

Annual Report 2024–25



Australian Government

Commonwealth Grants Commission

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Further information about the Commonwealth Grants Commission is available at cgc.gov.au.

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Letter of transmittal



Australian Government
Commonwealth Grants Commission

22 September 2025

The Hon Dr Jim Chalmers MP

Treasurer
Parliament House
CANBERRA ACT 2600

Dear Treasurer

Commonwealth Grants Commission Annual Report 2024–25

I am pleased to present you with the Commonwealth Grants Commission's (CGC) annual report for the year ended 30 June 2025, for presentation to the Parliament, 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 as required under section 43(4) of the PGPA Act and as prepared under section 42 of the PGPA Act.

In accordance with 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 'N Williamson'.

Nathan Williamson
Secretary
Commonwealth Grants Commission

Agency overview

Foreword

Secretary's review

Overview

Organisational structure



Foreword

The Commonwealth Grants Commission (CGC) continues to fulfil its role in recommending to the Australian Government the Goods and Services Tax (GST) distribution to the states and territories (states). In line with the objective of horizontal fiscal equalisation, the Commission assesses the extent to which there are circumstances outside the control of a state that affect its capacity to raise revenue or the cost of providing services. Based on these assessments, the recommended distribution of GST revenue seeks to equalise the fiscal capacities of the states.

In February 2025, the Commission provided 3 publications to the Commonwealth Treasurer concluding the 2025 Methodology Review: *Review Outcomes*, *GST Relativities 2025–26*, and *Commission’s Assessment Methodology*. Methodology reviews provide the opportunity for the Commission to ensure that its assessment methods are appropriate and use the latest, fit-for-purpose-data. The 2025 Review involved extensive consultation with the states over two years. This included the release of consultation papers across all aspects of the Commission’s assessment methodology, visits to all states, and the release of the Draft Report.

The recommended GST distribution in 2025–26 was based on an assessment of state circumstances over the 3 years from July 2021 to June 2024 and incorporated changes to assessment methods from the 2025 Review. The main factors influencing changes in the distribution of GST in 2025–26 were: method changes from the 2025 Review, strong growth in coal royalties, a decline in iron ore royalties and changes in population growth. Changes in states’ shares of taxable land values, taxable payrolls, and property transfers, as well as data revisions, also impacted the GST distribution. In addition, the 2018 legislative changes to the GST distribution arrangements continue to have an impact on the GST distribution.

Following the conclusion of the 2025 Review, the Commission has shifted its focus to the forward work program. The program was outlined in the 2025 Review and involves in-depth analysis, in consultation with states, on a number of issues in preparation for the next methodology review.

The Commission greatly appreciates the cooperation it received from the Commonwealth and the states throughout the significant work demands associated with the 2025 Review. It is committed to ongoing improvement in its interactions with the states and the Commonwealth as well as improving public understanding of GST distribution arrangements. Towards these objectives, the Commission released a ‘plain language’ Overview covering the recommended GST relativities for 2025–26 and the Commission’s Assessment Methodology as part of the 2025 Review. The latter publication detailed the Commission’s frameworks and assessment methodology. The Commission continues to discuss with states opportunities to enhance its collaborative working arrangements.

In April 2025, Dr Angela Jackson left the Commission – Dr Jackson made a significant contribution to the work of the Commission and her services are greatly appreciated.

In August 2025, Secretary to the Commission, Mr Jonathan Rollings, announced his retirement and Mr Nathan Williamson was appointed Secretary. On behalf of Commissioners, I would like to extend my appreciation to Mr Rollings for his tireless dedication and service to the Commission.

I would also like to extend my gratitude to the Commission’s dedicated staff and thank them for their professionalism and extensive work in undertaking the 2025 Review.



A handwritten signature in black ink that reads "M. J. Callaghan".

Mike Callaghan AM PSM
Chairperson
22 September 2025

Secretary's review

I am pleased to present the Commonwealth Grants Commission's Annual Report for 2024–25.

As covered in the Chairperson's foreword, the past year was a busy one for the Commission. In addition to delivering the 2025 Methodology Review and the GST relativities for 2025–26, our other key achievements include:

- continuing to foster our relationship with state treasuries, through providing training, ongoing dialogue and consultation, and responding to feedback
- progressing the multi-year redevelopment of our assessment system used to calculate GST relativities
- developing a new data strategy to support open and transparent data policies aligned with legislation and best practice
- receiving positive results from the 2025 Australian Public Service (APS) Employee Census, which continue to see us comparing very favourably with other APS agencies.

We have continued to prioritise our relationship with the states, seeking to ensure we understand their perspectives, engage with the issues they raise and respond to their feedback. I thank state treasury officials for continuing to engage with us in a productive and cooperative way as we worked together through the complexities and increased demands of the 2025 Methodology Review.

Throughout the year, staff have continued to engage in activities aligned with our Reflect Reconciliation Action Plan (RAP), including participating in National Reconciliation Week, the National RAP Conference and NAIDOC Week events. The RAP Working Group has commenced a renewal of our RAP, which will reaffirm our commitment to building strong relationships with First Nations stakeholders and communities.

In March 2025, Assistant Secretary Ms Therese Maher left the agency. I would like to thank Therese for her dedication and commitment throughout her time at the agency and the recent 2025 Review.

Shortly after the end of the financial year, Secretary to the Commission Mr Jonathan Rollings announced his retirement. I would like to thank Jonathan for his stewardship of the agency over the past 5 years and the 2025 Review.

I would also like to thank the Commission, the executive and staff for their continued dedication, professionalism and commitment over this particularly busy year.

A handwritten signature in black ink, appearing to read 'N Williamson', written in a cursive style.

Nathan Williamson
Secretary / Accountable authority
22 September 2025

Overview

The Commonwealth Grants Commission's purpose is to provide independent advice to the Australian Government on the distribution of GST revenue to the states and territories (states).

Our purpose is pursued through:

- effective support to the Commission's Chairperson and members, through high-quality research and analysis and close consultation with state treasuries
- sound corporate governance and financial management.

The Commission

The Commission is responsible for providing independent advice to the Australian Government on the distribution of GST revenue to the states. The Commission Chairperson and Members are appointed by the Governor-General under the *Commonwealth Grants Commission Act 1973*. The Commission is supported in its responsibilities by the CGC Secretary and CGC staff.

The membership of the Commission during 2024–25 consisted of a part-time Chairperson and 3 part-time members.



Chairperson

Mr Michael Callaghan AM PSM

Mr Michael Callaghan was appointed to a 5-year term as Commission Chairperson on 25 June 2020 and was reappointed for a further 5-year term on 25 June 2025.

Mr Callaghan has a long career in public policy, including 38 years in the Commonwealth Department of the Treasury. From 2008 to 2012 he was Deputy Secretary, Macroeconomic Group, Australia's G20 Finance Deputy and the Prime Minister's Special Envoy, International Economy. From 2005 to 2007, he was Deputy Secretary, Revenue Group.

Mr Callaghan spent 4 years on the IMF Executive Board in Washington DC and served as Chief of Staff to the Australian Treasurer, the Hon Peter Costello AC.

He has chaired reviews for the Australian Government and international organisations. In 2020, Mr Callaghan chaired the Retirement Income Review. In 2017, he chaired the review of the Petroleum Resource Rent Tax and the review of the Economic Impact of the Government's Regulation Agenda. He also chaired the Northern Australia Insurance Premiums Taskforce. Mr Callaghan chaired the 12th and 13th replenishment of the Asian Development Bank's Asian Development Fund.

From 2018 to 2020 he was Chair of the Aged Care Financing Authority. From 2013 to 2014, he was Director of the G20 Studies Centre at the Lowy Institute and is now a non-resident Fellow at the Lowy Institute. He served on the Board of the Australian Reinsurance Pool Corporation from 2017 to 2019.

Mr Callaghan is a Member of the Order of Australia and has been awarded the Public Service Medal and Centenary Medal. He has economics and law degrees from the Australian National University and is a graduate of the Royal College of Defence Studies in London and the Australian Institute of Company Directors.



Member
Dr Lynne Williams AM

Dr Lynne Williams was first appointed as a Commission Member on 1 September 2016 and was reappointed for a further 5-year term on 1 September 2021.

Dr Williams worked as an economist in the public sector for over 30 years and has since been a non-executive director and Commissioner on several Commonwealth and state government bodies. She is currently a member of the Victorian Legal Services Board and also serves on its Finance, Audit and Risk Committee.

Dr Williams was made a Member of the Order of Australia (AM) in 2017 for her contributions to economic and public policy and awarded the Faculty of Business and Economics (University of Melbourne) Alumni of Distinction Faculty Award in 2019.

Dr Williams previously held senior executive positions in both the Victorian and federal public services, including the Victorian Treasury and Finance, Premier and Cabinet and Industry departments, and the Productivity Commission, Bureau of Immigration, Multicultural and Population Research and Bureau of Labour Market Research.

Dr Williams has degrees in economics from the University of Melbourne, the London School of Economics and Monash University. She is a Fellow of the Institute of Public Administration Australia (IPAA), a member of the Australian Institute of Company Directors (GAICD) and Chair of the board of St Hilda's College (University of Melbourne), where she is also a Fellow.



Member
Dr Angela Jackson

Dr Angela Jackson was appointed to a 5-year term as a Commission Member on 24 August 2022. Dr Jackson resigned on 22 April 2025.

Dr Jackson is a health economist and was previously Lead Economist at Impact Economics and Policy before taking up her current role as Commissioner (Social Policy) at the Productivity Commission in April 2025. Having started her career as an economist at the Department of the Prime Minister and Cabinet, she has worked across tax, fiscal and social policy. During her time in government Dr Jackson also worked as the Finance Minister's Deputy Chief of Staff and was responsible for providing policy advice across fiscal policy and all areas of social policy, including National Health Reform. As Lead Economist at both Impact Economics and Policy, and at Equity Economics, she has advised governments and non-profit organisations, and authored several high-profile reports on health, aged care, disability, housing, and gender policy.

