



Australian Government

Commonwealth Grants Commission

Commonwealth Grants Commission

Annual Report 2019–20

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This document should be attributed as the *Commonwealth Grants Commission Annual Report 2019–20*.

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Letter of transmittal



Australian Government
Commonwealth Grants Commission

The Hon Josh Frydenberg MP
Treasurer
Parliament House
CANBERRA ACT 2600

Dear Treasurer

I am pleased to present the annual report on the operations of the Commonwealth Grants Commission (CGC) for the year ended 30 June 2020, as required by section 46 of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act).

The report includes the CGC's audited financial statements, prepared under section 42 of the PGPA Act.

As required by section 10 of the Public Governance, Performance and Accountability Rule 2014, I certify that:

- the CGC has prepared fraud risk assessments and fraud control plans
- the CGC has in place appropriate fraud prevention, detection, investigation and reporting mechanisms that meet its specific needs
- I have taken all reasonable measures to appropriately deal with fraud relating to the CGC.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Michael Willcock'.

Michael Willcock Secretary
29 September 2020

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01 Overview

Review by the Secretary

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Overview of the CGC

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Review by the Secretary

The sole outcome of the Commonwealth Grants Commission (CGC) — as set out in its Portfolio Budget Statements 2019–20 — is to inform government decisions on the distribution of the goods and services tax (GST) so that horizontal fiscal equalisation (HFE) among the states and territories¹ is achieved.

The Commission continued work on its review of the methods used to calculate the per capita relativities to distribute the GST among the states from 2020–21 (2020 Review). This involved continued engagement with state treasuries and other interested parties. The CGC presented the *Report on GST Revenue Sharing Relativities 2020 Review* to the Treasurer and the states on 28 February 2020, and the report was publicly released on 16 March 2020.

The recommended GST revenue sharing relativities for the 2020–21 financial year were developed using the 2020 Review methods. The Treasurer accepted the recommendations and on 1 April 2020 determined that those relativities would be used to distribute GST revenue among the States in 2020–21.

After the release of the 2020 Review final report, the CGC sought feedback from states on the conduct of the review process and in June published on the website a summary of the feedback and a response. At the same time, staff initiated consultations with states on some of the major new issues for the 2021 Update inquiry, in particular possible ramifications of the COVID-19 pandemic, and the commencement of the legislated transition to the new GST distribution arrangements.²

Commission staff also completed a review into Norfolk Island finances, undertaken at the request of the Department of Infrastructure, Transport, Regional Development and Communications. The final report was provided to that department in November 2019.

The CGC used funding secured in 2018–19 to begin a transformation of its ICT systems and a program to upgrade cybersecurity. The move to cloud-based systems put the organisation on a good footing to respond to the increased need, from March 2020, for remote working that arose as part of the response to the COVID-19 pandemic. These changes greatly improved consultation processes with key stakeholders.



Michael Willcock
Secretary

¹ In this report, the word 'state(s)' includes the Australian Capital Territory and the Northern Territory, unless the context indicates otherwise.

² *Treasury Laws Amendment (Making Sure Every State and Territory Gets Their Fair Share of GST) Act 2018*, available at <https://www.legislation.gov.au/Details/C2018A00143>.

Overview of the CGC

The Commonwealth Grants Commission's (CGC's) purpose is to provide advice and recommendations to the Australian Government on the relative fiscal capacities of the states and territories as the basis for distributing GST revenue to achieve fiscal equalisation amongst the states and territories.

The CGC's purpose is pursued through:

- research and analysis that is of high quality and fit for purpose
- effective secretariat support to the commission's chair and members
- sound corporate governance and financial management.

The CGC is an advisory body only. It does not administer government programs or grants.

Accountable authority

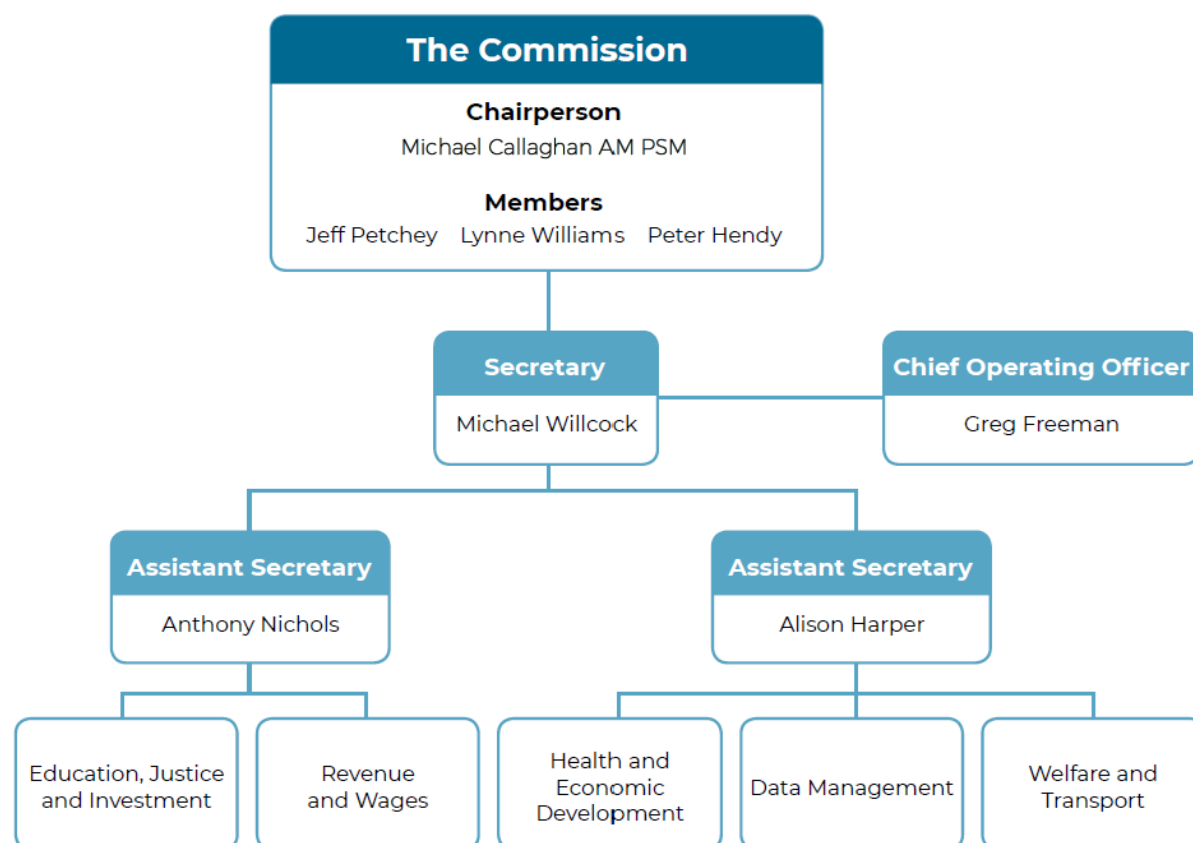
Mr Michael Willcock, Secretary of the Commonwealth Grants Commission, was the accountable authority for the entire reporting period.

Organisational structure

The membership of the commission during 2019–20 consisted of a part-time Chairperson and three part-time members. Long-standing member and Chair of the commission, Mr Greg Smith, retired in March 2020 following release of the 2020 Review report. A new Chair, Mr Mike Callaghan AM PSM, was appointed on 25 June 2020.

The Secretary has responsibility for providing advice to the Chairperson and members on matters relating to the CGC's functions. Staff were organised in two branches, each headed by an Assistant Secretary. A separate corporate services section reported directly to the Secretary. The CGC's organisational structure at 30 June 2020 is shown in Figure 1.

