

Financial statements

FINANCIAL STATEMENTS FOR PERIOD ENDED 30 June 2015

CONTENTS

Independent Audit Report	67
Statement by the Accountable Authority and Chief Financial Officer	69
Statement of Comprehensive Income	70
Statement of Financial Position	71
Statement of Changes in Equity	72
Cash Flow Statement	73
Schedule of Commitments	74
Administered Schedule of Comprehensive Income	75
Administered Schedule of Assets and Liabilities	75
Administered Reconciliation Schedule	76
Administered Cash Flow Statement	77
Schedule of Administered Commitments	77
Note 1: Summary of Significant Accounting Policies	78
Note 2: Events After the Reporting Period	88
Note 3: Net Cash Appropriation Arrangements	88
Note 4: Expenses	89
Note 5: Income	90
Note 6: Fair Value Measurements	90
Note 7: Financial Assets	94
Note 8: Non-Financial Assets	95
Note 9: Payables	98
Note 10: Provisions	99
Note 11: Cash Flow Reconciliation	100
Note 12: Contingent Assets and Liabilities	100
Note 13: Senior Management Personnel Remuneration	101
Note 14: Financial Instruments	102
Note 15: Financial Assets Reconciliation	104
Note 16: Administered – Financial Assets	105
Note 17: Administered – Cash Flow Reconciliation	105
Note 18: Administered – Contingent Assets and Liabilities	105
Note 19: Administered – Financial Instruments	105
Note 20: Administered Financial Assets Reconciliation	105
Note 21: Appropriations	106
Note 22: Compliance with statutory conditions for payments from the consolidated revenue fund	110
Note 23: Reporting of Outcomes	111
Note 24: Budgetary Reports and Explanations of Major Variances	112



INDEPENDENT AUDITOR'S REPORT

To the Attorney-General

I have audited the accompanying annual financial statements of the Administrative Appeals Tribunal for the year ended 30 June 2015, which comprise:

- Statement by the Accountable Authority and Chief Financial Officer;
- Statement of Comprehensive Income;
- Statement of Financial Position;
- Statement of Changes in Equity;
- Cash Flow Statement;
- Schedule of Commitments;
- Administered Schedule of Comprehensive Income;
- Administered Schedule of Assets and Liabilities;
- Administered Reconciliation Schedule;
- Administered Cash Flow Statement;
- Schedule of Administered Commitments; and
- Notes comprising a Summary of Significant Accounting Policies and other explanatory information.

Accountable Authority's Responsibility for the Financial Statements

The Registrar of the Administrative Appeals Tribunal is responsible under the *Public Governance, Performance and Accountability Act 2013* for the preparation and fair presentation of annual financial statements that comply with Australian Accounting Standards and the rules made under that Act and for such internal control as is necessary to enable the preparation and fair presentation of 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

statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity'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 entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Accountable Authority of the entity, 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) comply with Australian Accounting Standards and the *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015*; and
- (b) present fairly the financial position of the Administrative Appeals Tribunal as at 30 June 2015 and its financial performance and cash flows for the year then ended.

Australian National Audit Office



Lorena Skipper

Senior Director

Delegate of the Auditor-General

Canberra

21 September 2015

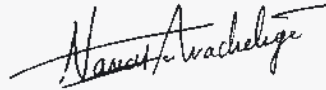
ADMINISTRATIVE APPEALS TRIBUNAL**STATEMENT BY THE ACCOUNTABLE AUTHORITY AND CHIEF FINANCIAL OFFICER**

In our opinion, the attached financial statements for the year ended 30 June 2015 comply with subsection 42(2) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act), and are based on properly maintained financial records, as per subsection 41(2) of the PGPA Act.

In our opinion, at the date of this statement, there are reasonable grounds to believe that the Administrative Appeals Tribunal will be able to pay its debts as and when they fall due.



SIAN LEATHEM
Registrar



NAVAKA N ARACHCHIGE
Chief Financial Officer

21 September 2015

21 September 2015

ADMINISTRATIVE APPEALS TRIBUNAL

Statement of Comprehensive Income for the period ended 30 June 2015

	Notes	2015 \$'000	2014 \$'000
NET COST OF SERVICES			
Expenses			
Employee benefits	4A	22,639	23,787
Suppliers	4B	13,112	12,776
Depreciation and amortisation	8C, 8D	1,975	2,125
Total expenses		37,726	38,688
Own-Source Income			
Own-source revenue			
Sale of goods and rendering of services	5A	2,402	2,069
Total own-source revenue		2,402	2,069
Gains			
Other gains	5B	1,403	1,534
Total gains		1,403	1,534
Total own-source income		3,805	3,603
Net cost of services		33,921	35,085
Revenue from Government	5C	34,916	34,398
Surplus/(Deficit) attributable to the Australian Government		995	(687)
OTHER COMPREHENSIVE INCOME			
Items not subject to subsequent reclassification to profit or loss			
Changes in asset revaluation surplus	8	488	229
Total other comprehensive income		488	229
Total comprehensive income/(loss) attributable to the Australian Government		1,483	(458)

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

ADMINISTRATIVE APPEALS TRIBUNAL

Statement of Financial Position
as at 30 June 2015

	Notes	2015 \$'000	2014 \$'000
ASSETS			
Financial Assets			
Cash and cash equivalents	7A	564	377
Trade and other receivables	7B	17,130	13,677
Total financial assets		17,694	14,054
Non-Financial Assets			
Leasehold improvements	8A,C	2,497	3,478
Plant and equipment	8B,C	1,294	1,537
Intangibles	8D,E	27	112
Other non-financial assets		176	234
Total non-financial assets		3,994	5,361
Total Assets		21,688	19,415
LIABILITIES			
Payables			
Suppliers	9A	838	1,308
Other payables	9B	1,810	1,320
Total payables		2,648	2,628
Provisions			
Employee provisions	10A	5,663	6,418
Other provisions	10B	230	230
Total provisions		5,893	6,648
Total liabilities		8,541	9,276
Net assets		13,147	10,139
EQUITY			
Contributed equity		6,201	4,676
Reserves		4,088	3,600
Retained surplus		2,858	1,863
Total Equity		13,147	10,139

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

ADMINISTRATIVE APPEALS TRIBUNAL

Statement of Changes in Equity for the period ended 30 June 2015

	Retained earnings		Asset revaluation surplus		Contributed equity/capital		Total equity	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Opening balance								
Balance carried forward from previous period	1,863	2,100	3,600	3,821	4,676	3,610	10,139	9,531
Comprehensive income								
Other comprehensive income	995	-	488	229	-	-	1,483	229
Deficit for the period	-	(687)	-	-	-	-	-	(687)
Total comprehensive income	995	(687)	488	229	-	-	1,483	(458)
Total comprehensive income attributable to Australian Government	995	(687)	-	-	-	-	1,483	(458)
Transactions with owners								
Contributions by owners								
Departmental capital budget	-	-	-	-	1,525	1,066	1,525	1,066
Total transactions with owners	-	-	-	-	1,525	1,066	1,525	1,066
Transfers between equity components	-	450	-	(450)	-	-	-	-
Closing balance as at 30 June	2,858	1,863	4,088	3,600	6,201	4,676	13,147	10,139