Dr Jackson is National Chair of the Women in Economics Network. Previously she was non-Executive Director of Royal Melbourne Hospital for 6 years, including during Victoria's 2020 pandemic response.

Dr Jackson holds a Masters in International Health Policy (Health Economics) with Distinction from the London School of Economics and Political Science, a Bachelor of Commerce (Hons) from the University of Melbourne and a Bachelor of Economics from the University of Tasmania. Dr Jackson was awarded her PhD on the Economics of Disability in Australia from Monash University.



Member
Professor Anne Tiernan

Professor Anne Tiernan was appointed to a 5-year term as a Commission Member on 1 September 2022.

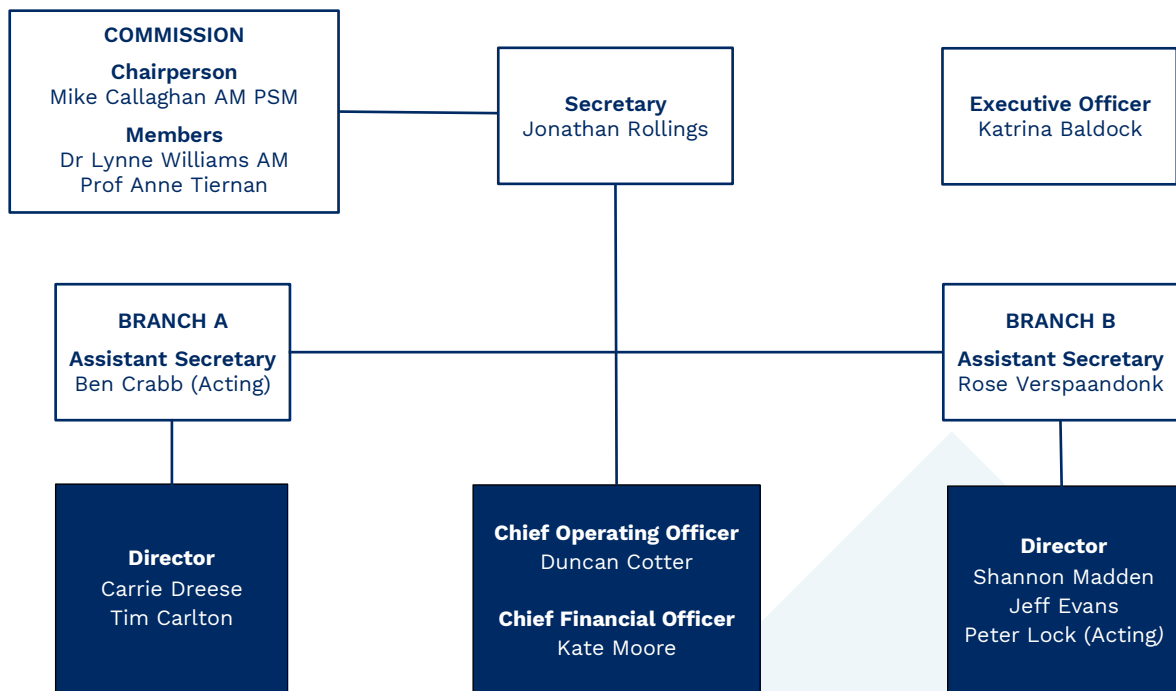
Professor Tiernan is Head of Research and Professor of Political Leadership at the McKinnon Institute for Political Leadership – an independent, non-partisan organisation whose mission is to enhance the effectiveness of our political leaders by building the capacity of federal, state and territory members of parliament.

A political scientist whose career spans higher education, federal and state government, consultancy and teaching, Professor Tiernan’s research focuses on the work of governing. She has written extensively on the political-administrative interface, governmental transitions, policy capacity and executive advisory arrangements – particularly the support needs of ministers, the role of the public service, intergovernmental coordination and public policy agenda-setting. She has published extensively in Australia and internationally.

Professor Tiernan is a National Fellow of the Institute of Public Administration Australia, and a Fellow of the Australia and New Zealand School of Government and has held a range of Board appointments.

Organisational structure

FIGURE 1 CGC Organisational Structure as at 30 June 2025



2025 Methodology Review

The 2025 Methodology Review provided the opportunity for the Commission to ensure that the assessment methods and supporting principles it uses in developing recommendations on GST distribution are appropriate and use the latest fit-for-purpose data.

Commencing in February 2023 and directed by terms of reference from the Commonwealth Treasurer, the Commission undertook extensive consultation with state governments, including written submissions, in-person visits to each state, and frequent discussions.

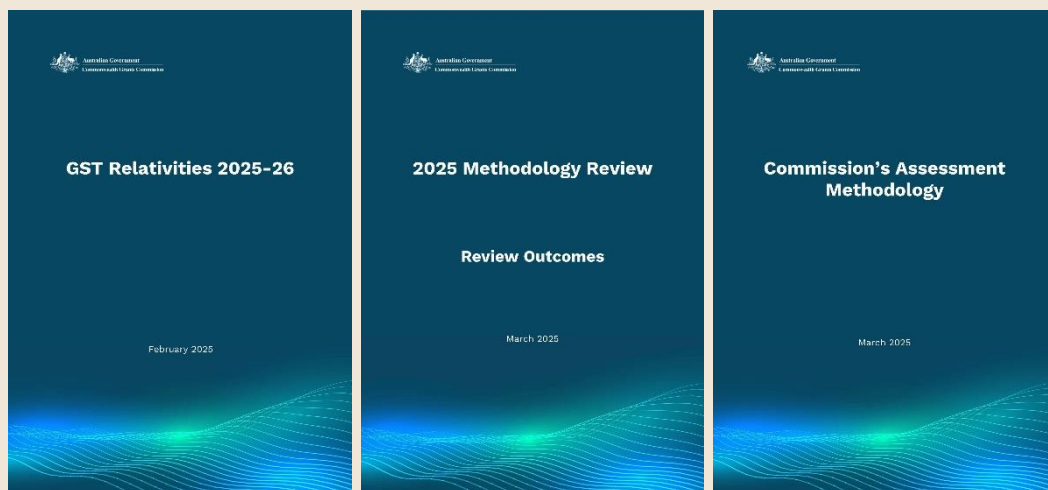
In July 2024, the Commission released a Draft Report detailing the Commission's draft positions and responses to state submissions to consultation papers. State feedback was again invited on the Draft Report.

A paper outlining significant changes since the Draft Report was issued in November 2024, incorporating state feedback and new data.

On 14 March 2025, the Commission publicly released 3 final publications:

- *Review Outcomes* – the Commission's final position on issues considered during the 2025 Review.
- *GST Relativities 2025–26* – the Commission's recommended GST distribution for 2025–26, including drivers of allocations and state-by-state impacts.
- *Commission's Assessment Methodology* – a detailed description of the Commission's framework and assessment methods, including changes made in the 2025 Review.

The conclusion of the 2025 Review represents the final milestone for a significant amount of the Commission's work over the past 2 years. Following the conclusion of the Review, the Commission has commenced its Forward Work Program, which will provide detailed research and analysis of key assessment issues in preparation for the next review.



Report on performance

Annual performance statements

Results and analysis

Financial performance

Resourcing statement

Annual performance statements

As the accountable authority of the Commonwealth Grants Commission for the period 1 July 2024 to 30 June 2025, I present the CGC's 2024–25 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.



A handwritten signature in black ink, appearing to read 'J. Rollings', written in a cursive style.

Jonathan Rollings
Secretary
1 August 2025

Results and analysis

The CGC measures its performance using the performance criteria outlined in the CGC’s 2024–25 Corporate Plan.

The CGC’s main activity for 2024–25 was meeting the requirements of the Commonwealth Treasurer’s terms of reference (issued on 9 February 2023), requiring the review of the Commission’s methodology for determining GST revenue sharing relativities alongside the calculation of the GST revenue sharing relativities for 2025–26.

TABLE 1 Performance measures and results

Performance measures	Responsiveness to Government
Planned Performance Results	The Commission’s advice meets the Australian Government’s requirements as specified in the terms of reference provided by the Commonwealth Treasurer.
Results	Achieved In accordance with timing requirements of the Commonwealth Treasurer’s terms of reference, the Commission provided the final report of the review of the Commission’s methodology for determining GST revenue sharing relativities including the recommended GST Revenue Sharing Relativities for 2025–26 to the Treasurer and the states on 28 February 2025 and publicly released it on 14 March 2025. The final report also complied with the other requirements of the Commonwealth Treasurer’s terms of reference.
Information source	The relativities recommended by the Commission were adopted by the Australian Government in the <i>Federal Financial Relations (GST Revenue Sharing Relativities for 2025–26) Determination 2025</i> on 18 June 2025.
Performance measures	Excellence in research and analysis
Planned Performance Results	The research and analysis underlying the Commission’s advice are recognised to be high quality and technically robust.
Results	Achieved States have expressed overall satisfaction in the quality and rigor of the CGC’s research and analysis. The Commission drew on a range of data and quantitative methods to assess the relative fiscal capacities of the states. Subject to confidentiality restrictions, data were published on the CGC website with additional details, including calculations, and provided to state treasuries to facilitate scrutiny. Detailed checking processes were used to assure the technical quality and accuracy of the work underlying the GST relativities.
Information source	Feedback from state and territory treasuries, including a feedback survey.

Performance measures	Effective engagement and consultation with stakeholders
Planned Performance Results	The Commission’s advice is informed by the best available information and data and considers the views of relevant stakeholders.
Results	<p>Achieved</p> <p>Consultation on the 2025 Methodology Review and the recommended GST Revenue Sharing Relativities for 2025–26 was undertaken in accordance with the engagement plans agreed with states. State engagement was supplemented with regular bilateral discussions and the provision of training. States have expressed satisfaction with the current level of engagement with the CGC and generally agree that the CGC’s advice was informed by the best available information and data.</p> <p>The CGC has maintained close engagement with key data providers and agencies, including the Australian Bureau of Statistics, the Independent Health and Aged Care Pricing Authority, the National Health Funding Body and through the CGC’s membership of the Australian Institute of Health and Welfare’s Health Expenditure Advisory Committee.</p> <p>The CGC regularly engages with the Commonwealth Treasury.</p>
Information source	Feedback from state and territory treasuries, including a feedback survey.

