

Financial Statements

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INDEPENDENT AUDITOR'S REPORT

To the Minister for Employment and Workplace Relations

Scope

I have audited the accompanying financial statements of the Australian Industrial Registry for the year ended 30 June 2007, which comprise: a Statement by the Chief Executive and Chief Finance Officer; income statement; balance sheet; statement of changes in equity; cash flow statement; schedules of commitments, and contingencies, administered items; and a summary of significant accounting policies; and other explanatory notes.

The Responsibility of the Chief Executive for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Australian Industrial Registry'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 Australian Industrial Registry's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of

GPO Box 707 CANBERRA ACT 2601
19 National Circuit BARTON ACT 2600
Phone (02) 6203 7300 Fax (02) 6203 7777

accounting estimates made by the Australian Industrial Registry's Chief Executive, as well as evaluating the overall presentation of the financial statements.

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

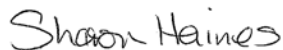
Independence

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

Auditor's Opinion

In my opinion, the financial statements of the Australian Industrial Registry:

- (a) have been prepared in accordance with the Finance Minister's Orders made under the *Financial Management and Accountability Act 1997*, and the Australian Accounting Standards (including the Australian Accounting Interpretations); and
- (b) give a true and fair view of the matters required by the Finance Minister's Orders including the Australian Industrial Registry's financial position as at 30 June 2007 and of its financial performance and its cash flows for the year then ended.



Sharon Haines
Senior Director

Delegate of the Auditor-General

Australian National Audit Office

Canberra

17 September 2007

STATEMENT BY THE CHIEF EXECUTIVE AND THE CHIEF FINANCE OFFICER

In our opinion, the attached financial statements of the Australian Industrial Registry for the year ended 30 June 2007 have been prepared based on properly maintained financial records and give a true and fair view of the matters required by the Finance Minister's Orders made under the *Financial Management and Accountability Act 1997*, as amended.



Signed
DS Williams
Industrial Registrar and Chief Executive

14 September 2007



Signed
Dennis Mihelyi
Chief Finance Officer

14 September 2007

Australian Industrial Registry
INCOME STATEMENT
for the period ended 30 June 2007

	Notes	2007 \$'000	2006 \$'000
INCOME			
Revenues			
Revenues from Government	3a	66,450	53,785
Rendering of services	3b	43	75
Other revenues	3c	36	32
Total Revenue		66,529	53,892
Gains			
Resources received free of charge	12	23	25
Net gains from write-back of make-good provision		100	239
Net gains from disposal of assets	3d	30	1
Total Gains		153	265
TOTAL INCOME		66,682	54,157
EXPENSES			
Employee benefits	4a	26,178	25,879
Suppliers	4b	28,869	26,145
Depreciation and amortisation	4c	799	721
Finance costs		267	-
Net loss from write-down of assets		77	-
Other expenses		1,853	-
TOTAL EXPENSES		58,043	52,745
SURPLUS		8,639	1,412

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

Australian Industrial Registry**BALANCE SHEET**

as at 30 June 2007

	Notes	2007 \$'000	2006 \$'000
ASSETS			
Financial assets			
Cash and cash equivalents	5a	446	16
Trade and other receivables	5b	34,402	22,147
Total financial assets		34,848	22,163
Non-financial assets			
Buildings	6a,c	2,894	2,510
Infrastructure, plant and equipment	6b,c	1,858	189
Intangibles	6d,e	729	673
Other non-financial assets	6f	1,133	2,547
Total non-financial assets		6,614	5,919
TOTAL ASSETS		41,462	28,082
LIABILITIES			
Payables			
Payable to Official Public Account	7	-	3,180
Suppliers	7	1,306	1,213
Other payables	7	15	5
Total payables		1,321	4,398
Provisions			
Employee provisions	8a	10,580	10,528
Other provisions	8b	7,730	6,641
Total provisions		18,310	17,169
TOTAL LIABILITIES		19,631	21,567
NET ASSETS		21,831	6,515
EQUITY			
Parent Entity Interest			
Contributed Equity		8,802	2,125
Reserves		205	205
Retained surplus (accumulated deficit)		12,824	4,185
TOTAL EQUITY		21,831	6,515
Current assets		35,981	21,530
Non-current assets		5,481	3,372
Current liabilities		12,325	10,442
Non-current liabilities		7,306	7,945

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

Australian Industrial Registry
STATEMENT OF CHANGES IN EQUITY
as at 30 June 2007

	Retained Earnings		Asset Revaluation Reserve		Contributed Equity		Total Equity	
	2007	2006	2007	2006	2007	2006	2007	2006
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance at 1 July	4,185	2,773	205	205	2,125	-	6,515	2,978
Income and expense								
Surplus for the year	8,639	1,412	-	-	-	-	8,639	1,412
Total income and expenses	8,639	1,412	-	-	-	-	8,639	1,412
Transactions with owners								
Contributions by owners								
Appropriation (equity injection)	-	-	-	-	6,677	2,125	6,677	2,125
Sub-total transactions with owners	-	-	-	-	6,677	2,125	6,677	2,125
Closing Balance at 30 June	12,824	4,185	205	205	8,802	2,125	21,831	6,515

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

Australian Industrial Registry
CASH FLOW STATEMENT
for the period ended 30 June 2007

	2007	2006
Notes	\$'000	\$'000
OPERATING ACTIVITIES		
Cash received		
Goods and services	105	98
Appropriations	60,250	49,377
Net GST received from ATO	3,685	2,073
Total cash received	64,040	51,548
Cash used		
Employees	(26,118)	(26,131)
Suppliers	(34,537)	(28,233)
Total cash used	(60,655)	(54,364)
Net cash from operating activities	9 3,385	(2,816)
INVESTING ACTIVITIES		
Cash received		
Proceeds from sale of property, plant and equipment	34	776
Cash used		
Purchase of property, plant and equipment	(2,766)	(335)
Purchase of intangibles	(223)	(134)
Total cash used	(2,989)	(469)
Net cash used by investing activities	(2,955)	307
Net increase in cash held	430	(2,509)
Cash at the beginning of the reporting period	16	2,525
Cash at the end of the reporting period	5a 446	16