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

ADMINISTRATIVE APPEALS TRIBUNAL

Cash Flow Statement
for the period ended 30 June 2015

	Notes	2015 \$'000	2014 \$'000
OPERATING ACTIVITIES			
Cash received			
Appropriations		31,185	33,159
Sales of goods and rendering of services		2,680	2,146
Net GST received		943	1,215
Total cash received		<u>34,808</u>	<u>36,520</u>
Cash used			
Employees		(23,110)	(22,922)
Suppliers		(12,354)	(12,900)
Total cash used		<u>(35,464)</u>	<u>(35,822)</u>
Net cash from operating activities	11	<u>(656)</u>	<u>698</u>
INVESTING ACTIVITIES			
Cash used			
Purchase of plant and equipment		(682)	(1,805)
Total cash used		<u>(682)</u>	<u>(1,805)</u>
Net cash used by investing activities		<u>(682)</u>	<u>(1,805)</u>
FINANCING ACTIVITIES			
Cash received			
Contributed equity		1,525	1,066
Total cash received		<u>1,525</u>	<u>1,066</u>
Net cash from financing activities		<u>1,525</u>	<u>1,066</u>
Net increase in cash held		187	(41)
Cash and cash equivalents at the beginning of the reporting period		377	418
Cash and cash equivalents at the end of the reporting period	7A	<u>564</u>	<u>377</u>

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

ADMINISTRATIVE APPEALS TRIBUNAL

Schedule of Commitments as at 30 June 2015

	2015 \$'000	2014 \$'000
BY TYPE		
Commitments receivable		
Net GST recoverable on commitments	(774)	(975)
Total commitments receivable	(774)	(975)
Commitments payable		
Other commitments		
Operating leases ¹	8,516	10,679
Other	-	48
Total other commitments	8,516	10,727
Total commitments payable	8,516	10,727
Net commitments by type	7,742	9,752
BY MATURITY		
Commitments receivable		
Net GST recoverable on commitments¹		
Within 1 year	(404)	(431)
Between 1 to 5 years	(205)	(342)
More than 5 years	(165)	(202)
Total commitments receivable	(774)	(975)
Commitments payable		
Operating lease commitments		
Within 1 year	4,444	4,698
Between 1 to 5 years	2,261	3,757
More than 5 years	1,811	2,224
Total operating lease commitments	8,516	10,679
Other commitments		
Within 1 year	-	48
Between 1 to 5 years	-	-
More than 5 years	-	-
Total other commitments	-	48
Total commitments payable	8,516	10,727
Net commitments by maturity	7,742	9,752

Commitments are GST inclusive where relevant.

Note:

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

– **Leases for office accommodation.**

The entity in its capacity as lessee holds commercial office accommodation leases where lease payments by the Tribunal are subject to fixed or market review increases as listed in the lease agreements. Leases for most locations will be renegotiated or extended in 2015-16 as leases expire. An arrangement equivalent to commercial office accommodation leases is presently being negotiated in relation to Commonwealth owned law courts accommodation in Brisbane and Hobart and no commitment is recognised at this time.

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

ADMINISTRATIVE APPEALS TRIBUNAL

Administered Schedule of Comprehensive Income
for the period ended 30 June 2015

	Notes	2015 \$'000	2014 \$'000
NET COST OF SERVICES			
Expenses			
Refund of application fees		328	368
Total expenses		328	368
Income			
Non-taxation revenue			
Application fees		730	887
Total non-taxation revenue		730	887
Total revenue		730	887
Net contribution by services		402	519
Total comprehensive income		402	519

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

Administered Schedule of Assets and Liabilities
as at 30 June 2015

	Notes	2015 \$'000	2014 \$'000
ASSETS			
Financial Assets			
Cash and cash equivalents	16A	3	6
Total financial assets		3	6
Total Assets administered on behalf of Government		3	6
Net assets		3	6

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

ADMINISTRATIVE APPEALS TRIBUNAL

Administered Reconciliation Schedule

	2015 \$'000	2014 \$'000
Opening assets less liabilities as at 1 July	6	3
Net (cost of)/contribution by services		
Income	730	887
Expenses		
Payments to entities other than corporate Commonwealth entities	(328)	(368)
Transfers to/ from the Australian Government		
Appropriation transfers from Official Public Account		
Special appropriations (limited)		
Payments to entities other than corporate Commonwealth entities	328	368
Appropriation transfers to OPA		
Transfers to OPA	(733)	(884)
Closing assets less liabilities as at 30 June	3	6

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

ADMINISTRATIVE APPEALS TRIBUNAL

Administered Cash Flow Statement
for the period ended 30 June 2015

	2015 \$'000	2014 \$'000
OPERATING ACTIVITIES		
Cash received		
Application fees	730	887
Total cash received	730	887
Cash used		
Refund of application fees	(328)	(368)
Total cash used	(328)	(368)
Net cash flows from operating activities	402	519
Net Increase in Cash Held	402	519
Cash and cash equivalents at the beginning of the reporting period	6	3
Cash from Official Public Account for:		
– Appropriations	328	368
Cash to Official Public Account for:		
–Appropriations	(733)	(884)
Cash and cash equivalents at the end of reporting period	3	6
This schedule should be read in conjunction with the accompanying notes		

Schedule of Administered Commitments
as at 30 June 2015

There were no administered commitments as at 30 June 2015 (2014: Nil).

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 Government controlled entity. It is a not for profit entity. 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.

On 1 July 2015, the Social Security Appeals Tribunal (SSAT) and the Migration Review Tribunal and Refugee Review Tribunal (MRT-RRT) merged with the Tribunal pursuant to the *Tribunals Amalgamation Act 2015 (Cth)*. All assets, liabilities and commitments of the SSAT and the MRT-RRT were transferred to the Tribunal. The Tribunal continues to operation as a non-corporate Commonwealth entity under the *Public Governance, Performance and Accountability Act 2013* (the PGPA Act).

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

Tribunal activities contributing toward this outcome are classified as either departmental or administered. Departmental activities involve the use of assets, liabilities, income 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 Tribunal's administered activities on behalf of the Government are generally limited to collection and refund of application fees as prescribed by the *Administrative Appeals Tribunal Act 1975 and Regulations 1976*. Additional administered revenues may be remitted by the Tribunal to Government where there is no right for the Tribunal to retain the revenue as Departmental revenue.

1.2 Basis of Preparation of the Financial Statements

The financial statements are general purpose financial statements and are required by the *Public Governance, Performance and Accountability Act 2013*.

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

- The Public Governance, Performance and Accountability (Financial Reporting) Rule 2015 (FRR) for reporting periods ending on or after 1 July 2014; and
- Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period.

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

As note in 1.1, the functions, assets, liabilities and commitments of the Social Security Appeals Tribunal and the Migration Review Tribunal and Refugee Review Tribunal were merged with the Tribunal with effect from 1 July 2015. There has been no change in the structure or amounts of funding provided to the Tribunal and all of its functions are continuing. The financial statements have been prepared on this basis.

Notes to and forming part of the financial statements

The Tribunal has secured funding from Government appropriations for the 2015-16 financial year which, together with undrawn funding at the date of the financial statements, will ensure that the Tribunal is in a position to service their debts as they become due and payable until the proposed date of amalgamation.

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 FRR, assets and liabilities are recognised in the statement of financial position 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 executory 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.

1.3 Significant Accounting Judgements and Estimates

In the process of applying the accounting policies listed in this note, the Tribunal has made the following judgements that have the most significant impact on the amounts recorded in the financial statements:

- the fair value of property, plant and equipment has been taken to be the fair value of similar assets as determined by an independent valuer; and
- the employee benefits provisions have been estimated in accordance with AASB 119 Employee Benefits and reflect the expected value of those benefits.

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

1.4 New Australian Accounting Standards

Adoption of New Australian Accounting Standard Requirements

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

The following amending standard, issued prior to the sign-off date, were applicable to the current reporting period and had a financial impact on the entity:

- **AASB 1055 Budgetary Reporting**
(effective 1 July 2014)

On 5 March 2013 the AASB approved AASB 1050 for not for profit reporting entities within the General Government Sector that present a budget to parliament and provides users with information relevant to assessing performance of an entity, including accountability for resources entrusted to it between budget and actual results.

In particular, the following disclosures will be required:

- original budget presented to Parliament;
- variance of actuals from budget; and
- explanations of significant variances.