Financial performance

The CGC remains in a sound financial position, operating within its appropriation and with sufficient cash reserves to fund its liabilities as they fall due.

Table 2 below summarises the CGC’s total resources and total payments in 2024–25.

TABLE 2 Summary of Financial Performance (Unadjusted) for 2024–25

	2024–25 (\$'000)	2023–24 (\$'000)	Movement (\$'000)
Total own-source income	56	51	5
Total revenue from government	8,324	7,904	420
Total expenses	8,788	8,672	116
Net surplus/(deficit) on continuing operations¹	(389)	(717)	328

¹ Depreciation and amortisation are included in total expenses, \$0.701 million for 2024–25 and \$0.860 million for 2022–23.

Resourcing statement

Table 3 below shows total expenses for Outcome 1 in 2024–25.

TABLE 3 Resource Statement for 2024–25

	Current available appropriation	Payments made	Balance remaining
	(a)	(b)	(a)-(b)
	(\$'000)	(\$'000)	(\$'000)
Departmental			
Annual appropriations - ordinary annual services ¹	8,490	-	8,490
Prior year appropriations available - ordinary annual services	11,899	8,160	3,739
Total departmental annual appropriations	20,389	8,160	12,229
Total departmental resourcing	20,389	8,160	12,229

¹ Appropriation Act (No. 1) 2024–2025, includes section 74 external revenue. Departmental capital budgets are not separately identified in Appropriation Act (No.1) and form part of ordinary annual services items. Further details of the agency's resourcing is provided in the financial statements at Note 7: Appropriations.

TABLE 4 Total Expenses for Outcome 1 in 2024–25

	Budget ¹ 2024–25 (a) (\$'000)	Actual 2024–25 (b) (\$'000)	Variation 2024–25 (a)-(b) (\$'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: Commonwealth Grants Commission			
Departmental expenses			
Departmental appropriation	8,324	8,324	-
S74 External Revenue ²	-	151	(151)
Expenses not requiring appropriation in the budget year ³	508	532	(24)
Departmental total	8,832	9,007	(175)
Total expenses for Program 1.1	8,832	9,007	(175)
Total expenses for Outcome 1	8,832	9,007	(175)

	Budget 2024–25	Actual 2024–25
Average staffing level (number)	34	34

¹ Full-year budget, including any subsequent adjustment made to the 2024–25 budget at Additional Estimates.

² Estimated expenses incurred in relation to receipts retained under section 74 of the PGPA Act.

³ Expenses not requiring appropriation in the budget year are made up of depreciation expenses, amortisation expenses, and audit fees.

Donation of legacy ICT equipment

The transition of the CGC's previously in-house ICT functions to the Commonwealth Treasury necessitated the disposal of legacy ICT equipment, including laptops and printers in 2024–25. Consistent with Commonwealth gifting guidelines, the CGC facilitated this process by donating many of its devices to Ethan Indigenous.

Ethan Indigenous is an Indigenous-led and managed business that invests in social impact projects aimed at improving the digital literacy of Aboriginal and Torres Strait Islander individuals and communities, in partnership with the David Liddiard Group and Bamara.

A total of 40 laptops were donated by the CGC – some were received by Bamara's Bourke Digital Hub as part of its *Laptop for Indigenous Youth* program. The program provides mentorship to Indigenous students undertaking ICT projects and supports the development of skills such as device configuration and secure data erasure.

Other devices were received by Deadly Science, a not-for-profit organisation that provides STEM resources and learning opportunities to regional and remote schools and connecting young Indigenous people with STEM professionals.

In addition, 2 multi-function printers were deployed to Ethan Indigenous' Sydney Technology Hub, where they support Indigenous Technology cadets in independently developing and producing learning materials, enabling remote learning opportunities.

This initiative reflects the CGC's commitment to meaningful, purpose-driven asset disposal, enabling technology reuse that delivers real social value. The CGC is proud to have partnered with Ethan Indigenous and its collaborators to support programs that promote digital inclusion and practical learning opportunities for Indigenous youth. The CGC acknowledges the positive outcomes of this donation and extends its appreciation to Ethan Indigenous, the David Liddiard Group, Deadly Science and Bamara for their role in facilitating this transition.



Pictured: Scott Machin (COO, Deadly Science) receiving laptops donated by the CGC. As well as David Fernando (Project Manager, Laptops for You), Technology cadets and representatives from Westpac and the St. George Foundation.

Management & accountability

Corporate governance

Management of human resources

Purchasing

Contracts

Other mandatory information

Corporate governance

The CGC is a non-corporate Commonwealth entity under the *Public Governance, Performance and Accountability Act 2013* (PGPA Act). The CGC has structures and processes in place to maintain effective corporate governance.

Under the *Commonwealth Grants Commission Act 1973*, the Secretary of the CGC is the accountable authority for the purposes of the PGPA Act. The Secretary is responsible for the governance and performance of the CGC, while supporting the Commission in its responsibilities.

The management of the organisation is supported by 5 main committees/groups: Executive Committee, Workplace Relations Committee, Audit and Risk Committee, Data and Governance Group and Reconciliation Action Plan Working Group. The membership and roles of these committees are detailed in Table 5.

TABLE 5 CGC Committees at 30 June 2025

Committee/Group	Membership	Role and activities
Executive Committee	Secretary, Assistant Secretaries, Chief Operating Officer, Chief Financial Officer and Executive Officer	<p>The Executive Committee:</p> <ul style="list-style-type: none"> • supports matters of corporate management, governance, risk, security, information management and resource allocation • provides strategic advice on the delivery of reports to government • provides strategic direction to CGC employees.
Workplace Relations Committee	Secretary, Chief Operating Officer, Assistant Director Business Enabling Services, Health and Safety Representative, and at least 2 staff representatives	Established under the <i>Commonwealth Grants Commission Enterprise Agreement 2024–2027</i> , the Committee operates to facilitate communication and consultation with employees on workplace and employment issues and to monitor matters concerning the implementation and interpretation of the enterprise agreement.
Audit and Risk Committee	3 external members (including the Chair)	Established in accordance with the PGPA Act, the Audit and Risk Committee provides independent assurance to the Secretary on the CGC’s financial and performance reporting responsibilities, risk oversight and management, and systems of internal control.
Data and Governance Group	7 staff representatives including the Chief Data Officer (Assistant Secretary) and the Deputy Chief Data Officer (Director)	The Data and Governance Group coordinates shared decision making and provides direction on compliance with legislative requirements including sharing data where it can be done securely, safely, lawfully and ethically.
Reconciliation Action Plan (RAP) Working Group	8 staff representatives (including the Chair)	The RAP Working Group leads the development and implementation of the CGC’s Reconciliation Action Plan.

TABLE 6 Audit and Risk Committee members and attendance for 2024–25

Name	Qualifications	Attendance
Peter Gunning	Chair. Bachelor of Arts in Accounting, University of Canberra, FCA, GAICD	3 of 3
Stephen Moore	Member. Bachelor of Economics (Hons), Macquarie University; Grad. Dip. Econometrics and Quantitative Economics, Australian National University.	3 of 3
Karen Williams	Member. Bachelor of Commerce in Accounting, University of Canberra, FCPA, GAICD.	3 of 3

Audit and Risk Committee remuneration

TABLE 7 Audit and Risk Committee remuneration for 2024–25

Name	Remuneration ¹
Peter Gunning	\$8,082.50
Stephen Moore	\$4,963.75
Karen Williams	\$7,250.10

¹ GST inclusive (where applicable).

The CGC Audit and Risk Committee Charter is available on the CGC website at: cgc.gov.au/about-us/accountability-and-reporting/audit-and-risk-committee-charter.

Fraud prevention

The CGC has a fraud and corruption control plan in place, as well as processes and systems for the prevention and detection of fraud and response to and reporting of incidents in accordance with section 10 of the *Public Governance, Performance and Accountability Rule 2014* (PGPA Rule). The CGC conducts fraud risk assessments regularly and when there is a substantial change in the structure, function, or activities of the agency.

No instances of fraud were detected in 2024–25. The CGC’s 2024–25 fraud certification can be found in the letter of transmittal.

Risk management

Effectively engaging with and managing risk is central to delivering on the CGC's purpose. The CGC's approach to managing risk is to embed risk management, controls and mitigations into every aspect of our business planning, reporting, decision making and operations.

The CGC's Risk Management Framework supports the CGC to meet its obligations under section 16 of the PGPA Act and is aligned with the *Commonwealth Risk Management Policy 2023*.

Throughout 2024–25, the CGC reviewed, monitored and managed its key risks, related controls and tolerances.

External scrutiny

The CGC is subject to an audit of the financial statements by the Australian National Audit Office (ANAO). During 2024–25, the CGC was not the subject of any ANAO performance audits. There have been no significant developments in external scrutiny of the CGC during 2024–25.

Management of human resources

The CGC has a small, specialised workforce that is committed to assisting the Australian Government to make informed decisions through independent, expert advice on the distribution of GST revenue.

The CGC is focussed on attracting, developing and retaining a highly skilled, motivated and diverse workforce with expertise in data and statistical analysis, stakeholder engagement and professional report-writing.

Entry level programs

The CGC participated in the 2025 Australian Government Graduate Program for data generalists and engaged a graduate in January 2025. The graduate is enrolled in the APS Graduate Development Program, which develops the foundational skills, behaviours, mindsets and networks that support graduate employees to make a significant contribution in the APS.

Recruitment

The CGC conducted multiple merit-based recruitment rounds in 2024–25.

