FINANCIAL STATEMENTS

FINANCIAL STATEMENTS FOR YEAR ENDED 30 JUNE 2011

Australian National
Audit Office

INDEPENDENT AUDITOR'S REPORT

To the Attorney-General

Report on the Financial Statements

I have audited the accompanying financial statements of the Administrative Appeals Tribunal for the year ended 30 June 2011, which comprise: a 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 comprising a Summary of Significant Accounting Policies and other explanatory information.

Chief Executive's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Administrative Appeals Tribunal's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Administrative Appeals Tribunal's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the

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reasonableness of accounting estimates made by the Chief Executive of the Administrative Appeals Tribunal, as well as evaluating the overall presentation of the financial statements.

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

Independence

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

Opinion

In my opinion, the financial statements of the 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 2011 and of its financial performance and cash flows for the year then ended.

Report on Other Legal and Regulatory Requirements

As described in Note 23 to the financial statements, the Administrative Appeals Tribunal has recently become aware that there is an increased risk of non-compliance with Section 83 of the Constitution where payments are made from special appropriations and special accounts in circumstances where the payments do not accord with conditions included in the relevant legislation, and has advised that these circumstances will be investigated.

Australian National Audit Office

Colin Bienke

Colin Bienke
Senior Director

Delegate of the Auditor-General

Canberra
8 September 2011

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 2011 are based on properly maintained financial records and give a true and fair view of the matters required by the Finance Minister's Orders made under the *Financial Management and Accountability Act 1997*, as amended.

PHILIP KELLOW	MICHAEL BINNINGTON
Chief Executive	Acting Chief Financial Officer
8 September 2011	8 September 2011

ADMINISTRATIVE APPEALS TRIBUNAL

STATEMENT OF COMPREHENSIVE INCOME
for the period ended 30 June 2011

	Notes	2011 $'000	2010 $'000
EXPENSES			
Employee benefits	3A	**21,572**	21,138
Suppliers	3B	**12,875**	12,392
Depreciation and amortisation	3C	**1,800**	1,662
Write-down and impairment of assets	3D	**-**	13
Losses from assets sales	3E	**18**	-
Total expenses		**36,265**	35,205
LESS:			
OWN-SOURCE INCOME			
Own-source revenue			
Sale of goods and rendering of services	4A	**1,116**	1,122
Total own-source revenue		**1,116**	1,122
GAINS			
Other	4B	**244**	261
Total gains		**244**	261
Total own-source income		**1,360**	1,383
Net cost of services		**34,905**	33,822
Revenue from Government	4C	**32,732**	32,772
Surplus (Deficit) attributable to the Australian Government		**(2,173)**	(1,050)
OTHER COMPREHENSIVE INCOME			
Changes in asset revaluation reserves		**123**	263
Total other comprehensive income		**123**	263
Total comprehensive income (loss) attributable to the Australian Government		**(2,050)**	(787)

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

ADMINISTRATIVE APPEALS TRIBUNAL

BALANCE SHEET
as at 30 June 2011

	Notes	2011 $'000	2010 $'000
ASSETS			
Financial Assets			
Cash and cash equivalents	5A	**98**	726
Trade and other receivables	5B	**9,959**	8,293
Total financial assets		**10,057**	9,019
Non-Financial Assets			
Leasehold improvements	6A,C	**5,587**	6,642
Plant and equipment	6B,C	**1,633**	1,448
Intangibles	6D,E	**429**	430
Other	6F	**495**	1,619
Total non-financial assets		**8,144**	10,139
Total Assets		**18,201**	19,158
LIABILITIES			
Payables			
Suppliers	7A	**1,177**	1,117
Total payables		**1,177**	1,117
Non-Interest Bearing Liabilities			
Other	8A	**837**	778
Total non-interest bearing liabilities		**837**	778
Provisions			
Employee provisions	9A	**6,082**	5,890
Other	9B	**420**	385
Total provisions		**6,502**	6,275
Total liabilities		**8,516**	8,170
Net assets		**9,685**	10,988
EQUITY			
Parent Entity Interest			
Contributed equity		**2,339**	1,592
Reserves		**3,556**	3,433
Retained surplus (accumulated deficit)		**3,790**	5,963
Total parent entity interest		**9,685**	10,988
Total Equity		**9,685**	10,988

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

ADMINISTRATIVE APPEALS TRIBUNAL

STATEMENT OF CHANGES IN EQUITY
As at 30 June 2011

	Retained Earnings		Asset Revaluation Reserves		Contributed Equity		Total Equity	
	2011 $'000	2010 $'000	**2011 $'000**	2010 $'000	**2011 $'000**	2010 $'000	**2011 $'000**	2010 $'000
Opening balance								
Balance carried forward from previous period	**5,963**	7,013	**3,433**	3,170	**1,592**	2,568	**10,988**	12,751
Adjustment for errors	**-**	-	**-**	-	**-**	-	**-**	-
Adjustment for changes in accounting policy	**-**	-	**-**	-	**-**	-	**-**	-
Adjusted opening balance	**5,963**	7,013	**3,433**	3,170	**1,592**	2,568	**10,988**	12,751
Comprehensive income								
Other comprehensive income	**-**	-	**123**	263	**-**	-	**123**	263
Surplus (Deficit) for the period	**(2,173)**	(1,050)	**-**	-	**-**	-	**(2,173)**	(1,050)
Total comprehensive income	**(2,173)**	(1,050)	**123**	263	**-**	-	**(2,050)**	(787)
Of which:								
Attributable to the Australian Government	**(2,173)**	(1,050)	**123**	263	**-**	-	**(2,050)**	(787)
Transactions with owners								
Distribution to owners								
Returns of capital:								
Other*	**-**	-	**-**	-	**-**	(976)	**-**	(976)
Contribution by owners								
Equity injection								
- Appropriations	**-**	-	**-**	-	**747**	-	**747**	-
Sub-total transactions with owners	**-**	-	**-**	-	**747**	(976)	**747**	(976)
Closing balance as at 30 June	**3,790**	5,963	**3,556**	3,433	**2,339**	1,592	**9,685**	10,988
Closing balance attributable to the Australian Government	**3,790**	5,963	**3,556**	3,433	**2,339**	1,592	**9,685**	10,988