Notes to and forming part of the financial statements

Other new standards, revised standards, interpretations and amending standards that were issued prior to the sign-off date and are applicable to the future reporting period are not expected to have a material impact on the Tribunal.

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 sign-off date, which are expected to have a financial impact on the Tribunal for future reporting periods:

- **AASB 15 Revenue from contracts with customers** (applicable for annual reporting periods commencing on or after 1 January 2017)

AASB 15 was issued in December 2014 and is applicable for financial periods beginning on or after 1 January 2017. However it is expected that the application date will be deferred to 1 January 2018 in line with the FASB's adoption date.

AASB 15 represents the replacement standard for AASB 118 'Revenue', AASB 111 'Construction Contracts' and Interpretation 12 'Service Concession Arrangements'.

The core principle of the standard requires an entity to recognise revenue such that it depicts the transfer of promised goods or services to a customer in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard will require:

- contracts (either written, verbal or implied) to be identified, together with the separate performance obligations within the contract;
- determination of the transaction price, adjusted for the time value of money excluding credit risk;
- allocation of the transaction price to the separate performance obligations on a basis of relative stand-alone selling price of each distinct good or service, or an estimation approach if no distinct observable prices exist; and
- recognition of revenue when each performance obligation is satisfied.

Credit risk will be presented separately as an expense rather than adjusted against revenue. For goods, the performance obligation would be satisfied when the customer obtains control of the goods. For services, the performance obligation is satisfied when the service has been provided, typically for promises to transfer services to customers. For performance obligations satisfied over time, an entity would select an appropriate measure of progress to determine how much revenue should be recognised as the performance obligation is satisfied.

The transitional rules allow either a fully retrospective application of the standard or a modified retrospective approach on transition. Under the modified retrospective approach, entities would:

- present comparative periods under the existing revenue standard requirements;
- apply the new standard to new and existing contracts as at the effective date;
- recognise a cumulative catch-up adjustment to the opening balance of retained earnings at the effective date for existing contracts that still require performance by the entity; and
- disclose all line items in the year of adoption as if they were prepared under current revenue requirements.

Under the modified retrospective approach, an entity shall apply this standard only to contracts that are not completed contracts at the date of initial application (for example, 1 July 2017, for an entity with a 30 June reporting date).

Notes to and forming part of the financial statements

Disclosure of revenue by category and the level of disaggregation should be determined on how management and market participants analyse revenue. Narrative explanations of changes in contract asset and liabilities balances will be required.

For normal sales contracts, there should be minimal impact on the implementation of this standard. However, for other contracts such as long-term service contracts (e.g. construction contracts and contracts with multiple element deliverables), they may be significantly impacted by the change. The new standard may also significantly increase the volume of disclosures required.

- **AASB 2014-5 Amendments arising from AASB 15**

This amending standard was issued in December 2014 and is applicable to annual reporting periods beginning on or after 1 January 2017 except for the amendments made to AASB 9 which are applicable to annual reporting periods beginning on or after 1 January 2018 (or earlier where AASB 9 is adopted).

AASB 2014-5 makes amendments to various standards and interpretations as a consequence of the issue of AASB 15.

- **AASB 2015-6 *Extending related party disclosures to not-for-profit public sector entities*** (applicable for annual reporting periods commencing on or after 1 July 2016)

The standard amends AASB 124 'Related Party Disclosures' to extend the scope of AASB 124 to include not-for-profit public sector entities and provides implementation guidance for such entities.

1.5 Revenue

Revenue from rendering of services is recognised by reference to the stage of completion of contracts at the reporting date. The revenue is recognised when:

- a) the amount of revenue, stage of completion and transaction costs incurred can be reliably measured; and
- b) the probable economic benefits associated with the transaction will flow to the Tribunal.

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

Interest revenue is recognised using the effective interest method as set out in AASB 139 *Financial Instruments: Recognition and Measurement*.

Revenue from Government

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

Notes to and forming part of the financial statements

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 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.

Other Distributions to Owners

The FRR’s 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 expected within twelve months of the end of the reporting period are measured at their nominal amounts.

The nominal amount is calculated with regard to the rates expected to be paid on settlement of the liability.

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

Leave

The liability for employee benefits includes provision for annual leave and long service leave. No provision has been made for sick leave as all sick leave is non-vesting and the average sick leave taken in future years by employees of the 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 will be 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 short-hand method included in the FRR, at the present value of the estimated future cash flows to be made in respect of all employees at 30 June 2015. 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 separation 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) or the PSS accumulation plan (PSSap).

The CSS and PSS are defined benefit schemes for the Australian Government. The PSSap is a defined contribution scheme.

Notes to and forming part of the financial statements

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 in the Department of Finance's administered schedules and notes.

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

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

1.9 Leases

A distinction is made between finance leases and operating leases. Finance leases effectively transfer from the lessor to the lessee substantially all the risks and rewards incidental to ownership of leased assets. An operating lease is a lease that is not a finance lease. In operating leases, the lessor effectively retains substantially all such risks and benefits. 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. Lease incentives are amortised on a straight line basis which is representative of the pattern of benefits derived from the incentives.

1.10 Borrowing Costs

All borrowing costs are expensed as incurred.

1.11 Fair Value Measurement

Transfer between levels of the fair value hierarchy occurred in 2014–15 and is disclosed in the notes to the financial statements.

1.12 Cash

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

- a) cash on hand; and
- b) 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.

1.13 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.

Notes to and forming part of the financial statements

Loans and Receivables

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as ‘loans and receivables’. Loans and receivables are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest rate.

Impairment of Financial Assets

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

Financial assets carried 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.

1.14 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.

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).

1.15 Contingent Liabilities and Contingent Assets

Contingent liabilities and contingent assets are not recognised in the statement of financial position 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.

1.16 Acquisition of Assets

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

Assets acquired at no cost, or for nominal consideration, are initially recognised as assets and income at their fair value at the date of acquisition, unless acquired as a consequence of restructuring of administrative arrangements. In the latter case, assets are initially recognised as contributions by owners at the amounts at which they were recognised in the transferor’s accounts immediately prior to the restructuring.

Notes to and forming part of the financial statements

1.17 Property, Plant and Equipment

Asset Recognition Threshold

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

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.

Revaluations

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

<i>Asset class</i>	<i>Fair value measurement</i>
Leasehold improvements	Depreciated Replacement Cost
Plant and equipment	Market Approach or Depreciated Replacement Cost

The Tribunal does not own any land or buildings.

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

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

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

Depreciation

Depreciable property, plant and equipment assets are written-off to their estimated residual values over their estimated useful lives to the Tribunal using, in all cases, the straight-line method of depreciation.

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

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

	<u>2015</u>	<u>2014</u>
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

Notes to and forming part of the financial statements

Impairment

All assets were assessed for impairment at 30 June 2015. Where indications of impairment exist, the asset's recoverable amount is estimated and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount.

The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset's ability to generate future cash flows, and the asset would be replaced if the 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 property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

1.18 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 its anticipated useful lives. The useful lives of the Tribunal's software are 3 to 5 years (2014: 3 to 5 years).

All software assets were assessed for indications of impairment as at 30 June 2015. No indications of impairment were found for intangible assets.

1.19 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:

- a) where the amount of GST incurred is not recoverable from the Australian Taxation Office; and
- b) for receivables and payables.

1.20 Reporting of Administered Activities

Administered revenues, expenses, assets, liabilities and cash flows are disclosed in the administered schedules 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 the 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. 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 schedule of administered cash flows and in the administered reconciliation schedule.

Notes to and forming part of the financial statements**Administered Revenue**

All administered revenues are revenues relating to ordinary activities performed by the Tribunal on behalf of the Australian Government. As such, administered appropriations are not revenues of the individual entity that oversees distribution or expenditure of the funds as required by regulations 19 and 19AA of the *Administrative Appeals Regulations 1976*.

