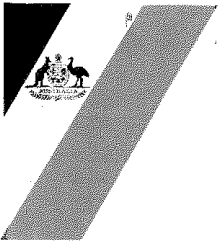




FINANCIAL STATEMENTS

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## INDEPENDENT AUDITOR'S REPORT

### To the Attorney-General

#### Scope

I have audited the accompanying financial statements of the Administrative Appeals Tribunal for the year ended 30 June 2010, which comprise: the Statement by the Chief Executive and Chief Financial Officer; Statement of Comprehensive Income; Balance Sheet; Statement of Changes in Equity; Cash Flow Statement; Schedule of Commitments; Schedule of Contingencies; Schedule of Asset Additions; Schedule of Administered Items, and Notes to and forming part of the Financial Statements, including a Summary of Significant Accounting Policies.

#### ***The Responsibility of the Chief Executive Officer for the Financial Statements***

The Chief Executive Officer 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*, including the Australian Accounting Standards (which include 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. I have conducted my audit in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards. These auditing standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance 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 Administrative Appeals Tribunal'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 Administrative Appeals Tribunal's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Chief Executive Officer, 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 Administrative Appeals Tribunal:

- (a) have been prepared in accordance with the Finance Minister's Orders made under the *Financial Management and Accountability Act 1997*, including the Australian Accounting Standards; and
- (b) give a true and fair view of the matters required by the Finance Minister's Orders including the Administrative Appeals Tribunal's financial position as at 30 June 2010 and its financial performance and cash flows for the year then ended.

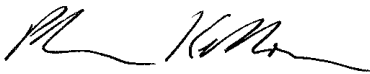
Australian National Audit Office



Mark A Moloney  
Senior Director  
Delegate of the Auditor-General  
Canberra  
13 September 2010

**ADMINISTRATIVE APPEALS TRIBUNAL****STATEMENT BY THE CHIEF EXECUTIVE AND CHIEF FINANCIAL OFFICER**

In our opinion, the attached financial statements for the year ended 30 June 2010 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.



PHILIP KELLOW

Chief Executive

9 September 2010



STEPHEN WISE

Chief Financial Officer

9 September 2010

ADMINISTRATIVE APPEALS TRIBUNAL  
**STATEMENT OF COMPREHENSIVE INCOME**

for the period ended 30 June 2010

	Notes	2010 \$'000	2009 \$'000
<b>EXPENSES</b>			
Employee benefits	3A	21,138	20,350
Supplier expenses	3B	12,392	11,512
Depreciation and amortisation	3C	1,662	1,438
Write-down and impairment of assets	3D	13	-
Losses from assets sales	3E	-	2
<b>Total expenses</b>		<b>35,205</b>	<b>33,302</b>
<b>LESS:</b>			
<b>OWN-SOURCE INCOME</b>			
<b>Own-source revenue</b>			
Sale of goods and rendering of services	4A	1,122	1,029
Total own-source income		1,122	1,029
<b>GAINS</b>			
Other	4B	261	374
Total gains		261	374
Total own-source revenue		1,383	1,403
<b>Net cost of services</b>		<b>33,822</b>	<b>31,899</b>
Revenue from Government	4C	32,772	32,267
<b>Surplus (Deficit) attributable to the Australian Government</b>		<b>(1,050)</b>	<b>368</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
Changes in asset revaluation reserves		263	-
<b>Total other comprehensive income</b>		<b>263</b>	<b>-</b>
<b>Total comprehensive income (loss) attributable to the Australian Government</b>		<b>(787)</b>	<b>368</b>

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

ADMINISTRATIVE APPEALS TRIBUNAL  
BALANCE SHEET

as at 30 June 2010

	Notes	2010 \$'000	2009 \$'000
<b>ASSETS</b>			
<b>Financial Assets</b>			
Cash and cash equivalents	5A	726	500
Trade and other receivables	5B	8,293	9,708
<b>Total financial assets</b>		<b>9,019</b>	<b>10,208</b>
<b>Non-Financial Assets</b>			
Leasehold improvements	6A,C	6,642	7,343
Plant and equipment	6B,C	1,448	1,379
Intangibles	6D,E	430	301
Other	6F	1,619	1,933
<b>Total non-financial assets</b>		<b>10,139</b>	<b>10,956</b>
<b>Total Assets</b>		<b>19,158</b>	<b>21,164</b>
<b>LIABILITIES</b>			
<b>Payables</b>			
Suppliers	7A	1,117	1,262
<b>Total payables</b>		<b>1,117</b>	<b>1,262</b>
<b>Non-Interest Bearing Liabilities</b>			
Other	8	778	903
<b>Total non-interest bearing liabilities</b>		<b>778</b>	<b>903</b>
<b>Provisions</b>			
Employee provisions	9A	5,890	5,863
Other	9B	385	385
<b>Total provisions</b>		<b>6,275</b>	<b>6,248</b>
<b>Total liabilities</b>		<b>8,170</b>	<b>8,413</b>
<b>Net assets</b>		<b>10,988</b>	<b>12,751</b>
<b>EQUITY</b>			
<b>Parent Entity Interest</b>			
Contributed equity		1,592	2,568
Reserves		3,433	3,170
Retained surplus (accumulated deficit)		5,963	7,013
<b>Total parent entity interest</b>		<b>10,988</b>	<b>12,751</b>
<b>Total Equity</b>		<b>10,988</b>	<b>12,751</b>

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

ADMINISTRATIVE APPEALS TRIBUNAL  
STATEMENT OF CHANGES IN EQUITY

As at 30 June 2010

	Retained Surplus		Asset Revaluation Reserves		Contributed Equity		Total Equity	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
<b>Opening balance</b>								
Balance carried forward from previous period	7,013	6,645	3,170	3,170	2,568	2,568	12,751	12,383
Adjustment for errors	-	-	-	-	-	-	-	-
Adjustment for changes in accounting policy	-	-	-	-	-	-	-	-
<b>Adjusted opening balance</b>	<b>7,013</b>	<b>6,645</b>	<b>3,170</b>	<b>3,170</b>	<b>2,568</b>	<b>2,568</b>	<b>12,751</b>	<b>12,383</b>
<b>Comprehensive income</b>								
Other comprehensive income	-	-	263	-	-	-	263	-
Surplus (Deficit) for the period	(1,050)	368	-	-	-	-	(1,050)	368
<b>Total comprehensive income</b>	<b>(1,050)</b>	<b>368</b>	<b>263</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(787)</b>	<b>368</b>
Of which:								
Attributable to the Australian Government	(1,050)	368	263	-	-	-	(787)	368
<b>Transactions with owners</b>								
<b>Distribution to owners</b>								
Returns of capital:								
Other*	-	-	-	-	(976)	-	(976)	-
<b>Contribution by owners</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Sub-total transactions with owners</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(976)</b>	<b>-</b>	<b>(976)</b>	<b>-</b>
<b>Closing balance as at 30 June</b>	<b>5,963</b>	<b>7,013</b>	<b>3,433</b>	<b>3,170</b>	<b>1,592</b>	<b>2,568</b>	<b>10,988</b>	<b>12,751</b>
<b>Closing balance attributable to the Australian Government</b>	<b>5,963</b>	<b>7,013</b>	<b>3,433</b>	<b>3,170</b>	<b>1,592</b>	<b>2,568</b>	<b>10,988</b>	<b>12,751</b>

\* Return of unspent depreciation funding.