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

Australian Industrial Registry
SCHEDULE OF COMMITMENTS

as at 30 June 2007

	2007	2006
	\$'000	\$'000
BY TYPE		
Commitments receivable		
Sublease rental income	(970)	-
GST recoverable on commitments	(10,244)	(11,748)
Total commitments receivable	<u>(11,214)</u>	<u>(11,748)</u>
Other commitments		
Operating leases	112,347	128,339
Other commitments	340	968
Total commitments	<u>112,687</u>	<u>129,307</u>
Net commitments	<u>101,473</u>	<u>117,559</u>
BY MATURITY		
Commitments receivable		
Operating lease income		
One year or less	(477)	-
From one to five years	(493)	-
Over five years	-	-
Total operating lease commitments	<u>(970)</u>	<u>-</u>
Other commitments receivable		
One year or less	(1,085)	(1,725)
From one to five years	(4,215)	(4,117)
Over five years	(4,944)	(5,906)
Total other commitments receivable	<u>(10,244)</u>	<u>(11,748)</u>

Australian Industrial Registry
SCHEDULE OF COMMITMENTS (continued)

as at 30 June 2007

	2007	2006
	\$'000	\$'000
Commitments payable		
Operating lease commitments		
One year or less	11,597	18,028
From one to five years	46,364	45,344
Over five years	54,386	64,967
Total operating lease commitments	112,347	128,339
Other commitments		
One year or less	340	947
From one to five years	-	21
Over five years	-	-
Total other commitments	340	968
Net commitments by maturity	101,473	117,559

NB: All commitments are GST inclusive where relevant.

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

Operating leases included are effectively non-cancellable and comprise:

Nature of lease	General description of leasing arrangement
Leases for office accommodation	<ul style="list-style-type: none"> Lease payments are subject to either increase in accordance with fixed amounts in the lease agreement or market rental reviews. The AIR may exercise option clauses in accordance with the terms of the lease.
Sub-lease of office accommodation	<ul style="list-style-type: none"> The AIR has agreed to sub-let part of the Sydney premises to the Federal Court of Australia. The sub-lease has been agreed for a two-year period, with two further one-year options available at the consent of the AIR and the Federal Court.
Agreements for the provision of motor vehicles to senior executive officers and members of the Australian Industrial Relations Commission	<ul style="list-style-type: none"> Leases are part of an operating lease and there are no purchase options available to the AIR.
Lease in relation to computer and office equipment	<ul style="list-style-type: none"> The lessors provide all computer and office equipment in accordance with the lease agreements. The AIR may negotiate extensions at expiration.

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

Australian Industrial Registry
SCHEDULE OF CONTINGENCIES

as at 30 June 2007

Contingent Assets	Claims for damages/costs		Total	
	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
Balance from previous period	-	1,853	-	1,853
New	-	-	-	-
Re-measurement	-	-	-	-
Assets crystallised	-	(1,853)	-	(1,853)
Expired	-	-	-	-
Total Contingent Assets	-	-	-	-
Net Contingencies	-	-	-	-

Details of contingent assets are disclosed in **Note 10**.

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

Australian Industrial Registry SCHEDULE OF ADMINISTERED ITEMS

	Notes	2007 \$'000	2006 \$'000
Income administered on behalf of Government for the period ended 30 June 2007			
Revenue			
Termination of employment lodgment fees	15	228	280
Less refunds of termination of employment lodgment fees	15	(31)	(63)
Interest	15	-	1
Total revenues administered on behalf of Government		197	218
Gains			
Liabilities transferred to departmental	15	2,853	-
Write-down of lease incentive	15	6,493	5,677
Total gains administered on behalf of Government		9,346	5,677
Total income administered on behalf of Government		9,543	5,895

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

Australian Industrial Registry
SCHEDULE OF ADMINISTERED ITEMS (continued)

	Notes	2007 \$'000	2006 \$'000
Assets administered on behalf of Government as at 30 June 2007			
Financial assets			
Cash		-	15,023
Total financial assets		-	15,023
Total assets administered on behalf of the Government		-	15,023
Liabilities administered on behalf of Government as at 30 June 2007			
Payables			
Liquidated damages		-	1,853
GST payable to ATO		-	1,000
Lease incentive		-	6,493
Total payables		-	9,346
Total liabilities administered on behalf of the Government		-	9,346
Current assets administered on behalf of the Government		-	15,023
Non-current assets administered on behalf of the Government		-	-
Current liabilities administered on behalf of the Government		-	9,346
Non-current liabilities administered on behalf of the Government		-	-

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

Australian Industrial Registry
SCHEDULE OF ADMINISTERED ITEMS (continued)

	Notes	2007 \$'000	2006 \$'000
Administered Cash Flows for the period ended 30 June 2007			
Operating Activities			
Cash received			
Other taxes, fees & fines		197	217
Interest		-	1
Liquidated damages received		-	1,853
Total cash received		<u>197</u>	<u>2,071</u>
Net cash from operating activities		<u>197</u>	<u>2,071</u>
Financing Activities			
Cash received			
Lease incentive received in advance		-	13,170
Total cash received		<u>-</u>	<u>13,170</u>
Net cash from financing activities		<u>-</u>	<u>13,170</u>
Cash to Official Public Account for:			
Other		(197)	(218)
Lease incentive and liquidated damages repaid		(15,023)	-
Cash at the beginning of the reporting period		<u>15,023</u>	-
Cash at the end of the reporting period		<u>-</u>	<u>15,023</u>

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

Australian Industrial Registry
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the period ended 30 June 2007

Note 1	Summary of Significant Accounting Policies
Note 2	Events Occurring after Reporting Date
Note 3	Income
Note 4	Expenses
Note 5	Financial Assets
Note 6	Non-financial Assets
Note 7	Payables
Note 8	Provisions
Note 9	Cash Flow Reconciliation
Note 10	Contingent Liabilities and Assets
Note 11	Executive Remuneration
Note 12	Remuneration of Auditors
Note 13	Average Staffing Levels
Note 14	Financial Instruments
Note 15	Administered Items
Note 16	Appropriations
Note 17	Special Accounts
Note 18	Compensation and Debt Relief
Note 19	Reporting of Outcome

Note 1: Summary of Significant Accounting Policies

1.1 Objectives of the Australian Industrial Registry

The Australian Industrial Registry (AIR) is a statutory authority established under s.62 of the *Workplace Relations Act 1996* (WR Act).

