



Australian Government
**Australian Public Service
Commission**

*Australian Public Service
Commissioner*
annual report

2007-08

Incorporating the Annual Report of the Merit Protection Commissioner



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The background of the page is a light green color with a faint, repeating pattern of microscopic plant cells, likely from a leaf or stem, visible in the upper half. The cells are arranged in a grid-like structure with some larger, more prominent cells. The overall appearance is that of a scientific or botanical document.

Appendices

APPENDIX A

RESOURCES FOR OUTCOME

OUTCOME:

A confident, high quality, values-based and sustainable Australian Public Service

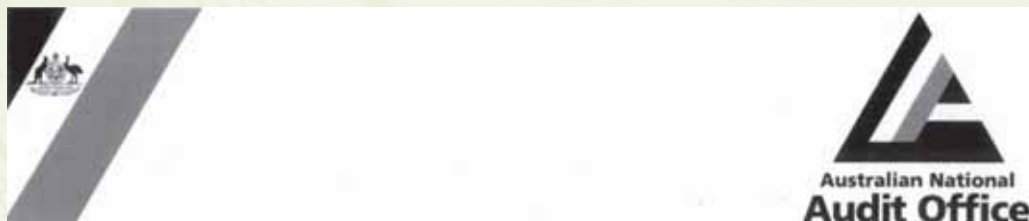
TABLE 28: RESOURCES FOR OUTCOME

	(1) Actual 2007—08 \$'000	(2) Budget 2007—08 \$'000	Variation (column 1 minus column 2) 2008—09 \$'000	Budget 2008—09 \$'000
DEPARTMENTAL PRICE OF OUTPUTS				
Output group 1 – APS Policy and employment services				
Output 1.1 – Advice and support to Minister, Executive and Agency Heads	2,262	2,001	261	1,839
Output 1.2 – Employment services	6,783	5,997	786	8,218
Output 1.3 – International assistance and organisations	2,478	2,906	-428	2,933
Output 1.4 – Merit Protection and other services	2,883	3,165	-282	2,939
Subtotal output group 1	14,406	14,069	337	15,929
Output group 2 – Development programmes				
Output 2.1 – Leadership services	5,027	5,244	-217	7,543
Output 2.2 – Programme delivery	9,773	8,553	1,220	6,314
Output 2.3 – National / International programmes	1,458	1,902	-444	2,189
Subtotal output group 2	16,258	15,699	559	16,046
Output group 3 – Better practice and evaluation				
Output 3.1 – Indigenous employment	4,886	4,663	223	4,693
Output 3.2 – Promote better practice	1,737	2,016	-279	1,543
Output 3.3 – Statistical / Information services	1,422	1,368	54	1,421
Output 3.4 – Research and evaluation	1,522	1,528	-6	1,278
Subtotal output group 3	9,567	9,575	-8	8,935
Total price of outcome	40,231	39,343	888	40,910
Departmental income				
Revenue from Government (Appropriation)	20,804	20,498	306	21,718
Income from other Sources	19,427	18,845	582	19,192
Total Departmental income	40,231	39,343	888	40,910
Average staffing level	214	206	8	216

Note: Budgets are as per Portfolio Budgets Statements 2008–09 amounts excludes budget gains of \$41,000

APPENDIX B

INDEPENDENT AUDITORS REPORT



INDEPENDENT AUDITOR'S REPORT

To the Special Minister of State

Scope

I have audited the accompanying financial statements of the Australian Public Service Commission for the year ended 30 June 2008, which comprise: a Statement by the Chief Executive and Chief Financial Officer; Income Statement; Balance Sheet; Statement of Changes in Equity; Cash Flow Statement; Schedule of Commitments; Schedule of Contingencies; and Notes to and forming part of the Financial Statements, including a Summary of Significant Accounting Policies.

The Responsibility of the Chief Executive for the Financial Statements

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

Auditor's Responsibility

My responsibility is to express an opinion on the financial statements based on my audit. 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

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statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Australian Public Service Commission'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 Public Service Commission's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Australian Public Service Commission'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 requirements of the Australian accounting profession.

Auditor's Opinion

In my opinion, the financial statements of the Australian Public Service Commission:

- (a) have been prepared in accordance with the Finance Minister's Orders made under the *Financial Management and Accountability Act 1997*, including the Australian Accounting Standards; and
- (b) give a true and fair view of the matters required by the Finance Minister's Orders including the Australian Public Service Commission's financial position as at 30 June 2008 and its financial performance and cash flows for the year then ended.

Australian National Audit Office



Executive Director

Delegate of the Auditor-General

Canberra

2 September 2008

**AUSTRALIAN PUBLIC SERVICE COMMISSION
STATEMENT BY THE CHIEF EXECUTIVE AND CHIEF FINANCE OFFICER**

In our opinion, the attached financial statements for the year ended 30 June 2008 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.



Lynne Tacy
Acting Chief Executive

1 September 2008



David Mylan
Chief Finance Officer

1 September 2008

AUSTRALIAN PUBLIC SERVICE COMMISSION INCOME STATEMENT

for the year ended 30 June 2008

	Notes	2008 \$'000	2007 \$'000
INCOME			
Revenue			
Revenue from Government	3a	20,804	20,591
Sale of goods and rendering of services	3b	19,390	19,103
<i>Total revenue</i>		<u>40,194</u>	<u>39,694</u>
Gains			
Sale of assets	3c	-	30
Resources received free of charge	3d	37	39
<i>Total gains</i>		<u>37</u>	<u>69</u>
Total Income		<u>40,231</u>	<u>39,763</u>
EXPENSES			
Employee benefits	4a	21,272	19,408
Suppliers	4b	17,343	16,686
Depreciation and amortisation	4c	1,478	1,278
Finance costs	4d	36	47
Write-down and impairment of assets	4e	2	-
Losses from asset sales	3c	3	-
Total expenses		<u>40,134</u>	<u>37,419</u>
Surplus / (deficit)		<u>97</u>	<u>2,344</u>

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

AUSTRALIAN PUBLIC SERVICE COMMISSION
BALANCE SHEET
as at 30 June 2008

	Notes	2008 \$'000	2007 \$'000
ASSETS			
Financial assets			
Cash and cash equivalents	5a	542	559
Trade and other receivables	5b	13,654	13,143
Total financial assets		14,196	13,702
Non-financial assets			
Land and buildings	6a,d	3,485	3,079
Infrastructure, plant and equipment	6b,d	2,061	2,147
Intangibles	6c,d	1,067	933
Inventories	6e	187	206
Prepayments paid	6f	544	567
Total non-financial assets		7,344	6,932
Total assets		21,540	20,634
LIABILITIES			
Payables			
Suppliers	7a	3,763	4,004
Prepayments received	7b	2,433	2,930
Other payables	7c	58	43
Total payables		6,254	6,977
Interest bearing liabilities			
Leases	8a	345	386
Lease incentives	8b	1,963	1,421
Total interest bearing liabilities		2,308	1,807
Provisions			
Employees	9a	6,004	5,337
Make good	9b	141	167
Total provisions		6,145	5,504
Total liabilities		14,707	14,288
NET ASSETS		6,833	6,346
EQUITY			
Contributed equity		(1,004)	(1,394)
Asset revaluation reserve		1,013	1,013
Retained surplus / (accumulated deficit)		6,824	6,727
Total equity		6,833	6,346
Current assets		14,927	14,475
Non-current assets		6,613	6,159
Current liabilities		12,202	12,292
Non-current liabilities		2,505	1,996

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

AUSTRALIAN PUBLIC SERVICE COMMISSION
STATEMENT OF CHANGES IN EQUITY
for the year ended 30 June 2008

Item	Retained earnings		Asset revaluation reserve		Contributed equity		Total equity	
	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
Opening Balance	6,727	4,383	1,013	1,013	(1,394)	(1,894)	6,346	3,502
Income and expenses:								
Surplus / (deficit) for the period	97	2,344	-	-	-	-	97	2,344
Transactions with owner:								
Contributions by owner:								
Appropriation (equity injection)	-	-	-	-	390	500	390	500
Closing balance	6,824	6,727	1,013	1,013	(1,004)	(1,394)	6,833	6,346

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

AUSTRALIAN PUBLIC SERVICE COMMISSION
CASH FLOW STATEMENT
for the year ended 30 June 2008

	Notes	2008 \$'000	2007 \$'000
OPERATING ACTIVITIES			
Cash received			
Goods and services		22,615	23,796
Appropriations		20,404	20,591
Other cash received		993	483
Total cash received		<u>44,012</u>	<u>44,870</u>
Cash used			
Employees		21,430	19,664
Suppliers		19,558	20,373
Net GST paid to the ATO		121	109
Cash transferred to the OPA		-	1,300
Other cash used		1,075	798
Total cash used		<u>42,184</u>	<u>42,244</u>
Net cash from / (used by) operating activities	11	<u>1,828</u>	<u>2,626</u>
INVESTING ACTIVITIES			
Cash received			
Proceeds from sales of property, plant and equipment		3	82
Lease incentive		-	1,384
Total cash received		<u>3</u>	<u>1,466</u>
Cash used			
Purchase of property, plant and equipment		1,438	4,083
Purchase of intangibles		725	389
Total cash used		<u>2,163</u>	<u>4,472</u>
Net cash from / (used by) investing activities		<u>(2,160)</u>	<u>(3,006)</u>
FINANCING ACTIVITIES			
Cash received			
Appropriations – contributed equity		315	500
Total cash received		<u>315</u>	<u>500</u>
Net cash from / (used by) financing activities		<u>315</u>	<u>500</u>
Net increase / (decrease) in cash held		(17)	120
Cash and cash equivalents at the beginning of the reporting period		559	439
Cash and cash equivalents at the end of the reporting period	5a	<u>542</u>	<u>559</u>

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

**AUSTRALIAN PUBLIC SERVICE COMMISSION
SCHEDULE OF COMMITMENTS**

as at 30 June 2008

	2008 \$'000	2007 \$'000
BY TYPE		
Commitments receivable		
GST recoverable on commitments	<u>(4,038)</u>	(4,165)
Total commitments receivable	<u>(4,038)</u>	(4,165)
Capital commitments		
Intangibles	<u>65</u>	2
Total capital commitments	<u>65</u>	2
Other commitments		
Operating leases ¹	<u>36,751</u>	39,213
Other commitments ²	<u>7,612</u>	6,589
Total other commitments	<u>44,363</u>	45,802
Net commitments	<u>40,390</u>	41,639

NB: Commitments are GST inclusive where relevant.