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



ADMINISTRATIVE APPEALS TRIBUNAL  
CASH FLOW STATEMENT

For period ended 30 June 2010

	Notes	2010 \$'000	2009 \$'000
<b>OPERATING ACTIVITIES</b>			
<b>Cash received</b>			
Goods and services		1,088	1,096
Appropriations		34,221	30,797
Net GST received		1,217	1,175
<b>Total cash received</b>		<b>36,526</b>	<b>33,068</b>
<b>Cash used</b>			
Employees		(20,887)	(19,351)
Suppliers		(13,528)	(12,541)
<b>Total cash used</b>		<b>(34,415)</b>	<b>(31,892)</b>
<b>Net cash from operating activities</b>	10	<b>2,111</b>	<b>1,176</b>
<b>INVESTING ACTIVITIES</b>			
<b>Cash used</b>			
Purchase of plant and equipment		(642)	(1,134)
Purchase of intangibles		(267)	(8)
<b>Total cash used</b>		<b>(909)</b>	<b>(1,142)</b>
<b>Net cash (used by) investing activities</b>		<b>(909)</b>	<b>(1,142)</b>
<b>FINANCING ACTIVITIES</b>			
<b>Cash used</b>			
Other		(976)	-
<b>Total cash used</b>		<b>(976)</b>	<b>-</b>
<b>Net cash (used by) financing activities</b>		<b>(976)</b>	<b>-</b>
<b>Net increase in cash held</b>		<b>226</b>	<b>34</b>
Cash and cash equivalents at the beginning of the reporting period		500	466
<b>Cash and cash equivalents at the end of the reporting period</b>	5A	<b>726</b>	<b>500</b>

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

ADMINISTRATIVE APPEALS TRIBUNAL  
SCHEDULE OF COMMITMENTS

as at 30 June 2010

	2010 \$'000	2009 \$'000
<b>BY TYPE</b>		
<b>Commitments receivable</b>		
GST recoverable on commitments	(3,226)	(3,439)
<b>Total commitments receivable</b>	<b>(3,226)</b>	<b>(3,439)</b>
<b>Other commitments</b>		
Operating leases <sup>1,2</sup>	35,488	37,827
Other commitments	2	-
<b>Total other commitments</b>	<b>35,490</b>	<b>37,827</b>
<b>Net commitments by type</b>	<b>32,264</b>	<b>34,388</b>
<b>BY MATURITY</b>		
<b>Commitments receivable</b>		
One year or less	(595)	(528)
From one to five years	(2,631)	(2,637)
Over five years	-	(274)
<b>Total commitments receivable</b>	<b>(3,226)</b>	<b>(3,439)</b>
<b>Operating lease commitments</b>		
One year or less	6,544	5,812
From one to five years	28,944	29,003
Over five years	-	3,012
<b>Total operating lease commitments</b>	<b>35,488</b>	<b>37,827</b>
<b>Other commitments</b>		
One year or less	2	-
From one to five years	-	-
Over five years	-	-
<b>Total other commitments</b>	<b>2</b>	<b>-</b>
<b>Net commitments by maturity</b>	<b>32,264</b>	<b>34,388</b>

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:

- **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. A commitment for four years has been included for the Commonwealth Law Courts Buildings in Brisbane and Hobart even though there is no lease, budget funding has been approved for this period.

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

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

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

ADMINISTRATIVE APPEALS TRIBUNAL  
**SCHEDULE OF CONTINGENCIES**  
*as at 30 June 2010*

There are no quantifiable contingent assets or liabilities (2009: Nil). Refer to Note 11 for details of any unquantifiable or remote contingent assets or contingent liabilities.

**SCHEDULE OF ASSET ADDITIONS**  
*For the period ended 30 June 2010*

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

	Leasehold improvements \$'000	Plant and equipment \$'000	Intangibles \$'000	TOTAL \$'000
By purchase – appropriation equity	-	-	-	-
By purchase – appropriation ordinary annual services	180	472	257	909
<b>Total additions</b>	<b>180</b>	<b>472</b>	<b>257</b>	<b>909</b>

The following non-financial, non-current assets were added in 2008–09:

	Leasehold improvements \$'000	Plant and equipment \$'000	Intangibles \$'000	TOTAL \$'000
By purchase – appropriation equity	-	-	-	-
By purchase – appropriation ordinary annual services	777	357	8	1,142
<b>Total additions</b>	<b>777</b>	<b>357</b>	<b>8</b>	<b>1,142</b>

## SCHEDULE OF ADMINISTERED ITEMS

	Notes	2010 \$'000	2009 \$'000
<b>Income administered on behalf of Government</b>			
<i>for the period ended 30 June 2010</i>			
<b>Revenue</b>			
<b>Non-taxation revenue</b>			
Filing fees	15	519	523
<b>Total revenues administered on behalf of Government</b>		<b>519</b>	523
<b>Total income administered on behalf of Government</b>		<b>519</b>	523
<b>Expenses administered on behalf of Government</b>			
<i>for the period ended 30 June 2010</i>			
Refund of filing fees	16	427	372
<b>Total expenses administered on behalf of Government</b>		<b>427</b>	372

There were no administered assets or liabilities as at 30 June 2010, (2009: Nil).

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

## SCHEDULE OF ADMINISTERED ITEMS

	2010 \$'000	2009 \$'000
<b>Administered Cash Flows</b>		
<i>for the period ended 30 June 2010</i>		
<b>OPERATING ACTIVITIES</b>		
<b>Cash received</b>		
Filing fees	519	523
<b>Total cash received</b>	<b>519</b>	<b>523</b>
<b>Cash used</b>		
Refund of filing fees	(427)	(372)
<b>Total cash used</b>	<b>(427)</b>	<b>(372)</b>
<b>Net cash flows from operating activities</b>	<b>92</b>	<b>151</b>
	19	
<b>Net Increase in Cash Held</b>	<b>92</b>	<b>151</b>
Cash and cash equivalents at the beginning of the reporting period	-	-
Cash from Official Public Account for:	<b>427</b>	372
– Appropriations		
Cash to Official Public Account for:	<b>(519)</b>	(523)
– Appropriations		
<b>Cash and cash equivalents at the end of reporting period</b>	<b>-</b>	<b>-</b>

There were no administered commitments or contingencies as at 30 June 2010, (2009: Nil).