The AIR is responsible for a single outcome. Outcome 1 “Cooperative workplace relations which promote the economic prosperity and welfare of the people of Australia”. The Outcome has three outputs:

Output 1.1 Dispute resolution, orders and decisions;

Output 1.2 Registered organisations, compliance checks and investigations; and

Output 1.3 Publications and information services.

The AIR’s mission is to facilitate the operations of the Australian workplace relations system. To carry out its mission, the AIR seeks to achieve the following goals:

- act as the registry for and provide administrative support to the Australian Industrial Relations Commission (AIRC) to enable it to meet the objectives of the WR Act;
- provide clients of the AIRC/AIR with efficient, effective and timely services that facilitate the objectives of the WR Act;
- perform a range of functions and discharge statutory responsibilities conferred on the AIR by the WR Act, the *Building and Construction Improvement Act 2005* or the Registration and Accountability of Organisations (RAO) Schedule of the WR Act and public service administrative legislation; and
- improve cooperation between the federal and state industrial relations systems.

The continued existence of the AIR in its present form is dependent on Government policy and on continuing appropriations by Parliament for the AIR’s administration.

The AIR is part of the legal entity that is the Australian Government, which is ultimately responsible for all of the AIR’s debts.

1.2 Basis of Preparation of the Financial Statements

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

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

- Finance Minister’s Orders (or FMOs, being the *Financial Management and Accountability Orders*) for reporting periods ending on or after 1 July 2006; and
- Australian Accounting Standards and interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period.

The Financial Report is presented in Australian dollars and values are rounded to the nearest thousand dollars unless disclosure of the full amount is specifically required.

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

Unless an alternative treatment is specifically required by an accounting standard, assets and liabilities are recognised in the Balance Sheet when and only when it is probable that future economic benefits will flow and the amounts of the assets or liabilities can be reliably measured. However, assets and liabilities arising under agreements equally proportionately unperformed are not recognised unless required by an Accounting Standard. Liabilities and assets which are unrecognised are reported in the Schedule of Commitments and the Schedule of Contingencies (other than unquantifiable or remote contingencies, which are reported at **Note 10**).

Revenues and expenses are recognised in the Income Statement when and only when the flow or 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 Agency items, except where otherwise stated at **Note 1.20**.

1.3 Statement of Compliance

Australian Accounting Standards require a statement of compliance with International Financial Reporting Standards (IFRS) to be made where the financial report complies with these standards. Some Australian equivalents to IFRSs and other Australian Accounting Standards contain requirements specific to not-for-profit entities that are inconsistent with IFRS requirements. The AIR is a not for profit entity and has applied these requirements, so while this financial report complies with Australian Accounting Standards including Australian Equivalents to International Financial Reporting Standards (AEIFRSs) it cannot make this statement.

Adoption of new Australian Accounting Standard requirements

No accounting standard has been adopted earlier than the effective date in the current period. The following adopted requirements have resulted in a change to the AIR's accounting policies or have affected the amounts reported in the current or prior periods or are estimated to have a financial affect in future reporting periods.

Other effective requirement changes

The following amendments, revised standards or interpretations have become effective but have had no financial impact or do not apply to the operations of the AIR.

Amendments:

- 2005–1 Amendments to Australian Accounting Standards [AASBs 1, 101, 124];
- 2005–4 Amendments to Australian Accounting Standards [AASB 139, AASB 132, AASB 1, AASB 1023 and AASB 1038];
- 2005–5 Amendments to Australian Accounting Standards [AASB 1 and AASB 139];
- 2005–6 Amendments to Australian Accounting Standards [AASB 3];
- 2005–9 Amendments to Australian Accounting Standards [AASB 4, AASB 1023, AASB 139 & AASB 132];
- 2006–1 Amendments to Australian Accounting Standards [AASB 121];
- 2006–3 Amendments to Australian Accounting Standards [AASB 1045];
- 2007–4 Amendments to the Australian Accounting Standards arising from ED 151 and Other Amendments [AASB 1, 2, 3, 4, 5, 6, 7, 102, 107, 108, 110, 112, 114, 116, 117, 118, 119, 120, 121, 127, 128, 129, 130, 131, 132, 133, 134, 136, 137, 138, 139, 141, 1023 and 1038];
- 2007–7 Amendments to Australian Accounting Standards [AASB 1, 2, 4, 5, 107 and 128] as a consequence of a review of Australian equivalents to International Accounting Reporting Standards.

Interpretations:

- UIG 4 Determining whether an Arrangement contains a Lease;
- UIG 5 Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds;
- UIG 7 Applying the Restatement Approach under AASB 129 Financial Reporting in Hyperinflationary Economies;
- UIG 8 Scope of AASB 2;
- UIG 9 Reassessment of Embedded Derivatives.

UIG 4 might have impacts in future periods, subject to existing contracts being renegotiated.

Future Australian Accounting Standard requirements

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

Financial instrument disclosure

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

Other

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

- AASB 1049 Financial Reporting of General Government Sectors by Governments;
- UIG 10 Interim Financial Reporting and Impairment.

1.4 Revenues and Receivables

(a) Revenues from Government

Amounts appropriated for Departmental outputs appropriations for the year (adjusted for any formal additions and reductions) are recognised as revenue, except for certain amounts that relate to activities that are reciprocal in nature, in which case revenue is recognised only when it has been earned.