¹ Operating leases included are effectively non-cancellable and include leases for office accommodation, motor vehicles and IT equipment and services.

<i>Nature of lease</i>	<i>General description of leasing arrangement</i>
Leases for office accommodation	<ul style="list-style-type: none"> Lease payments are subject to rent reviews in accordance with the lease agreement. The initial periods of office accommodation leases are still current.
Lease for general IT services, equipment, software and support	<ul style="list-style-type: none"> The lessor provides general IT services, equipment, software and support for the Commission. The initial contract of 5 years has been extended for 4 years. Pricing is subject to review annually.
Agreements for the provision of motor vehicles to senior executive officers	<ul style="list-style-type: none"> No contingent rentals exist. There are no purchase options available to the Commission.

² Other commitments comprise amounts committed for development and administrative activities.

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

AUSTRALIAN PUBLIC SERVICE COMMISSION SCHEDULE OF COMMITMENTS

as at 30 June 2008

	2008	2007
	\$'000	\$'000
BY MATURITY		
GST recoverable on commitments		
One year or less	(778)	(779)
From one to five years	(1,068)	(1,113)
Over five years	(2,192)	(2,273)
Total GST recoverable on commitments	<u>(4,038)</u>	<u>(4,165)</u>
Capital commitments		
One year or less	65	2
From one to five years	-	-
Over five years	-	-
Total capital commitments	<u>65</u>	<u>2</u>
Operating lease commitments		
One year or less	4,192	4,119
From one to five years	10,183	11,166
Over five years	22,376	23,928
Total operating lease commitments	<u>36,751</u>	<u>39,213</u>
Other commitments		
One year or less	4,301	4,445
From one to five years	1,576	1,074
Over five years	1,735	1,070
Total other commitments	<u>7,612</u>	<u>6,589</u>
Net commitments by maturity	<u>40,390</u>	<u>41,639</u>

NB: Commitments are GST inclusive where relevant.

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

**AUSTRALIAN PUBLIC SERVICE COMMISSION
SCHEDULE OF CONTINGENCIES**

as at 30 June 2008

	2008	2007
	\$'000	\$'000
Contingent assets	-	-
Contingent liabilities	-	-
Net contingent assets / (liabilities)	-	-

Quantifiable contingencies

As at 30 June 2008 the Commission has no quantifiable contingencies (2007: nil).

Unquantifiable contingencies

As at 30 June 2008 the Commission has no unquantifiable contingencies (2007: nil).

Remote contingencies

As at 30 June 2008 the Commission has no material remote contingencies (2007: nil).

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

AUSTRALIAN PUBLIC SERVICE COMMISSION
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2008

Note	Description
1	Summary of significant accounting policies
2	Events occurring after reporting date
3	Income
4	Expenses
5	Financial assets
6	Non-financial assets
7	Payables
8	Interest bearing liabilities
9	Provisions
10	Restructuring
11	Cash flow reconciliation
12	Executive remuneration
13	Remuneration of Auditors
14	Financial instruments
15	Appropriations
16	Special accounts
17	Compensation and debt relief
18	Reporting of outcomes

AUSTRALIAN PUBLIC SERVICE COMMISSION

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2008

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1.1 Objective of the Commission

The Commission's mission is to support a high-performing Australian Public Service.

The Commission is structured to meet one outcome, to foster *a confident, high quality, values-based and sustainable Australian Public Service*.

The continued existence of the Commission in its present form and with its present programmes is dependant on Government policy and on continuing appropriations by Parliament for the Commission's administration and programmes.

1.2 Basis of preparation of the financial report

The financial statements are required by Section 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) for reporting periods ending on or after 1 July 2007 and
- Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period.

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

The financial report is presented in Australian dollars and values are rounded to the nearest thousand dollars unless otherwise specified.

Unless an alternative treatment is specifically required by an accounting standard or the FMOs, assets and liabilities are recognised in the Balance Sheet when and only when it is probable that future economic benefits will flow to the entity or a future sacrifice of economic benefits will be required and the amounts of the assets or liabilities can be reliably measured. However, assets and liabilities arising under agreements equally proportionately unperformed are not recognised unless required by an Accounting Standard. Liabilities and assets that are unrealised are reported in the Schedule of Commitments and the Schedule of Contingencies.

Unless alternative treatment is specifically required by an accounting standard, income 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.

1.3 Significant Accounting Judgements and Estimates

In the process of applying the accounting policies listed in this note, the Commission has made the following judgement that has a significant impact on the amounts recorded in the financial statements:

- The fair value of make good for lease hold improvements is based on an estimated average cost per square metre. The actual cost, if any, of the make good for each premises will depend on the relevant factors at the time of vacating the premises.

AUSTRALIAN PUBLIC SERVICE COMMISSION

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2008

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

1.4 Statement of Compliance

Adoption of new Australian Accounting Standard requirements

The Commission had adopted 2007-5 *Amendments to Australian Accounting Standard AASB 102* from 1 July 2006 (the 2006-07 financial year) rather than 1 July 2007 (the 2007-08 financial year). This had no impact on the Commission's carrying amount of inventory. No other accounting standard has been adopted earlier than the application date as stated in the standard.

The following new standard is applicable to the current reporting period.

Financial instrument disclosure:

AASB 7 *Financial Instruments: Disclosures* 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 previously required. Associated with the introduction of AASB 7 a number of accounting standards were amended to reference the new standard or remove the previous 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 effect the disclosure presented in the financial report.

Other effective requirement changes

The following new standards, amendments to standards or interpretations have become effective for the current financial year have no material financial impact or do not apply to the operations of the Commission.

- 2007-4 *Amendments to Australian Accounting Standards arising from ED 151 and Other Amendments and Erratum: Proportionate Consolidation*
- 2007-7 *Amendments to Australian Accounting Standards*
- UIG Interpretation 11 AASB 2 – *Group and Treasury Share Transactions* and 2007-1 *Amendments to Australian Accounting Standards arising from AASB Interpretation 11*
- AASB Interpretation 1003 *Australian Petroleum Resource Rent Tax*
- 2008-4 *Amendments to Australian Accounting Standard – Key Management Personnel Disclosures by Disclosing Entities*

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.

- AASB Interpretation 12 *Service Concession Arrangements*, AASB Interpretation 4 *Determining whether an Arrangement contains a Lease*, AASB Interpretation 129 *Service Concession Arrangements: Disclosures* and 2007-2 *Amendments to Australian Accounting Standards arising from AASB Interpretation 12*

AUSTRALIAN PUBLIC SERVICE COMMISSION NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2008

- AASB 8 *Operating Segments* and 2007-3 *Amendments to Australian Accounting Standards arising from AASB 8*
- AASB 123 *Borrowing Costs* and 2007-6 *Amendments to Australian Accounting Standards arising from AASB 123*
- AASB Interpretation 13 *Customer Loyalty Programmes*
- AASB Interpretation 14 *AASB 119 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction*
- AASB 1004 *Contributions*, AASB 1050 *Administered Items*, AASB 1051 *Land Under Roads*, AASB 1052 *Disaggregated Disclosures*, 2007-9 *Amendments to Australian Accounting Standards arising from the Review of AASs 27, 29 and 31* and AASB Interpretation 1038 *Contributions by Owners Made to Wholly-Owned Public Sector Entities*
- AASB 3 *Business Combinations*, AASB 127 *Consolidated and Separate Financial Statements* and 2008-3 *Amendments to Australian Accounting Standards arising from AASB 3 and AASB 127*.
- AASB 101 *Presentation of Financial Statements* and 2007-8 *Amendments to Australian Accounting Standards arising from AASB 101*
- 2008-2 *Amendments to Australian Accounting Standards – Puttable Financial Instruments and Obligations arising on Liquidation*

Other:

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

- AASB 1049 *Whole of Government and General Government Sector Financial Reporting* specifies the reporting requirements for the General Government Sector, and therefore, has no effect on Commission's financial statements.
- 2008-1 *Amendments to Australian Accounting Standard – Share-based Payments: Vesting Conditions and Cancellations*

1.5 Revenue

Revenue from Government

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

Other revenue

Revenue from the sale of goods is recognised when:

- The risks and rewards of ownership have been transferred to the buyer
- The seller retains no managerial involvement nor effective control over the goods
- The revenue and transaction costs incurred can be reliably measured and
- It is probable that the economic benefits associated with the transaction will flow to the entity.

AUSTRALIAN PUBLIC SERVICE COMMISSION

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2008

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:

- The amount of revenue, stage of completion and transaction costs incurred can be reliably measured and
- The probable economic benefits with the transaction will flow to the entity.

The stage of completion of contracts at the reporting date is determined by reference to the proportion that costs incurred to date bear to the estimated total costs of the transaction.

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

1.6 Gains

Resources received free of charge

Services 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.

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 1.7).

Sale of assets

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

1.7 Transactions with the Government as owner

Equity injections

Amounts appropriated which are designated as 'equity injections' for a year (less any formal reductions) are recognised directly in Contributed Equity in that year.

Restructuring of Administrative Arrangements

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

Other distributions to owners

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

1.8 Employee benefits

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

AUSTRALIAN PUBLIC SERVICE COMMISSION

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2008

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

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

Leave

The liability for employee entitlements 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 likely to be taken in future years by employees of the Commission 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 Commission'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 at the present value of the estimated future cash flows to be made in respect of all employees at 30 June 2008. In determining the present value of the liability, the Commission has used the Australian Government shorthand method.