* 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 2011

	Notes	2011 $'000	2010 $'000
OPERATING ACTIVITIES			
Cash received			
Appropriations		**31,153**	34,221
Goods and services		**1,029**	1,088
Net GST received		**1,321**	1,217
Total cash received		**33,503**	36,526
Cash used			
Employees		**(21,173)**	(20,887)
Suppliers		**(12,916)**	(13,528)
Total cash used		**(34,089)**	(34,415)
Net cash from operating activities	10	**(586)**	2,111
INVESTING ACTIVITIES			
Cash used			
Purchase of plant and equipment		**(579)**	(642)
Purchase of intangibles		**(210)**	(267)
Total cash used		**(789)**	(909)
Net cash used by investing activities		**(789)**	(909)
FINANCING ACTIVITIES			
Cash used			
Other		**747**	(976)
Total cash used		**747**	(976)
Net cash from financing activities		**747**	(976)
Net increase (decrease) in cash held		**(628)**	226
Cash and cash equivalents at the beginning of the reporting period		**726**	500
Cash and cash equivalents at the end of the reporting period	5A	**98**	726

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

ADMINISTRATIVE APPEALS TRIBUNAL

SCHEDULE OF COMMITMENTS
as at 30 June 2011

	2011 $'000	2010 $'000
BY TYPE		
Commitments receivable		
Net GST recoverable on commitments[1]	**(2,064)**	(3,226)
Total commitments receivable	**(2,064)**	(3,226)
Commitments payable		
Other commitments		
Operating leases [2,3]	**22,631**	35,488
Other	**34**	2
Total other commitments	**22,665**	35,490
Net commitments by type	**20,601**	32,264
BY MATURITY		
Commitments receivable		
Net GST recoverable on commitments[1]		
One year or less	**(434)**	(595)
From one to five years	**(1,630)**	(2,631)
Over five years	**-**	-
Total commitments receivable	**(2,064)**	(3,226)
Commitments payable		
Operating lease commitments		
One year or less	**4,703**	6,544
From one to five years	**17,928**	28,944
Over five years	**-**	-
Total operating lease commitments	**22,631**	35,488
Other commitments		
One year or less	**34**	2
From one to five years	**-**	-
Over five years	**-**	-
Total other commitments	**34**	2
Net commitments by maturity	**20,601**	32,264

[1] Commitments are GST inclusive where relevant.
[2] These commitments comprise leases of hearing rooms and office accommodation for the Tribunal.
[3] 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. 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 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 2011

There are no quantifiable contingent assets or liabilities as at 30 June 2011 (2010: 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 2011

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

	Leasehold improvements $'000	Plant and equipment $'000	Intangibles $'000	TOTAL $'000
Additions funded in current year				
By purchase - appropriation ordinary annual services				
Departmental capital budget	30	507	210	747
Ordinary operating costs	-	42	-	42
Total funded additions funded in the current year	**30**	**549**	**210**	**789**
Additions recognised in 2010-11 - to be funded in future years				
Make-good	35	-	-	35
Other	-	-	-	-
Total future years/unfunded additions	**35**	**-**	**-**	**35**
Total additions	**65**	**549**	**210**	**824**

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

	Leasehold improvements $'000	Plant and equipment $'000	Intangibles $'000	TOTAL $'000
Additions funded in current year				
By purchase - appropriation ordinary annual services				
Departmental capital budget	-	-	-	-
Ordinary operating costs	180	472	257	909
Total funded additions funded in the current year	**180**	**472**	**257**	**909**
Additions recognised in 2009-10 - to be funded in future years				
Make-good	-	-	-	-
Other	-	-	-	-
Total future years/unfunded additions	**-**	**-**	**-**	**-**
Total additions	**180**	**472**	**257**	**909**

ADMINISTRATIVE APPEALS TRIBUNAL

SCHEDULE OF ADMINISTERED ITEMS

	Notes	2011 $'000	2010 $'000
Income administered on behalf of Government *for the period ended 30 June 2011*			
Revenue			
Non-taxation revenue			
Filing fees	15	**626**	519
Total revenues administered on behalf of Government		**626**	519
Total income administered on behalf of Government		**626**	519
Expenses administered on behalf of Government *for the period ended 30 June 2011*			
Refund of filing fees	16	**303**	427
Total expenses administered on behalf of Government		**303**	427

There were no administered assets or liabilities as at 30 June 2011 (2010: Nil).