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

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

**Note 1: Summary of Significant Accounting Policies****1.1 Objectives of the Tribunal**

The Administrative Appeals Tribunal (the Tribunal) is an Australian Public Service organisation. 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 this outcome 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.

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.

**1.2 Basis of Preparation of the Financial Statements**

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

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

- Finance Minister's Orders (or FMO) for reporting periods ending on or after 1 July 2009: and
- Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period.

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

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

Unless alternative treatment is specifically required by an Accounting Standard or the FMO, 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 unrecognised are reported in the Schedule of Commitments or the Schedule of Contingencies.

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

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 departmental items except where otherwise stated at Note 1.21.

**1.3 Significant Accounting Judgements and Estimates**

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

**1.4 New Accounting Standards*****Adoption of New Australian Accounting Standard Requirements***

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

The following new standards/revised standards/Interpretations/amending standards were issued prior to the signing of the statement by the Director, Chief Executive and Chief Financial Officer, were applicable to the current reporting period and had a financial impact on the entity:

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

### **AASB 101: Presentation of Financial Statements**

The Australian Accounting Standards Board revised AASB101 and as a result, there have been changes to the presentation and disclosure of certain information within the financial statements. Below is an overview of the key changes of the impact on the financial statements.

#### **Disclosure impact**

**Terminology changes** – The revised version of AASB 101 contains a number of terminology changes, including the amendment of the names of the primary financial statements.

**Reporting changes in equity** – The revised AASB 101 requires all changes in equity from transactions with owners, in their capacity as owners, to be presented separately from non-owner changes in equity. Owner changes in equity are to be presented in the statement of changes in equity, with non-owner changes in equity presented in the statement of comprehensive income. The previous version of AASB 101 required that owner changes in equity and other comprehensive income be presented in the statement of changes in equity.

**Statement of comprehensive income** – The revised AASB 101 requires all income and expenses to be presented in the statement of comprehensive income.

**Other comprehensive income** – the revised version of AASB 101 introduces the concept of other comprehensive income which comprises income and expenditure that are not recognised in profit or loss as required by other Australian Accounting Standards. Items of other comprehensive income are to be disclosed in the statement of comprehensive income.

**Other new standards/revised standards/Interpretations/amending standards** that were issued prior to the signing of the statement by the Director, Chief Executive and Chief Financial Officer and are applicable to the current reporting period did not have a financial impact, and are not expected to have a future financial impact on the entity.

AASB 1	First-time Adoption of Australian Accounting Standards – May 2009 (Principal)
AASB 7	Financial Instruments: Disclosures – June 2009 (Compilation)
AASB 102	Inventories – June 2009 (Compilation)
AASB 107	Statement of Cash Flows – June 2009 (Compilation)
AASB 108	Accounting Policies, Changes in Accounting Estimates and Errors – July 2008 (Compilation)
AASB 110	Events after the Reporting Period – June 2009 (Compilation)
AASB 111	Construction Contracts – June 2009 (Compilation)
AASB 116	Property, Plant and Equipment – June 2009 (Compilation)
AASB 117	Leases – June 2009 (Compilation)
AASB 118	Revenue – August 2008 (Compilation).
AASB 119	Employee Benefits – June 2009 (Compilation)
AASB 120	Accounting for Government Grants and Disclosure of Government Assistance – July 2008 (Compilation)
AASB 128	Investments in Associates – July 2008 (Compilation)
AASB 131	Interests in Joint Ventures – July 2008 (Compilation)
AASB 132	Financial Instruments: Presentation – June 2009 (Compilation)
AASB 136	Impairment of Assets – June 2009 (Compilation)
AASB 137	Provisions, Contingent Liabilities and Contingent Assets – June 2009 (Compilation)
AASB 138	Intangible Assets – June 2009 (Compilation)
AASB 139	Financial Instruments: Recognition and Measurement – October 2009 (Compilation)
AASB 1031	Materiality – December 2007 (Compilation)

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

AASB 1048	Interpretation of Standards – June 2010 (Principal)
AASB 1049	Whole of Government and General Government Sector Financial Reporting – September 2008 (Compilation)
Interp. 4	Determining whether an Arrangement contains a Lease – June 2009 (Compilation)
Interp. 8	Scope of AASB 2 – September 2007 (Compilation)
Interp. 9	Reassessment of Embedded Derivatives – May 2009 (Compilation)
Interp. 10	Interim Financial Reporting and Impairment – October 2009 (Compilation)
Interp. 115	Operating Leases – Incentives – June 2009 (Compilation)
Interp. 127	Evaluating the Substance of Transactions Involving the Legal Form of a Lease – June 2009 (Compilation)
Interp. 132	Intangible Assets – Web Site Costs – September 2007 (Compilation)
Interp. 1019	The Superannuation Contributions Surcharge – December 2007 (Compilation)
Interp. 1031	Accounting for the Goods and Services Tax (GST) – December 2007 (Compilation)

**Future Australian Accounting Standard Requirements**

The following new standards/revised standards/Interpretations/amending standards were issued by the Australian Accounting Standards Board prior to the signing of the statement by the Director, Chief Executive and Chief Financial Officer, which are expected to have a financial impact:

- AASB 9: Financial Instruments and AASB 2009-11: Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 & 1038 and Interpretations 10 & 12] (applicable for annual reporting periods commencing on or after 1 January 2013), on the entity for future reporting periods:

These Standards are applicable retrospectively and amend the classification and measurement of financial assets. The Tribunal has not yet determined any potential impact on the financial statements.

- The changes made to accounting requirements include:
  - simplifying the classifications of financial assets into those carried at amortised cost and those carried at fair value;
  - removing the tainting rules associated with held-to-maturity assets;
  - requiring financial assets to be reclassified where there is a change in an entity's business model as they are initially classified based on: (a) the objective of the entity's business model for managing the financial assets; and (b) the characteristics of the contractual cash flows.

- AASB 124: Related Party Disclosures (applicable for annual reporting periods commencing on or after 1 January 2011).

This Standard removes the requirement for government-related entities to disclose details of all transactions with the government and other government-related entities and clarifies the definition of a 'related party' to remove inconsistencies and simplify the structure of the Standard. No changes are expected to materially affect the Tribunal.

- AASB 2009-4: Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 2 and AASB 138 and AASB Interpretations 9 & 16] (applicable for annual reporting periods commencing from 1 July 2009) and AASB 2009-5: Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 5, 8, 101, 107, 117, 118, 136 & 139] (applicable for annual reporting periods commencing from 1 January 2010).