Separation and redundancy

Provision is only made for separation and redundancy benefit payments when the Commission has developed a detailed formal plan and has informed those employees affected.

Superannuation

Staff of the Commission 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 Commonwealth. The PSSap is a defined contribution scheme.

The liability for defined benefits is recognised in the financial statements of the Australian Government and is settled by the Australian Government in due course. This liability is reported by the Department of Finance and Deregulation as an administered item.

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

The liability for superannuation recognised as at 30 June represents the estimated superannuation payable on the provision for annual leave and long service leave.

AUSTRALIAN PUBLIC SERVICE COMMISSION NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2008

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 risks and benefits incidental to ownership of leased non-current assets. An operating lease is a lease that is not a finance lease. In operating leases, the lessor effectively retains substantially all such risks and benefits.

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 inception of the contract and a liability recognised 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 straight line basis which is representative of the pattern of benefits derived from the leased assets.

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

1.10 Borrowing costs

All borrowing costs are expensed as incurred.

1.11 Cash

Cash and cash equivalents includes notes and coins held and deposits in bank accounts. Cash is recognised at its nominal amount.

1.12 Financial assets

The Commission classifies its financial assets in the following categories:

- financial assets 'at fair value through profit or loss'
- 'held-to-maturity investments'
- 'available-for-sale' financial assets and
- '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 over 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 'at fair value through profit or loss'.

AUSTRALIAN PUBLIC SERVICE COMMISSION

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for the year ended 30 June 2008

Financial assets at fair value through profit or loss

Financial assets are classified as financial assets at fair value through profit or loss where the financial assets:

- have been acquired principally for the purpose of selling in the near future
- are a part of an identified portfolio of financial instruments that the agency manages together and has a recent actual pattern of short-term profit-taking or
- are derivatives that are not designated and effective as a hedging instrument.

Assets in this category are classified as current assets.

Financial assets at fair value through profit or loss are stated at fair value, with any resultant gain or loss recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest earned on the financial asset.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the asset within 12 months of the balance sheet date. Available-for-sale financial assets are recorded at fair value. Gains and losses arising from changes in fair value are recognised directly in the reserves (equity) with the exception of impairment losses. Interest is calculated using the effective interest method and foreign exchange gains and losses on monetary assets are recognised directly in profit or loss. Where the asset is disposed of or is determined to be impaired, part (or all) of the cumulative gain or loss previously recognised in the reserve is included in profit for the period.

Where a reliable fair value cannot be established for unlisted investments in equity instruments, cost is used. The Commission has no such instruments.

Held-to-maturity investments

Non-derivative financial assets with fixed or determinable payments and fixed maturity dates that the group has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are recorded at amortised cost using the effective interest method less impairment, with revenue recognised on an effective yield basis.

Loans and receivables

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets. Loans and receivables are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest rate.

AUSTRALIAN PUBLIC SERVICE COMMISSION
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2008

Impairment of financial assets

Financial assets are assessed for impairment at each balance date.

- Financial assets held at amortised cost - If there is objective evidence that an impairment loss has been incurred for loans and receivables or held to maturity investments held at amortised cost, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate. The carrying amount is reduced by way of an allowance account. The loss is recognised in the income statement.
- Available-for-sale financial assets - If there is objective evidence that an impairment loss on an available-for-sale financial asset has been incurred, the amount of the difference between its cost, less principal repayments and amortisation, and its current fair value, less any impairment loss previously recognised in expenses, is transferred from equity to the income statement.
- Available-for-sale financial assets (held at cost) - If there is objective evidence that an impairment loss has been incurred the amount of the impairment loss is the difference between the carrying amount of the asset and the present value of the estimated future cash flows discounted at the current market rate for similar assets.

1.13 Financial Liabilities

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities.

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

Financial liabilities at fair value through profit or loss

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

Other financial liabilities

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

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

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

Supplier and other payables

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).

AUSTRALIAN PUBLIC SERVICE COMMISSION
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for the year ended 30 June 2008

1.14 Contingent liabilities and contingent assets

Contingent liabilities and assets are not recognised in the Balance Sheet but are discussed 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 but not virtually certain and contingent liabilities are recognised when settlement is greater than remote.

1.15 Financial Guarantee Contracts

Financial guarantee contracts are accounted for in accordance with AASB 139. They are not treated as a contingent liability, as they are regarded as financial instruments outside the scope of AASB 137.

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 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.

1.17 Property, plant and equipment

Asset recognition threshold

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

The initial cost of an asset includes an estimate of the cost of dismantling and removing the item and restoring the site on which it is located. This is particularly relevant to make good provisions in property leases taken up by the Commission where there exists an obligation to restore the property to its original condition. These costs are included in the value of the Commission'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:

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

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for the year ended 30 June 2008

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 amounts of assets do not materially differ from the assets' fair values as at the reporting date. The regularity of independent valuations depends upon the volatility of movements in market values for the relevant assets.

Revaluation adjustments are made on a class basis. Any revaluation increment is credited to equity under the heading of asset revaluation reserve except to the extent that it reverses a previous revaluation decrement of the same asset class that was previously recognised through operating results. Revaluation decrements for a class of assets are recognised directly through operating results except to the extent that they reverse a previous revaluation increment for that class. Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the asset restated to the revalued amount.

Depreciation

Depreciable property, plant and equipment assets are written off to their estimated residual value over their estimated useful life to the Commission using, in all cases, the straight-line method of depreciation. Leasehold improvements are amortised 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 reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate.

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

Asset class	2008	2007
Leasehold improvements	Lease term	Lease term
Plant and equipment	1 to 7 years	1 to 7 years
Assets held under finance lease	Lease term	Lease term

Impairment

All assets were assessed for impairment at 30 June 2008. 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 Commission were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

AUSTRALIAN PUBLIC SERVICE COMMISSION NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2008

1.18 Intangibles

The Commission's intangibles, incorporating intellectual property, purchased software and internally developed software for internal use, have been included in these statements where the value of the asset exceeds \$10,000. Intangibles are depreciated over their useful lives, to a maximum of 10 years. All intangibles are shown at cost.

Intangibles are amortised on a straight-line basis over their anticipated useful life. The useful lives of the Commission's intangible are between 2 to 10 years (2006-07: 2 to 10 years).

All intangible assets were assessed for impairment as at 30 June 2008. None were found to be impaired.

1.19 Inventories

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

Inventories held for distribution are valued at cost, adjusted for any loss in service potential.

Costs incurred in bringing each item of inventory to its present location and condition are assigned as follows:

- raw materials and stores – purchase cost on a first-in-first-out basis and
- finished goods and work-in-progress – cost of direct materials and labour plus attributable costs that are capable of being allocated on a reasonable basis.

Inventories acquired at no cost or nominal consideration are initially measured at current replacement cost at the date of acquisition.

1.20 Taxation

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

Income, expenses, assets and liabilities 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.

1.21 Administered activities

The Commission does not have any administered activities.

NOTE 2. EVENTS OCCURRING AFTER REPORTING DATE

No matter or occurrence has come to the Commission's attention which would materially affect the accounts or disclosures therein or which are likely to materially affect the future results or operation of the Commission.

AUSTRALIAN PUBLIC SERVICE COMMISSION
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2008

NOTE 3. INCOME

	2008 \$'000	2007 \$'000
<u>Revenue</u>		
3a Revenue from Government		
Appropriations for Departmental outputs	20,804	20,591
Total revenue from Government	20,804	20,591
3b Sale of goods and rendering services		
Sale of goods:		
Provision of goods to related entities	44	167
Provision of goods to external entities	5	11
Total sale of goods	49	178
Rendering of services:		
Rendering of services to related entities	17,983	17,790
Rendering of services to external entities	1,358	1,135
Total rendering of services	19,341	18,925
Total sale of goods and rendering of services	19,390	19,103
<u>Gains</u>		
3c Sale of assets		
Infrastructure, plant and equipment:		
Proceeds from disposal	5	101
Carrying value of assets sold	(8)	(86)
Net gain / (loss) from sale of infrastructure, plant and equipment	(3)	15
Buildings:		
Proceeds from disposal	-	15
Carrying value of assets sold	-	-
Net gain / (loss) from sale of buildings	-	15
Net gain / (loss) from sale of assets	(3)	30
3d Resources received free of charge		
Resources received free of charge	37	39

AUSTRALIAN PUBLIC SERVICE COMMISSION
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for the year ended 30 June 2008

NOTE 4. EXPENSES

	2008 \$'000	2007 \$'000
4a Employee benefits		
Wages and salaries	15,852	14,354
Superannuation – defined contribution plans	3,042	2,669
Leave and other entitlements	1,784	2,089
Separation and redundancies	260	25
Other employee expenses	334	271
Total employee benefits	21,272	19,408
4b Suppliers		
Provision of goods from related entities	8	6
Provision of goods from external entities	961	1,207
Rendering of services from related entities	818	1,124
Rendering of services from external entities	12,421	12,031
Operating lease rentals ¹	3,007	2,150
Worker compensation premiums	128	168
Total supplier expenses	17,343	16,686
4c Depreciation and amortisation		
Depreciation:		
Buildings	308	344
Infrastructure, plant and equipment	450	255
Total depreciation	758	599
Amortisation:		
Computer software	153	45
Intellectual property	291	253
Assets held under finance lease	276	381
Total amortisation	720	679
Total depreciation and amortisation	1,478	1,278

¹ These comprise minimum lease payments only.

AUSTRALIAN PUBLIC SERVICE COMMISSION
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2008

	2008	2007
	\$'000	\$'000
4d Finance costs		
Finance leases	28	34
Unwinding of discount on make good provision	8	13
Total finance costs	<u>36</u>	<u>47</u>
4e Write-down and impairment of assets		
Impairment of financial assets		
Impairment on goods and services receivable*	2	-
Non-financial assets		
Infrastructure, plant and equipment – write-off on disposal	-	-
Total write-down and impairment of assets	<u>2</u>	<u>-</u>

For full disclosure on the impairment of financial assets see note 15b.