Figure 1 Organisational structure as at 30 June 2020



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Annual performance statements

As the accountable authority of the Commonwealth Grants Commission (CGC), I present the CGC's 2019–20 annual performance statements, as required under paragraph 39(1)(a) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act).

In my opinion, these annual performance statements are based on properly maintained records, accurately reflect the performance of the entity for the reporting period and comply with subsection 39(2) of the PGPA Act.



Michael Willcock Secretary

29 September 2020

Performance results

The CGC measures its performance using the performance criteria outlined in the CGC's Corporate Plan 2019–20 and Portfolio Budget Statements 2019–20.

Criterion 1	The extent to which parties, and particularly state governments, are given opportunities to place their views before the commission
Result	Fully met

Over the first half of the year, the CGC continued the ongoing consultation process for the 2020 review of its methodology to be used to calculate the relativities for distributing GST revenue among the states from 2020–21 (2020 Review). This included the release of the following documents:

- the draft report for the 2020 Review, describing the data sources and methods the Commission proposed to adopt in its final report (August 2019)
- new issues for the 2020 Review not previously considered (October 2019)
- significant changes to data and methods since the draft report (November 2019).

Submissions were received from the states in relation to each of these documents.

Following the consultation process, and after implementing its decisions on data sources and methods, the Commission presented its final report, *GST Revenue Sharing Relativities 2020 Review*, to the Commonwealth Treasurer and the states on 28 February 2020, with public release of the report on 16 March 2020.

After the release of the 2020 Review final report, the CGC sought feedback from states on the way it had conducted the review process. In June, the CGC published on its web site a summary of the feedback and its response.

Criterion 2	The technical quality of the analytical work underlying and supporting the commission's reports, backed up by robust quality assurance processes
Result	Fully met

External auditors attested to the technical quality and accuracy of the work underlying the GST relativities.

Criterion 3	The timeliness of reports
Result	Fully met

In line with the terms of reference for the 2020 Review, CGC provided the Treasurer with the draft report on data sources and methods in late June 2019. The draft report was made available to states as part of the consultation process in August. In November 2019, CGC also provided Commonwealth and state treasuries with a description of substantive changes to the revised methodology following the draft report, as required by the terms of reference.

The CGC met the requirements of its outcome and the terms of reference for the 2020 Review, and delivered the final report of the 2020 Review on 28 February 2020.

Criterion 4	Appropriate responses to each requirement in terms of reference
Result	Fully met

The GST revenue sharing relativities for 2020–21 complied with the instructions in the terms of reference received from the Treasurer on 28 November 2016 as well as supplementary terms of reference dated 6 October 2019 and 25 February 2020.

Criterion 5	The degree of acceptance of the results presented to the Commonwealth and state governments in response to terms of reference
Result	Fully met

The Federal Financial Relations (GST Revenue Sharing Relativities for 2020-21) Determination 2020, made by the Treasurer on 1 April 2020, used the relativities recommended by the CGC.

While some states would have preferred a different treatment of a number of issues, most states expressed a high degree of acceptance of the well-established processes by which the CGC discharges its responsibilities.

Analysis of performance against the CGC's purpose

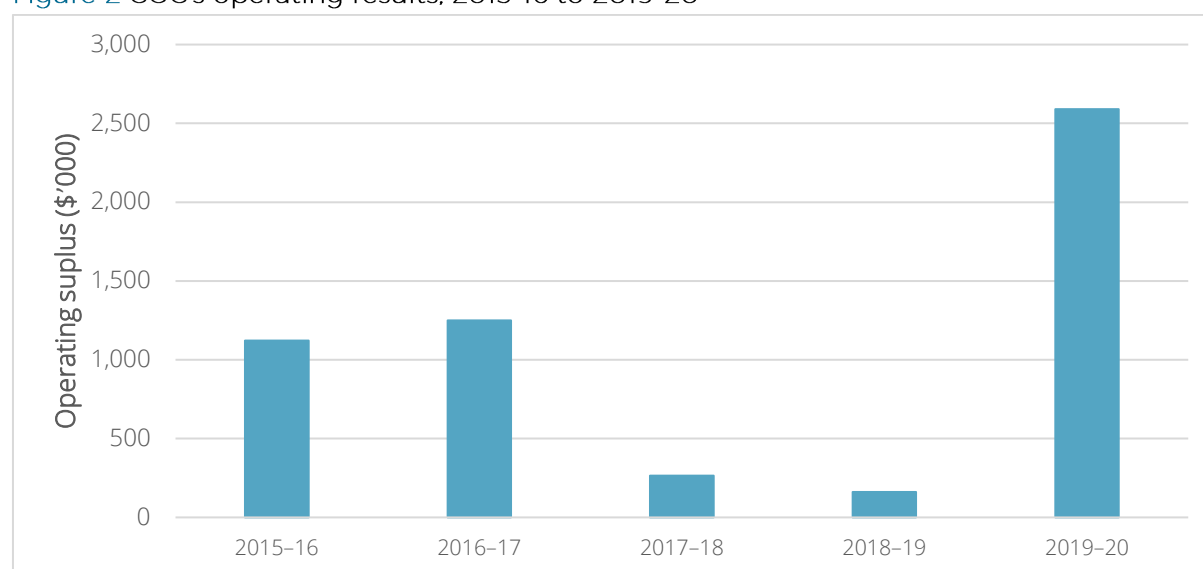
The activities of the CGC are contingent upon the receipt of terms of reference from the Treasurer.

The main activity during the year was responding to terms of reference requirements for the finalisation of the 2020 Review, which was a comprehensive review of all data and methods underpinning the calculation of the GST revenue sharing relativities. The review was completed successfully with the presentation to the Treasurer of the *Report on GST Revenue Sharing Relativities 2020 Review*. The Commonwealth and states received the report on 28 February 2020, as required by the terms of reference. The report was released publicly on 16 March 2020.

Financial performance

CGC remains in a sound financial position and budgets to remain financially sustainable over the forward estimates. A number of funded initiatives were delayed during the year as the CGC sought to minimise risks associated with major organisational change during an adverse operating environment, particularly the bush fires, COVID-19 and finalisation of the 2020 Review Report (see Performance Statements). These delays resulted in a significant underspend in 2019–20.

Figure 2 CGC's operating results, 2015–16 to 2019–20



Financial position

In 2019–20, the Department of Finance adjusted the net cash operating loss rule in response to Australian Accounting Standards Board (AASB) 16. Accordingly, for financial years 2019–20 onwards, CGC monitors financial performance by excluding the impact of depreciation and principal lease payments. For financial years 2018–19 and earlier, CGC continues to measure financial performance by excluding the impact of depreciation only. In 2019–20, after adjusting for depreciation and principal lease payments, the CGC had an operating surplus of \$2.59 million (Figure 2).

Table 1 Summary of financial performance, 2019–20

	2019–20 (\$'000)	2018–19 (\$'000)	Movement (\$'000)
Total own-source revenue	75	98	(23)
Total revenue from government	8,227	6,067	2,160
Total expenses	5,902	6,147	(245)
Net surplus/(deficit)	2,400	18	2,382
Total assets	9,431	5,831	3,600
Total liabilities	2,444	2,110	334
Equity	6,987	3,721	3,266

Including depreciation and principal lease payments, the CGC's operating surplus was \$2.40 million.

The CGC's assets and liabilities are primarily of a financial nature, with the largest balance being appropriation receivable (\$8.29 million). Employee provisions (\$1.41 million) comprise the majority of CGC's liabilities.

Resourcing statement

Table 2 summarises the CGC's total resources and total payments in 2019–20, and Table 3 shows total expenses for Outcome 1 in 2019–20.