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

ADMINISTRATIVE APPEALS TRIBUNAL

SCHEDULE OF ADMINISTERED ITEMS

	Notes	2011 $'000	2010 $'000
Administered Cash Flows			
for the period ended 30 June 2011			
OPERATING ACTIVITIES			
Cash received			
Filing fees		**626**	519
Total cash received		**626**	519
Cash used			
Refund of filing fees		**(303)**	(427)
Total cash used		**(303)**	(427)
Net cash flows from operating activities		**323**	92
Net Increase in Cash Held		**323**	92
Cash and cash equivalents at the beginning of the reporting period		-	-
Cash from Official Public Account for:			
- Appropriations		**303**	427
Cash to Official Public Account for:			
- Appropriations		**(626)**	(519)
Cash and cash equivalents at the end of reporting period	19	-	-

There were no administered commitments or contingencies as at 30 June 2011 (2010: Nil).

There were no administered asset additions for the period ended 30 June 2011 (2010:Nil).

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

Notes to and forming part of the financial statements

ADMINISTRATIVE APPEALS TRIBUNAL

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 General Purpose Financial Statements.

The financial statements and notes have been prepared in accordance with:

- Finance Minister's Orders (or FMOs) for reporting periods ending on or after 1 July 2010: and
- Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period.

The financial statements have been prepared on an accrual basis and are in accordance with the 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 FMOs, assets and liabilities are recognised in the balance sheet when and only when it is probable that future economic benefits will flow to the Tribunal or a future sacrifice of economic benefits will be required and the amounts of the assets or liabilities can be reliably measured. However, assets and liabilities arising under executor contracts are not recognised unless required by an accounting standard. Liabilities and assets that are unrecognised are reported in the schedule of commitments or the schedule of contingencies.

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

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.

Notes to and forming part of the financial statements

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 amending standard, issued prior to the signing of the statement by the Chief Executive and Chief Financial Officer, were applicable to the current reporting period and had a financial impact on the entity:

- AASB 2009-5: Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project:

  The standard amends eight standards resulting from the IASB Annual Improvements Project. The only amendment that would impact the Tribunal is that cash flow under AASB 107 are only classified as investing cash flows if the underlying asset was recognised in the balance sheet.

Other new standards, revised standards, interpretations and amending standards issued prior to the signing of the statement by the 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.

Future Australian Accounting Standard Requirements

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

- Revised AASB 124 Related Party Disclosures and AASB 2009-12 Amendments to Australian Accounting Standards (effective for annual reporting periods beginning on or after 1 January 2011).

  In December 2009 the AASB issued a revised AASB 124 Related Party Disclosures. It is effective for accounting periods beginning on or after 1 January 2011 and must be applied retrospectively. The amendment clarifies and simplifies the definition of a related party and removes the requirement for government-related entities to disclose details of all transactions with the government and other government-related entities.

- 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.

  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.

  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.

- AASB 1053 Application of Tiers of Australian Accounting Standards and AASB 2010-2 Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements (effective 1 July 2013).

  On 30 June 2010 the AASB officially introduced a revised differential reporting framework in Australia. Under this framework, a two-tier differential reporting regime applies to all entities that prepare general purpose financial statements. The Tribunal has public accountability as defined in AASB 1053 and is

Notes to and forming part of the financial statements

therefore not eligible to adopt the new Australian Accounting Standards – Reduced Disclosure Requirements. As a consequence, the two standards will have no impact on the financial statements of the entity.

- 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).

  In December 2009, the AASB made an amendment to Interpretation 14 *The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction*. The amendment removes an unintended consequence of the interpretation related to voluntary prepayments when there is a minimum funding requirement in regard to the entity's defined benefit scheme. It permits entities to recognise an asset for a prepayment of contributions made to cover minimum funding requirements. The Tribunal does not make any such prepayments. The amendment is therefore not expected to have any impact on the Tribunal's financial statements.

- AASB 2010-3 Amendments to Australian Accounting Standards arising from the Annual Improvements Project and AASB 2010-4 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project (effective for annual periods beginning on or after 1 July 2010/1 January 2011)

  In June 2010, the AASB made a number of amendments to Australian Accounting Standards as a result of the IASB's annual improvements project. This amending standard impacts on the Financial Statement disclosures. It allows the reconciliation of other comprehensive income to be presented either in the statement of changes in equity or in the notes. The standards will apply for the year ended 30 June 2012.

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

1.5 Revenue

Revenue from the sale of goods is recognised when:

- the risks and rewards of ownership have been transferred to the buyer;
- the Tribunal 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:

- surveys of work performed;
- 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.

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.

Notes to and forming part of the financial statements

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.

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.

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) and Departmental Capital Budgets (DCBs) 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 arrangement are adjusted at their book value directly against contributed equity.

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

1.8 Employee Benefits

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

Notes to and forming part of the financial statements

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 FMOs, at the present value of the estimated future cash flows to be made in respect of all employees at 30 June 2011. The estimate of the present value of the liability takes into account attrition rates and pay increases through promotion and inflation.

Separation and Redundancy
Provision is made for 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.

Notes to and forming part of the financial statements

1.10 Cash

Cash is recognised at its nominal amount. Cash and cash equivalents includes;

- cash on hand;
- 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 held with outsiders; and
- cash held in special accounts.

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. 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.

Impairment of Financial Assets

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

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

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

Notes to and forming part of the financial statements

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.

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 'make-good' 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 'make-good' recognised.