Appropriations receivable are recognised at their nominal amounts.

(b) Other Revenue

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

Receivables for goods and services are recognised at the nominal amounts due less any provision for bad and doubtful debts. Collectability of debts is reviewed at balance date. Provisions are made when collectability of the debt is no longer probable.

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

1.5 Gains

(a) 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.

Contributions of assets at no cost of acquisition or for nominal consideration are recognised at their fair value when the asset qualifies for recognition, unless received from another government agency as a consequence of a restructuring of administrative arrangements (Refer to **Note 1.6**).

Resources received free of charge are recorded as either revenue or gains depending on their nature i.e. whether they have been generated in the course of the ordinary activities of the AIR.

(b) Other Gains

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

1.6 Transactions with the Government as Owner

(a) Equity injections

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

(b) Restructuring of Administrative Arrangements

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

(c) Other distributions to owners

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

1.7 Employee Benefits

Employee Benefits includes benefits paid to Presidential Members, Commissioners and AIR staff.

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

Liabilities for short-term employee benefits (as defined in AASB 119, including wages and salaries, annual leave, etc.) and termination benefits due within 12 months of the reporting date are measured at their nominal amounts. The nominal amount is calculated with regard to the rates expected to be paid on settlement of the liability.

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

(a) 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 AIR is estimated to be less than the annual entitlement for sick leave.

The leave liabilities are calculated on the basis of employees' remuneration, including the AIR'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 based on the AIR's estimated liability at balance date of the long service leave entitlements of its employees. Eligible employees (including Commissioners) accrue 3 months long service leave after 10 years service, and progressively thereafter on a proportional basis. The non-current portion of the liability for long service leave is recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at 30 June 2007 with between 3 and 10 years service. The liability for long service leave is measured at the present value of estimated future cash outflows using market yields as at the reporting date on 'national government bonds'.

Presidential Members accrue 6 months long leave after 5 years of service as a presidential member. In recognition of the nature of Presidential Members' tenure, a provision is accrued from the first year of service.

(b) Separation and Redundancy

Provision is made for separation and redundancy benefit payments in circumstances where the AIR has formally identified positions as excess to requirements and has informed affected employees that it will carry out the terminations.

(c) Superannuation

Staff of the AIR and Commissioners of the AIRC are members of the Commonwealth Superannuation Scheme (CSS), the Public Sector Superannuation Scheme (PSS) or the PSS Accumulation Plan (PSSap). The CSS and PSS are defined benefit schemes for the Australian Government. The PSSap is a defined contribution scheme. The liability for their superannuation benefits is recognised in the financial statements of the Australian Government and is settled by the Australian Government in due course.

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

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

(d) Judges' Pensions

Presidential Members of the AIRC are members of the Judges' Pension Scheme under the *Judges' Pensions Act 1968*. The fund, as at 30 June 2007, was carrying liabilities for members benefits which exceeded the scheme's assets. The liability and payments are recorded as part of the Attorney-General's Department's financial statements. The Attorney-General's Department has given the AIR drawing rights for this financial year in relation to the special

appropriation made under the *Judges' Pensions Act 1968*. The AIR makes pension payments directly to former Presidential Members of the AIRC (Refer to **Note 16c**).

1.8 Leases

A distinction is made between finance leases and operating leases. Finance leases effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to ownership of leased non-current assets. In operating leases, the lessor effectively retains substantially all such risks and benefits.

Where a non-current asset is acquired by means of a finance lease, the asset is capitalised at the present value of minimum lease payments at the beginning of the lease term and a liability recognised at the same time and for the same amount. The discount rate used is the interest rate implicit in the lease. Leased assets are amortised over the period of the lease. Lease payments are allocated between the principal component and the interest expense.

Operating lease payments are expensed on a basis which is representative of the pattern of benefits derived from the leased assets. The net present value of future net outlays in respect of surplus space under non-cancelable lease agreements is expensed in the period in which the space becomes surplus.

Lease incentives taking the form of 'free' leasehold improvements and rent holidays are recognised as liabilities. These liabilities are reduced by allocating lease payments between rental expense and reduction of the liability.

At 30 June 2007 the AIR did not hold any finance leases.

1.9 Cash

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

1.10 Supplier and Other Payables

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

1.11 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 existing liability or asset in respect of which settlement is not probable or the amount cannot be reliably measured. Contingent assets are reported when settlement is probable, and contingent liabilities are recognised when settlement is greater than remote.

1.12 Acquisition of Assets

Assets are recorded at their cost on acquisition except as stated below. The cost of acquisition includes the fair value of assets transferred in exchange and liabilities undertaken.

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.

1.13 Property, Plant and Equipment (P,P&E)

(a) Asset Recognition Threshold

Purchases of P,P&E are recognised at cost in the Balance Sheet, except for purchases costing less than:

- \$10,000 for leasehold improvements; and
- \$1,000 for all other classes.

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 AIR where there exists an obligation to restore the property to its original condition. These costs are included in the value of the AIR's leasehold improvements with a corresponding provision for the 'make-good' taken up.

(b) Revaluations

Basis

Buildings, plant and equipment are carried at fair value, being revalued with sufficient frequency such that the carrying amount of each asset class is not materially different, at reporting date, from its fair value.

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

Asset Class	Fair value measured at:
Leasehold improvements	depreciated replacement cost
Plant & equipment	market selling price

Under 'fair value' assets which are surplus to requirements are measured at their net realisable value. At 30 June 2007, the AIR did not have any assets in this situation.

Frequency

Following initial recognition at cost property, plant and equipment are carried at fair value less accumulated depreciation and accumulated impairment losses. Valuations are conducted with sufficient frequency to ensure that the carrying amount of assets do not materially differ from the assets' fair values at the reporting date. The regularity of independent valuations depends

upon the volatility of movements in market values for the relevant assets. It is expected that the independent valuations will be undertaken once every three to five years.