Table 2 CGC resource statement, 2019–20

	Actual available (\$'000)	Payments made (\$'000)	Balance (\$'000)
Ordinary annual services ^(a)			
Departmental appropriation ^(b)	14,523	6,136	8,387
Total ordinary annual services	14,523	6,136	8,387
Total resourcing and payments	14,523	6,136	8,387

(a) *Appropriation Act (No. 1) 2019–2020*. This also includes prior-year departmental appropriation and retained revenue receipts under section 74 of the *Public Governance, Performance and Accountability Act 2013*.

(b) Includes an amount of \$825,000 in 2019–20 for the departmental capital budget. For accounting purposes, this amount has been designated as 'contributions by owners'.

Table 3 Total expenses for Outcome 1, 2019–20

	Budget ^(a) (\$'000)	Actual (\$'000)	Variation (\$'000)
Outcome 1: Informed government decisions on fiscal equalisation between the states and territories through advice and recommendations on the distribution of GST revenue			
Program 1.1: The commission makes recommendations on the distribution of the GST pool, which are considered by government			
Departmental expenses			
Ordinary annual services (Appropriation Act No. 1)	8,227	5,857	2,370
Expenses not requiring appropriation in the budget year	45	45	–
Total for Program 1.1	8,272	5,902	2,370
Total expenses for Outcome 1	8,272	5,902	2,370
Average staffing level (number)	34.0	23.8	10.2

(a) Full-year budget, including any subsequent adjustment made to the 2019–20 Budget at Additional Estimates.

03 Management and Accountability

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Corporate governance

The CGC has structures and processes in place to implement the principles and objectives of good corporate governance. The CGC is a non-corporate Commonwealth entity under the *Public Governance, Performance and Accountability Act 2013* (PGPA Act). This imposes accountability requirements similar to those of a department, but gives the CGC independence from the policies of the Department of the Treasury.

The *Commonwealth Grants Commission Act 1973* appoints the Secretary of the CGC as the accountable authority, as defined by the PGPA Act. The Secretary is responsible for the governance and performance of the CGC and for working with the Chairperson and the other members of the commission to steer and manage the deliverables of the CGC.

The three main committees that assist in the management of the organisation are the Executive Committee, the Workplace Representative Committee, and the Audit Committee. The membership and roles of these committees are shown in Table 4.

Table 4 CGC Committees as at 30 June 2020

Committee	Membership	Role and activities
Executive Committee	Members of the senior executive, with support provided by the Chief Operating Officer	<p>The committee:</p> <ul style="list-style-type: none"> • advises the Secretary on matters of corporate management, governance, risk, information management and resource allocation • provides strategic advice to the CGC on the conduct of inquiries and methods to adopt • provides strategic direction to CGC employees • acts as the Fraud Committee, Remuneration Committee, and Learning and Development Committee.
Workplace Representative Committee	The Secretary (as the chair), three staff members and the Chief Operating Officer	Established under the Commonwealth Grants Commission Enterprise Agreement 2015–2018, the committee monitors matters concerning the implementation and interpretation of the agreement and general workplace issues, and coordinates employee involvement in the development and ratification of policies or guidelines that affect the terms and conditions of employment.
Audit Committee	Two external members (one of whom is chair) and a member of the senior executive, with support provided by the Chief Operating Officer	Established under the provisions of the PGPA Act, the committee provides independent assurance and assistance to the Secretary on the CGC's risk, control and compliance framework, and its financial statement responsibilities.

Audit committee

Table 5 Audit committee members and attendance, 2019–20

Name	Qualifications	Attendance
Nicholas Creagh	CPA, Assistant Secretary, Finance Branch at DPS	3/3
Michelle Crowther	CPA, Director, Finance and IT Strategy at NIAA	3/3
Anthony Nichols	Assistant Secretary at CGC	3/3

Audit committee members received no remuneration for their work on the audit committee.

The audit committee charter can be found at cgc.gov.au.

Corporate planning

The CGC published its Corporate Plan 2019–20 on its website, cgc.gov.au, as required under paragraph 35(1)(b) of the *Public Governance, Performance and Accountability Act 2013*. The corporate plan sets out our purpose and performance measures, and is an important tool in articulating the CGC's strategic direction to staff and external audiences.

Fraud prevention

There were no incidents of fraud in 2019–20. The CGC's risk management framework is an important part of our corporate governance responsibilities, and risk management is overseen by the Audit Committee. The Chief Operating Officer is responsible to the senior executive for ensuring that risk management is aligned with overall business strategy.

External scrutiny

The CGC is subject to an annual financial statements audit by the Australian National Audit Office (ANAO). During 2019–20, the CGC was not the subject of any ANAO performance audits. There have been no significant developments in external scrutiny of the CGC during 2019–20.

Management of human resources

Our staff members are our most valuable resource, and they predominantly have qualifications, experience and technical capability in economics and statistics. During 2019–20, the CGC supported staff members to undertake professional qualifications and tertiary education, including programs offered by Chartered Accountants Australia and New Zealand and CPA Australia.

During 2019–20, we conducted a number of training activities for CGC employees and notices were circulated to keep employees informed of training and development opportunities. Given the unique nature of the CGC's operations, our training and development program had a strong focus on internal and on-the-job training.

The CGC aims to create an organisation that encourages and welcomes diversity. This includes diversity of backgrounds, views, thoughts and approaches. The CGC's objective is to attract a range of people across varying professions and backgrounds to build a successful and sustainable organisation with a culture that enriches our work and impact. Our diversity fosters an environment of mutual learning, respect, openness, and appreciation of differences and other perspectives. Such a positive culture creates opportunities for a variety of different voices to be encouraged and heard.

The Commonwealth Grants Commission Enterprise Agreement 2015–2018 came into effect on 23 December 2015 and covers the terms and conditions of employment at the CGC. After consultation with staff, the Secretary made a determination under subsection 24(1) of *the Public Service Act 1999* that supplements the terms and conditions of the agreement. The determination took effect from 23 December 2018 and outlines salary rates for the next three years. As at 30 June 2020, 20 non-senior executive staff were engaged under the agreement, while three Senior Executive Service (SES) staff were employed under separate determinations made under subsection 24(1) of the Public Service Act.

Employees covered by the enterprise agreement may agree with the Secretary to make an individual flexibility arrangement to vary the effect of any of the terms of the agreement. As at 30 June 2020, two staff members had individual flexibility arrangements in place.

Where there is a demonstrated business need, the CGC provides the SES and some non-SES staff with a mobile phone, tablet, and/or airline lounge membership. The CGC offers reimbursement to staff for spectacles and professional membership fees.

Staffing statistics

Tables 6 and Table 7 provide a comparison of the CGC's staff profile at 30 June 2020 and 30 June 2019, respectively. No staff identified as Indigenous and all staff were based in Canberra. All ongoing and non-ongoing staff were Australian Public Service employees.

Table 6 Ongoing and non-ongoing staff, by gender, classification and work status, as at 30 June 2020

Classification	Ongoing				Non-ongoing		Total	
	Full-time		Part-time		Part-time		M	F
	M	F	M	F	M	F	M	F
SES Band 3	1	–	–	–	–	–	1	–
SES Band 1	1	1	–	–	–	–	1	1
EL 2	4	1	–	–	–	–	4	1
EL 1	3	3	–	2	1	–	4	5
APS 6	1	4	–	–	–	–	1	4
APS 5	–	1	–	–	–	–	–	1
Subtotal	10	10	–	2	1	–	11	12
Total	20		2		1		23	

Table 7 Ongoing and non-ongoing staff, by gender, classification and work status, as at 30 June 2019

Classification	Ongoing				Non-ongoing		Total	
	Full-time		Part-time		Part-time		M	F
	M	F	M	F	M	F	M	F
SES Band 3	1	–	–	–	–	–	1	–
SES Band 1	1	1	–	–	–	–	1	1
EL 2	5	1	–	–	–	–	5	1
EL 1	3	2	1	2	1	–	5	4
APS 6	3	4	–	–	–	1	3	5
APS 5	–	1	–	–	–	–	–	1
APS 4	–	–	–	1	–	–	–	1
Subtotal	13	9	1	3	1	1	15	13
Total	22		4		2		28	

Staff remuneration

Tables 8 to 11 provide information on the salary ranges of non-SES staff, and the remuneration of key management personnel, senior executives and other highly paid staff.