Notes to and forming part of the financial statements

Revaluations

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

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 in the surplus/deficit except to the extent that they reverse a previous revaluation increment for that class.

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

	2011	2010
Leasehold improvements	**Lesser of estimated useful life and lease term**	Lesser of estimated useful life and lease term
Plant and equipment	**3-20 years**	3-20 years

Impairment

All assets were assessed for impairment at 30 June 2011. Where indications of impairment exist, the asset's recoverable amount is estimated and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount.

The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent 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.

Notes to and forming part of the financial statements

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 (2010: 3 to 5 years).

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

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

No matter or circumstance has occurred subsequent to year end that has significantly affected, or may significantly affect, the operations of the Tribunal, the results of those operations or the state of affairs of the Tribunal in subsequent financial years.

Note 3: Expenses

	2011 $'000	2010 $'000
Note 3A: Employee benefits		
Wages and salaries	**16,461**	16,795
Superannuation		
Defined contribution plans	**1,965**	2,065
Defined benefit plans	**811**	755
Leave and other entitlements	**2,282**	1,523
Separation and redundancies	**53**	-
Total employee benefits	**21,572**	21,138
Note 3B: Suppliers		
Goods and services		
General suppliers	**5,027**	5,308
Other property costs	**2,361**	2,442
Total goods and services	**7,388**	7,750
Goods and Services are made up of:		
Provision of goods - related entities	**-**	-
Provision of goods - external entities	**368**	461
Rendering of services - related entities	**451**	307
Rendering of services - external entities	**6,569**	6,982
Total goods and services	**7,388**	7,750
Other supplier expenses		
Operating lease rentals:		
Minimum lease payments	**5,383**	4,539
Workers compensation expenses	**104**	103
Total other supplier expenses	**5,487**	4,642
Total supplier expenses	**12,875**	12,392

Notes to and forming part of the financial statements

	2011 $'000	2010 $'000
Note 3C: Depreciation and Amortisation		
Depreciation:		
Leasehold improvements, plant and equipment	**1,589**	1,534
Total depreciation	**1,589**	1,534
Amortisation:		
Intangibles:		
Computer software	**211**	128
Total amortisation	**211**	128
Total depreciation and amortisation	**1,800**	1,662
Note 3D: Write down and impairment of assets		
Revaluation decrement – non-financial assets	**-**	13
Total write-down and impairment of assets	**-**	13
Note 3E: Losses from assets sales		
Plant and equipment		
Proceeds from sale	**-**	-
Carrying value of assets sold	**18**	-
Selling expense	**-**	-
Total losses from assets sales	**18**	-

Note 4: Income

OWN-SOURCE REVENUE

Note 4A: Sale of Goods and Rendering of Services		
Rendering of services - related entities	**777**	723
Rendering of services - external entities	**339**	399
Total sale of goods and rendering of services	**1,116**	1,122

GAINS

Note 4B: Other gains		
Resources received free of charge	**37**	37
Liabilities assumed by other departments	**207**	224
Total other gains	**244**	261

REVENUE FROM GOVERNMENT

Note 4C: Revenue from Government		
Appropriations:		
Departmental appropriation	**32,732**	32,772
Total revenue from government	**32,732**	32,772

Notes to and forming part of the financial statements

	2011 $'000	2010 $'000
Note 5: Financial Assets		
Note 5A: Cash and cash equivalents		
Cash on hand or on deposit	**98**	726
Total cash and cash equivalents	**98**	726
Note 5B: Trade and Other receivables		
Goods and services – related entities	**100**	50
Goods and services – external parties	**28**	6
Total receivables for goods and services	**128**	56
Appropriations receivable:		
For existing programs	**9,600**	8,021
Total appropriations receivable	**9,600**	8,021
Other receivables:		
GST receivable from the Australian Taxation Office	**231**	216
Total other receivables	**231**	216
Total trade and other receivables (Net)	**9,959**	8,293

No impairment has been recognised in 2011 (2010:Nil).

	2011 $'000	2010 $'000
Receivables are expected to be recovered in:		
No more than 12 months	**9,959**	8,293
More than 12 months	**-**	-
Total trade and other receivables (net)	**9,959**	8,293
Receivables are aged as follows:		
Not overdue	**9,948**	8,277
Overdue by:		
0 to 30 days	**8**	15
31 to 60 days	**2**	-
61 to 90 days	**1**	1
More than 90 days	**-**	-
	11	16
Total receivables (gross)	**9,959**	8,293

Note 6: Non-Financial Assets

	2011 $'000	2010 $'000
Note 6A: Leasehold Improvements		
Leasehold improvements:		
Fair value	**5,587**	6,642
Accumulated depreciation	**-**	-
Total leasehold improvements	**5,587**	6,642

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.

Notes to and forming part of the financial statements

	2011 $'000	2010 $'000
Note 6B: Plant and Equipment		
Plant and equipment		
Fair value	**1,633**	1,448
Accumulated depreciation	**-**	-
Total plant and equipment	**1,633**	1,448

No indicators of impairment were found for plant and equipment.
No plant and equipment is expected to be sold or disposed of within 12 months.

Revaluations of non-financial assets

All revaluations are in accordance with the revaluation policy stated in Note 1.16. On 30 June 2011, an independent valuer, Australian Valuation Office, conducted the revaluations.

A revaluation increment of $92,803 for leasehold improvements was credited to the asset revaluation reserve by asset class and included in the equity section of the balance sheet (2010 increment $262,880).