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 lodged prior to November 1, 2010 or less \$100 if lodged from November 1, 2010 where 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.

Notes to and forming part of the financial statements

Note 2: Events after the Reporting Period

Departmental

On 1 July 2015, the Social Security Appeals Tribunal (SSAT) and Migration Review Tribunal and Refugee Review Tribunal (MRT-RRT) were merged with the Administrative Appeals Tribunal (AAT) pursuant to the *Tribunals Amalgamation Act 2015 (Cth)*. All assets, liabilities and commitments of the SSAT and MRT-RRT were transferred to the Tribunal. The amalgamated AAT continues to operate as a non-corporate entity under the *Public Governance, Performance and Accountability Act 2013* from 1 July 2015.

There are no other known events occurring after the reporting period that needs to be disclosed in the financial statements.

Administered

On 1 July 2015, the Social Security Appeals Tribunal (SSAT) and Migration Review Tribunal and Refugee Review Tribunal (MRT-RRT) were merged with the Administrative Appeals Tribunal (AAT) pursuant to the *Tribunals Amalgamation Act 2015 (Cth)*. All assets, liabilities and commitments of the SSAT and MRT-RRT were transferred to the Tribunal. The amalgamated AAT continues to operate as a non-corporate entity under the *Public Governance, Performance and Accountability Act 2013* from 1 July 2015.

There are no other known events occurring after the reporting period that needs to be disclosed in the financial statements.

Note 3: Net Cash Appropriation Arrangements

	<u>2015</u> <u>\$'000</u>	<u>2014</u> <u>\$'000</u>
Total comprehensive income less depreciation/amortisation expenses previously funded through revenue appropriations¹	3,458	1,667
Plus: depreciation/amortisation expenses previously funded through revenue appropriation	<u>(1,975)</u>	<u>(2,125)</u>
Total comprehensive income /(loss) – as per the Statement of Comprehensive Income	<u>1,483</u>	<u>(458)</u>

1. From 2010–11, the Government introduced net cash appropriation arrangements, where revenue appropriations for depreciation/amortisation expenses ceased. Entities now receive a separate capital budget provided through equity appropriations. Capital budgets are to be appropriated in the period when cash payment for capital expenditure is required.

Notes to and forming part of the financial statements

	2015 \$'000	2014 \$'000
Note 4: Expenses		
Note 4A: Employee benefits		
Wages and salaries	17,749	18,413
Superannuation		
Defined contribution plans	1,114	1,076
Defined benefit plans	1,899	2,035
Leave and other entitlements	1,724	2,263
Separation and redundancies	153	-
Total employee benefits	22,639	23,787
Note 4B: Suppliers		
Goods and services		
Consultants	307	245
Travel	425	401
IT services	785	886
Other	4,909	5,004
Total goods and services	6,426	6,536
Goods supplied in connection with		
Related parties	-	-
External parties	262	283
Total goods supplied	262	283
Services supplied in connection with		
Related entities	815	479
External parties	5,349	5,774
Total services rendered	6,164	6,253
Total goods and services supplied or rendered	6,426	6,536
Other suppliers		
Operating lease rentals in connection with		
External parties		
Minimum lease payments	6,455	6,039
Workers compensation expenses	231	201
Total other suppliers	6,686	6,240
Total suppliers	13,112	12,776

Notes to and forming part of the financial statements

Note 5: Income

OWN-SOURCE REVENUE

	2015 \$'000	2014 \$'000
--	----------------	----------------

Note 5A: Sale of Goods and Rendering of Services

Rendering of services in connection with

Related entities	2,046	1,763
External parties	356	306
Total sale of goods and rendering of services	2,402	2,069

Note 5B: Other Revenue

Resources received free of charge:

Remuneration of auditors	40	40
Total revenue from Government	40	40

GAINS

Note 5C: Other gains

Resources received free of charge – services	1,119	1,110
Liabilities assumed by other departments	284	284
Other	-	140
Total other gains	1,403	1,534

REVENUE FROM GOVERNMENT

Note 5D: Revenue from Government

Appropriations:

Departmental appropriations	34,916	34,398
Total revenue from Government	34,916	34,398

Note 6: Fair Value Measurements

The following tables provide an analysis of assets and liabilities that are measured at fair value. The different levels of the fair value hierarchy are defined below.

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

Notes to and forming part of the financial statements

Note 6A: Fair Value Measurements, Valuation Techniques and Inputs Used

		Fair value measurements at the end of the reporting period		(For Levels 2 and 3 value measurements)		
	2015 \$'000	2014 \$'000	Category (Level 1, 2 or 3) ¹ *	Valuation technique(s) ¹	Inputs used	Range Sensitivity of the fair value measurement to changes in unobservable inputs (weighted average)
Non-financial assets²						
Leasehold improvements	2,384	3,478	Level 3	Depreciated Replacement Cost (DRC)	Replacement Cost New (price per square metre) Consumed economic benefit / Obsolescence of asset	6.7% - 10.4% (6.7%) per annum A significant increase (decrease) in this consumed economic benefit / obsolescence of the asset would result in a significantly lower (higher) fair value measurement.
Plant and Equipment - Other	411	714	Level 2	Market Approach	Adjusted market transactions	
Plant and Equipment – Library Collection	628	417	Level 3	Market Approach	Adjusted market transactions	(15.0%) - 10.0% A significantly higher (lower) market transaction may result in a significantly higher (lower) fair value measurement.
Plant and Equipment – Computer Equipment	255	406	Level 3	Depreciated Replacement Cost (DRC)	Replacement Cost New Consumed economic benefit / Obsolescence of asset	6.7% - 33.3% (15.3%) per annum A significant increase (decrease) in this consumed economic benefit / obsolescence of the asset would result in a significantly lower (higher) fair value measurement.
Total non-financial assets	3,678	5,015				
Total fair value measurements of assets in the statement of financial position	3,678	5,015				

Notes to and forming part of the financial statements

1. There have been changes to the valuation techniques for assets in the property, plant and equipment class. In instances where sufficient observable inputs, such as market transactions of similar assets, the valuation technique applied to assets within the Plant and Equipment class was changed from Depreciated Replacement Cost (Cost approach) to Market Comparables (Market Approach).
2. Fair value measurements – highest and best use differs from current use for non-financial assets (NFAs).
3. Recurring and non-recurring Level 3 fair value measurements - valuation processes. The Tribunal procured valuation services from Australian Valuation Solutions (AVS) and relied on valuation models provided by AVS. The Tribunal tests the procedures of the valuation model at least once every 12 months. AVS provided written assurance to the Tribunal that the model developed is in compliance with AASB 13.

Notes to and forming part of the financial statements

Note 6B: Reconciliation for Recurring Level 3 Fair Value Measurements

Recurring Level 3 fair value measurements – reconciliation for assets

	Non-financial Assets					
	Leasehold Improvements		Property, plant and equipment		Total	
	2015	2014	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
As at 1 July	3,478	3,356	1,537	1,923	5,015	5,279
Total gains/(losses) recognised in net cost of services ¹	(1,381)	(1,496)	(509)	(540)	(1,890)	(2,036)
Total gains/(losses) recognised in other comprehensive income ²	278	117	210	112	488	229
Purchases	9	1,601	54	42	63	1,643
Transfers out of Level 3 ³	-	(100)	(409)	-	-	(100)
Total as at 30 June	2,384	3,478	883	1,537	3,267	5,015

1. These gains/(losses) are presented in the Statement of Comprehensive Income under Depreciation and amortisation.

2. These gains/(losses) are presented in the Statement of Comprehensive Income under Changes in asset revaluation surplus.