Table 8 Non-SES salary ranges as at 30 June 2020

Classification	Minimum (\$)	Maximum (\$)
Executive Level 2	137,253	151,431
Executive Level 1	110,892	117,402
APS 6	87,403	92,240
APS 5	76,912	80,468
APS 4	69,835	72,998
APS 3	60,313	65,197
APS 2	55,502	59,363
APS 1	45,863	51,362

Table 9 Remuneration of key management personnel, 2019-20

Name	Position title	Short-term benefits (\$)			Post-employment benefits (\$)	Other long-term benefits (\$)		Termination benefits (\$)	Total remuneration (\$)
		Base salary	Bonuses ¹	Other benefits	Superannuation contributions	Long service leave	Other long-term leave		
Michael Willcock	Secretary	363,009	34,553	30,679	69,518	13,115	–	–	510,874

¹ Bonus paid prior to COVID-19 outbreak.

Table 10 Remuneration of senior executives, 2019-20

Total remuneration bands (\$)	Number of SES	Short-term benefits (\$)			Post-employment benefits (\$)	Other long-term benefits (\$)		Termination benefits (\$)	Total remuneration (\$)
		Average base salary	Average bonuses	Average other benefits	Average superannuation contributions	Average long service leave	Average other long-term leave	Average termination benefits	Average total remuneration
\$220,001 – \$245,000	1	166,117	–	29,373	35,734	4,815	–	–	236,039
\$245,001 – \$270,000	1	179,986	–	29,373	39,488	5,972	–	–	254,819

Note that the 'other highly paid staff' table is not included as no other employees reached the minimum reporting threshold in 2019-20.

Staff whose performance rating was 'meets requirements' were eligible for a bonus of up to 4% of salary in 2019-20 (Table 10).

Table 11 Performance payments in 2019-20

Classification ^(a)	Number	Total (\$)	Average (\$)	Minimum (\$)	Maximum (\$)
SES and EL 1-2	13	79,792	6,138	641	34,553
APS 5-6	4	8,106	2,027	790	3,690
Total	17	87,898			

(a) Combined for confidentiality.

Purchasing

Purchasing activities undertaken by CGC employees meet the requirements of the Commonwealth Procurement Rules. Relevant employees are aware of the requirements and expectations when undertaking procurement activities and are guided by the CGC's own internal purchasing policy and accountable authority instructions.

The CGC supports small business participation in the Commonwealth Government procurement market. Small and medium-sized enterprise (SME) and small enterprise participation statistics are available on the Department of Finance's website. The CGC is a small agency and all of its purchasing, other than under whole-of-government arrangements, is undertaken with small or medium-sized enterprises.

Consultants

During 2019–20, 6 new consultancy contracts were entered into involving total actual expenditure of \$0.05 million. There were no ongoing consultancy contracts active during the period.

The CGC engages consultants when specialist knowledge or skills are needed to complete a task, or when it is more cost-effective to do so. Decisions to engage consultants are taken after considering the importance of the task and possible in-house options. The procedures adopted to identify potential consultants vary according to the nature of the task. The successful consultant is chosen on the basis of specified selection criteria, and on the principle of 'buying for better value'.

Annual reports contain information about actual expenditure on contracts for consultancies. Information on the value of contracts and consultancies is available on the AusTender website at tenders.gov.au.

Other mandatory information

Advertising and market research

During 2019–20, the CGC made no payments to advertising or market research organisations that required disclosure under section 311A of the *Commonwealth Electoral Act 1918*.

Disability reporting

Disability reporting occurs through the National Disability Strategy 2010–2020, as well as through the Australian Public Service Commission's State of the Service reports and *Australian Public Service Statistical Bulletin* (see apsc.gov.au). High-level, two-yearly reports track progress against the strategy's six outcome areas. These reports are available on the Department of Social Services website at dss.gov.au.

Freedom of information

Entities subject to the *Freedom of Information Act 1982* (FOI Act) are required to publish information to the public as part of the Information Publication Scheme. This requirement is in Part II of the FOI Act and has replaced the former requirement to publish a section 8 statement in an annual report. Each agency must display on its website a plan showing what information it publishes in accordance with Information Publication Scheme requirements. This plan is accessible from the CGC's website at cgc.gov.au.

Ecologically sustainable development and environmental performance

The CGC does not have any direct responsibilities in relation to the administration of environmental sustainability legislation. However, it is mindful of its responsibilities to minimise negative impacts on the environment. Measures are in place to monitor and minimise the use of non-renewable energy. The CGC also has in place recycling systems for office supplies and general waste from workspaces and the staff kitchen.

Work health and safety

The CGC maintains a work health and safety policy and health and safety management arrangements that are compliant with the *Work Health and Safety Act 2011*. An appropriately trained employee is appointed as first aid officer. The CGC has appointed the required number of fire wardens and provided training where appropriate.

In compliance with work health and safety requirements for the use of computers in the workplace, the CGC provides all employees with ergonomic furniture. Employees are given regular advice on the correct posture and keyboard techniques to reduce fatigue.

There were no accidents, dangerous events or injuries incurred by employees or visitors at the CGC's workplaces during the year. The CGC received no directions or notices under parts 10 to 13 of the *Work Health and Safety Act 2011*.

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Independent auditor's report



INDEPENDENT AUDITOR'S REPORT

To the Treasurer

Opinion

In my opinion, the financial statements of the Commonwealth Grants Commission (the Entity) for the year ended 30 June 2020:

- (a) comply with Australian Accounting Standards – Reduced Disclosure Requirements and the *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015*; and
- (b) present fairly the financial position of the Entity as at 30 June 2020 and its financial performance and cash flows for the year then ended.

The financial statements of the Entity, which I have audited, comprise the following as at 30 June 2020 and for the year then ended:

- Statement by the Accountable Authority and Chief Financial Officer;
- Statement of Comprehensive Income;
- Statement of Financial Position;
- Statement of Changes in Equity;
- Cash Flow Statement; and
- Notes to the financial statements, comprising a summary of significant accounting policies and other explanatory information.

Basis for opinion

I conducted my audit in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Entity in accordance with the relevant ethical requirements for financial statement audits conducted by the Auditor-General and his delegates. These include the relevant independence requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) to the extent that they are not in conflict with the *Auditor-General Act 1997*. I have also fulfilled my other responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Other information

The Accountable Authority is responsible for the other information. The other information comprises the information included in the annual report for the year ended 30 June 2020 but does not include the financial statements and my auditor's report thereon.

My opinion on the financial statements does not cover the other information and accordingly I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Accountable Authority's responsibility for the financial statements

As the Accountable Authority of the Entity, the Secretary is responsible under the *Public Governance, Performance and Accountability Act 2013* (the Act) for the preparation and fair presentation of annual financial statements that

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comply with Australian Accounting Standards – Reduced Disclosure Requirements and the rules made under the Act. The Secretary is also responsible for such internal control as the Secretary determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Secretary is responsible for assessing the ability of the Entity to continue as a going concern, taking into account whether the Entity's operations will cease as a result of an administrative restructure or for any other reason. The Secretary is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the assessment indicates that it is not appropriate.