A revaluation increment of $30,625 for plant and equipment was credited to the asset revaluation reserve by asset class and included in the equity section of the balance sheet (2010 decrement $12,596).

Note 6C: Reconciliation of the Opening and Closing Balances of Leasehold Improvements, Plant and Equipment (2010-11)

	Leasehold Improvements $'000	Plant and Equipment $'000	Total $'000
As at 1 July 2010			
Gross book value	6,642	1,448	**8,090**
Accumulated depreciation and impairment	-	-	**-**
Net book value 1 July 2010	6,642	1,448	**8,090**
Additions*	65	549	**614**
Revaluations and impairments recognised in other comprehensive income	93	30	**123**
Revaluations and impairment recognised in the operating result	-	-	**-**
Depreciation expense	(1,213)	(376)	**(1,589)**
Disposals:			
Other	-	(18)	**(18)**
Net book value 30 June 2011	5,587	1,633	**7,220**
Net book value as at 30 June 2011 represented by:			
Gross book value	5,587	1,633	**7,220**
Accumulated depreciation and impairment	-	-	**-**
	5,587	1,633	**7,220**

*Disaggregated additions information is disclosed in the schedule of asset additions.

Notes to and forming part of the financial statements

Note 6C (Cont'd) : Reconciliation of the Opening and Closing Balances ofLeasehold Improvements, Plant and Equipment (2009-10)

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

*Disaggregated additions information is disclosed in the schedule of asset additions.

	2011	2010
	$'000	$'000
Note 6D: Intangibles		
Computer software		
Purchased	**1,863**	1,653
Accumulated amortisation	**(1,434)**	(1,223)
Total computer software	**429**	430
Total intangibles	**429**	430

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 (2010-11)

Item	Computer software purchased $'000	Total $'000
As at 1 July 2010		
Gross book value	1,653	**1,653**
Accumulated amortisation and impairment	(1,223)	**(1,223)**
Net book value 1 July 2010	430	**430**
Additions*	210	**210**
Amortisation	(211)	**(211)**
Write-off		
Gross value of assets written off	(873)	**(873)**
Accumulated depreciation	873	**873**
Net book value 30 June 2011	429	**429**
Net book value as of 30 June 2011 represented by:		
Gross book value	990	**990**
Accumulated amortisation and impairment	(561)	**(561)**
	429	**429**

*Disaggregated additions information is disclosed in the schedule of asset additions.

Note 6E (Cont'd): Reconciliation of the opening and closing balances of intangibles (2009-10)

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

*Disaggregated additions information is disclosed in the schedule of asset additions.

Notes to and forming part of the financial statements

	2011 $'000	2010 $'000
Note 6F: Other non-financial assets		
Prepayments	**495**	1,619
Total other non-financial assets	**495**	1,619

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

	2011 $'000	2010 $'000
Total other non-financial assets – are expected to be recovered in:		
No more than 12 months	**495**	1,619
More than 12 months	**-**	-
Total other non-financial assets	**495**	1,619

Note 7: Payables

	2011 $'000	2010 $'000
Note 7A: Suppliers		
Trade creditors and accruals	**1,177**	1,117
Total supplier payables	**1,177**	1,117
Supplier payables expected to be settled within 12 months:		
Related entities	**26**	94
External parties	**1,151**	1,023
Total supplier payables	**1,177**	1,117

Settlement is usually made within 30 days.

Note 8: Non-Interest Bearing Liabilities

	2011 $'000	2010 $'000
Note 8A: Other non-interest bearing liabilities		
Lease incentives	**837**	778
Total other non-interest bearing liabilities	**837**	778
Non-interest bearing liabilities are expected to be settled in:		
No more than 12 months	**15**	182
More than 12 months	**822**	596
Total non-interest bearing liabilities	**837**	778

Notes to and forming part of the financial statements

	2011 $'000	2010 $'000
Note 9: Provisions		
Note 9A: Employee provisions		
Leave	**4,684**	4,394
Other	**1,398**	1,496
Total employee provisions	**6,082**	5,890
Employee provisions are expected to be settled in:		
No more than 12 months	**5,408**	5,390
More than 12 months	**674**	500
Total employee provisions	**6,082**	5,890
Note 9B: Other provisions		
Provision for restoration obligations	**420**	385
Total other provisions	**420**	385
Other provisions are expected to be settled in:		
No more than 12 months	**-**	-
More than 12 months	**420**	385
Total other provisions	**420**	385

	Provision for restoration $'000	Total $'000
Carrying amount 1 July 2010	385	**385**
Additional provisions made	35	**35**
Amount used	-	**-**
Amounts reversed	-	**-**
Unwinding of discount or change in the discount rate	-	**-**
Closing balance 2011	420	**420**

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 a provision to reflect the present value of this obligation.