Professional and personal development

Employee development in the CGC is an important contributor to a productive, innovative and engaged workforce. The CGC recognises the importance of supporting staff to develop their professional skills, including through on-the-job and formal training and development opportunities.

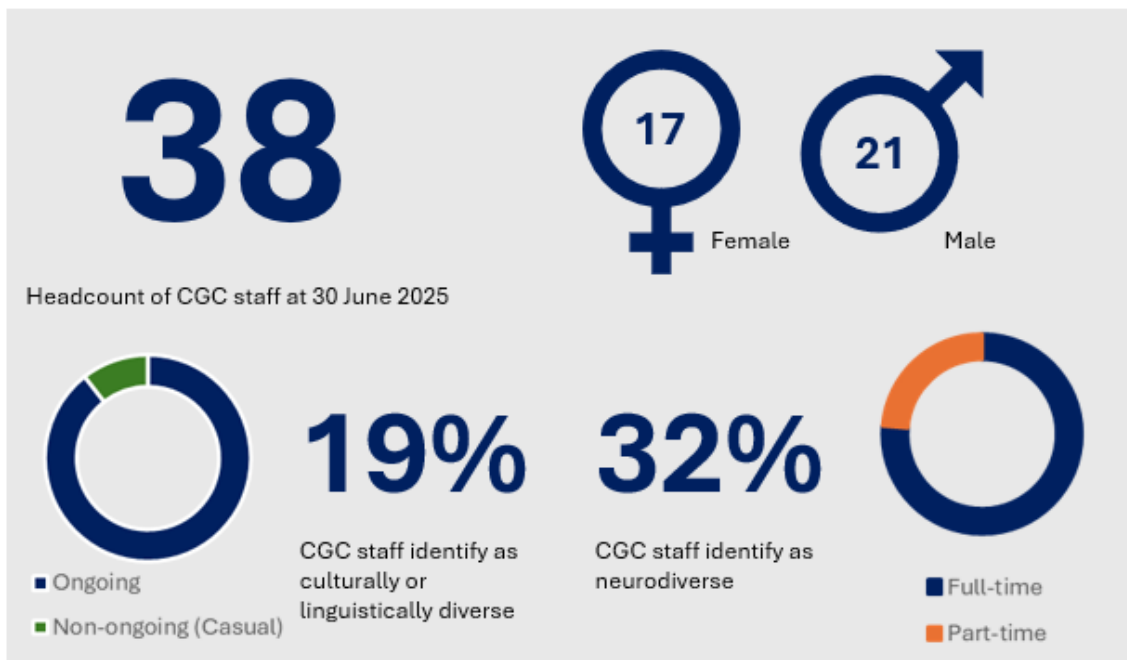
The CGC's capability development roadmap provides staff with a structured and strategic approach to developing their capabilities, including in the areas of leadership, management, communication, judgement, influencing, problem solving, strategic thinking and project management.

Professional and personal development in 2024–25 included the following activities:

- participation in seminars, conferences, workshops and forums
- coaching and mentoring
- external training for communication, report writing and Excel skills
- participation in the APS Graduate Development Program
- internal on-the-job training
- studies assistance for tertiary studies and
- a short-term secondment to the Commonwealth Department of the Treasury.

Staffing information

At 30 June 2025, the CGC had 38 APS employees. The average staffing level across the 2024–25 financial year was 34.



Workplace agreements

Commission Members

The Chairperson and other Members of the Commonwealth Grants Commission are appointed by the Governor-General under section 8 of the *Commonwealth Grants Commission Act 1973*. Members can be appointed on a full-time or part-time basis. At 30 June 2025, all Members were appointed on a part-time basis.

The Remuneration Tribunal is responsible for determining remuneration and allowances for Members. At 30 June 2025, Members were covered by the *Remuneration Tribunal (Remuneration and Allowances for Holders of Part-Time Public Office) Determination 2024 Compilation 7* for remuneration and the *Remuneration Tribunal (Official Travel) Determination 2024* for travel arrangements.

Secretary and SES Employees

The Secretary is a Senior Executive Service (SES) Band 3 employee assigned to the role by the Secretary of the Commonwealth Department of the Treasury. Terms and conditions of employment for the Secretary are governed by an individual determination made under subsection 24(1) of the *Public Service Act 1999* by the Commonwealth Treasury Secretary.

The CGC has 2 substantive SES Band 1 positions to assist the Secretary. Terms and conditions of employment are determined by the CGC Secretary in individual determinations made under subsection 24(1) of the *Public Service Act 1999*.

Non-SES Employees

The CGC negotiated an enterprise agreement with its non-SES employees, which commenced on 1 March 2024. The *Commonwealth Grants Commission Enterprise Agreement 2024–2027* provides updated terms and conditions of employment, remuneration increases and supports greater flexibility in staff movement through classification broadbanding.

The CGC also uses individual flexibility arrangements to retain expertise and critical skills. At 30 June 2025, the CGC had 10 individual flexibility arrangements in place.

TABLE 8 Employment Arrangements for APS Employees at 30 June 2025

Instrument	SES	Non-SES	Total
Enterprise Agreement	0	36	36
Individual Section 24(1) Determinations	2	0	2
Individual Flexibility Arrangements ¹	0	10	10
Total	2	36	38

¹ Employees with an individual flexibility arrangement in place are employed under CGC's Enterprise Agreement and included in the 36 employees provided in the table for that purpose. The 10 employees with an individual flexibility arrangement are not separately counted for the purposes of the total provided in the table.

Executive remuneration

TABLE 9 Remuneration for Key Management Personnel in 2024–25

	Name	Jonathan Rollings
	Position title	Secretary
Short-term benefits	Base salary	\$363,853
	Bonuses	-
	Other benefits and allowances	\$1,368
Post-employment benefits	Superannuation contributions	\$66,443
Other long-term benefits	Long service leave	\$22,133
	Other long-term benefits	-
Termination benefits		-
Total remuneration		\$453,797

TABLE 10 Remuneration for Senior Executives in 2024–25

Total remuneration bands		\$0–220,000	\$220,001–245,000	\$295,001–320,000
No. of senior executives		1	1	1
Short-term benefits	Average base salary	176,595	183,951	247,588
	Average bonuses	-	-	-
	Average other benefits and allowances	974	394	1,368
Post-employment benefits	Average superannuation contributions	33,502	33,294	48,461
Other long-term benefits	Average long service leave	4,498	6,043	17,414
	Average other long-term benefits	-	-	-
Termination benefits	Average termination benefits	-	-	-
Total remuneration	Average total remuneration	215,569	223,682	314,831

Salary ranges

Salary ranges for non-SES employees under the Commonwealth Grants Commission Enterprise Agreement 2024–2027 are tabled below. Salaries for SES employees are determined on an individual basis.

TABLE 11 Salary ranges for APS employees by classification at 30 June 2025

Classification	Minimum (\$)	Maximum (\$)
EL 2	158,623	176,291
EL 1	128,158	139,401
APS 6	101,011	110,297
APS 5	88,887	95,412
APS 4	80,709	86,556
APS 3	70,713	77,308
APS 2	64,144	70,389
APS 1	54,516	59,893

Non-salary benefits

During 2024–25, the CGC provided employees with a range of non-salary benefits including:

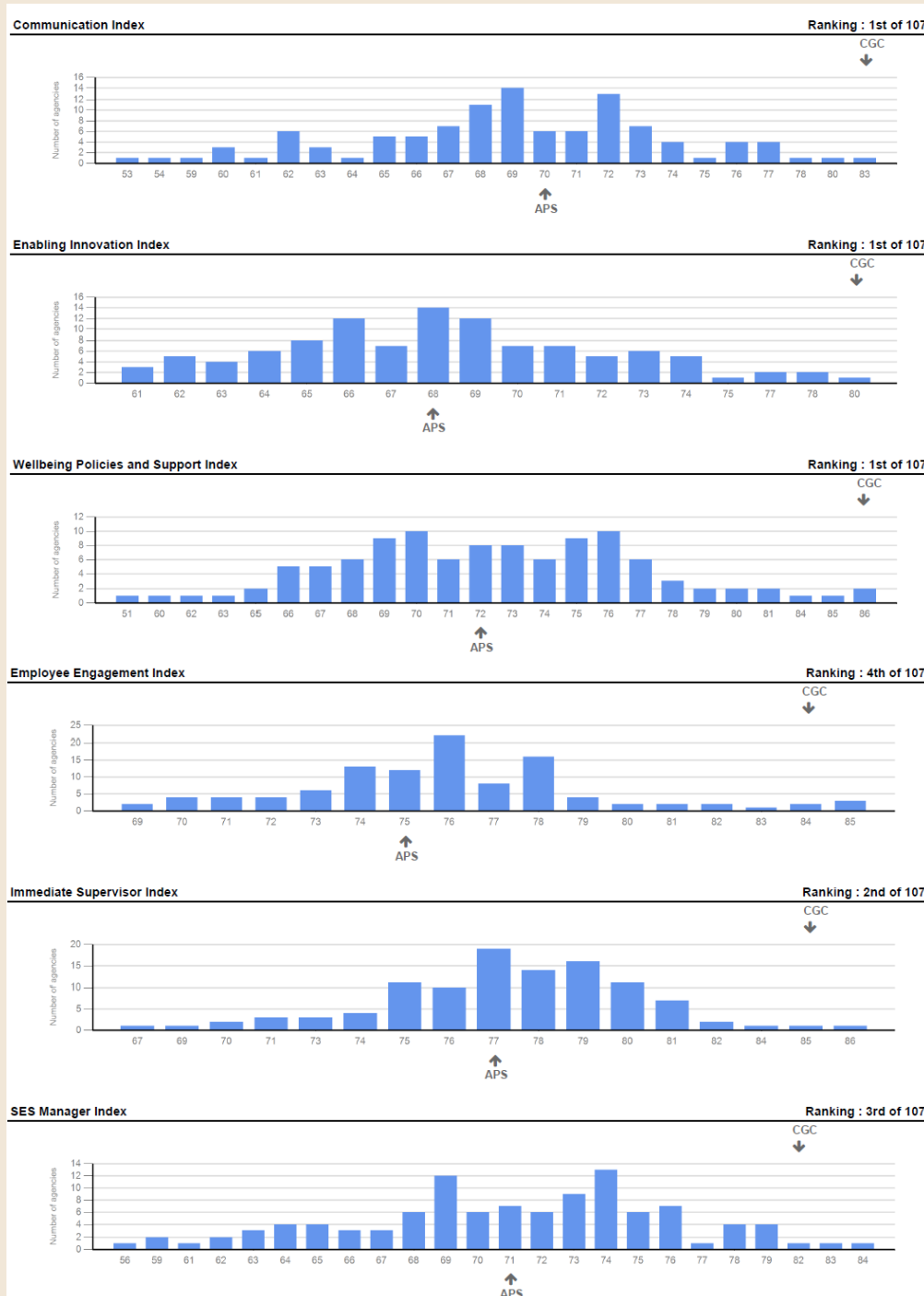
- car parking (SES)
- coaching and mentoring
- conferences, presentations, forums and workshops
- Christmas closedown period
- influenza vaccinations
- flexible working arrangements
- professional memberships
- studies assistance
- training and development, including graduate programs
- relocation assistance.