AUSTRALIAN PUBLIC SERVICE COMMISSION
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2008

NOTE 5. FINANCIAL ASSETS

	2008 \$'000	2007 \$'000
5a Cash and cash equivalents		
Cash at bank	535	553
Cash on hand	7	6
Total cash and cash equivalents	<u>542</u>	<u>559</u>
5b Trade and other receivables		
Goods and services	2,811	3,555
Appropriations receivable:		
for existing outputs	9,400	9,400
for additional outputs	475	-
Total appropriations receivable	<u>9,875</u>	<u>9,400</u>
GST receivable from the Australian Taxation Office	235	189
Incentive receivable	735	-
Total trade and other receivables (gross)	<u>13,656</u>	<u>13,144</u>
Less: Allowance for impairment of goods and services	<u>(2)</u>	<u>(1)</u>
Total trade and other receivables (net)	<u>13,654</u>	<u>13,143</u>

All receivables are current assets.

Goods and services receivables (gross) are aged as follows:

Not overdue	2,084	2,904
Overdue by:		
less than 30 days	257	445
30 and 60 days	369	80
60 and 90 days	78	19
more than 90 days	23	107
	<u>727</u>	<u>651</u>
Total goods and services receivables (gross)	<u>2,811</u>	<u>3,555</u>

AUSTRALIAN PUBLIC SERVICE COMMISSION
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2008

5b Trade and other receivables (continued)

The allowance for impairment of goods and services receivable is aged as follows:

Overdue by:

more than 90 days	(2)	(1)
Total allowance for impairment and goods and services receivable	(2)	(1)

Reconciliation of allowance for impairment of goods and services receivable

Opening balance	(1)	(1)
Write-offs	1	1
Recovered and reversed	-	-
(Increase) / decrease recognised in net surplus	(2)	(1)
Closing balance	(2)	(1)

AUSTRALIAN PUBLIC SERVICE COMMISSION
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2008

NOTE 6. NON-FINANCIAL ASSETS

	2008	2007
	\$'000	\$'000
6a Land and buildings		
Leasehold improvements:		
Gross carrying value (at fair value)	4,017	3,483
Accumulated depreciation	(532)	(404)
<i>Total leasehold improvements</i>	<u>3,485</u>	<u>3,079</u>
Total Land and buildings (non-current)	<u>3,485</u>	<u>3,079</u>
6b Infrastructure, plant and equipment		
Gross carrying value (at fair value)	3,844	3,428
Accumulated depreciation	(1,783)	(1,281)
Total infrastructure, plant and equipment (non-current)	<u>2,061</u>	<u>2,147</u>
6c Intangibles		
Software – purchased:		
In use	87	61
Accumulated amortisation	(62)	(46)
<i>Total software – purchased</i>	<u>25</u>	<u>15</u>
Software – internally developed:		
In use	961	331
In progress	93	213
Accumulated amortisation	(211)	(73)
<i>Total software – internally developed</i>	<u>843</u>	<u>471</u>
Intellectual property:		
In use	1,134	1,084
In progress	-	25
Accumulated amortisation	(935)	(662)
<i>Total Intellectual property</i>	<u>199</u>	<u>447</u>
Total intangibles (non-current)	<u>1,067</u>	<u>933</u>

All intangible assets are measured at cost.

AUSTRALIAN PUBLIC SERVICE COMMISSION
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2008

6d Analysis of property, plant, equipment and intangibles

TABLE A – Reconciliation of the opening and closing balances of property, plant and equipment and intangibles (2007-08)

Item	Buildings leasehold improvements	Other Infrastructure Plant & Equipment	Computer software purchased	Computer software internally developed	Intellectual property	Total intangibles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
As at 1 July 2007							
Gross book value	3,483	3,428	61	544	1,109	1,714	8,625
Accumulated depreciation / amortisation	(404)	(1,281)	(46)	(73)	(662)	(781)	(2,466)
Net book value 1 July 2007	3,079	2,147	15	471	447	933	6,159
Additions							
By purchase	714	410	26	509	43	578	1,702
By finance lease	-	238	-	-	-	-	238
Depreciation / amortisation expense	(308)	(726)	(16)	(137)	(291)	(444)	(1,478)
Disposals							
By finance lease	-	(3)	-	-	-	-	(3)
Other disposals	-	(5)	-	-	-	-	(5)
Net book value 30 June 2008	3,485	2,061	25	843	199	1,067	6,613
Represented by:							
Gross book value	4,017	3,844	87	1,054	1,134	2,275	10,136
Accumulated depreciation / amortisation	(532)	(1,783)	(62)	(211)	(935)	(1,208)	(3,523)
Net book value 30 June 2008	3,485	2,061	25	843	199	1,067	6,613

AUSTRALIAN PUBLIC SERVICE COMMISSION
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2008

TABLE B – Reconciliation of the opening and closing balances of property, plant and equipment and intangibles (2006-07)

Item	Buildings leasehold improvements	Other Infrastructure Plant & Equipment	Computer software purchased	Computer software internally developed	Intellectual property	Total intangibles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
As at 1 July 2006							
Gross book value	1,495	1,584	52	126	955	1,133	4,212
Accumulated depreciation / amortisation	(667)	(850)	(36)	(40)	(409)	(485)	(2,002)
Net book value 1 July 2006	828	734	16	86	546	648	2,210
Additions							
By purchase	2,595	1,750	11	418	154	583	4,928
By finance lease	-	385	-	-	-	-	385
Depreciation / amortisation expense	(344)	(636)	(12)	(33)	(253)	(298)	(1,278)
Disposals							
By finance lease	-	(30)	-	-	-	-	(30)
Other disposals	-	(56)	-	-	-	-	(56)
Net book value 30 June 2007	3,079	2,147	15	471	447	933	6,159
Represented by:							
Gross book value	3,483	3,428	61	544	1,109	1,714	8,625
Accumulated depreciation / amortisation	(404)	(1,281)	(46)	(73)	(662)	(781)	(2,466)
Net book value 30 June 2007	3,079	2,147	15	471	447	933	6,159

AUSTRALIAN PUBLIC SERVICE COMMISSION
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for the year ended 30 June 2008

	2008	2007
	\$'000	\$'000
6e Inventories		
Inventories held for distribution	<u>187</u>	<u>206</u>
Total inventories	<u>187</u>	<u>206</u>

All inventories are current assets.

6f Prepayments paid		
Prepayments paid	<u>544</u>	<u>567</u>

All prepayments paid are current assets.

AUSTRALIAN PUBLIC SERVICE COMMISSION
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2008

NOTE 7. PAYABLES

	2008 \$'000	2007 \$'000
7a Suppliers		
Trade creditors	3,210	3,877
Operating lease rental	553	127
Total suppliers	<u>3,763</u>	<u>4,004</u>
7b Prepayments received		
Prepayments received	<u>2,433</u>	2,930
7c Other payables		
Other	<u>58</u>	43
Total other payables	<u>58</u>	<u>43</u>

All payables are current liabilities.

NOTE 8. INTEREST BEARING LIABILITIES

8a Leases		
Finance leases	<u>345</u>	386
Payable:		
Within one year		
Minimum lease payments	366	217
Deduct: future finance charges	(21)	(16)
	<u>345</u>	201
In one to five years		
Minimum lease payments	-	195
Deduct: future finance charges	-	(10)
	<u>-</u>	185
Finance lease recognised on the balance sheet	<u>345</u>	<u>386</u>

A finance lease exists in relation to the majority of information technology equipment in the Commission. The lease is non-cancellable and was for an initial fixed term of 5 years which has been extended for a further 4 years. The Commission guarantees the residual values of all assets leased. There are no contingent rentals.

8b Lease incentives		
Current	197	126
Non-current	<u>1,766</u>	1,295
Total lease incentives	<u>1,963</u>	<u>1,421</u>

AUSTRALIAN PUBLIC SERVICE COMMISSION
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2008

NOTE 9. PROVISIONS

	2008	2007
	\$'000	\$'000
9a Employee provisions		
Salaries and wages	371	271
Leave	4,969	4,583
Superannuation	524	483
Separations and redundancies	140	-
Total employee provisions	6,004	5,337
<i>Represented by:</i>		
Current	5,406	4,910
Non-current	598	427
Total employee provisions	6,004	5,337

The classification of current employee provisions includes amounts for which there is not an unconditional right to defer settlement by one year, hence in the case of employee provisions the above classification does not represent the amount expected to be settled within one year of reporting date. Employee provisions expected to be settled in twelve months from the reporting date are \$1,981,000 (2007: \$1,583,000), and in excess of one year \$4,023,000 (2007: \$3,754,000).

9b Provision for make good

Carrying amount 1 July	167	494
Unwinding of discount or change in discount rate	8	13
Make good provided for during the period	45	80
Make good settled during the period	(79)	(420)
Closing balance 30 June	141	167
<i>Represented by:</i>		
Current	-	78
Non-current	141	89
Total provision for make good	141	167

AUSTRALIAN PUBLIC SERVICE COMMISSION
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2008

NOTE 10. RESTRUCTURING

There were no restructurings in 2007-08 (2006-07 nil).

NOTE 11. CASH FLOW RECONCILIATION

	2008	2007
	\$'000	\$'000
Reconciliation of cash and cash equivalents per Balance Sheet to Cash Flow Statement:		
Balance per Cash Flow Statement	542	559
Balance per Balance Sheet	542	559
 Reconciliation of surplus / (deficit) to net cash from operating activities:		
Surplus / (deficit)	97	2,344
Depreciation and amortisation	1,478	1,278
(Gain) / loss on sale of assets	3	(30)
Employees benefits capitalised	(47)	-
Lease incentive	-	(1,384)
(Increase) / decrease in net receivables	(436)	(469)
(Increase) / decrease in other financial assets	-	-
(Increase) / decrease in inventories	19	(96)
(Increase) / decrease in prepayments paid	23	(203)
Increase / (decrease) in supplier payables	265	(387)
Increase / (decrease) in prepayments received	(497)	779
Increase / (decrease) in other payables	15	6
Increase / (decrease) in interest bearing liabilities	267	927
Increase / (decrease) in employee provisions	667	188
Increase / (decrease) in provision for make good	(26)	(327)
Net cash from / (used by) operating activities	1,828	2,626

During 2007-08 the Commission acquired \$238,000 and disposed of \$3,000 of plant and equipment by finance lease (2006-07: acquired \$385,000 and disposed of \$30,000). These transactions are not reflected in the Cash Flow Statement.