Notes to and forming part of the financial statements

Note 10: Cash Flow Reconciliation

Reconciliation of cash and cash equivalents as per Balance Sheet to Cash Flow Statement	2011 $'000	2010 $'000
Report cash and cash equivalents as per:		
Cash Flow Statement	**98**	726
Balance Sheet	**98**	726
Difference	**-**	-
Reconciliation of net cost of services to net cash from operating activities:		
Net cost of services	**(34,905)**	(33,822)
Add revenue from Government	**32,732**	32,772
Adjustments for non-cash items		
Depreciation/amortisation	**1,800**	1,662
Net write-down of non-financial assets	**-**	13
Loss on disposal of assets	**18**	-
Changes in assets/liabilities		
(Increase)/decrease in net receivables	**(1,666)**	1,415
(Increase)/decrease in prepayments	**1,124**	314
Increase/(decrease) in employee provisions	**192**	26
Increase/(decrease) in supplier payables	**60**	(145)
Increase/(decrease) in other payable	**59**	(124)
Net cash from/(used by) operating activities	**(586)**	2,111

Note 11: Contingent Liabilities and Assets

Quantifiable Contingencies
At 30 June 2011, the Tribunal had no quantifiable contingent liabilities (2010: Nil).

Unquantifiable or Remote Contingencies
At 30 June 2011, the Tribunal had not identified any unquantifiable or remote contingencies (2010: Nil).

Notes to and forming part of the financial statements

Note 12: Senior Executive Remuneration

Note 12A: Senior Executive Remuneration Expense for the Reporting Period	2011 $'000	2010 $'000
Short-term employee benefits:		
Salary	**433,995**	287,245
Annual leave accrued	**36,165**	822
Performance bonuses	**10,997**	10,315
Motor vehicle and other allowances	**121,590**	63,635
Total short-term employee benefits	**602,747**	362,017
Post-employment benefits:		
Superannuation	**65,570**	41,975
Total post-employment benefits	**65,570**	41,975
Other long term benefits		
Long-service leave	**10,850**	-
Total other long term benefits	**10,850**	-
Total	**679,167**	403,992

During the year the entity did not pay any termination benefits to senior executives (2010: Nil).

Notes:
1. Note 12A was prepared on an accrual basis (so the performance bonus expenses disclosed above differ from the cash 'Bonus paid' in Note 12B).
2. Note 12A excludes acting arrangements and part-y ear service where remuneration expensed for a senior executive was less than $150,000.

Notes to and forming part of the financial statements

Note 12B: Average Annual Remuneration Packages and Bonus for Senior Executives as at the end of the Reporting Period

	As at 30 June 2011					As at 30 June 2010				
	Fixed Elements					Fixed Elements				
Fixed Elements and Bonus Paid[1]	Senior Executive No.	Salary $	Allowances $	Total $	Bonus Paid[2] $	Senior Executive No.	Salary $	Allowances $	Total $	Bonus Paid[2] $
Total remuneration (including part-time arrangements):										
$150,000 to $179,999	2	119,496	36,444	159,940	9,148	2	143,623	31,818	175,441	5,156
$240,000 to $269,999	1	195,004	48,702	243,706	-					
Total	3					2				

Notes:

1. This table reports substantive senior executives who were employed by the entity at the end of the reporting period. Fixed elements were based on the employment agreement of each individual. Each row represents an average annualised figure (based on headcount) for the individuals in that remuneration package band (i.e. the 'Total' column).
2. This represents average actual bonuses paid during the reporting period in that remuneration package band. The 'Bonus paid' was excluded from the 'Total' calculation, (for the purpose of determining remuneration package bands). The 'Bonus paid' within a particular band may vary between financial years due to various factors such as individuals commencing with or leaving the entity during the financial year.

Notes to and forming part of the financial statements

Variable Elements:

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

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

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

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

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

- Commonwealth Superannuation Scheme (CSS): this scheme is closed to new members, and employer contributions were averaged 21.1 per cent (2010: 24.2 per cent) (including productivity component). More information on CSS can be found at http://www.css.gov.au; or the
- Public Sector Superannuation Scheme (PSS): this scheme is closed to new members, with current employer contributions were set at 15.4 per cent (2010: 15.4 per cent) (including productivity component). More information on PSS can be found at http://www.pss.gov.au.

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

Note 12C: Other Highly Paid Staff

During the reporting period, there were 19 additional employees (2010: 19 employees) whose salary plus performance bonus were $150,000 or more. This was calculated by reference to the gross payments line of the group certificate. These employees were employed in a judicial role and were therefore not disclosed as senior executives in Note 12A and Note 12B.

Note 13: Remuneration of Auditors

	2011 $'000	2010 $'000
Financial statement audit services were provided free of charge to the Tribunal.		
The fair value of the audit services provided was:	**37**	37
	37	37

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

Note 14: Financial Instruments

Note 14A: Categories of financial instruments

	2011 $'000	2010 $'000
Financial assets		
Loans and receivables		
Cash and cash equivalents	**98**	726
Trade receivables	**128**	56
Carrying amount of financial assets	**226**	782
Financial liabilities		
Fair value through profit and loss (designated)		
Payables - suppliers	**1,177**	1,117
Carrying amount of financial liabilities	**1,177**	1,117

Notes to and forming part of the financial statements

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 2011 (2010: 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 2011 (2010: 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 (2011: $127,970 and 2010: $55,130). The Tribunal has assessed the risk of the default on payment and has allocated nil in 2011 (2010: 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.