These Standards detail numerous non-urgent but necessary changes to Accounting Standards arising from the IASB's annual improvements project. No changes are expected to materially affect the Tribunal.

- AASB 2009-12: Amendments to Australian Accounting Standards [AASBs 5, 8, 108, 110, 112, 119, 133, 137, 139, 1023 & 1031 and Interpretations 2, 4, 16, 1039 & 1052] (applicable for annual reporting periods commencing on or after 1 January 2011).



## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

This Standard makes a number of editorial amendments to a range of Australian Accounting Standards and Interpretations, including amendments to reflect changes made to the text of IFRSs by the IASB. The Standard also amends AASB 8 to require entities to exercise judgment in assessing whether a government and entities known to be under the control of that government are considered a single customer for the purposes of certain operating segment disclosures. The impacts of the amendments will be in the form of disclosure.

- AASB 2009–14: Amendments to Australian Interpretation — Prepayments of a Minimum Funding Requirement [AASB Interpretation 14] (applicable for annual reporting periods commencing on or after 1 January 2011).

This Standard amends Interpretation 14 to address unintended consequences that can arise from the previous accounting requirements when an entity prepays future contributions into a defined benefit pension plan.

- AASB 2010-4 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 1, AASB 7, AASB 101 & AASB 134 and Interpretation 13] (applicable for annual reporting periods commencing on or after 1 January 2011).

This standard amends the identified standards providing additional disclosure requirements.

There were additional new standards/revised standards/Interpretations/amending standards issued by the Australian Accounting Standards Board which are not listed above that are not relevant to the operations of the Tribunal.

### 1.5 Revenue

#### ***Revenue from Government***

Amounts appropriated for departmental outputs for the year (adjusted for any formal additions and reductions) are recognised as revenue when the Tribunal 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.

#### ***Resources Received Free of Charge***

Resources 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.

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

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

Revenue from the 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 Tribunal.

The stage of completion of contracts at the reporting date is determined by reference to:

- services performed to date as a percentage of total services to be performed; or
- the proportion that costs incurred to date bear to the estimated total costs of the transaction.

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

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

## 1.6 Gains

### *Resources Received Free of Charge*

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

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

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

### *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.

### *Other distributions to owners*

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

## 1.8 Employee Benefits

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

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

### *Leave*

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

The leave liabilities are calculated on the basis of employees' remuneration at the estimated salary rates that applied at the time the leave is taken, including the Tribunal'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 is recognised and measured, using the method included in the FMO, at the present value of the estimated future cash flows to be made in respect of all employees at 30 June 2010. The estimate of the present value of the liability takes into account attrition rates and pay increases through promotion and inflation.

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

### ***Separation and Redundancy***

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

### ***Superannuation***

Most members and staff of the Tribunal are members of the Commonwealth Superannuation Scheme (CSS), the Public Sector Superannuation Scheme (PSS) and 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 Tribunal makes employer contributions to the employee superannuation schemes at rates determined by an actuary to be sufficient to meet the cost to the Government of the superannuation entitlements of the Tribunal's employees. The Tribunal accounts for the contributions as if they were contributions to defined contribution plans.

The liability for superannuation recognised at 30 June represents outstanding contributions 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.

The Tribunal does not have any finance leases. 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 cash on hand, cash held with outsiders, demand deposits in bank accounts with an original maturity of 3 months or less that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value. Cash is recognised at its nominal amount.

### **1.11 Financial Assets**

The Tribunal's financial assets are all classified as 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

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

### ***Effective Interest Method***

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

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

### ***Loans and Receivables***

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. 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.

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Loans and receivables are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest rate.

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

### 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'.

#### *Financial liabilities at fair value through profit or loss*

Financial liabilities at fair value through profit or loss are initially measured at fair value. Subsequent fair value adjustments are recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability.

#### *Other financial liabilities*

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

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

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

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

### 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 schedules and notes. They may arise from uncertainty as to the existence of a liability or asset, or represent an asset or liability in respect of which the amount cannot be reliably measured. Contingent assets are disclosed when settlement is probable but not virtually certain and contingent liabilities are disclosed when settlement is greater than remote.

### 1.14 Financial Guarantee Contracts

Financial guarantee contracts are accounted for in accordance with AASB139 *Financial Instruments: Recognition and Measurement*. They are not treated as a contingent liability, as they are regarded as financial instruments outside the scope of AASB137 *Provisions, Contingent Liabilities and Contingent Assets*. The Tribunal currently has no financial guarantee contracts.

### 1.15 Acquisition of Assets

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

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

### 1.16 Leasehold Improvements, Plant and Equipment

#### **Asset Recognition Threshold**

Purchases of leasehold improvements, 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 Tribunal where there exists an obligation to restore the property to its original condition. These costs are included in the value of the Tribunal's leasehold improvements with a corresponding provision for the 'makegood' recognised.

#### **Revaluations**

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

<b>Asset class</b>	<b>Fair value measured at</b>
Leasehold improvements	Depreciated replacement cost
Plant and equipment	Market selling price

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

Revaluation adjustments are made on a class basis. Any revaluation increment is credited to equity under the heading of asset revaluation reserve except to the extent that reverses a previous revaluation decrement of the same asset class that was previously recognised in the surplus/deficit. Revaluation decrements for a class of assets are recognised directly the surplus/deficit except to the extent that they reverse a previous revaluation increment for that class.

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

#### **Depreciation**

Depreciable plant and equipment assets are written-off to their estimated residual values over their estimated 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 useful life of the improvements or the unexpired period of the lease.

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

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

	<b>2010</b>	2009
Leasehold improvements (fitout)	<b>Lease term</b>	Lease term
Plant and equipment	<b>3–20 years</b>	3-20 years

#### **Impairment**

All assets were assessed for impairment at 30 June 2010. 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.

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

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 of the asset's ability to generate future cash flows, and the asset would be replaced if the Tribunal were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

No indicators of impairment were found for assets at fair value.

### ***Derecognition***

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

### **1.17 Intangibles**

The Tribunal's intangibles comprise externally purchased software for internal use. These assets are carried at cost less accumulated amortisation and accumulated impairment losses. Software is amortised on a straight-line basis over their anticipated useful lives. The useful lives of the Tribunal's software are 3 to 5 years (2009: 3 to 5 years).

All software assets were assessed for indications of impairment as at 30 June 2010. No indications of impairment were found for intangible assets.

### **1.18 Taxation**

The Tribunal 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.

### **1.19 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.

### **1.20 Insurance**

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

### **1.21 Reporting of Administered Activities**

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 departmental items, including the application of Australian Accounting Standards

#### ***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 Deregulation. 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 19. Thus the Schedule of Administered Items largely reflects the Government's transactions, through the Tribunal, with parties outside the Government.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS*****Administered Revenue and Expenditure***

The major financial activities of the Tribunal 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*.