AUSTRALIAN PUBLIC SERVICE COMMISSION
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2008

NOTE 12. EXECUTIVE REMUNERATION

	2008	2007
The number of executives who received or were due to receive total remuneration of \$130,000 or more:		
\$130,000 to \$144,999	1	-
\$145,000 to \$159,999	-	1
\$160,000 to \$174,999	1	3
\$175,000 to \$189,999	2	2
\$190,000 to \$204,999	2	-
\$205,000 to \$219,999	-	-
\$220,000 to \$234,999	-	1
\$280,000 to \$294,999	-	-
\$310,000 to \$324,999	-	1
\$325,000 to \$339,999	1	-
\$460,000 to \$474,999	-	1
\$475,000 to \$489,999	1	-

The aggregate amount of total remuneration of executives shown above. **\$1,876,758** \$2,062,722

The aggregate amount of separation and redundancy/termination benefit payments during the year to executives shown above. **Nil** Nil

NOTE 13. REMUNERATION OF AUDITORS

	2008	2007
	\$	\$
Financial statement audit services are provided free of charge to the Commission.		
The fair value of the services provided was:	37,000	39,000

No other services were provided by the Auditor-General.

AUSTRALIAN PUBLIC SERVICE COMMISSION
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2008

NOTE 14. FINANCIAL INSTRUMENTS

14a. Categories of financial instruments

	2008	2007
	\$'000	\$'000
Financial Assets		
Loans and receivables		
Cash and cash equivalents	542	559
Goods and services receivable	2,809	3,554
Incentive receivable	735	-
<i>Total loans and receivables</i>	<u>4,086</u>	<u>4,113</u>
Carrying amount of financial assets	<u>4,086</u>	<u>4,113</u>

Financial Liabilities

Liabilities at amortised cost		
Trade creditors	3,210	3,877
Other payables	58	43
Finance lease	345	386
<i>Total liabilities at amortised cost</i>	<u>3,613</u>	<u>4,306</u>
Carrying amount of financial liabilities	<u>3,613</u>	<u>4,306</u>

14b. Net income and expense from financial assets

Loans and receivables		
Impairment on goods and services receivable	(2)	-
<i>Net gain/(loss) loans and receivables</i>	<u>(2)</u>	<u>-</u>
Net gain/(loss) from financial assets	<u>(2)</u>	<u>-</u>

14c. Net income and expense from financial liabilities

Financial liabilities - at amortised cost		
Interest expense	(28)	(34)
<i>Net gain/(loss) financial liabilities - at amortised cost</i>	<u>(28)</u>	<u>(34)</u>
Net gain/(loss) from financial liabilities	<u>(28)</u>	<u>(34)</u>

The total interest expense from financial liabilities not at fair value from profit and loss is \$8,000 (2006-07: \$13,000).

14d. Fair value of financial instruments

The carrying amount of all financial assets and liabilities is a reasonable approximation of their fair value. The net fair values of finance lease liabilities are based on discounted cash flows using the interest rate implicit in the lease.

AUSTRALIAN PUBLIC SERVICE COMMISSION
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14e. Credit risk

The Commission is exposed to minimal credit risk as loans and receivables are cash, goods and services receivable and incentive receivable. 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 goods and services and incentive receivable (see note 14a). The Commission has assessed the risk of the default on payment and has allocated an allowance for impairment on goods and services receivable.

The Commission's goods and services receivable are principally recoverable from other Australian Government agencies. The incentive receivable is recoverable from a building lessor, with the amount recoverable specified in the lease agreement. In addition, the Commission has policies and procedures that guide debt recovery techniques that are to be applied.

The Commission holds no collateral to mitigate against credit risk.

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

	Not Past Due Nor Impaired 2008 \$'000	Not Past Due Nor Impaired 2007 \$'000	Past due or impaired 2008 \$'000	Past due or impaired 2007 \$'000
Financial Assets				
Loans and receivables				
Cash and cash equivalents	542	559	-	-
Goods and services receivable	2,084	2,904	727	651
Incentive receivable	735	-	-	-
<i>Total loans and receivables</i>	3,361	3,463	727	651
Total	3,361	3,463	727	651

Ageing of financial assets that are past due but not impaired

		0 to 30 days \$'000	31 to 60 days \$'000	61 to 90 days \$'000	90+ days \$'000	Total \$'000
Goods and services receivable:	2008	257	369	78	21	725
	2007	445	80	19	106	650

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The following list of assets have been individually assessed as impaired

Financial Assets

Loans and receivables

Goods and services receivable	(2)	(1)
Total	(2)	(1)

These items are assessed as impaired as they are past due by 90 + days and it will be uneconomic to pursue them.

14f. Liquidity risk

The Commission's financial liabilities are payables, finance leases and other interest bearing liabilities. The exposure to liquidity risk is based on the notion that the Commission will encounter difficulty in meeting its obligations associated with financial liabilities. This is highly unlikely due to appropriation funding and mechanisms available to the Commission (e.g. Advance to the Finance Minister), legislative requirements and internal policies and procedures put in place to ensure there are appropriate resources to meet financial obligations.

The following tables illustrates the maturities for financial liabilities

	On demand 2008 \$'000	Within 1 year 2008 \$'000	1 to 5 years 2008 \$'000	> 5 years 2008 \$'000	Total 2008 \$'000
Financial Liabilities					
Liabilities at amortised cost					
Trade creditors	-	3,210	-	-	3,210
Other payables	-	58	-	-	58
Finance lease	-	366	-	-	366
Total liabilities at amortised cost	-	3,634	-	-	3,634
Total	-	3,634	-	-	3,634

	On demand 2007 \$'000	Within 1 year 2007 \$'000	1 to 5 years 2007 \$'000	> 5 years 2007 \$'000	Total 2007 \$'000
Financial Liabilities					
Liabilities at amortised cost					
Trade creditors	-	3,877	-	-	3,877
Other payables	-	43	-	-	43
Finance lease	-	217	195	-	412
Total liabilities at amortised cost	-	4,137	195	-	4,332
Total	-	4,137	195	-	4,332

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The Commission is appropriated funding from the Australian Government. The Commission manages its budgeted funds to ensure it has adequate funds to meet payments as they fall due. In addition, the Commission has policies in place to ensure timely payment are made when due and has no past experience of default.

14g. Market risk

The Commission holds basic financial instruments that do not expose the Commission to certain market risks. The Commission is not exposed 'Currency risk' or 'Other price risk'.

Interest Rate Risk

The only interest-bearing items on the balance sheet are the 'Finance lease' liabilities'. All bear interest at a fixed interest rate and will not fluctuate due to changes in the market interest rate.

AUSTRALIAN PUBLIC SERVICE COMMISSION
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NOTE 15. APPROPRIATIONS

15a Acquittal of authority to draw cash from the Consolidated Revenue Fund (CRF) for ordinary annual services appropriations

	Departmental outputs	
	2008	2007
	\$	\$
<i>Balance brought forward from previous year</i>	9,730,623	8,539,353
Appropriation Act:		
Appropriation Act (No.1)	20,498,000	20,591,000
Appropriation Act (No.3)	-	-
Reductions of Appropriations (Appropriation Act section 9)	(94,000)	-
FMA Act:		
Refunds credited (FMA section 30)	289,857	127,107
Appropriations to take account of recoverable GST (FMA section 30A)	1,740,374	2,138,282
Annotations to 'net appropriations' (FMA section 31)	21,530,298	23,452,486
Total appropriations available for payments	53,695,152	54,848,228
Cash payments made during the year (GST inclusive)	(43,783,270)	(45,117,605)
<i>Balance of authority to draw cash from the CRF for ordinary annual services appropriations</i>	9,911,882	9,730,623
 <i>Represented by:</i>		
Cash and cash equivalents	541,731	558,547
Appropriations receivable for existing outputs	9,370,151	9,172,076
Total	9,911,882	9,730,623

FMA = *Financial Management and Accountability Act 1997*

Departmental and non-operating appropriations do not lapse at financial year end. However, the responsible Minister may decide that part or all of a departmental or non-operating appropriation is not required and request the Finance Minister to reduce that appropriation. The reduction in the appropriation is effected by the Finance Minister's determination and is disallowable by Parliament.

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15b Acquittal of authority to draw cash from the Consolidated Revenue Fund (CRF) for other than ordinary annual services appropriations

	Departmental outputs	
	2008	2007
	\$	\$
<i>Balance brought forward from previous year</i>	227,924	-
Appropriation Act:		
Appropriation Act (No.2)	315,000	500,000
FMA Act:		
Appropriations to take account of recoverable GST	51,308	27,208
Total appropriations available for payments	594,232	527,208
Cash payments made during the year (GST inclusive)	(564,383)	(299,284)
<i>Balance of authority to draw cash from the CRF for other than ordinary annual services appropriations</i>	29,849	227,924
<i>Represented by:</i>		
Appropriations receivable for existing outputs	29,849	227,924
Total	29,849	227,924

FMA = *Financial Management and Accountability Act 1997*

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NOTE 16. SPECIAL ACCOUNTS

Other Trust Monies Special Account (Departmental)

Legal Authority: Financial Management and Accountability Act, 1997, s20.

Purpose: Expenditure of monies temporarily held on trust or otherwise for the benefit of a person other than the Commonwealth.