2025 APS Employee Census

The APS Employee Census is the annual opinion survey sent to all APS employees. The survey asks respondents a range of questions about employee engagement, wellbeing, innovation, performance management, leadership, and general impressions of the APS.

In the 2025 Census, the CGC again achieved very positive results, comparing favourably with APS agencies in communication, employee engagement, enabling innovation, wellbeing and support and leadership. The charts below show the CGC's placement compared with the APS average and other agencies.



Employment statistics

The CGC is an entity for the purposes of finance law, but it is not an agency for the purposes of the *Public Service Act 1999*. All staff at the CGC are APS employees of the Commonwealth Department of the Treasury made available to assist the CGC carry out its functions and are under the direction of the CGC Secretary. Employment statistics below are for these employees, noting the Commonwealth Treasury does not include these employees in its statistics.

TABLE 12 All Ongoing Employees by Gender, Employment Status and Location Current Report Period (2024–25)

Classification	Female		Male		Total
	Full-Time	Part-Time	Full-Time	Part-Time	
ACT	12	3	16	1	32
NSW	-	1	1	-	2
Total	12	4	17	1	34

TABLE 13 All Ongoing Employees by Gender, Employment Status and Location Previous Report Period (2023–24)

Classification	Female		Male		Total
	Full-Time	Part-Time	Full-Time	Part-Time	
ACT	13	2	17	1	33
Victoria	-	1	-	-	1
NSW	1	-	-	-	1
Total	14	3	17	1	35

TABLE 14 All Non-Ongoing Employees by Gender, Employment Status and Location Current Report Period (2024–25)

Classification	Female		Male		Total
	Full-Time	Part-Time	Full-Time	Part-Time	
ACT	-	1	-	2	3
QLD	-	-	-	1	1
Total	-	1	-	3	4

TABLE 15 All Non-Ongoing Employees by Gender, Employment Status and Location Previous Report Period (2023–24)

Classification	Female		Male		Total
	Full-Time	Part-Time	Full-Time	Part-Time	
ACT	-	1	-	2	3
Total	-	1	-	2	3

TABLE 16 Australian Public Service Act Ongoing Employees Current Report Period (2024–25)

Classification	Female		Male		Total
	Full-Time	Part-Time	Full-Time	Part-Time	
SES Band 3	-	-	1	-	1
SES Band 1	1	-	-	-	1
EL 2	2	1	4	-	7
EL 1	6	2	5	1	14
APS 6	1	1	5	-	7
APS 5	2	-	1	-	3
APS 4	-	-	1	-	1
Total	12	4	17	1	34

TABLE 17 Australian Public Service Act Ongoing Employees Previous Report Period (2023–24)

Classification	Female		Male		Total
	Full-Time	Part-Time	Full-Time	Part-Time	
SES Band 3	-	-	1	-	1
SES Band 1	2	-	-	-	2
EL 2	1	1	4	-	6
EL 1	7	1	5	1	14
APS 6	2	1	4	-	7
APS 5	1	-	3	-	4
APS 4	1	-	-	-	1
Total	14	3	17	1	35

TABLE 18 Australian Public Service Act Non-Ongoing Employees Current Report Period (2024–25)

Classification	Female		Male		Total
	Full-Time	Part-Time	Full-Time	Part-Time	
APS 6	-	-	-	1	1
APS 4	-	-	-	1	1
APS 2	-	1	-	1	2
Total	-	1	-	3	4

TABLE 19 Australian Public Service Act Non-Ongoing Employees Previous Report Period (2023–24)

Classification	Female		Male		Total
	Full-Time	Part-Time	Full-Time	Part-Time	
EL 2	-	1	-	-	1
APS 3	-	-	-	2	2
Total	-	1	-	2	3

TABLE 20 Australian Public Service Act Employees by Full-Time and Part-Time Status Current Report Period (2024–25)

Classification	Ongoing		Non-Ongoing		Total
	Full-Time	Part-Time	Full-Time	Part-Time	
SES Band 3	1	-	-	-	1
SES Band 1	1	-	-	-	1
EL 2	6	1	-	-	7
EL 1	12	2	-	-	14
APS 6	6	1	-	1	8
APS 5	3	-	-	-	3
APS 4	1	-	-	1	2
APS 2	-	-	-	2	2
Total	30	4	-	4	38

TABLE 21 Australian Public Service Act Employees by Full-Time and Part-Time Status Previous Report Period (2023–24)

Classification	Ongoing		Non-Ongoing		Total
	Full-Time	Part-Time	Full-Time	Part-Time	
SES Band 3	1	-	-	-	1
SES Band 1	2	-	-	-	2
EL 2	5	1	-	1	7
EL 1	12	2	-	-	14
APS 6	6	1	-	-	7
APS 5	4	-	-	-	4
APS 4	1	-	-	-	1
APS 2	-	-	-	2	2
Total	31	4	-	3	38

TABLE 22 Australian Public Service Act Employment Type by Location Current Report Period (2024–25)

Location	Ongoing	Non-Ongoing	Total
ACT	32	3	35
QLD	0	1	1
NSW	2	0	2
Total	34	4	38

TABLE 23 Australian Public Service Act Employment Type by Location Previous Report Period (2023–24)

Location	Ongoing	Non-Ongoing	Total
ACT	33	3	36
Victoria	1	-	1
NSW	1	-	1
Total	35	3	38

TABLE 24 Australian Public Service Act First Nations Employment Current and Previous Report Periods

Employment Type	2023–24	2024–25
Ongoing	-	-
Non-Ongoing	-	-
Total	0	0

Purchasing

Purchasing activities undertaken by CGC employees met the requirements of the Commonwealth Procurement Rules. Relevant employees were aware of the requirements and expectations when undertaking procurement activities and were guided by the CGC’s 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. Consistent with paragraph 5.5 of the Commonwealth Procurement Rules, the CGC’s procurement practices support SMEs by using the following practices:

- the Commonwealth Contracting Suite for low-risk procurements valued under \$200,000
- on-time payments made to SMEs by electronic funds transfer or using payment cards
- supporting e-invoicing to facilitate faster payment times.

Contracts

Expenditure on reportable consultancy contracts

TABLE 25 Reportable consultancy contracts

Reportable consultancy contracts 2024–25	Number	Expenditure (\$)
New contracts entered during the reporting period	1	16,390
Ongoing contracts entered during a previous reporting period	0	0
Total	1	16,390

TABLE 26 Organisations receiving a share of reportable consultancy contract expenditure

Organisations receiving a share of reportable consultancy contract expenditure 2024–25	Expenditure (\$)	Proportion of 2024–25 total spend (%)
Civas (NSW) Pty Ltd	16,390	100
Total of the Largest Shares	16,390	100

Annual reports contain information about actual expenditure on reportable consultancy contracts. Information on the value of reportable consultancy contracts is available on the AusTender website.

The CGC selects consultants using panel arrangements or by making an open approach to market.

The CGC engages consultants when it requires specialist expertise or independent advice on particular matters, for example independent assessments of methodologies, quality assurance of organisation policies and processes, or other technical advice.

Expenditure on reportable non-consultancy contracts

TABLE 27 Reportable non-consultancy contracts

Reportable non-consultancy contracts 2024–25	Number	Expenditure (\$)
New contracts entered during the reporting period	2	59,663
Ongoing contracts entered during a previous reporting period	10	805,839
Total	12	865,839

TABLE 28 Organisations receiving a share of reportable non-consultancy contract expenditure

Organisations receiving a share of reportable non-consultancy contract expenditure 2024–25	Expenditure (\$)	Proportion of 2024–25 total spend (%)
Fair Choice Pty Ltd	291,144	33.6
South Haven Real Estate Pty Ltd	219,244	25.3
Data#3 Limited	133,790	15.5
Technology One Limited	59,226	6.8
Jones Lang Lasalle (ACT) Pty Limited	48,113	5.6
Ventia Property Pty Ltd	45,959	5.3
Total of the Largest Shares	797,476	92.1

Annual reports contain information about actual expenditure on reportable non-consultancy contracts. Information on the reportable non-consultancy contracts' value is available on the AusTender website.

Other mandatory information

Advertising and market research

The CGC did not conduct any advertising campaigns or market research during 2024–25.

Strategic Commissioning Framework

The CGC operates in line with the Strategic Commissioning Framework. In most cases, core work is performed in-house, while any outsourcing of core work is minimal and aligns with the limited circumstances permitted under the framework.

Grants

There were no grant programs administered by the CGC in 2024–25.