Applications deemed to be successful may result in a refund of the fee paid.

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.

**Note 2: Events after the Reporting Period**

There were no significant events occurring after the balance date.

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

	2010 \$'000	2009 \$'000
<b>Note 3: Expenses</b>		
<b>Note 3A: Employee benefits</b>		
Wages and salaries	16,795	16,056
Superannuation		
Defined contribution plans	2,065	2,238
Defined benefit plans	755	462
Leave and other entitlements	1,523	1,520
Separation and redundancies	-	74
<b>Total employee benefits</b>	<b>21,138</b>	<b>20,350</b>
<b>Note 3B: Suppliers</b>		
Goods and services		
General suppliers	5,308	4,349
Other property costs	2,442	2,048
<b>Total goods and services</b>	<b>7,750</b>	<b>6,397</b>
Goods and Services are made up of:		
Provision of goods – related entities	-	-
Provision of goods – external entities	461	346
Rendering of services – related entities	307	430
Rendering of services – external entities	6,982	5,621
<b>Total goods and services</b>	<b>7,750</b>	<b>6,397</b>
<b>Other supplier expenses</b>		
Operating lease rentals:		
Minimum lease payments	4,539	4,972
Workers compensation expenses	103	143
Total other supplier expenses	4,642	5,115
Total supplier expenses	12,392	11,512
<b>Note 3C: Depreciation and Amortisation</b>		
Depreciation:		
Leasehold improvements, plant and equipment	1,534	1,329
<b>Total depreciation</b>	<b>1,534</b>	<b>1,329</b>
Amortisation:		
Intangibles:		
Computer software	128	109
<b>Total amortisation</b>	<b>128</b>	<b>109</b>
<b>Total depreciation and amortisation</b>	<b>1,662</b>	<b>1,438</b>



## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

	2010 \$'000	2009 \$'000
<b>Note 3D: Write down and impairment of assets</b>		
Revaluation decrement – non-financial assets	13	-
<b>Total write-down and impairment of assets</b>	<b>13</b>	<b>-</b>
<b>Note 3E: Losses from assets sales</b>		
Infrastructure, plant and equipment		
Proceeds from sale	-	-
Carrying value of assets sold	-	2
Selling expense	-	-
<b>Total losses from assets sales</b>	<b>-</b>	<b>2</b>
<b>Note 4: Income</b>		
<b>Revenue</b>		
<b>Note 4A: Sale of Goods and Rendering of Services</b>		
Rendering of services – related entities	723	668
Rendering of services – external entities	399	361
<b>Total sale of goods and rendering of services</b>	<b>1,122</b>	<b>1,029</b>
<b>Note 4B: Other Revenue</b>		
Resources received free of charge	37	37
Liabilities assumed by other departments	224	337
<b>Total other revenue</b>	<b>261</b>	<b>374</b>
<b>REVENUE FROM GOVERNMENT</b>		
<b>Note 4C: Revenue from Government</b>		
Appropriations:		
Departmental outputs	32,772	32,267
<b>Total revenue from government</b>	<b>32,772</b>	<b>32,267</b>

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

	2010 \$'000	2009 \$'000
<b>Note 5: Financial Assets</b>		
<b>Note 5A: Cash and cash equivalents</b>		
Cash on hand or on deposit	726	500
<b>Total cash and cash equivalents</b>	<b>726</b>	<b>500</b>
<b>Note 5B: Trade and Other receivables</b>		
Goods and services – related entities	50	98
Goods and services – external parties	6	14
<b>Total receivables for goods and services</b>	<b>56</b>	<b>112</b>
<b>Appropriations receivable:</b>		
For existing outputs	8,021	9,470
<b>Total appropriations receivable</b>	<b>8,021</b>	<b>9,470</b>
<b>Other receivables:</b>		
GST receivable from the Australian Taxation Office	216	126
<b>Total other receivables</b>	<b>216</b>	<b>126</b>
<b>Total trade and other receivables (Net)</b>	<b>8,293</b>	<b>9,708</b>
Receivables are expected to be recovered in:		
No more than 12 months	8,293	9,708
More than 12 months	-	-
<b>Total trade and other receivables (net)</b>	<b>8,293</b>	<b>9,708</b>
Receivables are aged as follows:		
Not overdue	8,277	9,704
Overdue by:		
0 to 30 days	15	4
31 to 60 days	-	-
61 to 90 days	1	-
More than 90 days	-	-
	<b>16</b>	<b>4</b>
<b>Total receivables (gross)</b>	<b>8,293</b>	<b>9,708</b>

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

	2010 \$'000	2009 \$'000
<b>Note 6: Non-Financial Assets</b>		
<b>Note 6A: Leasehold Improvements</b>		
Leasehold improvements:		
Fair value	6,642	7,343
Accumulated depreciation	-	-
<b>Total leasehold improvements</b>	<b>6,642</b>	<b>7,343</b>
<b>Total leasehold improvements</b>	<b>6,642</b>	<b>7,343</b>

No indicators of impairment were found for leasehold improvements.

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

**Note 6B: Plant and Equipment**

Other plant and equipment		
Fair value	1,448	1,379
Accumulated depreciation	-	-
<b>Total other plant and equipment</b>	<b>1,448</b>	<b>1,379</b>
<b>Total plant and equipment</b>	<b>1,448</b>	<b>1,379</b>

All revaluations are in accordance with the revaluation policy stated in Note 1.16. On 30 June 2010, an independent valuer, the Australian Valuation Office, conducted the revaluations.

Revaluation increment of \$262,880 for leasehold improvements were credited to the asset revaluation reserve by asset class and included in the equity section of the balance sheet (no increments were credited in 2009).