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

	Not Past Due Nor Impaired 2011 $'000	Not Past Due Nor Impaired 2010 $'000	**Past Due or Impaired 2011 $'000**	Past Due or Impaired 2010 $'000
Loans and receivables				
Cash and cash equivalents	**98**	726	-	-
Trade receivables	**117**	40	**11**	16
Total	**215**	766	**11**	16

Ageing of financial assets that are past due but not impaired for 2011

	0 to 30 days $'000	**31 to 60 days $'000**	**61 to 90 days $'000**	**90+ days $'000**	**Total $'000**
Loans and receivables					
Trade receivables	8	2	1	-	11
Total	**8**	**2**	**1**	**-**	**11**

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

	0 to 30 days $'000	**31 to 60 days $'000**	**61 to 90 days $'000**	**90+ days $'000**	**Total $'000**
Loans and receivables					
Trade receivables	15	-	1	-	16
Total	15	-	1	-	16

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.

Maturities for non-derivative financial liabilities 2011:

	On demand $'000	**Within 1 year $'000**	**1 to 2 years $'000**	**2 to 5 years $'000**	**> 5 years $'000**	**Total $'000**
Other liabilities						
Suppliers	-	1,177	-	-	-	1,177
Total	**-**	**1,177**	**-**	**-**	**-**	**1,177**

Maturities for non-derivative financial liabilities 2010

	On demand $'000	Within 1 year $'000	1 to 2 years $'000	2 to 5 years $'000	> 5 years $'000	Total $'000
Other liabilities						
Suppliers	-	1,117	-	-	-	1,117
Total	**-**	**1,117**	**-**	**-**	**-**	**1,117**

The entity had no derivative financial liabilities in either the current or prior year.

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

	2011 $'000	2010 $'000
Non-Taxation Revenue		
Note 15A: Fees and Fines		
Filing fees	**626**	519
Total revenue	**626**	519

Note 16: Expenses Administered on Behalf of the Government

	2011 $'000	2010 $'000
Note 16A: Other Expenses		
Refund of filing fees	**303**	427
Total expenses	**303**	427

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 2011 (2010: Nil).

Note 18: Liabilities Administered on Behalf of the Government

There were no administered liabilities as at 30 June 2011 (2010: Nil).

Note 19: Administered Reconciliation Table

	2011 $'000	2010 $'000
Opening administered assets less administered liabilities as at 1 July	**-**	-
Plus: Administered income	**626**	519
Less: Administered expenses	**(303)**	(427)
Administered transfers to/from Australian Government:		
Appropriation transfers from OPA:		
Special appropriations (unlimited)	**303**	427
Transfers to OPA	**(626)**	(519)
Closing administered assets less administered liabilities as at 30 June	**-**	-

Note 20: Administered Contingent Assets and Liabilities

There were no administered contingent assets or liabilities as at 30 June 2011 (2010: Nil).

Note 21: Administered Investments

There were no administered investments as at 30 June 2011 (2010: Nil).

Note 22: Administered Financial Instruments

There were no administered financial instrumentsas at 30 June 2011 (2010: Nil).

Notes to and forming part of the financial statements

Note 23: Appropriations

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

	2011 Appropriations							Appropriation applied in 2011 (current and prior years)	Variance
	Appropriation Act			*FMA Act*					
	Annual Appropriations $'000	Appropriations Reduced[a] $'000	AFM[b] $'000	Section 30 $'000	Section 31 $'000	Section 32 $'000	Total Appropriation $'000	$'000	$'000
DEPARTMENTAL									
Ordinary annual services[c]	32,732	-	-	32	1,029	-	33,793	(32,800)	993
Other services									
Equity[d]	747	-	-	-	[redacted]	-	747	(789)	(42)
Loans	-	-	-	-		-			
Total Departmental	33,479	-	-	32	1,029	-	34,540	(33,589)	951
ADMINISTERED									
Ordinary annual services	-	-	-	-	[redacted]	-	-	-	-
Other services	-	-	-	--			--	-	-
Total Administered	-	-	-	-	[redacted]	-	-	-	-

Notes:

(a) Appropriations reduced under Appropriation Acts (No. 1,3,5) 2010-11: sections 10, 11, 12 and 15 and under Appropriation Acts (No. 2,4,6) 2010-11: sections 12,13, 14 and 17. Departmental appropriations do not lapse at financial year-end. However, the responsible Minister may decide that part or all of a departmental appropriation is not required and request the Finance Minister to reduce that appropriation. The reduction in the appropriation is effected by the Finance Minister's determination and is disallowable by Parliament. There is no reduction for the Tribunal.

(b) Advance to the Finance Minister (AFM) - Appropriation Acts (No. 1,3,5) 2010-11: section 13 and Appropriation Acts (No. 2,4,6) 2010-11: section 15.

(c) Variance substantially attributable to reduction in cash and cash equivalents.

(d) Variance attributable to timing of asset acquisitions.

Notes to and forming part of the financial statements

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

	2010 Appropriations								
	Appropriation Act			*FMA Act*					
	Annual Appropriations $'000	Appropriations Reduced[(a)] $'000	AFM[(b)] $'000	Section 30 $'000	Section 31 $'000	Section 32 $'000	Total Appropriation $'000	Appropriation applied in 2010 (current and prior years) $'000	Variance $'000
DEPARTMENTAL									
Ordinary annual services[(c)]	32,772	-	-	474	1,088	-	34,334	(34,581)	(247)
Other services									
Equity[(d)]	-	(976)	-	-	[redacted]	-	(976)	-	(976)
Loans	-	-	-	-	[redacted]	-			
Total Departmental	32,772	(976)	-	474	1,088	-	33,358	(34,581)	(1,223)
ADMINISTERED									
Ordinary annual services	-	-	-	-	[redacted]	-	-	-	-
Other services	-	-	-	--	[redacted]		--	-	-
Total Administered	-	-	-	-	[redacted]	-	-	-	-

Notes:

(a) Appropriations reduced under Appropriation Acts (No. 1,3,5) 2009-10: sections 10, 11, 12 and 15 and under Appropriation Acts (No. 2,4,6) 2009-10: sections 12,13, 14 and 17. Departmental appropriations do not lapse at financial year-end. However, the responsible Minister may decide that part or all of a departmental appropriation is not required and request the Finance Minister to reduce that appropriation. The reduction in the appropriation is effected by the Finance Minister's determination and is disallowable by Parliament. There is no reduction for the Tribunal.