Disability reporting

Australia's Disability Strategy 2021–2031 (the Strategy) is the overarching framework for inclusive policies, programs and infrastructure that will support people with disability to participate in all areas of Australian life.

The Strategy sets out where practical changes will be made to improve the lives of people with disability in Australia. It acts to ensure the principles underpinning the United Nations Convention on the Rights of Persons with Disabilities are incorporated into Australia's policies and programs that affect people with disability, their families and carers.

All levels of government have committed to deliver more comprehensive and visible reporting under the Strategy. A range of reports on progress of the Strategy's actions and outcome areas will be published and available at disabilitygateway.gov.au.

Disability reporting is included the Australian Public Service Commission's State of the Service reports and the APS Statistical Bulletin. These reports are available at apsc.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 (IPS). 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 the IPS requirements. The IPS Agency Plan is available at cgc.gov.au/about-us/accountability-and-reporting/information-publication-scheme.

Environmental performance

The CGC is committed to the principles of ecologically sustainable development and effective environmental management strategies. In 2024–25, the CGC did this by:

- recycling paper, cardboard, office waste and other recyclable items
- maximising the use of natural light in our new premises, minimising the need for electric lighting
- using energy-efficient equipment and systems, including automatic sensor lights and ICT screens and equipment
- facilitating broad working from home arrangements, minimising the need for daily travel.

Climate Action in Government Operations

Emissions Reporting

As part of the Net Zero in Government Operations Strategy, and the reporting requirements under section 516A of the *Environment Protection and Biodiversity Conservation Act 1999*, non-corporate Commonwealth entities, corporate Commonwealth entities and Commonwealth companies are required to report on their operational greenhouse gas emissions.

Greenhouse gas emissions reporting has been developed with methodology that is consistent with the Whole of Australian Government approach as part of the APS Net Zero 2030 policy.

The Greenhouse Gas Emissions Inventory and Electricity Greenhouse Gas Emissions tables present greenhouse gas emissions over the 2024–25 financial year. The greenhouse gas emissions reported are calculated on the basis of Carbon Dioxide Equivalent (CO₂-e) and in line with the Emissions Reporting Framework. This is consistent with a Whole-of-Australian Government approach, outlined in the Net Zero in Government Operations Strategy, and Commonwealth Climate Disclosure requirements.

Solid waste data was unable to be sourced and has not been included. The quality of data is expected to improve over time as emissions reporting matures.

Emissions associated with business travel undertaken by Commission Members has been excluded as it is not within the scope of the Emissions Reporting Framework.

TABLE 29 Greenhouse gas emissions inventory – location-based method 2024–25

Emission Source	Scope 1 t CO ₂ -e	Scope 2 t CO ₂ -e	Scope 3 t CO ₂ -e	Total t CO ₂ -e
Electricity (Location-Based Approach)	N/A	19.24	1.17	20.40
Natural Gas	-	N/A	-	-
Solid Waste	-	N/A	-	-
Refrigerants	-	N/A	N/A	-
Fleet and Other Vehicles	-	N/A	-	-
Domestic Commercial Flights	N/A	N/A	3.05	3.05
Domestic Hire Car	N/A	N/A	-	-
Domestic Travel Accommodation	N/A	N/A	0.43	0.43
Other Energy	-	N/A	-	-
Total t CO₂-e	-	19.24	4.65	23.89

Note: The table above presents emissions related to electricity usage using the location-based accounting method. CO₂-e = Carbon Dioxide Equivalent.
N/A = not applicable

TABLE 30 Electricity greenhouse gas emissions 2024-25

Emission Source	Scope 2 t CO ₂ -e	Scope 3 t CO ₂ -e	Total t CO ₂ -e	Electricity kWh
Electricity (Location Based Approach)	19.24	1.17	20.40	29,148.00
Market-based electricity emissions	0.54	0.07	0.62	668.95
Total renewable electricity consumed	N/A	N/A	N/A	28,479.05
<i>Renewable Power Percentage¹</i>	N/A	N/A	N/A	5,303.48
<i>Jurisdictional Renewable Power^{2,3}</i>	N/A	N/A	N/A	23,175.57
<i>GreenPower²</i>	N/A	N/A	N/A	-
<i>Large-scale generation certificates²</i>	N/A	N/A	N/A	-
<i>Behind the meter solar⁴</i>	N/A	N/A	N/A	-
Total renewable electricity produced	N/A	N/A	N/A	-
<i>Large-scale generation certificates²</i>	N/A	N/A	N/A	-
<i>Behind the meter solar⁴</i>	N/A	N/A	N/A	-

Note: The table above presents emissions related to electricity usage using both the location-based and the market-based accounting methods. CO₂-e = Carbon Dioxide Equivalent.

Electricity usage is measured in kilowatt hours (kWh)

¹ Listed as Mandatory renewables in 2023-24 Annual Reports. The renewable power percentage (RPP) accounts for the portion of electricity used, from the grid, that falls within the Renewable Energy Target (RET).

² Listed as Voluntary renewables in 2023-24 Annual Reports.

³ The Australian Capital Territory is currently the only state with a jurisdictional renewable power percentage (JRPP).

⁴ Reporting behind the meter solar consumption and/or production is optional. The quality of data is expected to improve over time as emissions reporting matures.

N/A = not applicable

Work health, safety and wellbeing

The CGC has a strong commitment to the health, safety and wellbeing of workers and visitors.

Workplace health and safety is a standing agenda item for executive and senior management meetings and Workplace Relations Committee meetings.

There were no reportable incidents reported to Comcare during the reporting year.

The CGC did not receive any notices under Part 10 of the *Work Health and Safety Act 2011*, and no investigations were conducted by Comcare during the reporting year.

Initiatives undertaken by the CGC during the year to maintain its ongoing commitment to a safe workplace included:

- maintenance of an appropriate first aid officer and emergency warden cohort
- training for first aid officers and wardens
- fire equipment compliance checks
- updated evacuation diagrams
- work health and safety inductions for new employees
- facilitating an inclusive workplace
- sit-to-stand office workstations for all staff
- ergonomic equipment and furniture including laptops and noise cancelling headphones
- an annual influenza vaccination program
- refresh of first aid kits
- multi-purpose room for parenting, first aid, meditation or prayer
- access to an Employee Assistance Program
- access to flexible working arrangements, including working from home
- update of the work health and safety framework
- proactive hazard management
- regular communication with staff for work health and safety purposes.

Financial statements

Independent auditor's report

*Statement by the Secretary and
Chief Financial Officer*

Statement of comprehensive income

Statement of financial position

Statement of changes in equity

Cash flow statement

Notes

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 2025:

- (a) comply with Australian Accounting Standards – Simplified Disclosures 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 2025 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 2025 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;
- Notes to the financial statements, comprising material accounting policy information 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 their 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.

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 comply with Australian Accounting Standards – Simplified Disclosures 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.

GPO Box 707, Canberra ACT 2601
38 Sydney Avenue, Forrest ACT 2603
Phone (02) 6203 7300

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



Clea Lewis

Executive Director

Delegate of the Auditor-General

Canberra

31 July 2025

Statement by the Secretary and Chief Financial Officer

In our opinion, the attached financial statements for the year ended 30 June 2025 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.



Jonathan Rollings
Secretary
30 July 2025



Kate Moore
Chief Finance Officer
30 July 2025

Statement of comprehensive income

For the period ended 30 June 2025

	Notes	2025 \$'000	2024 \$'000	Budget \$'000
Expenses				
Employee benefits	2A	6,291	6,305	6,194
Suppliers	2B	1,744	1,447	1,937
Depreciation and amortisation	4	701	860	691
Finance costs	2C	52	60	55
Total expenses		8,788	8,672	8,877
Own-source income				
Own-source revenue				
Resources received free of charge		51	51	45
Other revenue		5	-	-
Total own-source revenue		56	51	45
Gains				
Gains from sale of assets		19	-	-
Total gains		19	-	-
Total own-source income		75	51	45
Net cost of services				
Revenue from Government		8,324	7,904	8,324
Deficit on continuing operations		(389)	(717)	(508)
Other Comprehensive Income				
Changes in asset revaluation reserve		111	-	-
Total comprehensive loss		(278)	(717)	(508)

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

Statement of financial position

As at 30 June 2025

	Notes	2025 \$'000	2024 \$'000	Budget \$'000
Assets				
Financial assets				
Cash and cash equivalents		507	183	188
Trade and other receivables	3	11,617	11,615	11,496
Total financial assets		12,124	11,798	11,684
Non-financial assets¹				
Leasehold	4	2,122	2,423	2,112
Plant and equipment	4	120	138	319
Software	4	1,415	1,768	1,463
Prepayments		79	118	187
Total non-financial assets		3,736	4,447	4,081
Total assets		15,860	16,245	15,765
Liabilities				
Payables				
Suppliers		250	69	258
Other payables	5A	190	162	200
Total payables		440	231	458
Interest bearing liabilities				
Leases	5B	1,681	1,956	1,773
Total interest bearing liabilities		1,681	1,956	1,773
Provisions				
Employee provisions	5C	2,060	2,116	1,848
Total provisions		2,060	2,116	1,848
Total liabilities		4,181	4,303	4,079
Net assets		11,679	11,942	11,686
Equity				
Contributed equity		3,641	3,626	3,641
Reserves		311	200	200
Retained surplus		7,727	8,116	7,845
Total equity		11,679	11,942	11,686

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

¹ Right-of-use assets are included in Leasehold.