Revaluation decrement of \$12,596 for plant and equipment was expensed (no decrements were expensed in 2009)

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

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

**Note 6C: Reconciliation of the Opening and Closing Balances of Leasehold Improvements, Plant and Equipment (2009-10)**

	Leasehold Improvements \$'000	Plant and Equipment \$'000	TOTAL \$'000
As at 1 July 2009			
Gross book value	7,343	1,379	8,722
Accumulated depreciation and impairment	-	-	-
<b>Net book value 1 July 2009</b>	<b>7,343</b>	<b>1,379</b>	<b>8,722</b>
Additions:			
by purchase	180	472	652
Revaluations and impairments recognised in other comprehensive income	263	-	263
Revaluations recognised in the operating result	-	(13)	(13)
Depreciation expense	(1,144)	(390)	(1,534)
Impairment recognised in the operating result	-	-	-
Disposals:			
other disposals	-	-	-
<b>Net book value 30 June 2010</b>	<b>6,642</b>	<b>1,448</b>	<b>8,090</b>
<b>Net book value as at 30 June 2010 represented by:</b>			
Gross book value	6,642	1,448	8,090
Accumulated depreciation	-	-	-
Accumulated impairment losses	-	-	-
	<b>6,642</b>	<b>1,448</b>	<b>8,090</b>

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

**Note 6C: Reconciliation of the Opening and Closing Balances of Leasehold Improvements, Plant and Equipment (2008–09)**

	Leasehold Improvements \$'000	Plant and Equipment \$'000	TOTAL \$'000
<b>As at 1 July 2008</b>			
Gross book value	7,617	1,302	8,919
Accumulated depreciation/amortisation and impairment	-	-	-
<b>Net book value 1 July 2008</b>	7,617	1,302	8,919
Additions:			
by purchase	777	148	925
by purchase (partially complete)	-	209	209
Revaluation and impairments through equity	-	-	-
Revaluation of makegood	-	-	-
Depreciation/amortisation expense	(1,051)	(278)	(1,329)
Impairment recognised in the operating result	-	-	-
Disposals:			
other disposals	-	(2)	(2)
<b>Net book value 30 June 2009</b>	7,343	1,379	8,722
<b>Net book value as at 30 June 2009 represented by:</b>			
Gross book value	7,343	1,379	8,722
Accumulated depreciation/amortisation and impairment	-	-	-
	7,343	1,379	8,722

**Note 6D: Intangibles**

	2010 \$'000	2009 \$'000
Computer software at cost	1,653	1,399
Accumulated amortisation	(1,223)	(1,098)
<b>Total intangibles (net)</b>	430	301

No indicators of impairment were found for intangible assets.

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

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

## Note 6E: Reconciliation of the opening and closing balances of intangibles (2009-10).

Item	Computer software purchased \$'000	Total \$'000
<b>As at 1 July 2009</b>		
Gross book value	1,399	1,399
Accumulated depreciation/amortisation and impairment	(1,098)	(1,098)
<b>Net book value 1 July 2009</b>	<b>301</b>	<b>301</b>
Additions:		
by purchase or internally developed	257	257
Amortisation	(128)	(128)
Write-off		
Gross value of assets written off	(3)	(3)
Accumulated depreciation	3	3
<b>Net book value 30 June 2010</b>	<b>430</b>	<b>430</b>
<b>Net book value as of 30 June 2010 represented by:</b>		
Gross book value	1,653	1,653
Accumulated depreciation/amortisation and impairment	(1,223)	(1,223)
	430	430

## Note 6E: Reconciliation of the opening and closing balances of intangibles (2008-09).

<b>As at 1 July 2008</b>		
Gross book value	1,407	1,407
Accumulated amortisation and impairment	(1005)	(1005)
<b>Net book value 1 July 2008</b>	<b>402</b>	<b>402</b>
Additions:		
by purchase	8	8
Internally developed		
Amortisation	(109)	(109)
<b>Net book value 30 June 2009</b>	<b>301</b>	<b>301</b>
<b>Net book value as of 30 June 2009 represented by:</b>		
Gross book value	1,399	1,399
Accumulated amortisation and impairment	(1,098)	(1,098)
	301	301

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

	2010 \$'000	2009 \$'000
<b>Note 6F: Other non-financial assets</b>		
Salary advances	-	4
Prepayments	<u>1,619</u>	<u>1,929</u>
<b>Total other non-financial assets</b>	<u>1,619</u>	<u>1,933</u>

All other non-financial assets are current assets.

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

Total other non-financial assets – are expected to be recovered in:

No more than 12 months	1,619	1,933
More than 12 months	-	-
<b>Total other non-financial assets</b>	<u>1,619</u>	<u>1,933</u>

**Note 7: Payables****Note 7A: Suppliers**

Trade creditors and accruals	<u>1,117</u>	<u>1,262</u>
<b>Total supplier payables</b>	<u>1,117</u>	<u>1,262</u>

All supplier payables are current liabilities. Settlement is usually made 30 days from receipt of invoice.

Supplier payables expected to be settled within 12 months:

Related entities	94	281
External parties	<u>1,023</u>	<u>981</u>
<b>Total</b>	<u>1,117</u>	<u>1,262</u>

Supplier payables expected to be settled in greater than 12 months:

Related entities	-	-
External parties	-	-
<b>Total</b>	<u>-</u>	<u>-</u>
<b>Total supplier payables</b>	<u>1,117</u>	<u>1,262</u>

Settlement is usually made within 30 days.

**Note 8: Non-Interest Bearing Liabilities**

Lease incentives	<u>778</u>	<u>903</u>
<b>Total non-interest bearing liabilities</b>	<u>778</u>	<u>903</u>
Current	182	243
Non-current	<u>596</u>	<u>660</u>
<b>Total non-interest bearing liabilities</b>	<u>778</u>	<u>903</u>

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

	2010 \$'000	2009 \$'000
<b>Note 9: Provisions</b>		
<b>Note 9A: Employee provisions</b>		
Leave	4,394	4,443
Separation and redundancies	-	-
Other	1,496	1,420
<b>Total employee provisions</b>	<b>5,890</b>	<b>5,863</b>
Employee provisions are expected to be settled in:		
No more than 12 months	5,390	5,303
More than 12 months	500	560
<b>Total employee provisions</b>	<b>5,890</b>	<b>5,863</b>
<b>Note 9B: Other provisions</b>		
Provision for restoration obligations	385	385
<b>Total other provisions</b>	<b>385</b>	<b>385</b>
Other provisions are expected to be settled in:		
No more than 12 months	-	-
More than 12 months	385	385
<b>Total other provisions</b>	<b>385</b>	<b>385</b>
	<b>Provision for restoration \$'000</b>	<b>Total \$'000</b>
<b>Carrying amount 1 July 2009</b>	<b>385</b>	<b>385</b>
Additional provisions made	-	-
Amount used	-	-
Amounts reversed	-	-
Unwinding of discount or change in the discount rate	-	-
<b>Closing balance 2010</b>	<b>385</b>	<b>385</b>

The Tribunal currently has two agreements for the leasing of premises which have provisions requiring the Tribunal to restore the premises to their original condition at the conclusion of the lease. The Tribunal has made provision to reflect the present value of this obligation.



## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

	2010	2009
	\$'000	\$'000

**Note 10: Cash Flow Reconciliation****Reconciliation of cash and cash equivalents as per Balance Sheet to Cash Flow Statement****Report cash and cash equivalents as per:**

Cash Flow Statement	726	500
Balance Sheet	726	500
<b>Difference</b>	<b>-</b>	<b>-</b>

**Reconciliation of net cost of services to net cash from operating activities:**

Net cost of services	(1,050)	368
Add revenue from Government		

**Adjustments for non-cash items**

Depreciation/amortisation	1,662	1,438
Net write-down of non-financial assets	13	-
Loss on disposal of assets	-	2

**Changes in assets/Liabilities**

(Increase)/decrease in net receivables	1,415	(1,403)
(Increase)/decrease in prepayments	314	(48)
Increase/(decrease) in employee provisions	26	662
Increase/(decrease) in supplier payables	(145)	356
Increase/(decrease) in other payable	(124)	(199)
Increase/(decrease) in other provisions	-	-
<b>Net cash from/(used by) operating activities</b>	<b>2,111</b>	<b>1,176</b>

**Note 11: Contingent Liabilities and Assets****Quantifiable Contingencies**

At 30 June 2010 the Tribunal has no quantifiable contingent liabilities (2009: Nil).

**Unquantifiable or Remote Contingencies**

At 30 June 2010, the Tribunal has not identified any unquantifiable or remote contingencies (2009: Nil).

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

## Note 12: Senior Executive Remuneration

## Note 12A: Actual Remuneration paid to Senior Executives

*Executive Remuneration*

	2010	2009
The number of senior executives who received:		
less than \$145,000*	-	-
\$175,000 to \$189,999	-	1
\$190,000 to \$204,999	1	-
\$205,000 to \$219,999	1	-
\$280,000 to \$294,999	-	1
<b>Total</b>	<b>2</b>	<b>2</b>

\* Excluding acting arrangements and part-year service.

*Total expense recognised in relation to Senior Executive employment*

Short-term employee benefits		
Salary (including annual leave taken)	287,245	329,933
Changes in annual leave provisions	822	13,485
Performance bonus	10,315	4,070
Other	63,635	65,863
Total short-term employee benefits	362,017	413,351
Superannuation (post-employment benefits)	41,975	45,325
Other long term benefits	-	-
<b>Total</b>	<b>403,992</b>	<b>458,676</b>

During the year the entity did not pay any termination benefits to senior executives (2009: Nil)

## Note 12B: Salary Packages for Senior Executives as at 30 June

*Average annualised remuneration packages for substantive Senior Executives*

	As at 30 June 2010			As at 30 June 2009		
	No. SES	Base salary (including annual leave)	Total remuneration package	No. SES	Base salary (including annual leave)	Total remuneration package
Total remuneration*						
\$175,000 to \$189,999				1	114,620	188,930
\$190,000 to \$204,999	1	125,509	201,674			
\$265,000 to \$279,999	1	203,910	277,825	1	197,890	271,980
<b>Total</b>	<b>2</b>			<b>2</b>		

\* Excluding acting arrangements and part-year service.

Note that the Registrar of the Tribunal resigned from the Tribunal in March 2010.

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

	2010 \$'000	2009 \$'000
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**Note 13: Remuneration of Auditors**

Financial statement audit services were provided free of charge to the Tribunal.

The fair value of the audit services provided was:

37	37
<u>37</u>	<u>37</u>

No other services were provided by the Auditor-General.

**Note 14: Financial Instruments****Note 14A: Categories of financial instruments****Financial assets**

Loans and receivables

Cash and cash equivalents	726	500
Trade receivables	56	112

**Carrying amount of financial assets**

<u>782</u>	<u>612</u>
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**Financial liabilities**

Fair value through profit and loss (designated)

Payables – suppliers	1,117	1,262
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**Carrying amount of financial liabilities**

<u>1,117</u>	<u>1,262</u>
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**Note 14B: Net income and expense from financial assets**

The Tribunal had no income or expense in relation to financial assets in the year ending 2010 (2009: Nil)

**Note 14C: Net income and expense from financial liabilities**

The Tribunal had no income or expense in relation to financial liabilities in the year ending 2010 (2009: Nil)

**Note 14D: Credit risk**

The Tribunal 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 amount of trade receivables (2010: \$55,130 and 2009: \$112,033). The Tribunal has assessed the risk of the default on payment and has allocated nil in 2010 (2009: Nil) to an impairment allowance account.

The Tribunal manages its credit risk by limiting the extension of credit to customers, acting promptly to recover past due amounts and withholding credit from defaulting customers until accounts are returned to normal terms. In addition, the Tribunal has policies and procedures that guide employees debt recovery activities including the use of debt collection agents if required.

The Tribunal has no significant exposures to any concentrations of credit risk with particular customers and does therefore not require collateral to mitigate against credit risks.

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

**Note 14D: Credit risk (continued)**

Credit quality of financial instruments not past due or individually determined as impaired

	<b>Not Past Due Nor Impaired 2010 \$'000</b>	Not Past Due Nor Impaired 2009 \$'000	<b>Past Due or Impaired 2010 \$'000</b>	Past Due or Impaired 2009 \$'000
<b>Loans and receivables</b>				
Cash and cash equivalents	726	500	-	-
Trade receivables	56	108	16	4
<b>Total</b>	<b>782</b>	<b>608</b>	<b>16</b>	<b>4</b>

Ageing of financial assets that are past due but not impaired for 2010

	<b>0 to 30 days \$'000</b>	<b>31 to 60 days \$'000</b>	<b>61 to 90 days \$'000</b>	<b>90+ days \$'000</b>	<b>Total \$'000</b>
<b>Loans and receivables</b>					
Trade receivables	15	-	1	-	16
<b>Total</b>	<b>15</b>	<b>-</b>	<b>1</b>	<b>-</b>	<b>16</b>

Ageing of financial assets that are past due but not impaired for 2009

	<b>0 to 30 days \$'000</b>	<b>31 to 60 days \$'000</b>	<b>61 to 90 days \$'000</b>	<b>90+ days \$'000</b>	<b>Total \$'000</b>
<b>Loans and receivables</b>					
Trade receivables	4	-	-	-	4
<b>Total</b>	<b>4</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4</b>

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

**Note 14E: Liquidity risk**

The Tribunal's financial liabilities are supplier payables. The exposure to liquidity risk is based on the notion that the Tribunal will encounter difficulty in meeting its obligations associated with financial liabilities. This is highly unlikely due to appropriation funding and mechanisms available to the Tribunal (e.g. 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 Tribunal is appropriated funding from the Australian Government and manages its budgeted funds to ensure it is able to meet payments as they fall due. Policies are in place to ensure timely payment are made when due and there have been no past experience of defaults.