	2008	2007
	\$	\$
Balance carried from previous year	-	-
Other receipts - Comcare compensation receipts	<u>41,073</u>	<u>14,158</u>
Available for payments	<u>41,073</u>	<u>14,158</u>
Payments made - reimbursement to Departmental outputs	<u>(41,073)</u>	<u>(14,158)</u>
Balance carried to next year	<u>-</u>	<u>-</u>
 <i>Represented by:</i>		
Cash and cash equivalents	<u>-</u>	<u>-</u>
Total	<u>-</u>	<u>-</u>

Services for Other Government and Non Agency Bodies Special Account (Departmental)

Legal Authority: Financial Management and Accountability Act, 1997, s20.

Purpose: Expenditure in connection with services performed on behalf of other Governments and bodies that are not FMA Agencies.

For the years ended 30 June 2001 to 2008 the account had nil balances and there were no transactions debited or credited to it.

NOTE 17. COMPENSATION AND DEBT RELIEF

No 'Act of Grace' expenses were incurred during the reporting period (2006-07: nil).

No waivers of amounts due to the Australian Government were made pursuant to subsection 34(1) of the Financial Management and Accountability Act 1997 (2006-07: nil).

No expenses were incurred under the 'Defective Administration Scheme' during the reporting period (2006-07: nil).

No ex-gratia expenses were incurred during the reporting period (2006-07: nil).

No expenses were incurred under s73 of the Public Service Act 1999 during the reporting period (2006-07: \$487).

AUSTRALIAN PUBLIC SERVICE COMMISSION
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NOTE 18. REPORTING OF OUTCOMES

18a Net Cost of Outcome Delivery

	Outcome 1	
	2008	2007
	\$'000	\$'000
Total expenses	40,134	37,419
<i>Costs recovered from provision of goods and services to the non-government sector</i>		
Total costs recovered	1,363	1,146
<i>Other external income</i>		
Gains from sale of assets	-	30
Resources received free of charge	37	39
Goods and services revenue from related entities	18,027	17,957
Total other external income	18,064	18,026
Net cost / (contribution) of outcome	20,707	18,247

Outcome 1 is described in Note 1.1. Net costs shown include intra-government costs that are eliminated in calculating the actual Budget outcome.

AUSTRALIAN PUBLIC SERVICE COMMISSION
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18b Major classes of Departmental income and expenses by output groups and outputs

TABLE A – Output group 1

	Output 1.1		Output 1.2		Output group 1		Output 1.4		Group total	
	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses										
Employee benefits	1,682	1,812	3,682	3,304	1,809	1,502	2,388	2,393	9,561	9,011
Suppliers and finance costs	647	629	1,558	1,598	702	930	899	886	3,806	4,043
Depreciation and amortisation	75	84	312	220	55	52	123	134	565	490
Total expenses	2,404	2,525	5,552	5,122	2,566	2,484	3,410	3,413	13,932	13,544
<i>Funded by:</i>										
Revenues from government	2,254	2,391	2,537	2,059	739	722	2,876	2,918	8,406	8,090
Sale of goods and services and gains	8	23	4,246	4,371	1,739	1,737	7	12	6,000	6,143
Total income	2,262	2,414	6,783	6,430	2,478	2,459	2,883	2,930	14,406	14,233

TABLE B – Output Group 2

	Output 2.1		Output 2.2		Output group 2		Output 2.3		Group total	
	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses										
Employee benefits	1,407	1,632	4,569	3,303	472	424	6,448	5,359		
Suppliers and finance costs	3,723	3,294	4,123	3,428	1,331	1,591	9,177	8,313		
Depreciation and amortisation	256	261	362	266	24	13	642	540		
Total expenses	5,386	5,187	9,054	6,997	1,827	2,028	16,267	14,212		
<i>Funded by:</i>										
Revenues from government	802	1,127	3,002	2,205	247	501	4,051	3,833		
Sale of goods and services and gains	4,225	3,919	6,771	6,012	1,211	1,966	12,207	11,897		
Total income	5,027	5,046	9,773	8,217	1,458	2,467	16,258	15,730		

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TABLE C – Output group 3 and Outcome 1 total

	Output 3.1		Output 3.2		Output group 3		Output 3.4		Outcome 1 total	
	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses										
Employee benefits	2,179	1,680	1,234	1,330	983	875	867	1,153	21,272	19,408
Suppliers and finance costs	2,389	2,255	873	926	467	403	672	793	17,384	16,733
Depreciation and amortisation	108	86	76	69	47	39	40	54	1,478	1,278
Total expenses	4,676	4,021	2,183	2,325	1,497	1,317	1,579	2,000	40,134	37,419
Funded by:										
Revenues from government	4,385	4,165	1,183	1,421	1,419	1,240	1,360	1,842	20,804	20,591
Sale of goods and services and gains	501	329	554	561	3	6	162	236	19,427	19,172
Total income	4,886	4,494	1,737	1,982	1,422	1,246	1,522	2,078	40,231	39,763

Outcome 1 is described in Note 1.1. Net costs shown include intra-government costs that are eliminated in calculating the actual Budget outcome. Refer to Resources for the Outcome Table in Appendix A of this Annual Report.

The Commission derives its Output income and expense amounts via a two-step allocation process. Firstly amounts for direct output components are identified and attributed to outputs. Secondly the whole of Commission components, including property and office services, staff on-costs, information technology and communications, payroll processing and equipment maintenance, is distributed to the Outputs on a per capita basis.

APPENDIX C

REPORT ON PERFORMANCE UNDER THE COMMONWEALTH DISABILITY STRATEGY

The Commission is reporting against the Commonwealth Disability Strategy in its employer role.

PERFORMANCE INDICATOR	PERFORMANCE MEASURE	OUTCOMES
<p>Employment policies, procedures and practices comply with the requirements of the <i>Disability Discrimination Act 1992</i>.</p> <p>Review all employment policies as they come up for review.</p> <p>Promote equity and diversity issues, including disability issues in HR/WR policies and plans.</p> <p>Ensure, where relevant, that group business plans consider issues concerning people with a disability.</p>	<p>All employment policies, procedures and practices reviewed during the life of this plan comply with the requirements of the <i>Disability Discrimination Act 1992</i> and promote equity and diversity issues.</p> <p>Group business plans consider issues concerning people with a disability.</p>	<p>All Commission employment policies, procedures and practices comply with the requirements of the <i>Disability Discrimination Act 1992</i>. The Commission carefully considers the impact of its employment policies during development.</p>
<p>Recruitment information for potential job applicants with disabilities is available in accessible formats or on request.</p> <p>Review recruitment information and consider providing Internet access for all recruitment selection documentation.</p> <p>Consult with the Office of Disability Policy (FaHCSIA) and others to ensure that recruitment information is provided in suitable formats including, but not limited to, formats such as TTY and electronic.</p>	<p>Recruitment information requested and provided in:</p> <ul style="list-style-type: none"> • accessible electronic formats • accessible formats other than electronic. <p>Average time taken to provide accessible information in:</p> <ul style="list-style-type: none"> • accessible electronic formats • accessible formats other than electronic. 	<p>100% of requests to provide information this way were met. All recruitment documentation is available both in hard copy and on the Internet.</p> <p>The Commission provides advice to staff and external providers undertaking recruitment about reasonable adjustment as required.</p>
<p>Agency recruiters and managers apply the principle of 'reasonable adjustment'.</p> <p>Actively seek opportunities to engage people with a disability for employment (including non-ongoing employment, work placement and trial employment).</p> <p>Include positive statements about 'reasonable adjustment' in recruitment literature.</p>	<p>Percentage of staff in the Commission who identify as having a disability.</p>	<p>The Commission maintained the level of staff identifying that they have a disability above 8% of total staff.</p>
<p>Promote awareness of disability and disability discrimination issues in the workplace.</p> <p>Disability awareness sessions available for all Commission staff.</p> <p>Use of Intranet to provide information and links to information on disability issues (including preventative OH&S issues such as OOS).</p> <p>Actively promote and support an annual day focusing on disability issues.</p>	<p>Staff survey reflects that staff believe there is no discrimination in the Commission.</p>	<p>The 2007 staff survey did not identify any specific instances of disability discrimination within the Commission and no incidences were reported in 2007–08.</p>

PERFORMANCE INDICATOR	PERFORMANCE MEASURE	OUTCOMES
<p>External training and development programmes consider the needs of staff with disabilities and include information on disability issues as they relate to the content of the programme.</p> <p>Consultants required to provide for the needs of people with a disability as part of the contract.</p>	<p>Percentage of training and development programmes that consider the needs of staff with disabilities and include information on disability issues as they relate to the programme.</p>	<p>All training and development programmes consider the needs of staff with disabilities. The Commission uses consultants to provide corporate training and development and the contract requires:</p> <ul style="list-style-type: none"> • compliance with the <i>Disability Discrimination Act 1992</i> • provision of services consistent with the APS Values and Code of Conduct • compliance with the principles of workplace diversity • consultation with the Commission in relation to any special needs for people with disabilities. <p>These measures ensure that all programmes include information on disability issues where appropriate and relevant to the programme.</p>
<p>Complaints/grievance mechanism, including access to external mechanisms, in place to address issues and concerns raised by staff.</p>	<p>Staff are aware of the existence of the mechanisms and know how to access them.</p>	<p>The Commission's industrial agreements provide for internal review of employment actions. The agreements also direct employees who have not resolved their complaint through such a process to the more formal processes provided under the public service employment framework.</p>
<p>Commission premises and facilities are accessible and useable by people with a disability.</p>	<p>Audit of Commission premises and facilities indicates that they are accessible and useable by people with a disability.</p>	<p>The Commission moved to new accommodation in February 2007. Disability, ergonomic and occupational health and safety issues were considered in the design and fit out of the building.</p>
<p>Actively promote and provide suitable opportunities for people with a disability to identify their disability including an annual census of staff.</p>	<p>Percentage of staff in the Commission that identify as having a disability.</p>	<p>The census was again conducted in June 2008.</p> <p>The Commission maintained the level of staff identifying that they have a disability above 8% of total staff</p>

APPENDIX D

OCCUPATIONAL HEALTH AND SAFETY

In 2007–08, the Commission embarked on a more holistic approach to employee health which included health week activities over a two week period, a stronger focus on injury/illness prevention, workstation assessments and more health information available to employees online.