Auditor's responsibilities for the audit of the financial statements

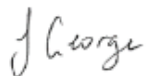
My objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian National Audit Office Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with the Australian National Audit Office Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Accountable Authority;
- conclude on the appropriateness of the Accountable Authority's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern; and
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Accountable Authority regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Australian National Audit Office



Jodi George

Executive Director

Delegate of the Auditor-General

Canberra

29 September 2020

Statement by the Secretary and Chief Financial Officer

In our opinion, the attached financial statements for the year ended 30 June 2020 comply with subsection 42(2) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act), and are based on properly maintained financial records as per subsection 41(2) of the PGPA Act.

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



Michael Willcock

Secretary

29 September 2020



Greg Freeman

Chief Financial Officer

29 September 2020

Statement of comprehensive income

for the period ended 30 June 2020

	Notes	2020 \$'000	2019 \$'000	Budget \$'000
Expenses				
Employee benefits	2A	4,226	4,633	5,509
Suppliers	2B	1,150	1,371	2,763
Depreciation and amortisation	4	526	143	63
Total expenses		5,902	6,147	8,335
Own-source income				
Rendering of services		30	50	-
Gains from sale of assets		-	3	-
Resources received free of charge		45	45	45
Total own-source income		75	98	45
Net cost of services		5,827	6,049	8,290
Revenue from government		8,227	6,067	8,227
Surplus/(deficit) attributable to Government		2,400	18	(63)
Other Comprehensive Income				
Changes in asset revaluation reserve		(64)	-	-
Total comprehensive income/(loss)		2,336	18	(63)

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

Statement of financial position

as at 30 June 2020

	Notes	2020 \$'000	2019 \$'000	Budget \$'000
Assets				
Financial assets				
Cash and cash equivalents		100	127	100
Trade and other receivables	3	8,299	5,221	4,906
Total financial assets		8,399	5,348	5,006
Non-financial assets				
Leasehold	4	856	295	282
Plant and equipment	4	89	159	225
Software	4	15	-	764
Prepayments		72	29	30
Total non-financial assets		1,032	483	1,301
Total assets		9,431	5,831	6,307
Liabilities				
Payables				
Suppliers		128	124	108
Other payables	5A	109	215	179
Total payables		237	339	287
Interest bearing liabilities				
Leases	5B	686	-	-
Total interest bearing liabilities		686	-	-
Provisions				
Employee provisions	5C	1,412	1,686	1,533
Other provisions	5D	109	85	85
Total provisions		1,521	1,771	1,618
Total liabilities		2,444	2,110	1,905
Net assets		6,987	3,721	4,402
Equity				
Contributed equity		886	61	886
Reserves		200	264	552
Retained surplus		5,901	3,396	2,964
Total equity		6,987	3,721	4,402

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

Statement of changes in equity

for the period ended 30 June 2020

	2020 \$'000	2019 \$'000	Budget \$'000
Contributed equity			
Opening balance			
Balance carried forward from previous period	61	-	61
Transactions with owners			
Departmental capital budget	825	61	825
Closing balance as at 30 June	886	61	886
Retained surplus			
Opening balance			
Balance carried forward from previous period	3,396	3,378	3,027
Adjustment on initial application of AASB 16	105	-	-
Comprehensive income			
Surplus/(deficit) for the period	2,400	18	(63)
Closing balance as at 30 June	5,901	3,396	2,964
Asset revaluation reserve			
Opening balance			
Balance carried forward from previous period	264	264	552
Comprehensive income			
Revaluation	(64)	-	-
Closing balance as at 30 June	200	264	552
Total equity			
Opening balance			
Balance carried forward from previous period	3,721	3,642	3,640
Adjustment on initial application of AASB 16	105	-	-
Comprehensive income			
Surplus/(deficit) for the period	2,400	18	(63)
Revaluation	(64)	-	-
Transactions with owners			
Departmental capital budget	825	61	825
Closing balance as at 30 June	6,987	3,721	4,402

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

Cash flow statement

for the period ended 30 June 2020

	2020 \$'000	2019 \$'000	Budget \$'000
Operating activities			
Cash received			
Appropriations	6,292	6,006	8,250
GST received	149	131	-
Other	179	133	-
Total cash received	6,620	6,270	8,250
Cash used			
Employees	4,590	4,546	5,509
Suppliers	1,338	1,432	2,741
Transferred to Official Public Account	384	203	-
Total cash used	6,312	6,181	8,250
Net cash from/(used by) operating activities	308	89	-
Investing activities			
Cash received			
Proceeds from sale of non-financial assets	-	3	-
Total cash received	-	3	-
Cash used			
Purchase of non-financial assets	22	86	825
Total cash used	22	86	825
Net cash from/(used by) investing activities	(22)	(83)	(825)
Financing activities			
Cash received			
Contributed equity	22	61	825
Total cash received	22	61	825
Cash used			
Principal payments of lease liabilities	335	-	-
Total cash used	335	-	-
Net cash from/(used by) financing activities	(313)	61	825
Net increase/(decrease) in cash held	(27)	67	-
Cash at the beginning of the reporting period	127	60	100
Cash at the end of the reporting period	100	127	100

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

Notes to and forming part of the financial statements

Note 1: Summary of significant accounting policies

1.1 Objectives of the CGC

The CGC is an Australian Government-controlled entity and is a not-for-profit entity. The objective of the CGC is to inform Government decisions on fiscal equalisation between the states and territories through advice and recommendations on the distribution of goods and services tax (GST) revenue.

1.2 Basis of preparation

The financial statements are general purpose financial statements and are required by section 42 of the *Public Governance, Performance and Accountability Act 2013*.

The financial statements have been prepared in accordance with the:

- a) *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015*; and
- b) Australian Accounting Standards and Interpretations – Reduced Disclosure Requirements issued by the Australian Accounting Standards Board that apply for the reporting period.

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

The financial statements are presented in Australian dollars, values rounded to the nearest thousand dollars (unless otherwise specified) and reflect the original budget as presented to parliament.

1.3 New accounting standards

All new/revised/amending standards and/or interpretations that were issued prior to the sign-off date and are applicable to the current reporting period did not have a material effect on the CGC's financial statements.

1.4 Application of AASB 16 *Leases*

CGC has adopted AASB 16 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings at 1 July 2019. Accordingly, the comparative information presented for 2019 is not restated, that is, it is presented as previously reported under AASB 117 and related interpretations.

On adoption of AASB 16, CGC recognised a right of use asset and lease liability in relation to its lease of office space which had previously been classified as an operating lease.

The lease liability was measured at the present value of the remaining lease payments, discounted using the CGC's incremental borrowing rate (IBR) as at 1 July 2019. The CGC's IBR is the rate at which a similar borrowing could be obtained from an independent creditor under comparable terms and conditions. The weighted-average rate applied was 0.98%.

The right of use asset was measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments.

Notes to and forming part of the financial statements (continued)

Impact on transition

On transition to AASB 16, the CGC recognised a right of use asset and lease liability, recognising the difference in retained earnings. The impact on transition is summarised below:

Departmental (\$'000)	1 July 2019
Right of use asset	1,050
Lease liability	1,021
Retained earnings	29

The following table reconciles the minimum lease commitments disclosed in the CGC's 30 June 2019 annual financial statements to the amount of lease liabilities recognised on 1 July 2019:

Departmental (\$'000)	
Minimum operating lease commitment at 30 June 2019	1,035
Less: effect of discounting using the IBR as at the date of initial application	14
Lease liabilities recognised at 1 July 2019	1,021

1.5 Own-source income

ANAO audit services - resources received free of charge

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

Revenue from government

Amounts appropriated for departmental operating activities for the year (adjusted for any formal additions and reductions and less departmental capital budgets) are recognised as revenue from government when CGC gains control of the appropriation. Appropriations receivable are recognised at their nominal amounts.