3. There have been transfers of property, plant and equipment asset fair value measurements into level 3 during the year due to changes in the valuation technique from a market approach to DRC.

4. The transfer is presented in the Statement of Financial Position as a movement between assets and revaluation reserves in equity.

Notes to and forming part of the financial statements

Note 7: Financial Assets

	2015 \$'000	2014 \$'000
Note 7A: Cash and cash equivalents		
Cash on hand or on deposit	564	377
Total cash and cash equivalents	564	377
Note 7B: Trade and Other receivables		
Goods and Services receivables in connection with:		
Related entities	131	393
External parties	3	16
Total goods and services receivables	134	409
Appropriations receivable:		
Existing programs	16,905	13,174
Total appropriations receivable	16,905	13,174
Other receivables:		
Statutory receivables	91	94
Total other receivables	91	94
Total trade and other receivables (Gross)	17,130	13,677
No impairment has been recognised in 2015 (2014: Nil).		
Trade and other receivables (net) expected to be recovered:		
No more than 12 months	17,130	13,677
More than 12 months	-	-
Total trade and other receivables (net)	17,130	13,677
Trade and other receivables aged as follows:		
Not overdue	16,996	13,650
Overdue by:		
0 to 30 days	104	18
31 to 60 days	3	9
61 to 90 days	1	-
More than 90 days	26	-
	134	27
Total trade and other receivables (net)	17,130	13,677

Credit terms for goods and services were within 30 days (2014: 30 days).

Notes to and forming part of the financial statements**Note 8: Non-Financial Assets****Note 8A: Leasehold Improvements**

	2015	2014
	\$'000	\$'000
Leasehold improvements at fair value	<u>2,497</u>	<u>3,478</u>
Total leasehold improvements	<u>2,497</u>	<u>3,478</u>

Leasehold improvements were subject to revaluation. No indicators of impairment were found for leasehold improvements.

Leasehold improvements at Sydney and Perth are expected to be relinquished in next 12 months due to lease expiry.

Note 8B: Plant and Equipment

Plant and equipment at fair value	<u>1,294</u>	<u>1,537</u>
Total plant and equipment	<u>1,294</u>	<u>1,537</u>

Plant and equipment were subject to revaluation. No indicators of impairment were found for plant and equipment.

No plant and equipment is expected to be sold or disposed of within the next 12 months other than where items are being replaced at the end of useful life with similar assets in the ordinary course of business.

Revaluations of non-financial assets

All revaluations are in accordance with the revaluation policy stated in Note 1.16. On 30 June 2015 an independent valuer, AVS, conducted the revaluations.

Revaluation increment of \$277,000 was made for leasehold improvements (\$117,000 in 2014).

Revaluation increment of \$210,000 was made for plant and equipment (\$112,000 in 2014).

Notes to and forming part of the financial statements

Note 8C: Reconciliation of the Opening and Closing Balances of Leasehold improvements, Plant and Equipment

Reconciliation of the opening and closing balances of leasehold improvements, plant and equipment for 2015

	Leasehold Improvements	Plant and Equipment	Total
	\$'000	\$'000	\$'000
As at 1 July 2014			
Gross book value	3,478	1,537	5,015
Accumulated depreciation and impairment	-	-	-
Total as at 1 July 2014	3,478	1,537	5,015
Additions			
Purchase	122	56	178
Revaluations and impairments recognised in other comprehensive income	278	210	488
Depreciation expense	(1,381)	(509)	(1,890)
Total as at 30 June 2015	2,497	1,294	3,791
Total as at 30 June 2015 represented by			
Gross book value	2,497	1,294	3,791
Accumulated depreciation and impairment	-	-	-
Total as at 30 June 2015	2,497	1,294	3,791

Reconciliation of the opening and closing balances of leasehold improvements, plant and equipment for 2014

	Leasehold Improvements	Plant and Equipment	Total
	\$'000	\$'000	\$'000
As at 1 July 2013			
Gross book value	3,356	1,923	5,279
Accumulated depreciation and impairment	-	-	-
Total as at 1 July 2013	3,356	1,923	5,279
Additions			
Purchase	1,601	42	1,643
Revaluations and impairments recognised in other comprehensive income	177	112	229
Revaluations of makegood liabilities	(100)	-	(100)
Depreciation expense	(1,496)	(540)	(2,036)
Total as at 30 June 2014	3,478	1,537	5,015
Total as at 30 June 2014 represented by:			
Gross book value	3,478	1,537	5,015
Accumulated depreciation and impairment	-	-	-
Total as at 30 June 2014	3,478	1,537	5,015

Notes to and forming part of the financial statements

	2015 \$'000	2014 \$'000
Note 8D: Intangibles		
Computer software		
Purchased	1,039	1,039
Accumulated amortisation	(1,012)	(927)
Total computer software	27	112
Total intangibles	27	112

No indicators of impairment were found for intangible assets.

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

Note 8E: Reconciliation of the Opening and Closing Balances of Intangibles**Reconciliation of the opening and closing balances of intangibles for 2015**

	Computer Software Purchased \$'000	Total \$'000
As at 1 July 2014		
Gross book value	1,039	1,039
Accumulated amortisation and impairment	(927)	(927)
Total as at 1 July 2014	112	112
Amortisation	(85)	(85)
Total as at 30 June 2015	27	27
Total as at 30 June 2015 represented by		
Gross book value	1,039	1,039
Accumulated amortisation and impairment	(1,012)	(1,012)
Total as at 30 June 2015	27	27

Reconciliation of the opening and closing balances of intangibles for 2014

	Computer Software Purchased \$'000	Total \$'000
As at 1 July 2013		
Gross book value	990	990
Accumulated amortisation and impairment	(838)	(838)
Total as at 1 July 2013	152	152
Additions		
By purchase or internally developed	49	49
Amortisation	(89)	(89)
Total as at 30 June 2014	112	112
Total as at 30 June 2014 represented by:		
Gross book value	1,039	1,039
Accumulated amortisation and impairment	(927)	(927)
Total as at 30 June 2014	112	112

Notes to and forming part of the financial statements

	2015 \$'000	2014 \$'000
Note 9: Payables		
<u>Note 9A: Suppliers</u>		
Trade creditors and accruals	838	1,308
Total suppliers payables	838	1,308
Suppliers in connection with		
Related entities	205	23
External parties	633	1,285
Total suppliers	838	1,308

Settlement was usually made within 30 days.

<u>Note 9B: Other payables</u>		
Wages and salaries	992	778
Lease incentives ¹	818	542
Total other payables	1,810	1,320

Other payables expected to be settled

No more than 12 months	1,316	1,029
More than 12 months	494	291
Total other payables	1,810	1,320

1. The Tribunal received incentives in the form of rent free periods and contribution towards carpeting on entering property operating leases.

Notes to and forming part of the financial statements

	2015 \$'000	2014 \$'000
Note 10: Provisions		
Note 10A: Employee provisions		
Leave	5,663	6,418
Total employee provisions	5,663	6,418
Employee provisions expected to be settled		
No more than 12 months	823	1,818
More than 12 months	4,840	4,600
Total employee provisions	5,663	6,418
Note 10B: Other provisions		
Provision for restoration obligations	230	230
Total other provisions	230	230
Other provisions expected to be settled		
No more than 12 months	230	-
More than 12 months	-	230
Total other provisions	230	230
	Provision for restoration \$'000	Total \$'000
As at 1 July 2014	230	230
Additional provisions made	-	-
Amount used	-	-
Amounts reversed	-	-
Unwinding of discount or change in the discount rate	-	-
Total as at 30 June 2015	230	230

The Tribunal currently has one (2014:1) agreement 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 11: Cash Flow Reconciliation

	2015 \$'000	2014 \$'000
Reconciliation of cash and cash equivalents as per statement of financial position to cash flow statement		
Cash and cash equivalents as per		
Cash Flow Statement	564	377
Statement of financial position	564	377
Discrepancy	<u>-</u>	<u>-</u>
Reconciliation of net cost of services to net cash from operating activities		
Net cost of services	(33,921)	(35,085)
Revenue from Government	34,916	34,398
Adjustments for non-cash items		
Depreciation/amortisation	1,975	2,125
Movements in assets and liabilities		
Assets		
(Increase)/decrease in net receivables	(3,453)	(1,162)
(Increase)/decrease in prepayments	58	179
Liabilities		
Increase/(decrease) in employee provisions	(755)	656
Increase/(decrease) in suppliers payables	34	12
Increase/(decrease) in other payables	490	(275)
Increase/(decrease) in other provisions	-	(150)
Net cash from/(used by) operating activities	<u>(656)</u>	<u>698</u>

Note 12: Contingent Assets and Liabilities

Quantifiable Contingencies

At 30 June 2015, the Tribunal had no quantifiable contingent liabilities (2014: Nil).