Statement of changes in equity

For the period ended 30 June 2025

	2025 \$'000	2024 \$'000	Budget \$'000
Contributed equity			
Opening balance			
Balance carried forward from previous period	3,626	3,355	3,626
Transactions with owners			
Contributions by owners			
Departmental capital budget	15	271	15
Total transactions with owners	15	271	15
Closing balance as at 30 June	3,641	3,626	3,641
Retained earnings			
Opening balance			
Balance carried forward from previous period	8,116	8,833	8,353
Comprehensive income			
Deficit for the period	(389)	(717)	(508)
Total comprehensive income	(389)	(717)	(508)
Closing balance as at 30 June	7,727	8,116	7,845
Asset revaluation reserve			
Opening balance			
Balance carried forward from previous period	200	200	200
Comprehensive income			
Other comprehensive income	111	-	-
Total comprehensive income	111	-	-
Closing balance as at 30 June	311	200	200
Total equity			
Opening balance			
Balance carried forward from previous period	11,942	12,388	12,179
Comprehensive income			
Deficit for the period	(389)	(717)	(508)
Revaluation	111	-	-
Total comprehensive income	(278)	(717)	(508)
Transactions with owners			
Departmental capital budget	15	271	15
Total transactions with owners	15	271	15
Closing balance as at 30 June	11,679	11,942	11,686

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

Cash flow statement

For the period ended 30 June 2025

	2025	2024	Budget
	\$'000	\$'000	\$'000
Operating activities			
Cash received			
Appropriations	8,329	7,668	8,471
GST received	100	195	-
Other	5	-	-
Total cash received	8,434	7,863	8,471
Cash used			
Employees	6,321	6,074	6,194
Interest payment on lease liabilities	52	60	55
Suppliers	1,573	1,566	1,875
Total cash used	7,946	7,700	8,124
Net cash from/(used by) operating activities	488	163	347
Investing activities			
Cash received			
Sale of non-financial assets	12	-	-
Total cash received	12	-	-
Cash used			
Purchase of non-financial assets	4	211	179
Total cash used	4	211	179
Net cash from/(used by) investing activities	8	(211)	(179)
Financing activities			
Cash received			
Contributed equity	4	211	15
Total cash received	4	211	15
Cash used			
Principal payments of lease liabilities	176	168	183
Total cash used	176	168	183
Net cash from/(used by) financing activities	(172)	43	(168)
Net increase/(decrease) in cash held	324	(5)	-
Cash at the beginning of the reporting period	183	188	188
Cash and cash equivalents at the end of the reporting period	507	183	188

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

Note 1: Summary of material 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 revenue.

The continued existence of the entity in its present form and with its present program is dependent on continuing funding by Parliament for the entity's administration and program.

1.2 Basis of preparation

The financial statements 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 – including simplified disclosures for Tier 2 Entities under AASB 1060 issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period.

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

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 period did not have a material effect on the CGC's financial statements.

Standard/Interpretation	Nature of change in accounting policy, transitional provisions and adjustment to financial statements
<p>AASB 2022–10 Amendments to Australian Accounting Standards – Fair Value Measurement of Non-Financial Assets of Not-For-Profit Public Sector Entities</p> <p>(AASB 2022–10)</p>	<p>This standard amends AASB 13 Fair Value Measurement for fair value measurements of non-financial assets of not-for-profit public sector entities not held primarily for their ability to generate net cash inflows. This standard also adds implementation advice and relevant illustrative examples for fair value measurements of non-financial assets of not-for-profit public sector entities not held primarily for their ability to generate net cash inflows.</p> <p>AASB 2022–10 applies to annual periods beginning on or after 1 January 2024.</p>
<p>AASB 18 Presentation and Disclosure in Financial Statements (Appendix D)</p> <p>(AASB 18)</p>	<p>AASB 18 will replace AASB 101 Presentation of Financial Statements. As a result, the requirements in AASB 101 will be:</p> <ul style="list-style-type: none"> a) replaced by new requirements in AASB 18; b) transferred to AASB 18 with only limited wording changes; or c) moved to AASB 108 Basis of Preparation of Financial Statements or AASB 7 Financial Instruments: Disclosures with only limited wording changes. <p>AASB 18 has also introduced changes to AASB 107 Statement of Cash Flows, AASB 133 Earnings per Share and AASB 134 Interim Financial Reporting.</p> <p>For for-profit entities, AASB 18 applies to annual reporting periods beginning on or after 1 January 2027. For not-for-profit public sector entities, AASB 18 applies to annual reporting periods beginning on or after 1 January 2028. Early adoption requires delegate approval as prescribed in the Financial Reporting Rule.</p>

1.4 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. Resources received free of charge are recorded as either revenue or gains depending on their nature.

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 receivables are recognised at their nominal amounts.

1.5 Financial assets

Cash is recognised at its nominal amount. Cash and cash equivalents include 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.

1.6 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.

1.7 Lease Right of Use (ROU) Assets

Lease ROU assets are capitalised at the commencement date of the lease and comprise the initial lease liability amount, initial direct costs incurred when entering the lease less any lease incentives received.

These assets are accounted for by Commonwealth lessees as separate asset classes to corresponding assets owned outright but included in the same column as where the corresponding underlying assets would be presented if they were owned.

Following initial application, an impairment review is undertaken for any ROU lease asset that shows indicators of impairment and an impairment loss is recognised against any ROU lease asset that is impaired. Lease ROU assets continue to be measured at cost after initial recognition in Commonwealth agency, GGS and Whole of Government financial statements.

The depreciation rates for ROU assets are based on the commencement date to the earlier of the end of the useful life of the ROU asset or the end of the lease term.

1.8 Leasehold, 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. ROU assets are 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	2025	2024
Leasehold	Within the lease term	Within the lease term
Right of Use Asset	Within the lease term	Within the lease term
Plant and equipment	Two to thirteen years	Two to thirteen years

Impairment

All assets were assessed for indications of impairment at 30 June 2025. 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 of disposal 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 entity were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

Derecognition

An item of leasehold, 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

The CGC conducts an asset materiality review at least once every 12 months with a full revaluation assessment undertaken once every three values.

All leasehold, 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 leasehold, plant and equipment has been included in Note 4.

1.10 Software

The CGC's software has been internally developed. 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 3 to 7 years (2024: 3 to 7 years).

All software assets were assessed for indications of impairment as at 30 June 2025.

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 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 considers attrition rates and pay increases through promotion and enterprise agreements.

Superannuation

Employees of the CGC are members of the Public Sector Superannuation Scheme (PSS), the Public Sector Superannuation accumulation plan (PSSap), or other superannuation funds held outside the Australian Government.

The PSS is a defined benefit scheme 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 (FBT) and Goods and Services Tax (GST).

1.14 Events after the reporting period

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

Note 2: Expenses

	2025	2024
	\$'000	\$'000
Note 2: Expenses		
Note 2A: Employee benefits		
Wages and salaries	4,888	4,814
Superannuation		
Defined contribution plans	496	476
Defined benefit plans	392	354
Leave and other entitlements	515	661
Total employee benefits	6,291	6,305

The above employee benefits disclosure should be read in conjunction with note 1.12.

Note 2B: Suppliers

Goods and services supplied or rendered

Consultants	-	53
Information technology	1,306	836
Travel	44	124
Property	71	77
Professional Services	78	185
Audit fees	51	51
Other	194	121
Total suppliers	1,744	1,447

Note 2C: Finance costs

Interest on lease liabilities ¹	52	60
Total finance costs	52	60

¹ All borrowing costs on lease liabilities are expensed as incurred.

Note 3: Financial assets

	2025	2024
	\$'000	\$'000
Note 3: Financial assets		
Appropriation receivables	11,604	11,598
GST receivable from the Australian Taxation Office	13	17
Total trade and other receivables	11,617	11,615

Note 4: Non-financial assets

Reconciliation of the opening and closing balances of leasehold, plant and equipment and software for 2025.

	Leasehold ¹	Plant and equipment	Software	Total
	\$'000	\$'000	\$'000	\$'000
As at 1 July 2024				
Gross book value	3,029	485	2,113	5,627
Accumulated depreciation, amortisation and impairment	(606)	(347)	(345)	(1,298)
Total as at 1 July 2024	2,423	138	1,768	4,329
Additions purchase or internally developed	6	4	-	10
Revaluation ²	79	32	-	111
Depreciation and amortisation expense	(75)	(54)	(353)	(482)
Depreciation on right-of-use assets	(219)	-	-	(219)
Disposals on right-of-use assets ³	(92)	-	-	(92)
Total as at 30 June 2025	2,122	120	1,415	3,657
Total as at 30 June 2025 represented by				
Gross book value	2,797	120	2,113	5,030
Accumulated depreciation, amortisation and impairment	(675)	-	(698)	(1,373)
Total as at 30 June 2025	2,122	120	1,415	3,657
Carrying amount of right of use assets¹	1,510	-	-	1,510

The above lease disclosures should be read in conjunction with the accompanying note 5B.

¹ Leasehold includes leasehold improvements and property lease ROU Assets. The new lease commenced on 1 July 2022.

² All revaluations were conducted in accordance with the revaluation policy stated at Note 1.8. On 30 June 2025 an independent valuer, Colliers conducted a full valuation of leasehold, plant and equipment.

³ Effective 1 July 2024 CGC reduced the number of carparks leased from 8 to 5, resulting in a lease modification with a gain on lease disposal of \$6,592 and a partial termination of the ROU leased asset of \$92,105.

Note 5: Payables, leases and provisions

	2025	2024
	\$'000	\$'000
Note 5: Payables, Leases and Provisions		
Note 5A: Other payables		
Salaries and wages	190	162
Total other payables	190	162
Note 5B: Leases^{1,2}		
Lease liabilities	1,681	1,956
Total leases	1,681	1,956
Maturity analysis - contractual undiscounted cash flows		
Within 1 year	235	238
Between 1 to 5 years	1,043	1,057
More than 5 years	589	913
Total leases	1,867	2,208
Note 5C: Employee provisions		
Leave	2,060	2,116
Total employee provisions	2,060	2,116

The above lease disclosures should be read in conjunction with the accompanying note 4.

Total cash outflow for leases for the year ended 30 June 2025 was \$228,375 (2024: \$228,138).

¹ On 1 July 2022, the CGC began a new lease at 73 Northbourne Avenue for a period of 10 years.