1.6 Financial assets

Cash is recognised at its nominal amount. Cash and cash equivalents includes cash on hand and deposits in bank accounts.

Trade and other receivables are measured at amortised cost using the effective interest method less impairment. No impairment allowance has been recognised as at balance date.

1.7 Acquisition of assets

Non-financial assets are initially recognised at cost in the statement of financial position, except for purchases costing less than \$6,000 which are expensed in the year of acquisition.

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

1.8 Property, plant and equipment

Revaluations

Following initial recognition at cost, plant and equipment (excluding ROU Assets) are carried at fair value less subsequent accumulated depreciation. Valuations are conducted with sufficient frequency to ensure that the carrying amounts of assets did not differ materially from the assets' fair values as at the reporting date. The regularity of independent valuations 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 reversed a previous revaluation decrement of the same asset class that was previously recognised in the surplus/deficit. Revaluation decrements for a class of assets are recognised directly in the surplus/deficit, except to the extent that they reverse a previous revaluation increment for that class. Upon revaluation, any accumulated depreciation is eliminated against the gross carrying amount of the asset and the asset restated to the revalued amount.

Depreciation

Depreciable plant and equipment assets are written off to their estimated residual values over their estimated useful lives to the CGC using, in all cases, the straight-line method of depreciation. Leasehold is depreciated over the lesser of the estimated useful life of the leasehold improvement or the lease term. Depreciation rates (useful lives), residual values and methods are reviewed at each reporting date.

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

Asset class	2020	2019
Leasehold	Within the lease term	Within the lease term
Plant and equipment	Two to five years	Two to five years

Impairment

All assets were assessed for indications of impairment at 30 June 2020. 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.

Derecognition

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

1.9 Fair value measurement

All property, plant and equipment are measured at fair value in the statement of financial position. When estimating fair value, market prices (with adjustment) were used where available. Where market prices were not available, depreciated replacement cost was used. A reconciliation of movements in property, plant and equipment has been included in Note 4.

1.10 Software

CGC's software has been purchased for internal use. These assets are carried at cost less accumulated amortisation and accumulated impairment losses.

Software is amortised on a straight-line basis over its anticipated useful life. The useful life of CGC's software is three to seven years (2019: N/A).

1.11 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). Supplier payables are settled within 30 days.

1.12 Employee benefits

Liabilities for 'short-term employee benefits' and termination benefits expected within 12 months of the end of the reporting period are measured at their nominal amounts.

Leave

The liability for employee benefits includes provision for annual leave and long service leave.

The leave liabilities are calculated on the basis of employees' remuneration at the estimated salary rates that will be applied at the time the leave is taken, plus the CGC's employer superannuation contribution rates and applicable on-costs, 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 has been determined by reference to paragraph 24(1)(a) of the *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015* using the shorthand method. The estimate of the present value of the liability takes into account attrition rates and pay increases through promotion and enterprise agreements.

Superannuation

Employees of the CGC are members of the Commonwealth Superannuation Scheme (CSS), the Public Sector Superannuation Scheme (PSS), the PSS accumulation plan (PSSap), or other elected defined contribution schemes.

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

The liability for defined benefits is recognised in the financial statements of the Australian Government and is settled by the Australian Government in due course. This liability is reported in the Department of Finance's administered schedules and notes.

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

1.13 Taxation

The CGC is exempt from all forms of taxation except fringe benefits tax and GST.

1.14 Events after the reporting period

There were no events that occurred after the balance date that would affect the balances in the financial statements.

Notes to and forming part of the financial statements (continued)

	2020	2019
	\$'000	\$'000
Note 2: Expenses		
Note 2A: Employee benefits		
Wages and salaries	3,341	3,491
Superannuation		
Defined contribution plans	250	277
Defined benefit plans	363	334
Leave and other entitlements	272	531
Total employee benefits	4,226	4,633
Note 2B: Suppliers		
Goods and services		
Professional services	91	446
Operating	212	106
Information technology	756	271
Travel	45	166
Property	30	54
Total goods and services	1,134	1,043
Other suppliers		
Workers compensation expenses	8	9
Operating lease rentals ¹	-	319
Interest on lease liabilities ²	8	-
Total other suppliers	16	328
Total suppliers	1,150	1,371

¹ CGC has applied AASB 16 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under AASB 117.

² The above lease disclosure should be read in conjunction with the accompanying notes 4 and 5B.

Notes to and forming part of the financial statements (continued)

	2020 \$'000	2019 \$'000
Note 3: Financial assets		
Appropriation receivables	8,287	5,165
Trade receivables	1	41
GST receivable from the Australian Taxation Office	11	15
Total trade and other receivables	8,299	5,221

Note 4: Non-financial assets

Reconciliation of the opening and closing balances of property, plant and equipment and software for 2020

	Leasehold ¹ \$'000	Plant and equipment \$'000	Software \$'000	Total \$'000
As at 1 July 2019				
Gross book value	578	296	-	874
Accumulated depreciation and amortisation	(283)	(137)	-	(420)
Total as at 1 July 2019	295	159	-	454
Recognition of right of use asset on initial application of AASB 16 ²	1,050	-	-	1,050
Adjusted total as at 1 July 2019	1,345	159	-	1,504
Additions by purchase	-	-	22	22
Revaluations recognised in other comprehensive income	(40)	-	-	(40)
Depreciation/amortisation expense	(99)	(70)	(7)	(176)
Depreciation on right-of-use assets ²	(350)	-	-	(350)
Total as at 30 June 2020	856	89	15	960
Total as at 30 June 2020 represented by				
Gross book value	1,206	296	22	1,524
Accumulated depreciation and amortisation	(350)	(207)	(7)	(564)
Total as at 30 June 2020	856	89	15	960
Carrying amount of right of use assets²	700	-	-	700

¹ Leasehold includes leasehold improvements and property lease ROU Assets.

² The above lease disclosures should be read in conjunction with the accompanying notes 2B and 5B.

Notes to and forming part of the financial statements (continued)

	2020	2019
	\$'000	\$'000

Note 5: Payables, Leases and Provisions

Note 5A: Other payables

Salaries and wages	56	31
Employee payables	53	80
Lease cost payable	-	104
Total other payables	109	215

Note 5B: Leases

Lease liabilities ¹	686	-
Total leases	686	-

Total cash outflow for leases for the year ended 30 June 2020 was \$343,610. ¹

¹ The above lease disclosures should be read in conjunction with the accompanying notes 2B and 4.

Note 5C: Employee provisions

Leave	1,412	1,516
Separations and redundancies	-	170
Total employee provisions	1,412	1,686

Note 5D: Other provisions

	Provision for restoration \$'000
As at 1 July 2019	85
Revaluation of makegood	24
Total as at 30 June 2020	109

The above provision reflects the present value of the CGC's commitment to restore the premises to its original condition at the conclusion of the lease agreement.

Note 6: Key management personnel remuneration and related parties

Note 6A: Key management personnel remuneration

Key management personnel (KMP) are those persons having authority and responsibility for planning, directing and controlling (directly or indirectly) the activities of the CGC.

The CGC has determined the KMP to be the Secretary of the CGC. Remuneration of KMP is reported in the table below.

	2020 \$'000	2019 \$'000
KMP remuneration		
Short-term employee benefits	428	366
Post-employment benefits	70	68
Other long-term employee benefits	13	14
Total KMP remuneration expenses¹	511	448

¹ The total KMP remuneration expenses included in the above table relate to one employee (2019: one).