Unquantifiable or Remote Contingencies

At 30 June 2015, the Tribunal had not identified any unquantifiable or remote contingencies (2014: Nil).

Notes to and forming part of the financial statements**Note 13: Senior Management Personnel Remuneration**

	2015	2014
	\$	\$
Short-term employee benefits:		
Salary	689,122	669,041
Motor vehicle and other allowances	-	199
Total short-term employee benefits	689,122	669,240
Post-employment benefits:		
Superannuation	88,544	83,707
Total post-employment benefits	88,544	83,707
Other long term benefits		
Annual leave	46,522	46,522
Long-service leave	14,960	14,960
Total other long term employee benefits	61,482	61,482
Total senior management personnel remuneration expenses	839,148	814,429

Note 13 is prepared on an accrual basis. The total number of senior management personnel that are included in the above table are 5 (2014: 3), which includes personnel on acting arrangement and part-year service.

Notes to and forming part of the financial statements

Note 14: Financial Instruments

Note 14A: Categories of financial instruments

	2015 \$'000	2014 \$'000
Financial assets		
Loans and receivables		
Cash and cash equivalents	564	377
Trade receivables	134	409
Total loans and receivables	698	786
Total financial assets	698	786
Financial liabilities		
Financial liabilities measured at amortised cost:		
Trade creditors	838	1,308
Total financial liabilities measured at amortised cost	838	1,308
Total financial liabilities	838	1,308

Note 14B: Net gains or losses on financial assets

The Tribunal had no gains or losses in relation to financial assets in the year ending 30 June 2015. (2014: Nil).

Note 14C: Net gains or losses on financial liabilities

The Tribunal had no gains or losses in relation to financial liabilities in the year ending 30 June 2015. (2014: Nil).

Notes to and forming part of the financial statements

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 (2015: \$133,749 and 2014: \$409,063). The Tribunal has assessed the risk of the default on payment and has allocated nil in 2015 (2014: 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 assets not past due or individually determined as impaired.

	Not Past Due Nor Impaired 2015 \$'000	Not Past Due Nor Impaired 2014 \$'000	Past Due or Impaired 2015 \$'000	Past Due or Impaired 2014 \$'000
Cash and cash equivalents	564	377	-	-
Receivables for goods and services	104	382	30	27
Total	668	759	30	27

Ageing of financial assets that were past due but not impaired in 2015

	0 to 30 days \$'000	31 to 60 days \$'000	61 to 90 days \$'000	90+ days \$'000	Total \$'000
Receivables for goods and services	3	27	-	-	30
Total	3	27	-	-	30

Ageing of financial assets that were past due but not impaired in 2014

	0 to 30 days \$'000	31 to 60 days \$'000	61 to 90 days \$'000	90+ days \$'000	Total \$'000
Receivables for goods and services	18	9	-	-	27
Total	18	9	-	-	27

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 payments are made when due and there have been no past experience of default.

Maturities for non-derivative financial liabilities in 2015:

	On demand	within 1 year	between 1 to 2 years	between 2 to 5 years	more than 5 years	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Trade creditors	-	838	-	-	-	838
Total	-	838	-	-	-	838

Maturities for non-derivative financial liabilities in 2014

	On demand	within 1 year	between 1 to 2 years	between 2 to 5 years	more than 5 years	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Trade creditors	-	1,308	-	-	-	1,308
Total	-	1,308	-	-	-	1,308

The entity had no derivative financial liabilities in either 2015 or 2014.

Note 14F: Market risk

The Tribunal held basic financial instruments that did not expose it to certain market risks, such as 'Currency risk', 'Interest rate risk' or 'Other price risk'.

Note 15: Financial Assets Reconciliation

	Notes	2015 \$'000	2014 \$'000
Total financial assets as per statement of financial position		17,694	14,054
Less: non-financial instruments components:			
Appropriations receivable	7B	16,905	13,174
GST receivable	7B	91	94
Total non-financial instrument components		16,996	13,268
Total financial assets as per financial instruments note	14A	698	786

Notes to and forming part of the financial statements**Note 16: Administered – Financial Assets**

	2015 \$'000	2014 \$'000
Note 16A: Cash and cash equivalents		
Cash on hand or on deposit	3	6
Total cash and cash equivalents	<u>3</u>	<u>6</u>

Note 17: Administered – Cash Flow Reconciliation

	2015 \$'000	2014 \$'000
Reconciliation of cash and cash equivalents as per Administered Schedule of Assets and Liabilities to Administered Cash Flow Statement		
Cash and cash equivalents as per:		
Schedule of administered cash flows	3	6
Schedule of administered assets and liabilities	<u>3</u>	<u>6</u>
Discrepancy	-	-
Reconciliation of net cost of services to net cash from operating activities:		
Net cost of services	402	519
Net cash (used by) operating activities	<u>402</u>	<u>519</u>

Note 18: Administered – Contingent Assets and Liabilities

There were no administered contingent assets or liabilities as at 30 June 2015 (2014: Nil).

Note 19: Administered – Financial Instruments

	2015 \$'000	2014 \$'000
Note 19A: Categories of Financial Instruments		
Financial Assets		
Cash and cash equivalents	3	6
Carrying amount of financial assets	<u>3</u>	<u>6</u>

Note 20: Administered Financial Assets Reconciliation

	2015 \$'000	2014 \$'000
Financial Assets		
Total financial assets as per administered schedule of assets and liabilities	3	6
Total financial assets	<u>3</u>	<u>6</u>

Notes to and forming part of the financial statements
Note 21: Appropriations

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

	Appropriation Act		PGPA Act		Total Appropriation \$'000	Appropriation applied in 2015 (current and prior years) \$'000	Variance ⁽¹⁾ \$'000	Section 51 determination \$'000
	Annual Appropriations \$'000	AFM \$'000	Section 74 \$'000					
DEPARTMENTAL								
Ordinary annual services	36,441	-	2,680		39,121	35,203	3,918	-
Total Departmental	36,441	-	2,680		39,121	35,203	3,918	-
ADMINISTERED								
Ordinary annual services	-	-			-	-	-	-
Total Administered	-	-			-	-	-	-

Notes:

1. Variance is substantially attributable to cash under spend during the year and timing of payments.

Notes to and forming part of the financial statements

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

	Annual Appropriation for 2014			Total Appropriation \$'000	Appropriation applied in 2014 (current and prior years) \$'000	Variance ⁽¹⁾ \$'000	Appropriations Reduced \$'000
	Annual Appropriations \$'000	AFM \$'000	FMA Act Section 31 \$'000				
DEPARTMENTAL Ordinary annual services	35,464	-	2,146	37,610	36,412	1,198	-
Total Departmental	35,464	-	2,146	37,610	36,412	1,198	-
ADMINISTERED Ordinary annual services	-	-	-	-	-	-	-
Total Administered	-	-	-	-	-	-	-