Revaluation adjustments are made on a class basis. Any revaluation increment is credited to equity under the heading of asset revaluation reserve except to the extent that it reverses a previous revaluation decrement of the same asset class that was previously recognised through profit and loss. Revaluation decrements for a class of assets are recognised directly through profit and loss 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 net amount restated to the revalued amount of the asset.

(c) Depreciation

Depreciable P,P&E assets are written-off to their estimated residual values over their estimated useful life to the AIR 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) and methods are reviewed at each balance date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate. Residual values are re-estimated for a change in prices when assets are revalued.

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

	2007	2006
Leasehold improvements	Lease term	Lease term
Plant and equipment	3 to 10 years	3 to 10 years

The aggregate amount of depreciation allocated for each class of asset during the reporting period is disclosed in **Note 4c**.

1.14 Impairment Non-Financial Assets

All non-financial assets were assessed for impairment at 30 June 2007. Where indicators of impairment exist, the assets 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 AIR 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.

1.15 Intangibles

The AIR's intangibles comprise internally developed and externally purchased computer software. These assets are carried at cost.

Software is amortised on a straight-line basis over its anticipated useful life. Useful lives are:

	2007	2006
Intangibles—computer software	3 to 10 years	3 to 10 years

All software assets were assessed for indications of impairment as at 30 June 2007. None were found to be impaired.

1.16 Decommissioning, Restoration and Make-Good Provision

Obligations for make-good were identified for the Sydney and Darwin premises. Make-good provisions for premises are made in accordance with the terms of the relative lease agreements, and are based on estimates of the square foot cost of make-good provided by independent consultants.

1.17 Financial Risk Management

The AIR's activities expose it to normal commercial financial risk. As a result of the nature of the AIR's business and internal and Australian Government policies, dealing with the management of financial risk, the AIR's exposure to market, credit, liquidity and cash flow and fair value interest rate risk is considered to be low.

1.18 Derecognition of Financial Assets and Liabilities

Financial assets are derecognised when the contractual rights to the cash flows from the financial assets expire or the asset is transferred to another entity. In the case of a transfer to another entity, it is necessary that the risks and rewards of ownership are also transferred.

Financial liabilities are derecognised when the obligation under the contract is discharged, cancelled or expires.

1.19 Taxation

The AIR is exempt from all forms of taxation except fringe benefits tax and the goods and services tax (GST).

Revenues, expenses and assets are recognised net of GST except where the amount of GST incurred is not recoverable from the Australian Taxation Office; and except for receivables and payables.

1.20 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 Agency items, including the application of Australian Accounting Standards.

The AIR has been granted authority and drawing rights by the Attorney-General's Department to make payments under the *Judges' Pensions Act 1968*. The AIR makes pension payments directly to former Presidential Members of the AIRC. In previous years, the AIR received and reported a special appropriation in respect of the *Judges' Pensions Act 1968* payments (**Note 16c**).

(a) Administered Cash Transfers to and from Official Public Account

Revenue collected by the AIR for use by the Government rather than the AIR is Administered Revenue. Collections are transferred to the Official Public Account (OPA) maintained by the Department of Finance and Administration. Conversely, cash is drawn from the OPA to make payments under Parliamentary appropriation on behalf of Government. These transfers to and from the OPA are adjustments to the administered cash held by the AIR 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 15**. Thus the Schedule of Administered Items largely reflects the Government's transactions, through the AIR, with parties outside the Government.

In 2005–06, the AIR received \$1.853m as settlement of liquidated damages for the late delivery of 11 Exhibition Street, Melbourne premises and \$13.170m lease incentive drawdowns to fund the fit-out works in accordance with the lease agreement. This included \$1m payable to the ATO for GST. Both these amounts were transferred to the Official Public Account.

The fit-out works were completed during the year.

(b) Revenue

All administered revenues are revenues relating to core operating activities performed by the AIR on behalf of the Government. The AIR receives revenue from fees charged for lodgment of applications to the AIRC for relief in respect of termination of employment.

Note 1.21 Accounts and Records

During 2005–06, the AIR received \$15.023 million (including GST) associated with the leasing of new offices. The AIR's Section 31 Agreement did not allow for the retention of these receipts as departmental monies and they were required to be returned to the Official Public Account. Adjustments were made to the departmental financial statements to disclose these receipts as administered revenues. The departmental cash balance was \$11.843 million as at 30 June 2006 but due to the reclassification of \$15.023 million in cash from

departmental to administered accounts, the adjustment resulted in a Payable to the OPA of \$3.180 million as disclosed at **Note 7**.

Note 2: Events Occurring after Reporting Date

There were no significant events that occurred after 30 June 2007, but prior to the signing of the financial statements.

Note 3: Income

	2007	2006
	\$'000	\$'000
Revenues		
<u>Note 3a Revenues from Government</u>		
Appropriations for outputs	66,450	53,785
Total revenues from government	66,450	53,785
<u>Note 3b Rendering of services</u>		
Rendering of services—external entities	43	75
Total rendering of services	43	75
<u>Note 3c Other revenues</u>		
Interest on deposits	-	-
Other revenue	36	32
Total other revenue	36	32
Gains		
<u>Note 3d Net gains from disposal of assets</u>		
Plant & Equipment:		
Proceeds from disposal	34	705
Net book value of assets disposed	(4)	(704)
Net gain from disposal of plant & equipment	30	1

Note 4: Expenses

	2007	2006
	\$'000	\$'000
<u>Note 4a Employee benefits</u>		
Salary	19,935	19,375
Superannuation	3,018	2,739
Leave and other entitlements	1,763	2,208
Separation and redundancies	193	322
Other employee expenses	1,269	1,235
Total employee benefits	26,178	25,879
<u>Note 4b Suppliers</u>		
Provision of goods—external entities	1,020	763
Rendering of services—related entities	1,163	228
Rendering of services—external entities	15,433	15,626
Operating lease rentals:		
Minimum lease payments	11,253	9,528
Total supplier expenses	28,869	26,145
<u>Note 4c Depreciation and amortisation</u>		
Depreciation		
Leasehold improvements	347	521
Plant and equipment	286	29
Total Depreciation	633	550
Amortisation		
Intangibles—Computer Software	166	171
Total depreciation and amortisation	799	721
<u>Note 4d Other expenses</u>		
Liquidated damages	1,853	-
Total other expenses	1,853	-

Note 5: Financial Assets

	2007	2006
	\$'000	\$'000
<u>Note 5a Cash and cash equivalents</u>		
Cash at bank	430	-
Advance accounts	10	10
Cash on hand	6	6
Total cash and cash equivalents	446	16

Note 5b Trade and other receivables

All receivables are current assets.