Note 6B: Related party transactions

Related party relationships

The CGC is an Australian Government-controlled entity. Related parties to the CGC are:

- key management personnel
- the Executive Committee
- the Treasurer
- all other Australian Government entities.

Transactions with related parties

Given the breadth of Government activities, related parties may transact with the government sector in the same capacity as ordinary citizens. The CGC transacts with other Australian Government-controlled entities consistent with normal day-to-day business operations provided under normal terms and conditions, including the payment of workers compensation, insurance premiums, data purchases, advertising and internet services. These are not considered individually significant to warrant separate disclosure as related party transactions.

Giving consideration to relationships with related entities, and the materiality of transactions entered into during the reporting period by the CGC, it has been determined that there are no related party transactions to be separately disclosed.

Notes to and forming part of the financial statements (continued)

	2020 \$'000	2019 \$'000
Note 7: Appropriations		
Note 7A: Annual appropriations ('recoverable GST exclusive')		
Departmental appropriation	8,227	6,067
Departmental capital budget	825	61
PGPA Act - section 74 receipts	179	136
Total appropriation	9,231	6,264
Appropriations applied (current and prior years)	6,136	5,933
Variance	3,095	331
Note 7B: Unspent annual appropriations ('recoverable GST exclusive')		
Departmental		
Appropriation Act (No. 1) 2018–2019	-	5,292
Supply Act (No. 1) 2019–2020	2,007	-
Appropriation Act (No. 1) 2019–2020	6,380	-
Total departmental	8,387	5,292
Note 8: Aggregate assets and liabilities		
Assets expected to be recovered in:		
No more than 12 months	8,472	5,377
More than 12 months	959	454
Total assets	9,431	5,831
Liabilities expected to be settled in:		
No more than 12 months	987	905
More than 12 months	1,457	1,205
Total liabilities	2,444	2,110

Note 9: Budget variances

The following table provides high-level commentary on major variances between budgeted information for the CGC as published in the Portfolio Budget Statements and the 2019–20 final outcome as presented in accordance with Australian accounting standards. Major variances are those relevant to an analysis of CGC's performance and are not focused merely on numerical differences between the budget and actual results.

Explanations of major variances are as follows:

Explanation of major variances	Variance to budget		Affected line items
	\$'000	%	
Delays in recruitment as a result of bush fires, COVID-19 and finalisation of the 2020 Review Report (see Performance Statements).	(1,283)	-23%	<i>Statement of financial performance</i> , Employee benefits
	(1,613)	-58%	<i>Statement of financial performance</i> , Suppliers
Delays in IT transition as a result of bush fires, COVID-19 and finalisation of the 2020 Review Report (see Performance Statements).	(136)	-60%	<i>Statement of financial position</i> , Plant and equipment
	(749)	-98%	<i>Statement of financial position</i> , Software
Combination of the above two reasons.	3,393	69%	<i>Statement of financial position</i> , Trade and other receivables
	463	735%	<i>Statement of financial performance</i> , Depreciation and amortisation
Implementation of AASB 16.	574	204%	<i>Statement of financial position</i> , Buildings
	686	100%	<i>Statement of financial position</i> , Leases

Abbreviations

AASB	Australian Accounting Standards Board
ANAO	Australian National Audit Office
APS	Australian Public Service
CGC	Commonwealth Grants Commission
EL	Executive Level
FOI Act	<i>Freedom of Information Act 1982</i>
GST	goods and services tax
HFE	horizontal fiscal equalisation
ICT	information and communications technology
PGPA Act	<i>Public Governance, Performance and Accountability Act 2013</i>
PGPA Rule	Public Governance, Performance and Accountability Rule 2014
SES	Senior Executive Service

List of requirements

The list of annual report requirements in Table 12 is prepared in accordance with paragraph 17AJ(d) of the Public Governance, Performance and Accountability Rule 2014 (PGPA Rule). Page references for the CGC's compliance with these requirements are provided in the right-hand column of the table.

Table 12 List of annual report requirements

PGPA Rule Reference	Description	Requirement	Page
17AD(g)	Letter of transmittal		
17AI	A copy of the letter of transmittal signed and dated by accountable authority on date final text approved, with statement that the report has been prepared in accordance with section 46 of the Act and any enabling legislation that specifies additional requirements in relation to the annual report.	Mandatory	i
17AD(h)	Aids to access		
17AJ(a)	Table of contents.	Mandatory	iii
17AJ(b)	Alphabetical index.	Mandatory	43
17AJ(c)	Glossary of abbreviations and acronyms.	Mandatory	37
17AJ(d)	List of requirements.	Mandatory	38-42
17AJ(e)	Details of contact officer.	Mandatory	Inside front cover
17AJ(f)	Entity's website address.	Mandatory	Inside front cover
17AJ(g)	Electronic address of report.	Mandatory	Inside front cover
17AD(a)	Review by accountable authority		
17AD(a)	A review by the accountable authority of the entity.	Mandatory	2
17AD(b)	Overview of the entity		
17AE(1)(a)(i)	A description of the role and functions of the entity.	Mandatory	3
17AE(1)(a)(ii)	A description of the organisational structure of the entity.	Mandatory	3-4
17AE(1)(a)(iii)	A description of the outcomes and programmes administered by the entity.	Mandatory	3
17AE(1)(a)(iv)	A description of the purposes of the entity as included in corporate plan.	Mandatory	3
17AE(1)(aa)(i)	Name of the accountable authority or each member of the accountable authority	Mandatory	3
17AE(1)(aa)(ii)	Position title of the accountable authority or each member of the accountable authority	Mandatory	3
17AE(1)(aa)(iii)	Period as the accountable authority or member of the accountable authority within the reporting period	Mandatory	3
17AE(1)(b)	An outline of the structure of the portfolio of the entity.	Portfolio departments – mandatory	N/a

PGPA Rule Reference	Description	Requirement	Page
17AE(2)	Where the outcomes and programs administered by the entity differ from any Portfolio Budget Statement, Portfolio Additional Estimates Statement or other portfolio estimates statement that was prepared for the entity for the period, include details of variation and reasons for change.	If applicable, Mandatory	N/a
17AD(c)	Report on the Performance of the entity		
	<i>Annual performance Statements</i>		
17AD(c)(i); 16F	Annual performance statement in accordance with paragraph 39(1)(b) of the Act and section 16F of the Rule.	Mandatory	6-7
17AD(c)(ii)	Report on Financial Performance		
17AF(1)(a)	A discussion and analysis of the entity's financial performance.	Mandatory	8-9
17AF(1)(b)	A table summarising the total resources and total payments of the entity.	Mandatory	9
17AF(2)	If there may be significant changes in the financial results during or after the previous or current reporting period, information on those changes, including: the cause of any operating loss of the entity; how the entity has responded to the loss and the actions that have been taken in relation to the loss; and any matter or circumstances that it can reasonably be anticipated will have a significant impact on the entity's future operation or financial results.	If applicable, Mandatory.	N/a
17AD(d)	Management and Accountability		
	<i>Corporate Governance</i>		
17AG(2)(a)	Information on compliance with section 10 (fraud systems)	Mandatory	i
17AG(2)(b)(i)	A certification by accountable authority that fraud risk assessments and fraud control plans have been prepared.	Mandatory	i
17AG(2)(b)(ii)	A certification by accountable authority that appropriate mechanisms for preventing, detecting incidents of, investigating or otherwise dealing with, and recording or reporting fraud that meet the specific needs of the entity are in place.	Mandatory	i
17AG(2)(b)(iii)	A certification by accountable authority that all reasonable measures have been taken to deal appropriately with fraud relating to the entity.	Mandatory	i
17AG(2)(c)	An outline of structures and processes in place for the entity to implement principles and objectives of corporate governance.	Mandatory	12-13
17AG(2)(d) – (e)	A statement of significant issues reported to Minister under paragraph 19(1)(e) of the Act that relates to non-compliance with Finance law and action taken to remedy non-compliance.	If applicable, Mandatory	N/a
	<i>Audit Committee</i>		
17AG(2A)(a)	A direct electronic address of the charter determining the functions of the entity's audit committee.	Mandatory	13
17AG(2A)(b)	The name of each member of the entity's audit committee.	Mandatory	13
17AG(2A)(c)	The qualifications, knowledge, skills or experience of each member of the entity's audit committee.	Mandatory	13
17AG(2A)(d)	Information about the attendance of each member of the entity's audit committee at committee meetings.	Mandatory	13