Notes:

1. Variance is substantially attributable to cash under spend during the year and the timing of payments.

Notes to and forming part of the financial statementsTable B: Departmental Capital Budgets ('Recoverable GST exclusive')

	2015 Capital Budget Appropriations		Capital Budget Appropriations applied in 2015 (current and prior years)			Variance (3) \$'000
	<i>Appropriation Act</i>		Payments for non-financial assets ⁽²⁾ \$'000	Payments for other purposes \$'000	Total payments \$'000	
	Annual Capital Budget \$'000	Total Capital Budget Appropriations \$'000				
DEPARTMENTAL						
Ordinary annual services – Departmental Capital Budget ⁽¹⁾	1,525	1,525	682	-	682	843
Total Departmental	1,525	1,525	682	-	682	843

Notes:

1. Departmental and Administered Capital Budgets are appropriated through Appropriation Acts (No. 1, 3 & 5). They form part of ordinary annual services, and are not separately identified in the Appropriation Acts. For more information on ordinary annual services appropriations, please see Table A: Annual appropriations.
2. Payments made on non-financial assets include purchases of assets, expenditure on assets which has been capitalised, costs incurred to make good an asset to its original condition, and the capital repayment component of finance leases.
3. Variance is substantially attributable to cash under spend during the year and the timing of payments.

Notes to and forming part of the financial statements

Table B (Cont'd): Departmental Capital Budgets ('Recoverable GST exclusive')

	2014 Capital Budget Appropriations		Capital Budget Appropriations applied in 2014 (current and prior years)			Variance (3) \$'000
	<i>Appropriation Act</i>	Total Capital Budget Appropriations \$'000	Payments for non-financial assets ⁽²⁾ \$'000	Payments for other purposes \$'000	Total payments \$'000	
DEPARTMENTAL						
Ordinary annual services – Departmental Capital Budget ⁽¹⁾	1,066	1,066	1,805	-	1,805	(739)
Total Departmental	1,066	1,066	1,805	-	1,805	(739)

Notes:

1. Departmental and Administered Capital Budgets are appropriated through Appropriation Acts (No. 1, 3 & 5). They form part of ordinary annual services, and are not separately identified in the Appropriation Acts. For more information on ordinary annual services appropriations, please see Table A: Annual appropriations.
2. Payments made on non-financial assets include purchases of assets, expenditure on assets which has been capitalised, costs incurred to make good an asset to its original condition, and the capital repayment component of finance leases.
3. Variance is substantially attributable to cash under spend during the year and the timing of payments.

Notes to and forming part of the financial statements

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

Authority	2015 \$'000	2014 \$'000
Appropriation Act (No.1) 2013–14	-	12,900
Appropriation Act (No.3) 2013–14	-	274
Appropriation Act (No.1) 2014–15	16,413	-
Appropriation Act (No.3) 2014–15	492	-
Total	16,905	13,174

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

Authority	Type	Purpose	2015 \$'000	2014 \$'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.	-	368
Public Governance, Performance and Accountability Act 2013 s.77(e), 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.	328	-
Total			328	368

Note 22: Compliance with statutory conditions for payments from the consolidated revenue fund

Legislation/Authority to Pay¹	Potential Breaches²		
	No.	Value \$	Recovered \$
Public Governance, Performance and Accountability Act 2013 s77(e), Administered	1	\$45	\$0

¹Legislation

Refunds for amounts prescribed under Administered Appeals Tribunal Act 1975 sections 24AC(3), 70(2) and its related Regulations 1976 sections 19 to 20. Amounts paid are disclosed in notes 21 special appropriations.

²Potential breaches

Refund of filing request was processed for \$761 when the amount due was \$716. The Tribunal considers this to be a transposition error of data entry with no other instances identified. No recovery effort has been initiated.

Notes to and forming part of the financial statements**Note 23: Reporting of Outcomes**

The Tribunal has only one outcome which is described in note 1.1 and all resources are used to deliver that outcome.

Note 23A: Net Cost of Outcome Delivery

	Total Outcome 1	
	2015	2014
	\$'000	\$'000
Departmental		
Expenses	(37,726)	(38,688)
Own-source income	2,402	2,069
Administered		
Expenses	(328)	(368)
Income	730	887
Net cost/(contribution) of outcome delivery	(34,922)	(36,100)

Notes to and forming part of the financial statements

Note 24: Budgetary Reports and Explanations of Major Variances

The following tables provide a comparison of the original budget as presented in the 2014-15 Portfolio Budget Statements (PBS) and the 2014-15 final outcome as presented in accordance with Australian Accounting Standards for the entity. The Budget is not audited and does not reflect additional budget estimates provided in the 2014-15 Portfolio Additional Estimates Statements (PAES) or the revised budget provided as part of the 2015-16 Portfolio Budget Statement (PBS). However, major changes in budget have been explained as part of the variance analysis where relevant.

Note 24A: Departmental Budgetary Reports

Statement of Comprehensive Income

For year ended 30 June 2015

	Actual	Budget estimate	
		Original ¹	Variance ²
	2015	2015	2015
	\$'000	\$'000	\$'000
NET COST OF SERVICES			
Expenses			
Employee Benefits	22,639	24,398	(1,759)
Suppliers	13,112	12,727	385
Depreciation and amortisation	1,975	1,915	60
Total expenses	37,726	39,040	(1,314)
Own-Source Income			
Own-source revenue			
Sale of goods and rendering of services	2,402	1,085	1,317
Total own-source revenue	2,402	1,085	1,317
Gains			
Other gains	1,403	1,309	94
Total gains	1,403	1,309	94
Total own-source income	3,805	2,394	1,411
Net cost of (contribution by) services	33,921	36,646	(2,725)
Revenue from Government	34,916	34,731	185
Surplus /(Deficit) before income tax on continuing operations	995	(1,915)	2,910
OTHER COMPREHENSIVE INCOME			
Items not subject to subsequent reclassification to net cost of services			
Changes in asset revaluation surplus	488	-	488
Total other comprehensive income after income tax	488	-	488
Total comprehensive income/ (loss)	1,483	(1,915)	3,398
Total comprehensive income/ (loss) attributable to the Australian Government	1,483	(1,915)	3,398

1. The entity's original budgeted financial statement that was first presented to parliament in respect of the reporting period (i.e. from the entity's 2014-15 Portfolio Budget Statements (PBS)).

2. Between the actual and original budgeted amounts for 2015. Explanations of major variances are provided further below.

Notes to and forming part of the financial statements**Statement of Financial Position***As at 30 June 2015*

	Actual	Budget estimate	
		Original ¹	Variance ²
	2015	2015	2015
	\$'000	\$'000	\$'000
ASSETS			
Financial Assets			
Cash and cash equivalents	564	418	146
Trade and other receivables	17,130	12,269	4,861
Total financial assets	17,694	12,687	5,007
Non-financial assets			
Land and buildings	2,497	1,792	705
Property, plant and equipment	1,294	1,894	(600)
Intangibles	27	199	(172)
Other non-financial assets	176	413	(237)
Total non-financial assets	3,994	4,298	(304)
Total assets	21,688	16,985	4,703
LIABILITIES			
Payables			
Suppliers	838	1,409	(571)
Other Payables	1,810	496	1,314
Total Payables	2,648	1,905	743
Interest –bearing liabilities			
Leases	-	-	-
Total Interest-bearing liabilities	-	-	-
Provisions			
Employee provisions	5,663	6,615	(952)
Other provisions	230	480	(250)
Total provisions	5,893	7,095	(1,202)
Total liabilities	8,541	9,000	(459)
Net assets	13,147	7,985	5,162
EQUITY			
Parent entity interest			
Contributed equity	6,201	5,894	307
Reserves	4,088	3,821	267
Retained surplus (accumulated deficit)	2,858	(1,730)	4,588
Total parent entity interest	13,147	7,985	5,162
Total equity	13,147	7,985	5,162

1. The entity's original budgeted financial statement that was first presented to parliament in respect of the reporting period (i.e. from the entity's 2014-15 Portfolio Budget Statements (PBS)).

