 1 July 2004 to 1 December 2004 were not captured by a section 31 agreement;

Note 19A—Acquittal of Authority to Draw Cash from the Consolidated Revenue Fund (CRF) for Ordinary Annual Services Appropriations (continued)

A year-by-year analysis of overstatement of the departmental output appropriations is given below.

	99–00	00–01	01–02	02–03	03–04	Sub-total	04–05 1/7/04 to 30/11/04	Total 1/7/99 to 30/6/05
Receipts affected	918,661	1,082,399	972,422	853,545	690,322	4,517,349	491,329	5,008,678
Spent	0	0	0	0	0	0	0	0
Unspent	918,661	1,082,399	972,422	853,545	690,322	4,517,349	491,329	5,008,678

Our current Section 31 Agreement was made on 2 December 2004 between our Registrar as Delegate of the Attorney-General and the Division Manager, Government and Defence Division of the Department of Finance and Administration as Delegate of the Minister for Finance and Administration. It is understood that options are being examined for making available for spending any unspent receipts not previously captured by an agreement, to enable them to be spent in accordance with section 83 of the Constitution

[2] The Tribunal has no appropriation reductions pursuant to section 9.

Note 19B—Special Accounts

The Tribunal has two Special Accounts neither of which has been used in 2004/05. The details of these accounts are listed below:

Title	Legal Authority	Classification	Opening Balance	Closing Balance
Other Trust Moneys	S20 FMAA	Departmental	-	-
Services for other Governments and Non-Agency Bodies	S20 FMAA	Departmental	-	-

The Tribunal's Other Trust Moneys Account was established under section 20 of the *Financial Management and Accountability Act 1997*. For the year ended 30 June 2005 the account had nil balances and there were no transactions debited or credited to it.

The purpose of the Other Trust Moneys Account is for expenditure of monies temporarily held on trust or otherwise for the benefit of a person other than the Commonwealth.

The Tribunal's Services for other Governments & Non-Agency Bodies Account was established under section 20 of the *Financial Management and Accountability Act 1997.* For the year ended 30 June 2005 the account had nil balances and there were no transactions debited or credited to it.

The purpose of the Services for other Governments & 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 FMA Act.

NOTE 20—SPECIFIC PAYMENT DISCLOSURES

	2005 $	2004 $
Administered		
No 'Act of Grace' payments, waivers of debt, ex gratia payments, Compensation for Detriment caused by Defective Administration Scheme payments or special circumstances payments pursuant to section 73 of the *Public Service Act 1999* were made during the reporting period.	Nil	Nil
Departmental		
No 'Act of Grace' payments, waivers of debt, ex gratia payments, Compensation for Detriment caused by Defective Administration Scheme payments or special circumstances payments pursuant to section 73 of the *Public Service Act 1999* were made during the reporting period.	Nil	Nil

NOTE 21—REPORTING OF OUTCOMES

The Tribunal has only one outcome which is described in note 1.1.

Note 21A—Net Cost of Outcome Delivery

	Total	
	2005 $'000	2004 $'000
Administered expenses	-	-
Departmental expenses	29,639	28,154
Total expenses	29,639	28,154
Costs recovered from provision of goods and services to the non-government sector		
Administered	-	-
Departmental	227	260
Total costs recovered	227	260
Other external revenues		
Administered		
Filing fees	723	(55)
Total Administered	723	(55)
Departmental		
Interest on cash deposits	-	-
Goods and Services Revenue from Related Entities	664	542
Total Departmental	664	542
Total other external revenues	1,387	487
Net cost (contribution) of outcome	28,025	27,407

Note 21B—Major Classes of Departmental Revenues and Expenses by Output Group

The Tribunal has only one output group.

	Total	
	2005 $'000	**2004 $'000**
Departmental expenses		
Employees	16,002	15,484
Suppliers	12,324	11,629
Depreciation and amortisation	1,187	1,012
Other expenses	126	29
Total departmental expenses	29,639	28,154
Funded by:		
Revenues from government	28,352	27,404
Sale of goods and services	891	802
Other non-taxation revenue	-	-
Total departmental revenues	29,243	28,206

Note 21C—Major Classes of Administered Revenues and Expenses by Output Group.

The Tribunal has only one output group which is described in note 1.1.

	Total Outcome 1	
	2005 $'000	**2004 $'000**
Administered revenues		
Fees & fines	723	-
Total Administered revenues	723	-
Administered expenses		
Refund of fees and fines	-	55
Total Administered expenses	-	55