Goods and services	4	4
Less: Provision for doubtful debts	-	-
	4	4
GST receivable from the Australian Taxation Office	164	779
Appropriation receivable – undrawn	34,235	21,358
Employee receivables	(1)	6
Total trade and other receivables	34,402	22,147

All receivables with entities external to the Commonwealth credit terms are net 30 days (2005–06: 30 days)

Receivables (gross) are aged as follows:

Not overdue	34,402	22,145
Overdue by:		
Less than 30 days	-	2
30 to 60 days	-	-
60 to 90 days	-	-
More than 90 days	-	-
	-	2
Total trade and other receivables (gross)	34,402	22,147

Note 6: Non-financial Assets

	2007	2006
	\$'000	\$'000
<u>Note 6a Buildings</u>		
Leasehold improvements:		
– fair value	17,549	16,818
– accumulated amortisation	(14,655)	(14,308)
Total leasehold improvements	2,894	2,510
Total buildings	2,894	2,510

No indicators of impairment were found for leasehold improvements.

Note 6b Plant and equipment

Plant and equipment:		
– fair value	2,654	906
– accumulated depreciation	(796)	(717)
Total plant and equipment	1,858	189

No indicators of impairment were found for plant and equipment.

Note 6c Analysis of property, plant and equipment

Table A—Reconciliation of the opening and closing balances of property, plant and equipment (2006–07)

Item	Leasehold Improvements \$'000	Plant and Equipment \$'000	Total \$'000
As at 1 July 2006			
Gross book value	16,818	906	17,724
Accumulated depreciation/amortisation	(14,308)	(717)	(15,025)
Net book value 1 July 2006	2,510	189	2,699
Additions by purchase	807	1,959	2,766
Net revaluation increment/(decrement)	-	-	-
Depreciation/amortisation expense	(347)	(286)	(633)
Other movements—make-good	488	-	488
Disposals	(564)	(4)	(568)
Net book value 30 June 2007	2,894	1,858	4,752
Net book value as of 30 June 2007 as represented by:			
Gross book value	17,549	2,654	20,203
Accumulated depreciation/amortisation	(14,655)	(796)	(15,451)
	2,894	1,858	4,752

Table A—Reconciliation of the opening and closing balances of property, plant and equipment (2005–06)

Item	Leasehold Improvements \$'000	Plant and Equipment \$'000	Total \$'000
As at 1 July 2005			
Gross book value	14,278	1,251	15,529
Accumulated depreciation/amortisation	(13,787)	(688)	(14,475)
Net book value 1 July 2005	491	563	1,054
Additions by purchase	2,540	358	2,898
Net revaluation increment/(decrement)	-	-	-
Depreciation/amortisation expense	(521)	(29)	(550)
Other movements—make-good	-	-	-
Disposals	-	(703)	(703)
Net book value 30 June 2006	2,510	189	2,699
Net book value as of 30 June 2006 as represented by:			
Gross book value	16,818	906	17,724
Accumulated depreciation/amortisation	(14,308)	(717)	(15,025)
	2,510	189	2,699

2007 2006
\$'000 \$'000

Note 6d Intangibles

Computer software

At cost:

- computer software developed and in use **1,797** 1,673
- internally developed—in progress **134** 35

Total computer software **1,931** 1,708

- accumulated amortisation **1,202** (1,035)

Total intangibles **729** 673

No indicators of impairment were found for intangible assets.

Note 6e Analysis of intangibles

Table A—Reconciliation of the opening and closing balances of intangibles (2006–07)

Item	Intangibles \$'000	Total \$'000
As at 1 July 2006		
Gross book value	1,708	1,708
Accumulated depreciation/amortisation	(1,035)	(1,035)
Net book value 1 July 2006	673	673
Additions by purchase	223	223
Net revaluation increment/(decrement)	-	-
Depreciation/amortisation expense	(167)	(167)
Disposals	-	-
Net book value 30 June 2007	729	729
Net book value as of 30 June 2007 represented by:		
Gross book value	1,931	1,931
Accumulated depreciation/amortisation	1,202	1,202
	729	729

Table A—Reconciliation of the opening and closing balances of intangibles (2005–06)

Item	Intangibles \$'000	Total \$'000
As at 1 July 2005		
Gross book value	1,574	1,574
Accumulated depreciation/amortisation	(864)	(864)
Net book value 1 July 2005	710	710
Additions by purchase	134	134
Net revaluation increment/(decrement)	-	-
Depreciation/amortisation expense	(171)	(171)
Disposals	-	-
Net book value 30 June 2006	673	673
Net book value as of 30 June 2006 represented by:		
Gross book value	1,708	1,708
Accumulated depreciation/amortisation	(1,035)	(1,035)
Net book value 30 June 2006	673	673

2007	2006
\$'000	\$'000

Note 6f Other non-financial assets

All other non-financial assets are current assets.

Prepayments	1,133	1,065
Lease incentive (rent free period)	-	1,482
Total non-financial assets	1,133	2,547

Note 7: Payables

2007	2006
\$'000	\$'000

Payables

All payables are current liabilities.