LEGISLATIVE CHANGES

Legislative changes to the *Occupational Health and Safety Act 1991* came into effect on 15 March 2007. As a result the Commission commenced a programme to develop new Health and Safety Management Arrangements and review other OH&S policies and guidelines. This involved considering consultative arrangement to include employees in the development of Health and Safety Management Arrangements in relation to the re-establishment of the OH&S Committee, the arrangements around the nomination and selection of our health and safety representatives and our arrangements relating to designated work groups. The arrangements are now in place.

HEALTH INITIATIVES

Staff health and wellbeing was promoted by the Commission in 2007–08 through provision of:

- influenza vaccinations and education
- Health Week activities
- inclusion of enhanced OH&S information in the Commission's staff induction programme
- ongoing OH&S training for staff and management
- workstation assessments for all new employees.

OUTCOMES

Through ongoing OH&S education across all employees, the Commission has noted an increase in the number of incident reports submitted which allows for appropriate early intervention. Such early management of reported injuries and incidences has assisted in keeping the Commission's claim numbers low.

ACCIDENT STATISTICS

During the year, there were no incidences that required giving of notice under section 68 of the OH&S Act. No directions were given to the Commission under section 45 and no notices were given under sections 29, 46 or 47.

No investigations were conducted during the year.

APPENDIX E

FREEDOM OF INFORMATION

This statement is published in accordance with the requirements of section 8 of the *Freedom of Information Act 1982*. The Public Service Commissioner and the Merit Protection Commissioner are prescribed authorities for the purposes of the FOI Act. This statement meets the requirements of the FOI Act in relation to both.

1) ORGANISATION, FUNCTIONS AND POWERS (S.8(1)(A)(I))

Public Service Commissioner

The functions of the Public Service Commissioner and the organisation of the Commission are described in this Annual Report in the Commission Overview.

The principal powers exercised by the Public Service Commissioner as they affect members of the public are those relating to the issuing of Commissioner's Directions under the *Public Service Act 1999* in relation to each of the APS Values specified in that Act. The Commissioner's Directions ensure that the APS incorporates and upholds the APS Values and they determine where necessary the scope or application of the APS Values.

Several of the APS Values relate to the recruitment of staff to the APS. The Commissioner's Directions provide binding provisions relating to the framework within which people are recruited to the APS, the basic elements of which include:

- merit-based employment decisions, including transparent and fair selection processes
- absence of discrimination and recognition of the diversity of the Australian community
- promotion of equity in employment
- provision of reasonable opportunity to all eligible members of the Australian community to apply for APS employment.

Another of the APS Values relates to the delivery of services to the Australian public. The Public Service Commissioner has issued Directions which specify that an agency head must put in place measures directed at upholding this APS Value, including in relation to the provision to the public of information about rights and entitlements and taking into account client diversity and the right to privacy.

Regional offices assist in the provision of advice and services to agencies Australia-wide, including delivery of a range of employment-related activities on a fee-for-service basis.

Merit Protection Commissioner

The organisation of the office of the Merit Protection Commissioner is described in the body of the Merit Protection Commissioner's annual report, which is included with the Public Service Commissioner's annual report.

The full range of the Merit Protection Commissioner's functions under the Act, which relate generally to reviewing actions affecting individual APS employees in relation to their

employment, are also described in the Merit Protection Commissioner's Annual Report. In addition, the Merit Protection Commissioner may exercise powers of the former Merit Protection and Review Agency (MPRA) which was abolished on 5 December 1999 with the introduction of the Act, under the transitional provisions which apply to former MPRA casework.

The principal powers exercised by the Merit Protection Commissioner that may affect members of the public relate to some review functions, the recommendations of ISACs and some other employment-related functions. The Merit Protection Commissioner may investigate complaints by former employees that relate to an employee's entitlements on separation from the APS. ISACs assess the suitability of candidates for engagement, promotion or assignment of duties for employment opportunities in the APS. The wide range of employment-related functions which the Merit Protection Commissioner may also perform for other bodies, if requested by the body to do so and not already required to provide such services by a law of the Commonwealth, includes functions performed for State and Territory departments and authorities, local government bodies, private corporations and bodies and for Commonwealth authorities whose employees are not engaged under the Act.

2) ARRANGEMENTS FOR EXTERNAL BODIES TO PARTICIPATE IN POLICY FORMULATION OR ADMINISTRATION (S.8(1)(A)(II))

Public Sector Management (PSM) Programme Board of Management

The Public Service Commissioner is represented on the PSM Programme Board of Management, whose other members include representatives of State and Territory public services. The Board sets the direction for and oversees the delivery of a management and leadership development course for managers at middle and senior levels throughout the Australian public sector. The PSM Programme is a national strategy to deliver relevant, practically focused training that reflects the changing expectations of the public sector. The Programme is formally accredited at Graduate Certificate level through Griffith University, Macquarie University, Royal Melbourne Institute of Technology and Curtin University.

Government Skills Australia (GSA) Public Sector Industry Advisory Committee

The Public Service Commissioner represents the Commonwealth on the GSA Public Sector Industry Advisory Committee. The committee also comprises representatives from the States and Territories and two union representatives. The committee is chaired by the South Australian Deputy Commissioner for Public Employment. The focus of GSA is providing high quality training resources and services to support the recognition of skills and professionalism in government administration, services and operations.

3) CATEGORIES OF DOCUMENTS MAINTAINED (S.8(1)(A)(III))

Public Service Commissioner

Documents maintained by the Public Service Commissioner include those relating to:

- internal management
- APS Employment Database
- development programmes
- employment framework
- employment related fee-for-service activities
- individual cases
- leadership issues
- legal advisings
- machinery of government and administrative arrangements
- networks established and or managed by the Commission
- outsourcing of activities
- performance management
- personnel practices
- recruitment, selection, promotion and staffing
- review of the Act
- redeployment, retrenchment and retirement of staff
- seminar events and related evaluations
- senior executive staffing
- submissions to inquiries
- surveys, studies, reviews and evaluations
- values and conduct policy
- whistleblowing
- workplace diversity, including EEO and harassment issues.

Merit Protection Commissioner

Documents maintained by the Merit Protection Commissioner include:

- information brochures about the range of functions of the MPC, ISACs, PRCs and review of actions
- Merit Protection Commissioner's Instructions on procedures for ISACs, PRCs and for the review of actions
- documents relating to the Merit Protection Commissioner's decision making processes, day-to-day administration and policy matters
- individual case files
- files relating to fee-for-service activities including records of processes
- submissions to inquiries.

Documents maintained in relation to the powers of the former MPRA exercised by the Merit Protection Commissioner include:

- decisions of Disciplinary Appeal Committees
- individual grievance case files.

The pre-July 1987 records of the Public Service Board are now held by the Australian Archives.

General

The majority of documents are held in hard copy form, either on records management files or as individual written or printed items. Other documents are held as computer-stored data, microfiche, charts, plans, films, videotapes, audiotapes or card indexes.

Consistent with Australian Archives disposal schedules, both policy and case-work document files are maintained. They are registered either by subject matter or by name. The Records Management Unit maintains a list of indexed headings covering subjects.

Documents available to the public in accordance with arrangements made by the Public Service Commissioner and the Merit Protection Commissioner include:

- the Public Service Commissioner's annual report (incorporating the Merit Protection Commissioner's annual report)
- the State of the Service series of reports:
 - State of the Service Report (including the Workplace Diversity Report)
 - Australian Public Service Statistical Bulletin
- guidelines on a variety of matters.

Most publications are available free of charge. Details of all publications are available on the Commission's website.

4) FACILITIES FOR ACCESS (S.8(1)(A)(IV))

In relation to both the Public Service Commissioner and the Merit Protection Commissioner, facilities for accessing publications or other documents available outside the scope of the FOI Act are provided via the Public Service Commissioner's Internet site (which incorporates the Merit Protection Commissioner site). In the event that documents cannot be located on this site further enquiries about access should be directed to the Employment Policy Adviceline at <employmentadvice@apsc.gov.au>.

Where a decision has been made to give access to documents under the FOI Act they will generally be copied to applicants. Where copies are not made available, documents may be inspected at the Commission premises at 16 Furzer Street Phillip ACT or at Regional Offices.

5) FREEDOM OF INFORMATION PROCEDURES AND INITIAL CONTACT POINT (S.8(1)(A)(V))

Written requests for access to documents in the possession of the Public Service Commissioner or the Merit Protection Commissioner should be accompanied by a \$30 application fee and directed to:

Freedom of Information Coordinator
Australian Public Service Commission
16 Furzer Street
PHILLIP ACT 2606

There is no proforma application document. Enquiries about access to documents may be directed to the Freedom of Information Coordinator at the above address or by telephoning (02) 6202 3570 between 9.00 am and 5.00 pm Monday to Friday.

In some instances the Public Service Commissioner may need to consult with people who have lodged requests. Applicants may be contacted where there is a need:

- to assist an applicant to more specifically identify documents to which access is sought
- to give an applicant a reasonable opportunity for consultation before denying access on the grounds of insufficient information (subsection 15(3)) or if the request requires a substantial or unreasonable diversion of resources (subsection 24(1))
- for notification of charges and deposit, if necessary, including discussion of charges remission.

6) OPERATION OF THE FREEDOM OF INFORMATION ACT

In relation to both the Public Service Commissioner and the Merit Protection Commissioner there were nine valid requests for access received during 2007–08. Two requests were outstanding at the end of the period.

During the year 0.04 staff years were spent on matters associated with administering the FOI Act.

A total of \$240 was collected in relation to the requests received under the FOI Act.

APPENDIX F

ADVERTISING AND MARKET RESEARCH

A total of \$183,717 was paid for advertising. This represents a reduction of 43% over the previous year, when the Commission undertook advertising for the Drawing Together competition. Additional savings have been achieved by rationalising the advertising for Indigenous graduates and cadets.