(b) Advance to the Finance Minister (AFM) - Appropriation Acts (No. 1,3) 2009-10: section 13 and Appropriation Acts (No. 2,4) 2009-10: section 15.

(c) Variance substantially attributable to increase in cash and cash equivalents.

(d) Return of unspent prior years' depreciation funding.

Notes to and forming part of the financial statements

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

Authority	2011 $'000	2010 $'000
Appropriation Act (No.1) 2009-10	-	8,021
Appropriation Act (No.1) 2010-11	**9,600**	-
Total	**9,600**	8,021

Table C: Special Appropriations ('Recoverable GST exclusive')

The Administrative Appeals Tribunal has recently become aware that there is an increased risk of non-compliance with Section 83 of the Constitution where payments are made from special appropriations and special accounts in circumstances where the payments do not accord with conditions included in the relevant legislation.

The Tribunal will investigate these circumstances and any impact on its special appropriations shown below, seeking legal advice as appropriate.

Authority	Type	Purpose	2011 $'000	2010 $'000
Financial Management and Accountability Act 1997 s.28(2), Administered	Refund	To provide an appropriation where an Act or other law requires or permits the repayment of an amount received by the Commonwealth and apart from this section there is no specific appropriation for the repayment.	**303**	427
Total			**303**	427

Note 24: Special Accounts

Other Trust Monies	**2011 $'000**	2010 $'000
Appropriation: Financial Management and Accountability Act section 20		
Establishing Instrument: Financial Management and Accountability Act 1997		
Purpose: For expenditure of monies temporarily held on trust or otherwise for the benefit of a person other than the Commonwealth.		
Balance brought forward from previous period	-	-
Appropriation for reporting period	-	-
Other receipts	-	-
Total Increase	-	-
Available for payment	-	-
Payments made	-	-
Total decrease	-	-
Total balance carried to next period	-	-

Notes to and forming part of the financial statements

Note 25: Compensation and Debt Relief

	2011 $	2010 $
Compensation and Debt Relief - Administered		
No 'Act of Grace' payments were expensed during the reporting period (2010:nil).	-	-
No waivers of amounts owing to the Australian Government were made pursuant to subsection 34(1) of the Financial Management and Accountability Act 1997 (2010: nil).	-	-
No payments were provided under the Compensation for Detriment caused by Defective Administration (CDDA) Scheme during the reporting period (2010: nil).	-	-
No ex gratia payments were provided during the reporting period (2010: nil).	-	-
No payments were provided in special circumstances relating to APS employment pursuant to section 73 of the Public Service Act during the reporting period (2010:nil)	-	-
Compensation and Debt Relief - Departmental		
No 'Act of Grace' paymentswere expensed during the reporting period (2010:nil).	-	-
No waivers of amounts owing to the Australian Government were made pursuant to subsection 34(1) of the Financial Management and Accountability Act 1997 (2010: nil).	-	-
No payments were provided under the Compensation for Detriment caused by Defective Administration (CDDA) Scheme during the reporting period (2010: nil).	-	-
No ex gratia paymentswere provided during the reporting period (2010: nil).	-	-
No payments were provided in special circumstances relating to APS employment pursuant to section 73 of the Public Service Act during the reporting period (2010:nil)	-	-

Notes to and forming part of the financial statements

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 Outcome 1	
	2011 $'000	2010 $'000
Expenses		
Administered	**303**	427
Departmental	**36,265**	35,205
Total	**36,568**	35,632
Income from non-government sector		
Administered		
Activities subject to cost recovery	**-**	-
Other	**-**	-
Total administered	**-**	-
Departmental		
Activities subject to cost recovery	**-**	-
Other	**339**	399
Total departmental	**339**	399
Total	**339**	399
Other own-source income		
Administered	**626**	519
Departmental	**777**	723
Total	**1,403**	1,242
Net cost/(contribution) of outcome delivery	**34,826**	33,991

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.

	Total Outcome 1	
	2011 $'000	2010 $'000
Administered expenses		
Refund of filing fees	**(303)**	(427)
Total	**(303)**	(427)
Administered income		
Filing fees	**626**	519
Total	**626**	519

The Tribunal does not have any administered assets or liabilities as at 30 June 2011 (2010:nil)

Notes to and forming part of the financial statements

Note 27: Comprehensive Income (Loss) attributable to the entity

	2011 $'000	2010 $'000
Total Comprehensive Income attributable to the entity		
Total comprehensive income (loss) attributable to the Australian Government*	**(2,050)**	(787)
Plus: non-appropriated expenses		
Depreciation and amortisation expenses	**1,800**	-
Total comprehensive income (loss) attributable to the Tribunal	**(250)**	(787)

* As per the statement of comprehensive income