The following tables illustrates the maturities for financial liabilities

	On demand 2010 \$'000	Within 1 year 2010 \$'000	1 to 2 years 2010 \$'000	2 to 5 years 2010 \$'000	> 5 years 2010 \$'000	Total 2010 \$'000
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**Other liabilities**

Suppliers	-	1,117	-	-	-	1,117
<b>Total</b>	<b>-</b>	<b>1,117</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,117</b>

	On demand 2009 \$'000	Within 1 year 2009 \$'000	1 to 2 years 2009 \$'000	2 to 5 years 2009 \$'000	> 5 years 2009 \$'000	Total 2009 \$'000
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**Other liabilities**

Suppliers	-	1,262	-	-	-	1,262
<b>Total</b>	<b>-</b>	<b>1,262</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,262</b>

**Note 14F: Market risk**

The Tribunal holds basic financial instruments that do not expose it to certain market risks. The Tribunal is not exposed to 'Currency risk', 'Interest rate risk' or 'Other price risk'.

**Notes to the Schedule of Administered Items****Note 15: Income Administered on Behalf of the Government**

	2010 \$'000	2009 \$'000
<b>Non-Taxation Revenue</b>		
<b>Note 15A: Fees and Fines</b>		
Filing fees	519	523
Total revenue	519	523

**Note 16: Expenses Administered on Behalf of the Government**

	2010 \$'000	2009 \$'000
<b>Note 16A: Other Expenses</b>		
Refund of filing fees	427	372
<b>Total expenses</b>	<b>427</b>	<b>372</b>

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

**Note 17: Assets Administered on Behalf of the Government**

There were no administered assets as at 30 June 2010, (2009: Nil).

**Note 18: Liabilities Administered on Behalf of the Government**

There were no administered liabilities as at 30 June 2010, (2009: Nil).

**Note 19: Administered Reconciliation Table**

	2010 \$'000	2009 \$'000
<b>Opening administered assets less administered liabilities as at 1 July</b>	-	-
Plus: Administered income	519	523
Less: Administered refunds	(427)	(372)
Administered transfers to/from Australian Government:		
Appropriation transfers from OPA	427	372
Transfers to OPA	(519)	(523)
<b>Closing administered assets less administered liabilities as at 30 June</b>	<u>-</u>	<u>-</u>

**Note 20: Administered Contingent Assets and Liabilities**

There were no administered contingent assets or liabilities as at 30 June 2010, (2009: Nil).

**Note 21: Administered Investments**

There were no administered investments as at 30 June 2010, (2009: Nil).

**Note 22: Administered Financial Instruments**

There were no administered financial instruments as at 30 June 2010, (2009: Nil).

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

## Note 23: Appropriations

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

Particulars	Departmental Outputs		Total	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
Balance brought forward from previous period (Appropriation Acts)	9,970	8,466	9,970	8,466
Appropriation Act:				
Appropriation Act (No.1)	32,772	31,849	32,772	31,849
Appropriation Act (No.3)	-	418	-	418
Appropriations reduced (Appropriation Act sections 10, 11&12)	(976)	-	(976)	-
Comcover receipts (Appropriation Act s12)	-	-	-	-
FMA Act:				
Refunds credited (FMA Act s30)	474	101	474	101
Appropriations to take account of recoverable GST (FMA Act s30A)	1,217	1,175	1,217	1,175
Annotations to 'net appropriations' (FMA Act s31)	1,088	1,096	1,088	1,096
Total appropriations available for payments	44,545	43,105	44,545	43,105
Cash payments made during the year (GST inclusive)	(35,798)	(33,135)	(35,798)	(33,135)
Appropriations credited to Special Accounts (GST exclusive)	-	-	-	-
Balance of authority to draw cash from the Consolidated Revenue Fund for ordinary annual services appropriations and as represented by:	8,747	9,970	8,747	9,970
Cash at bank and on hand	726	500	726	500
Departmental appropriations receivable	8,021	9,470	8,021	9,470
<b>Total as at 30 June</b>	<b>8,747</b>	<b>9,970</b>	<b>8,747</b>	<b>9,970</b>

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 Minister for Finance and Deregulation to reduce that appropriation. The reduction in the appropriation is effected by the Minister for Finance and Deregulation's determination and is disallowable by Parliament.

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

## Note 23: Appropriations (continued)

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

Particulars	Non-operating Equity		Total	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
Balance brought from previous period (Appropriation Acts)	-	-	-	-
Appropriation Act:				
Appropriation Act (No.2)	-	-	-	-
FMA Act:				
Refunds credited (FMA s30)	-	-	-	-
Appropriations to take account of recoverable GST (FMA s30A)	-	-	-	-
Total appropriations available for payments		-	-	-
Cash payments made during the year (GST inclusive)	-	-	-	-
Appropriations credited to Special Accounts (GST exclusive)	-	-	-	-
<b><i>Balance of Authority to Draw Cash from the Consolidated Revenue Fund for Other than Ordinary Annual Services Appropriations</i></b>	-	-	-	-

Table C: Acquittal of Authority to Draw Cash from the Consolidated Revenue Fund – Special Appropriations (Unlimited Amount)

<i>Financial Management and Accountability Act 1997</i> section 28	2010 \$'000	2009 \$'000
Cash payments made during the year	427	372
<i>Estimated actual</i>	600	600



## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

**Note 24: Special Accounts**

The Administrative Appeals Tribunal has not recorded any transaction through any Special Accounts for the year ended 30 June 2010 (2009: Nil).

**Note 25: Compensation and Debt Relief**

	2010 \$	2009 \$
<i>Administered</i>		
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 <i>Public Service Act 1999</i> were made during the reporting period. (2009: nil)	Nil	Nil
<i>Departmental</i>		
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 <i>Public Service Act 1999</i> were made during the reporting period. (2009: nil)	Nil	Nil

**Note 26: Reporting of Outcomes**

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

**Note 26A: Net Cost of Outcome Delivery**

	Total	
	2010 \$'000	2009 \$'000
<b>Expenses</b>		
Administered	427	372
Departmental	35,205	33,302
<b>Total</b>	<b>35,632</b>	<b>33,674</b>
<b>Income from non-government sector</b>		
Administered	-	-
Activities subject to cost recovery		
Other		
Total administered	-	-
Departmental		
Activities subject to cost recovery		-
Other	399	361
<b>Total</b>	<b>399</b>	<b>361</b>
Other own-source income		
Administered	519	523
Departmental	723	668
<b>Total</b>	<b>1,242</b>	<b>1,191</b>
<b>Net cost/(contribution) of outcome delivery</b>	<b>33,991</b>	<b>32,122</b>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

**Note 26B: Major Classes of Administered Revenues and Expenses by Outcomes.**

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

	<b>Total Outcome 1</b>	
	<b>2010</b>	2009
	<b>\$'000</b>	\$'000
<b>Administered expenses</b>		
Refund of fees and fines	(427)	(372)
<b>Total</b>	<b>(427)</b>	<b>(372)</b>
<b>Administered income</b>		
Fees & fines	519	523
<b>Total</b>	<b>519</b>	<b>523</b>