The master advertising agency, HMA Blaze, was paid \$180,987. This represents the only payment for advertising services greater than \$10,500 (incl. GST).

Advertising was undertaken to promote development programmes, advertise tenders or recruit employees, as well as to recruit Indigenous employees for the APS as a whole.

No market research activities assessing the attitudes of the public were undertaken and the Commission did not employ the services of polling or direct mail organisations.

To support its preparation of the State of the Service Report, a range of processes were undertaken by the Commission to assess the attitudes of APS employees.

APPENDIX G

ECOLOGICALLY SUSTAINABLE DEVELOPMENT AND ENVIRONMENTAL PERFORMANCE

Section 516A of the *Environment Protection and Biodiversity Conservation Act 1999* requires Australian Government organisations to include in their annual reports the organisation's contribution to ecologically sustainable development.

The Commission does not administer any legislation or have any appropriations directly related to these issues, and, accordingly, the Commission's involvement relates to practices that can improve energy management and environmental practices within the Commission.

The Commission has in place an Environmental Management System, which provides a structure to allow the Commission to identify and manage environmental risk, however, the system needs to be further developed to incorporate useful reporting and monitoring tools that can measure improvements against activities.

It was identified during 2007–08, that the importance of applying the Commission's internal policies and practices on environmental and energy management, has over time, been less visible to staff, particularly new employees. A review is underway to strengthen our communications with staff and review our environmental management strategy. The Merit Protection Commissioner, Ms Annwyn Godwin has agreed to be the Executive 'champion' for this project.

APPENDIX H

STAFFING PROFILE AND EQUAL EMPLOYMENT OPPORTUNITY

Table 29 shows all staff in the commission as at 30 June 2008. All staff, except the Public Service Commissioner and the Merit Protection Commissioner are employed under the *Public Service Act 1999*. Table 30 shows the corresponding figures for 30 June 2007.

TABLE 29: ONGOING AND NON-ONGOING STAFF, 30 JUNE 2008

	Females	Males	Total
Ongoing full time	124	52	176
Ongoing part time	24	2	26
Non-Ongoing full time	16	2	18
Non-Ongoing part time	1	3	4
Total	165	59	224

Note: Table does not include 28 (18 female/10 male) EL1 casual employees providing fee-for-service work. Figures include 14 staff on long-term leave and the Public Service Commissioner and Merit Protection Commissioner who are statutory office holders (counted as on-going full-time).

TABLE 30: ONGOING AND NON-ONGOING STAFF, 30 JUNE 2007

	Females	Males	Total
Ongoing full time	110	45	155
Ongoing part time	20	3	23
Non-Ongoing full time	15	5	20
Non-Ongoing part time	6	1	7
Total	151	54	205

Note: Table does not include 44 (29 female/15 male) EL1 casual employees providing fee-for-service work. Figures include inoperative staff and the Public Service Commissioner who is a statutory office holder (counted as on-going full-time).

SENIOR EXECUTIVE SERVICE INFORMATION

Table 31 shows SES employees by band and gender at 30 June 2008. Table 32 shows the corresponding figures for 30 June 2007.

TABLE 31: SENIOR EXECUTIVES, 30 JUNE 2008

	Females	Males
Band 1	6	3
Band 2	0	1
Band 3	1	0
Total	7	4

Note: Two male Band 1s and the male Band 2 are based overseas. The above figures do not include the Public Service Commissioner and the Merit Protection Commissioner who are statutory office holders.

TABLE 32: SENIOR EXECUTIVES, 30 JUNE 2007

	Females	Males
Band 1	5	3
Band 2	0	1
Band 3	1	0
Total	6	4

Note: Two male Band 1s and the male Band 2 are based overseas. The above figures do not include the Public Service Commissioner who is a statutory office holder. The Merit Protection Commissioner Statutory Office was substantively vacant at 30 June 2007.

TABLE 33: OCCUPATIONAL GROUPS BY LOCATION, 30 JUNE 2008

	ACT		NSW		VIC		QLD		SA		WA		Overseas		Total
	F	M	F	M	F	M	F	M	F	M	F	M	F	M	
Trainee APS	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cadet APS	1	0	0	0	0	0	0	0	0	0	0	0	0	0	1
Graduate APS	3	2	0	0	0	0	0	0	0	0	0	0	0	0	5
APS 1-2	3	4	1	0	0	0	0	0	0	0	0	0	0	0	8
APS 3-4	21	5	2	0	4	0	1	0	2	0	2	0	0	0	37
APS 5-6	43	12	1	0	2	0	2	0	0	0	1	0	0	0	61
EL 1	37	17	3	1	3	1	0	2	3	0	1	1	0	0	69
EL2	14	7	2	1	1	0	0	1	1	0	2	0	0	1	30
SES 1	6	1	0	0	0	0	0	0	0	0	0	0	0	2	9
SES 2	0	0	0	0	0	0	0	0	0	0	0	0	0	1	1
SES 3	1	0	0	0	0	0	0	0	0	0	0	0	0	0	1
SOH	2	0	0	0	0	0	0	0	0	0	0	0	0	0	2
Sub total	131	48	9	2	10	1	3	3	6	0	6	1	0	4	224
Total	179		11		11		6		6		7		4		224

Note: Does not include 28 (18 female/10 male) EL1 casual employees providing fee-for-service work. Does include 14 staff on long term-leave and the Public Service Commissioner and Merit Protection Commissioner who are statutory office holders (SOH) (counted as on-going full-time). Overseas employees are located in Papua New Guinea and Indonesia.

TABLE 34: OCCUPATIONAL GROUPS BY LOCATION, 30 JUNE 2007

	ACT		NSW		VIC		QLD		SA		WA		Overseas		Total
	F	M	F	M	F	M	F	M	F	M	F	M	F	M	
Trainee APS	0	0	2	0	0	0	0	0	0	0	0	0	0	0	2
Cadet APS	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Graduate APS	1	2	0	0	0	0	0	0	0	0	0	0	0	0	3
APS 1-2	1	3	0	0	0	0	0	0	0	0	0	0	0	0	4
APS 3-4	25	6	1	0	3	0	1	0	2	0	2	0	0	0	40
APS 5-6	41	10	1	1	2	0	2	0	1	0	0	0	0	0	58
EL 1	31	16	3	0	3	2	2	0	1	0	1	1	0	0	60
EL2	14	6	1	1	1	0	0	1	1	0	1	0	0	1	27
SES 1	5	1	0	0	0	0	0	0	0	0	0	0	0	2	8
SES 2	0	0	0	0	0	0	0	0	0	0	0	0	0	1	1
SES 3	1	0	0	0	0	0	0	0	0	0	0	0	0	0	1
SOH	1	0	0	0	0	0	0	0	0	0	0	0	0	0	1
Sub total	120	44	8	2	9	2	5	1	5	0	4	1	0	4	205
Total	164		10		11		6		5		5		4		205

Note: Does not include 44 EL1 casual employees providing fee-for-service work. Overseas employees are located in Papua New Guinea and Indonesia. Includes inoperative staff. SOH = statutory office holder.

TABLE 35: REPRESENTATION OF EEO GROUPS WITHIN SALARY LEVELS, 30 JUNE 2008

	Total staff	Women		ATSI		BO		BO+ENFL		PWD	
		Staff	%	Staff	%	Staff	%	Staff	%	Staff	%
Trainee APS	0	0	0.0	0	0	0	0.0	0	0.0	0	0.0
Cadet APS	1	1	100.0	1	100	0	0.0	0	0.0	0	0.0
Graduate APS	5	3	60.0	3	60.0	2	40.0	1	20.0	0	0.0
APS 1-2	8	4	50.0	2	25.0	0	0.0	0	0.0	2	25.0
APS 3-4	37	32	86.5	3	8.1	8	21.6	5	13.5	1	2.7
APS 5-6	61	49	80.3	0	0	10	16.4	5	8.2	4	6.6
EL1	69	47	68.1	3	4.3	9	13.0	1	1.4	8	11.6
EL2	30	20	66.7	0	0	6	20.0	4	13.3	4	13.3
SES + SOH	13	9	69.2	0	0	2	15.4	0	0.0	0	0.0
Total	224	165	73.7	12	5.4	37	16.5	16	7.1	19	8.5

Key: ATSI – Aboriginals and Torres Strait Islander; BO – Born overseas; BO+ENFL – Born overseas and did not speak English as their first language; PWD – People with disability. SOH = statutory office holder.

Note: Does not include 28 (18 female/10 male) EL1 casual employees providing fee-for-service work and does include 14 staff on long-term leave.

TABLE 36: REPRESENTATION OF EEO GROUPS WITHIN SALARY LEVELS, 30 JUNE 2007

	Total staff	Women		ATSI		BO		BO+ENFL		PWD	
		Staff	%	Staff	%	Staff	%	Staff	%	Staff	%
Trainee APS	2	2	100.0	2	100.0	0	0.0	0	0.0	0	0.0
Cadet APS	0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Graduate APS	3	1	33.3	1	33.3	0	0.0	0	0.0	0	0.0
APS 1-2	4	1	25.0	1	25.0	0	0.0	0	0.0	2	50.0
APS 3-4	40	34	85.0	1	2.5	7	17.5	5	12.5	2	5.0
APS 5-6	58	47	81.0	2	3.4	13	22.4	5	8.6	3	5.2
EL1	60	41	68.3	3	5.0	8	13.3	3	5.0	6	10.0
EL2	27	18	66.7	0	0.0	6	22.2	2	7.4	4	14.8
SES + SOH	11	7	63.6	0	0.0	3	27.3	0	0.0	0	0.0
Total	205	151	73.7	10	4.9	37	18.0	15	7.3	17	8.3

Key: ATSI – Aboriginals and Torres Strait Islander; BO – Born overseas; BO+ENFL – Born overseas and did not speak English as their first language; PWD – People with disability. SOH = statutory office holder.

Note: Does not include 44 EL1 casual employees providing fee-for-service work. Includes inoperative staff.