Payable to OPA	-	3,180
Trade creditors	1,306	1,213
Unearned revenue	15	5
Total payables	1,321	4,398

Note 8: Provisions

Note 8a Employee provisions

Salary	216	228
Superannuation	228	19
Annual leave	3,014	2,782
Leave bonus	29	33
Long service leave	3,688	3,929
Judges' long leave	3,405	3,498
Redundancy	-	39
Total employee provisions	10,580	10,528
Current	9,129	8,779
Non-current	1,451	1,749
	10,580	10,528

	2007	2006
	\$'000	\$'000
<u>Note 8b Other provisions</u>		
Leasehold make-good	2,319	2,639
Lease incentives	3,558	4,002
Liquidated damages	1,853	-
Total other provisions	7,730	6,641
Current	1,875	445
Non-current	5,855	6,196
	7,730	6,641
Carrying amount 1 July	6,641	1,460
Additional provisions made	1,853	6,641
Amounts used	(545)	(1,121)
Amounts reversed	(486)	(339)
Unwinding of discount or change in discount rate	267	-
Closing balance	7,730	6,641

As part of the lease agreement for the Sydney premises, AIR received a lease incentive in the form of a rent free period which is being amortised over the lifetime of the lease.

Note 9: Cash Flow Reconciliation

	2007	2006
	\$'000	\$'000
Reconciliation of cash and cash equivalents as per Balance Sheet to Cash Flow Statement:		
Report cash and cash equivalents as per:		
Cash Flow Statement	446	16
Balance Sheet	446	16
Reconciliation of operating result to net cash from operating activities:		
Operating result	8,639	1,412
Depreciation/amortisation	799	721
Net gain from write-back of make-good provision	(100)	(239)
Net gain on disposal of assets	(30)	-
Net loss on write-back of assets	77	-
Decrease (increase) in net receivables (excluding capital appropriation receivable)	(5,576)	(8,023)
Decrease (increase) in other non-financial assets	1,414	(1,894)
Increase (decrease) in unearned income	9	(18)
Increase (decrease) in payable to the OPA	(3,180)	3,180
Increase (decrease) in trade creditors	94	(470)
Increase (decrease) in employee provisions	51	(270)
Increase (decrease) in other provisions	1,188	2,785
<i>Net cash from (used by) operating activities</i>	3,385	(2,816)

Note 10: Contingent Liabilities and Assets

Unrecognised or Contingent Liabilities or Unrecognised Assets

There were no unrecognised or contingent liabilities or unrecognised assets requiring disclosure.

Note 11: Executive Remuneration

The number of executive officers who received or were due to receive total remuneration of \$130,000 or more:

	2007	2006
\$145,000 to \$159,999	1	-
\$160,000 to \$174,999	-	-
\$175,000 to \$189,999	-	1
\$190,000 to \$204,999	1	-
\$205,000 to \$219,999	-	1

The aggregate amount of total remuneration of executives shown above. **\$352,901** \$383,744

The aggregate amount of separation and redundancy payments during the year to executives shown above. - -

Note 12: Remuneration of Auditors

Financial statement audit services are provided free of charge to the AIR. The fair value of services provided was:

	2007	2006
	\$	\$
Australian National Audit Office		
Provision of audit services	23,000	25,100

No other services were provided by the Auditor-General.

Note 13: Average Staffing Levels

Average staffing levels during the year were:

	2007	2006
Presidential Members	18.0	19.0
Commissioners	24.9	25.0
AIR staff	164.4	178.4
<i>Total average staffing levels</i>	207.3	222.4

Note 14: Financial Instruments

Note 14a Interest rate risk

All financial assets and liabilities are non-interest bearing.

Financial assets

The net fair values of cash and non-interest bearing monetary financial assets approximate their carrying amounts in both the current and immediately preceding period.

Financial liabilities

The net fair values for trade creditors approximate their carrying amounts in both the current and immediately preceding period.

Note 14b Credit risk

The AIR's maximum exposures to credit risk at reporting date in relation to each class of recognised financial assets is the carrying amount of those assets as indicated in the Balance Sheet.

The AIR has no significant exposures to any concentrations of credit risk.

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

Note 15: Administered Items

	2007	2006
	\$'000	\$'000
<u>Note 15a Administered Reconciliation Table</u>		
Opening administered assets less administered liabilities as at 1 July	5,677	-
Plus Administered revenues	197	218
Administered write-down of lease incentive	6,493	5,677
Administered liability transferred to departmental	1,853	-
Administered GST liability transferred to departmental	1,000	-
Administered transfers to/from Australian Government	-	-
Transfers to OPA	(15,220)	(218)
Closing administered assets less administered liabilities as at 30 June	-	5,677

Note 15b Administered Contingent Liabilities and Assets

As at 30 June 2007 there were no unrecognised or contingent liabilities or unrecognised or contingent assets requiring disclosure.

Note 16: Appropriations

Note 16a Acquittal of Authority to Draw Cash from the Consolidated Revenue Fund (CRF) for Ordinary Annual Services Appropriations

Particulars	Departmental Outputs 2007 \$	Departmental Outputs 2006 \$	Total 2007 \$	Total 2006 \$
Balance carried from previous year	17,027,199	15,752,073	17,027,199	15,752,073
Appropriation Act:				
Appropriation Act (No. 1)	58,067,000	53,963,000	58,067,000	53,963,000
Appropriation Act (No. 3)	8,383	-	8,383	-
Increase/(Reduction) of Appropriation prior year	-	(1,256,000)	-	(1,256,000)
FMA Act:				
Appropriations to take account of recoverable GST (FMA s30 A)	3,684,992	2,621,866	3,684,992	2,621,866
Annotations to 'net appropriations' (FMA s31)	139,040	780,233	139,040	780,233
Total appropriations available for payments	87,301,231	71,861,172	87,301,231	71,861,172
Cash payments made during the year (GST inclusive)	(61,257,924)	(54,833,973)	(61,257,924)	(54,833,973)
Balance of Authority to Draw Cash from the CRF for Ordinary Annual Services Appropriations	26,043,307	17,027,199	26,043,307	17,027,199
Represented by:				
Cash at bank and on hand	446,279	15,551	446,279	15,551
Receivable—departmental appropriations	25,433,278	19,233,348	25,433,278	19,233,348
Formal reduction of appropriation revenue	-	178,000	-	178,000
Payable to Official Public Account	-	(3,180,000)	-	(3,180,000)
Receivable—GST receivable	163,750	780,300	163,750	780,300
Total	26,043,307	17,027,199	26,043,307	17,027,199