2. Between the actual and original budgeted amounts for 2015. Explanations of major variances are provided further below.

Notes to and forming part of the financial statements**Statement of Changes in Equity***For the period ended 30 June 2015*

	Retained earnings			Asset revaluation surplus			Contributed equity/capital			Total equity		
	Actual	Budget estimate	Budget estimate	Actual	Budget estimate	Budget estimate	Actual	Budget estimate	Actual	Budget estimate	Budget estimate	Variance ²
	Original ¹	Variance ²	Variance ²	Original ¹	Variance ²	Variance ²	Original ¹	Variance ²	Original ¹	Variance ²	Original ¹	Variance ²
	2015	2015	2015	2015	2015	2015	2015	2015	2015	2015	2015	2015
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance												
Balance carried forward from previous period	1,863	185	1,678	3,600	3,821	(221)	4,676	4,676	10,139	8,682	1,457	
Comprehensive income												
Surplus/ (deficit) for the period	995	(1,915)	2,910	488	-	488	-	-	1,483	(1,915)	3,398	
Total comprehensive income	995	(1,915)	2,910	488	-	488	-	-	1,483	(1,915)	3,398	
Total comprehensive income attributable to Australian Government	995	(1,915)	2,910	488	-	488	-	-	1,483	(1,915)	3,398	
Transactions with owners												
Contributions by owners	-	-	-	-	-	-	1,525	1,218	1,525	1,218	307	
Departmental capital budget	-	-	-	-	-	-	1,525	1,218	1,525	1,218	307	
Total transactions with owners	-	-	-	-	-	-	1,525	1,218	1,525	1,218	307	
Closing balance attributable to Australian Government	2,858	(1,730)	4,588	4,088	3,821	267	6,201	5,894	13,147	7,985	5,162	

1. The entity's original budgeted financial statement that was first presented to parliament in respect of the reporting period (i.e. from the entity's 2014-15 Portfolio Budget Statements (PBS)).

2. Between the actual and original budgeted amounts for 2015. Explanations of major variances are provided further below.

Notes to and forming part of the financial statements**Cash Flow Statement***For the period ended 30 June 2015*

	Actual	Budget estimate	Variance
	2015 \$'000	Original ¹ 2015 \$'000	2015 \$'000
OPERATING ACTIVITIES			
Cash received			
Appropriations	31,185	36,454	(5,269)
Sale of goods and rendering services	2,680	1,085	1,595
Net GST received	943	-	943
Total cash received	34,808	37,539	(2,731)
Cash used			
Employees	(23,110)	(24,172)	1,062
Suppliers	(12,354)	(13,244)	890
Total cash used	(35,464)	(37,416)	1,952
Net cash from/(used by) operating activities	(656)	123	(779)
INVESTING ACTIVITIES			
Cash used			
Purchase of property, plant, equipment and intangibles	(682)	(1,218)	536
Total cash used	(682)	(1,218)	536
Net cash from/(used by) investing activities	(682)	(1,218)	536
FINANCING ACTIVITIES			
Cash received			
Contributed equity	1,525	1,218	307
Other	-	(123)	123
Total cash received	1,525	1,095	430
Net cash from/(used by) financing activities	1,525	1,095	430
Net increase/(decrease) in cash held	187	-	187
Cash and cash equivalents at the beginning of the reporting period	377	418	(41)
Cash and cash equivalents at the end of the reporting period	564	418	146

1. The entity's original budgeted financial statement that was first presented to parliament in respect of the reporting period (i.e. from the entity's 2014-15 Portfolio Budget Statements (PBS)).

2. Between the actual and original budgeted amounts for 2015. Explanations of major variances are provided further below.

Notes to and forming part of the financial statements

Note 24B: Departmental Major Budget Variances for 2015

<u>Explanations of major variances</u>	<u>Affected line items (and statement)</u>
<u>Employees</u> The variances were caused by 2 unfilled full-time members' positions and delayed members' appointments during the year, and associated flow-on effect on engagement of support staff.	Employee Benefits (<i>Statement of Comprehensive Income</i>), Employee provisions (<i>Statement of Financial Position</i>), operating cash used – Employees (<i>Cash Flow Statement</i>).
<u>Revaluation surplus</u> The revaluation surplus is predominantly caused by revision to the useful life of Tribunal's leasehold improvement asset, in order to align with lease tenure; and change in technique used to value Tribunal's library collection, as disclosed in Note 6 above.	Other Comprehensive Income (<i>Statement of Comprehensive Income</i>), Asset revaluation surplus (<i>Statement of Changes in Equity</i>).
<u>Rendering of services</u> The variance was caused by increased usage of Tribunal facilities by other Commonwealth agencies, which the Tribunal charges based on expense recovery.	Sale of goods and rendering of services (<i>Statement of Comprehensive Income</i>), operating cash received – Rendering of services (<i>Cash Flow Statement</i>).
<u>Appropriations receivable</u> The variance was caused by reduced cash requirement during the year as a result of lower than budgeted employee spending and higher than budgeted revenue received from rendering of services.	Trade and other receivables (<i>Statement of Financial Position</i>)

Notes to and forming part of the financial statements

Note 24C: Administered Budgetary Reports

Administered Schedule of Comprehensive Income

For year ended 30 June 2015

	Actual	Budget estimate	
		Original ¹	Variance ²
	2015	2015	2015
	\$'000	\$'000	\$'000
NET COST OF SERVICE			
Expenses			
Other expenses (refunds or revenue)	328	700	(372)
Total expenses	328	700	(372)
Income			
Revenue			
Non-taxation revenue			
Fees and fines	730	1,961	(1,231)
Total non-taxation revenue	730	1,961	(1,231)
Total revenue	730	1,961	(1,231)
Total income	730	1,961	(1,231)
Net (cost of)/ contribution by services	402	1,261	(859)
Surplus/ (Deficit) after income tax on continuing operations	402	1,261	(859)
Total comprehensive income/(loss)	402	1,261	(859)

1. The entity's original budgeted financial statement that was first presented to parliament in respect of the reporting period (i.e. from the entity's 2014-15 Portfolio Budget Statements (PBS)).

2. Between the actual and original budgeted amounts for 2015. Explanations of major variances are provided further below.

Administered Schedule of Assets and Liabilities

As at 30 June 2015

	Actual	Budget estimate	
		Original ¹	Variance ²
	2015	2015	2015
	\$'000	\$'000	\$'000
ASSETS			
Financial assets			
Cash and cash equivalents	3	3	-
Total financial assets	3	3	-
Total assets administered on behalf of government	3	3	-
LIABILITIES			
Total liabilities administered on behalf of the government	-	-	-
Net assets/(liabilities)	3	3	-

1. The entity's original budgeted financial statement that was first presented to parliament in respect of the reporting period (i.e. from the entity's 2014-15 Portfolio Budget Statements (PBS)).

2. Between the actual and original budgeted amounts for 2015. Explanations of major variances are provided further below.

Notes to and forming part of the financial statements

Note 24D: Administered Major Budget Variances for 2015

Explanations of major variances	Affected line items (and statement)
<u>Refunds</u> Payment of refunds is driven by number of favourable decisions handed down during the year and is beyond the Tribunal's control.	Other expenses (Administered Schedule of Comprehensive Income)
<u>Fees and fines</u> Application fee revenue is driven by number of application received at the Tribunal and is beyond the Tribunal's control.	Fees and fines (Administered Schedule of Comprehensive Income)