PGPA Rule Reference	Description	Requirement	Page
17AG(2A)(e)	The remuneration of each member of the entity's audit committee.	Mandatory	13
	External Scrutiny		
17AG(3)	Information on the most significant developments in external scrutiny and the entity's response to the scrutiny.	Mandatory	13
17AG(3)(a)	Information on judicial decisions and decisions of administrative tribunals and by the Australian Information Commissioner that may have a significant effect on the operations of the entity.	If applicable, Mandatory	N/a
17AG(3)(b)	Information on any reports on operations of the entity by the Auditor-General (other than report under section 43 of the Act), a Parliamentary Committee, or the Commonwealth Ombudsman.	If applicable, Mandatory	N/a
17AG(3)(c)	Information on any capability reviews on the entity that were released during the period.	If applicable, Mandatory	N/a
	Management of Human Resources		
17AG(4)(a)	An assessment of the entity's effectiveness in managing and developing employees to achieve entity objectives.	Mandatory	14
17AG(4)(aa)	Statistics on the entity's employees on an ongoing and non-ongoing basis, including the following: <ul style="list-style-type: none"> • statistics on full-time employees; • statistics on part-time employees; • statistics on gender • statistics on staff location 	Mandatory	15
17AG(4)(b)	Statistics on the entity's APS employees on an ongoing and non-ongoing basis; including the following: <ul style="list-style-type: none"> • Statistics on staffing classification level; • Statistics on full-time employees; • Statistics on part-time employees; • Statistics on gender; • Statistics on staff location; • Statistics on employees who identify as Indigenous. 	Mandatory	15
17AG(4)(c)	Information on any enterprise agreements, individual flexibility arrangements, Australian workplace agreements, common law contracts and determinations under subsection 24(1) of the <i>Public Service Act 1999</i> .	Mandatory	16
17AG(4)(c)(i)	Information on the number of SES and non-SES employees covered by agreements etc identified in paragraph 17AG(4)(c).	Mandatory	16
17AG(4)(c)(ii)	The salary ranges available for APS employees by classification level.	Mandatory	16
17AG(4)(c)(iii)	A description of non-salary benefits provided to employees.	Mandatory	14
17AG(4)(d)(i)	Information on the number of employees at each classification level who received performance pay.	If applicable, Mandatory	16
17AG(4)(d)(ii)	Information on aggregate amounts of performance pay at each classification level.	If applicable, Mandatory	16
17AG(4)(d)(iii)	Information on the average amount of performance payment, and range of such payments, at each classification level.	If applicable, Mandatory	16
17AG(4)(d)(iv)	Information on aggregate amount of performance payments.	If applicable, Mandatory	16
	Assets Management		

PGPA Rule Reference	Description	Requirement	Page
17AG(5)	An assessment of effectiveness of assets management where asset management is a significant part of the entity's activities	If applicable, mandatory	N/a
	Purchasing		
17AG(6)	An assessment of entity performance against the <i>Commonwealth Procurement Rules</i> .	Mandatory	17
	Consultants		
17AG(7)(a)	A summary statement detailing the number of new contracts engaging consultants entered into during the period; the total actual expenditure on all new consultancy contracts entered into during the period (inclusive of GST); the number of ongoing consultancy contracts that were entered into during a previous reporting period; and the total actual expenditure in the reporting year on the ongoing consultancy contracts (inclusive of GST).	Mandatory	17
17AG(7)(b)	A statement that <i>"During [reporting period], [specified number] new consultancy contracts were entered into involving total actual expenditure of \$[specified million]. In addition, [specified number] ongoing consultancy contracts were active during the period, involving total actual expenditure of \$[specified million]"</i> .	Mandatory	17
17AG(7)(c)	A summary of the policies and procedures for selecting and engaging consultants and the main categories of purposes for which consultants were selected and engaged.	Mandatory	17
17AG(7)(d)	A statement that <i>"Annual reports contain information about actual expenditure on contracts for consultancies. Information on the value of contracts and consultancies is available on the AusTender website."</i>	Mandatory	17
	Australian National Audit Office Access Clauses		
17AG(8)	If an entity entered into a contract with a value of more than \$100 000 (inclusive of GST) and the contract did not provide the Auditor-General with access to the contractor's premises, the report must include the name of the contractor, purpose and value of the contract, and the reason why a clause allowing access was not included in the contract.	If applicable, Mandatory	N/a
	Exempt contracts		
17AG(9)	If an entity entered into a contract or there is a standing offer with a value greater than \$10 000 (inclusive of GST) which has been exempted from being published in AusTender because it would disclose exempt matters under the FOI Act, the annual report must include a statement that the contract or standing offer has been exempted, and the value of the contract or standing offer, to the extent that doing so does not disclose the exempt matters.	If applicable, Mandatory	N/a
	Small business		
17AG(10)(a)	A statement that <i>"[Name of entity] supports small business participation in the Commonwealth Government procurement market. Small and Medium Enterprises (SME) and Small Enterprise participation statistics are available on the Department of Finance's website."</i>	Mandatory	17
17AG(10)(b)	An outline of the ways in which the procurement practices of the entity support small and medium enterprises.	Mandatory	17

PGPA Rule Reference	Description	Requirement	Page
17AG(10)(c)	If the entity is considered by the Department administered by the Finance Minister as material in nature—a statement that <i>"[Name of entity] recognises the importance of ensuring that small businesses are paid on time. The results of the Survey of Australian Government Payments to Small Business are available on the Treasury's website."</i>	If applicable, Mandatory	N/a
17AD(e)	Financial Statements		
	Inclusion of the annual financial statements in accordance with subsection 43(4) of the Act.	Mandatory	19-36
17AD(da)	Executive Remuneration		
	Information about executive remuneration in accordance with Subdivision C of Division 3A of Part 2-3 of the Rule.	Mandatory	16
17AD(f)	Other Mandatory Information		
17AH(1)(a)(i)	If the entity conducted advertising campaigns, a statement that <i>"During [reporting period], the [name of entity] conducted the following advertising campaigns: [name of advertising campaigns undertaken]. Further information on those advertising campaigns is available at [address of entity's website] and in the reports on Australian Government advertising prepared by the Department of Finance. Those reports are available on the Department of Finance's website."</i>	If applicable, Mandatory	N/a
17AH(1)(a)(ii)	If the entity did not conduct advertising campaigns, a statement to that effect.	If applicable, Mandatory	18
17AH(1)(b)	A statement that <i>"Information on grants awarded by [name of entity] during [reporting period] is available at [address of entity's website]."</i>	If applicable, Mandatory	N/a
17AH(1)(c)	Outline of mechanisms of disability reporting, including reference to website for further information.	Mandatory	18
17AH(1)(d)	Website reference to where the entity's Information Publication Scheme statement pursuant to Part II of FOI Act can be found.	Mandatory	18
17AH(1)(e)	Correction of material errors in previous annual report.	If applicable, mandatory	N/a
17AH(2)	Information required by other legislation.	Mandatory	18

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