Note 16b Acquittal of Authority to Draw Cash from the Consolidated Revenue Fund (CRF) for other than Ordinary Annual Services Appropriations

Particulars	Departmental Equity 2007 \$	Departmental Equity 2006 \$	Total 2007 \$	Total 2006 \$
Balance carried from previous year	2,125,000	-	2,125,000	-
Appropriation Act:				
Appropriation Act (No. 2)	-	-	-	-
Appropriation Act (No. 4)	6,677,000	2,125,000	6,677,000	2,125,000
FMA Act:				
Appropriations to take account of recoverable GST (FMA s30 A)	-	-	-	-
Total appropriations available for payments	8,802,000	2,125,000	8,802,000	2,125,000
Cash payments made during the year (GST inclusive)	-	-	-	-
Balance of Authority to Draw Cash from the CRF for other than Ordinary Annual Services Appropriations	8,802,000	2,125,000	8,802,000	2,125,000
Represented by:				
Receivable—departmental appropriations	8,802,000	2,125,000	8,802,000	2,125,000
Total	8,802,000	2,125,000	8,802,000	2,125,000

Note 16c Acquittal of Authority to Draw Cash from the Consolidated Revenue Fund - Special Appropriations (Unlimited Amount)

During the year, the AIR was granted authority and drawing rights by the Attorney-General's Department to make payments under the *Judges' Pensions Act 1968*. The AIR makes pension payments directly to former Presidential Members of the AIRC.

<i>Judges' Pensions Act 1968</i> (Administered)	2007 \$	2006 \$

Legal Authority: *Judges' Pensions Act 1968*.

Purpose: To make payments to former Presidential Members of the Australian Industrial Relations Commission.

Total receipts	2,996,282	2,843,051
Total payments	(2,996,282)	(2,843,051)
Balance	-	-

Note 17: Special Accounts

Note 17a Other Trust Moneys Account

	2007	2006
	\$	\$
Legal Authority: <i>Financial Management and Accountability Act 1997</i> .		
Purpose: For expenditure of monies temporarily held on trust or otherwise for the benefit of a person other than the Commonwealth.		
Balance carried from previous period	-	-
Other receipts	19,376	11,691
Available for payments	19,376	11,691
Payments made	19,376	11,691
Balance carried to the next period	-	-

Note 17b Services for Other Government and Non-Agency Bodies Account

	2007	2006
	\$	\$
Legal Authority: <i>Financial Management and Accountability Act 1997</i> .		
Purpose: For expenditure in connection with services performed on behalf of other Governments and bodies that are not Agencies under the FMA Act.		
Balance carried from previous period	-	-
Other receipts	-	-
Available for payments	-	-
Payments made	-	-
Balance carried to the next period	-	-

Note 18: Compensation and Debt Relief

	Departmental		Administered	
	2007	2006	2007	2006
	\$	\$	\$	\$
No 'Act of Grace' payments were made during the reporting period. (2006: No payments made)	-	-	-	-
No waivers of amounts owing to the Australian Government were made pursuant to subsection 34(1) of the <i>Financial Management and Accountability Act 1997</i> . (2006: No waivers)	-	-	-	-
No ex-gratia payments were made during the reporting period. (2006: No payments made)	-	-	-	-
No payments were made under the 'Defective Administration Scheme' during the reporting period. (2006: No payments made)	-	-	-	-

No payments were made under s.73 of the *Public Service Act 1999* during the reporting period. (2006: No payments made)

- - - -

Note 19: Reporting of Outcome

Note 19a Net Cost of Outcome Delivery

The AIR determines the attribution of its shared items based on a survey of employee time spent on each activity and the salary paid to these employees. The basis of attribution in the table is consistent with the basis used for the 2006–07 Budget.

	2007	2006
	\$'000	\$'000
Administered expenses	-	-
Departmental expenses	58,043	52,745
Total expenses	58,043	52,745
<i>Costs recovered from provision of goods and services to the non-government sector</i>		
Administered	-	-
Departmental	43	75
Total costs recovered	43	75
<i>Other external revenues</i>		
Administered		
Other taxes, fees and fines	197	217
Interest on cash deposits	-	1
<i>Total Administered</i>	197	218
Departmental		
Interest on cash deposits	-	-
Other	36	32
<i>Total Departmental</i>	36	32
Total other external revenues	233	250
Net cost/(contribution) of outcome	57,767	52,420

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

Note 19b Major Classes of Departmental Revenues and Expenses by Output Groups

Outcome 1	Output Group 1.1		Output Group 1.2		Output Group 1.3		Total	
	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
Departmental expenses								
Employees	23,777	23,803	2,017	1,928	384	148	26,178	25,879
Suppliers	28,147	24,048	2,388	1,948	455	149	30,989	26,145
Depreciation and amortisation	725	663	62	54	12	4	799	721
Other expenses	70	-	6	-	1	-	77	-
Total departmental expenses	52,719	48,514	4,473	3,930	851	301	58,043	52,745
Funded by:								
Revenues from government	61,141	49,471	4,910	4,007	399	307	66,450	53,785
Sale of goods and services	40	69	3	6	-	-	43	75
Other non-taxation revenues	54	53	5	4	-	-	59	57
Gains	120	223	10	17	-	-	130	240
Total departmental revenues	61,355	49,816	4,928	4,034	399	307	66,682	54,157

Outputs are described in **Note 1.1**.

Note 19c Major Classes of Administered Revenues and Expenses by Outcome

Outcome 1	2007 Actual \$'000	2006 Actual \$'000
Administered Revenues		
Other non-taxation revenues	197	217
Interest on deposits	-	1
Liabilities transferred to Departmental	2,853	-
Write-down of liability	6,493	5,677
Total administered revenues	9,543	5,895

The Outcome is described in **Note 1.1**.