² Effective 1 July 2024 CGC reduced the number of carparks leased from 8 to 5, resulting in a lease modification with a gain on lease disposal of \$6,592 and a partial termination of the leased liability of \$98,697.

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.

	2025	2024
	\$'000	\$'000
KMP remuneration		
Short-term employee benefits ¹	365	353
Post-employment benefits	66	66
Other long-term employee benefits	22	19
Total KMP remuneration expenses²	453	438

¹ Includes an amount for car parking benefit. The calculation in 2024–25 uses the taxable value. The calculation in 2023–24 was performed using a grossed-up nominal value.

² The total KMP remuneration expenses included in the above table relate to one employee (2024: one).

Note 6B: Related party transactions

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

- key management personnel
- the Treasurer, and
- 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.

Considering 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.

Note 7: Appropriations

	2025	2024
	\$'000	\$'000
Note 7: Appropriations		
Note 7A: Annual appropriations ('recoverable GST exclusive')		
Departmental appropriation	8,324	7,904
Departmental capital budget ¹	15	271
PGPA Act - section 74 receipts ²	151	97
Total appropriation	8,490	8,272
Appropriations applied (current and prior years)	8,160	7,981
Variance	330	291

1. Departmental Capital Budgets are appropriated through Appropriation Acts (No.1,3,5). They form part of ordinary annual services, and are not separately identified in the Appropriation Acts.

2. Adjustments to appropriations include adjustments to current year appropriation for PGPA Act s74 receipts.

Note 7B: Unspent annual appropriations ('recoverable GST exclusive')

Departmental

<i>Supply Act (No. 3) - Operating 2022-2023</i> ¹	118	3,619
<i>Appropriation Act (No. 1) - Operating 2023-2024</i>	3,075	8,087
<i>Appropriation Act (No. 1) - Departmental Capital Budget 2023-2024</i>	190	193
<i>Appropriation Act (No. 1) - Operating 2024-2025</i>	8,831	-
<i>Appropriation Act (No. 1) - Departmental Capital Budget 2024-2025</i>	15	-
Total departmental	12,229	11,899

¹ The appropriation includes \$118,000 quarantined under s51 of the PGPA Act.

Note 8: Net cash appropriation arrangements

	2025	2024
	\$'000	\$'000
Total comprehensive income - as per the Statement of Comprehensive Income		
Income	(278)	(717)
Plus : depreciation/amortisation of assets funded through appropriations (departmental capital budget funding and/or equity injections) ¹	482	632
Plus: depreciation of right-of-use assets ²	219	228
Less: lease principal repayments ²	(176)	(168)
Net Cash Operating Surplus	247	(25)

No depreciation/amortisation amounts are excluded from this calculation.

¹ From 2010–11, the Government introduced net cash appropriation arrangements where revenue appropriations for depreciation/amortisation expenses of non-corporate Commonwealth entities and selected corporate Commonwealth entities were replaced with a separate capital budget provided through equity appropriations. Capital budgets are to be appropriated in the period when cash payment for capital expenditure is required.

² The inclusion of depreciation/amortisation expenses related to ROU leased assets and the lease liability principal repayment amount reflects the impact of AASB 16 Leases, which does not directly reflect a change in appropriation arrangements. No ROU assets or lease principal repayments are excluded from this calculation.

Note 9: Aggregate assets and liabilities

	2025	2024
	\$'000	\$'000
Note 9: Aggregate assets and liabilities		
Assets expected to be recovered in:		
No more than 12 months		
Cash and cash equivalents	507	183
Trade and other receivables	11,617	11,615
Prepayments	79	118
Total no more than 12 months	12,203	11,916
More than 12 months		
Leasehold	611	601
Plant and equipment	120	138
ROU	1,510	1,822
Software	1,416	1,768
Total more than 12 months	3,657	4,329
Total assets	15,860	16,245
Liabilities expected to be settled in:		
No more than 12 months		
Suppliers	250	69
Other payables	190	162
ROU lease	188	184
Employee provisions	819	736
Total no more than 12 months	1,447	1,151
More than 12 months		
Employee provisions	1,241	1,380
ROU lease	1,493	1,772
Total more than 12 months	2,734	3,152
Total liabilities	4,181	4,303

Note 10: Fair Value Measurement

	2025	2024
	\$'000	\$'000
Note 10: Fair Value Measurement		
Non-financial		
Leasehold ¹	611	602
Plant and equipment ¹	120	138

The CGC's assets are held for operational purposes and not held for the purposes of deriving profit. The current use of all non-financial assets is considered their highest and best use.

¹ The CGC conducted a full independent valuation as at 30 June 2025.

Note 11: 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 2024–25 final outcome as presented in accordance with Australian accounting standards. Major variances are those deemed relevant to an analysis of the CGC's performance.

	\$'000	%	Affected line items
Suppliers			
Reduced spend on IT contractor for support and maintenance of the Assessment system.	(193)	-10%	<i>Suppliers (Statement of Comprehensive Income)(Cash Flow Statement)</i>
Resources Received Free of Charge			
Notional Fee for ANAO Audit services was incorrectly under budgeted	6	13%	<i>Resources received free of charge (Statement of Comprehensive Income)</i>
Sale of Assets			
Profit on sale of excess IT equipment after transition to Treasury not originally budgeted	19	100%	<i>Gains from sale of assets (Statement of Comprehensive Income)</i>
Other Revenue			
Refunds of prior year expenses unknown at time of budgeting.	5	100%	<i>Other Revenue (Statement of Comprehensive Income)</i>
Asset Revaluation			
No asset revaluation adjustment was budgeted for.	111	100%	<i>Changes in Asset Revaluation Reserve (Statement of Comprehensive Income), Reserves (Statement of Financial Position), Other Comprehensive Income (Statement of Changes in Equity)</i>
Cash and Cash Equivalents			
Difference in timing of drawdown at the end of the year to facilitate payroll early in July	319	170%	<i>Cash and cash equivalents (Statement of Financial Position) Cash and cash equivalents at the end of the reporting period (Cash Flow Statement)</i>
Plant & Equipment			
Budgeted opening carrying value was incorrectly overstated in the original budget.	(199)	-62%	<i>Plant & Equipment (Statement of Financial Position) Purchase of non-financial assets (Cash Flow Statement)</i>
Prepayments			
Timing difference for invoices received versus paid at year end.	(108)	-58%	<i>Suppliers (Statement of Financial Position)</i>
Employee Provisions			
Budget did not accurately reflect compounding effect of payraises on value of leave balances	212	11%	<i>Employee provisions (Statement of Financial Position)</i>

Reference material

Acronyms and initialisms

List of requirements

Index

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Acronyms and initialisms

Acronym/initialism	Meaning
AASB	Australian Accounting Standards Board
ANAO	Australian National Audit Office
APS	Australian Public Service
ASL	Average Staffing Level
CGC	Commonwealth Grants Commission
CFO	Chief Financial Officer
CSS	Commonwealth Superannuation Scheme
EL	Executive Level
FOI	Freedom of Information
FOI Act	<i>Freedom of Information Act 1982</i>
FBT	Fringe Benefits Tax
GST	Goods and Services Tax
ICT	Information and Communications Technology
IPS	Information Publication Scheme
KMP	Key Management Personnel
PGPA Act	<i>Public Governance, Performance and Accountability Act 2013</i>
PGPA Rule	<i>Public Governance, Performance and Accountability Rule 2014</i>
PM&C	Department of the Prime Minister and Cabinet
PSS	Public Sector Superannuation Scheme
PSSap	Public Sector Superannuation Accumulation Scheme
RAP	Reconciliation Action Plan
ROU	Right of Use
SES	Senior Executive Service
SME	Small and medium-sized enterprise
States	States and territories

List of requirements

PGPA Rule Reference	Part of report	Description	Requirement
17AD(g)		Letter of transmittal	
17AI	Letter of transmittal	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
17AD(h)		Aids to access	
17AJ(a)	Contents	Table of contents	Mandatory
17AJ(b)	Index	Alphabetical index	Mandatory
17AJ(c)	Glossary	Glossary of abbreviations and acronyms	Mandatory
17AJ(d)	List of requirements	List of requirements	Mandatory
17AJ(e)	About this report	Details of contact officer	Mandatory
17AJ(f)	About this report	Entity's website address	Mandatory
17AJ(g)	About this report	Electronic address of report	Mandatory
17AD(a)		Review by accountable authority	
17AD(a)	Secretary's review	A review by the accountable authority of the entity	Mandatory
17AD(b)		Overview of the entity	
17AE(1)(a)(i)	Overview	A description of the role and functions of the entity	Mandatory
17AE(1)(a)(ii)	Organisational structure	A description of the organisational structure of the entity	Mandatory
17AE(1)(a)(iii)	Resourcing statement	A description of the outcomes and programmes administered by the entity	Mandatory
17AE(1)(a)(iv)	Results and analysis	A description of the purposes of the entity as included in corporate plan	Mandatory
17AE(1)(aa)(i)	Annual performance statements	Name of the accountable authority or each member of the accountable authority	Mandatory

PGPA Rule Reference	Part of report	Description	Requirement
17AE(1)(aa)(ii)	Annual performance statements	Position title of the accountable authority or each member of the accountable authority	Mandatory
17AE(1)(aa)(iii)	Annual performance statements	Period as the accountable authority or member of the accountable authority within the reporting period	Mandatory
17AE(1)(b)	Organisational structure	An outline of the structure of the portfolio of the entity	Portfolio departments mandatory
17AE(2)	Not applicable	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
17AD(c)	Report on the Performance of the Entity		
	Annual Performance Statements		
17AD(c)(i); 16F	Annual performance statements	Annual Performance Statement in accordance with paragraph 39(1)(b) of the Act and section 16F of the Rule	Mandatory
17AD(c)(ii)	Report on Financial Performance		
17AF(1)(a)	Financial performance	A discussion and analysis of the entity's financial performance	Mandatory
17AF(1)(b)	Resourcing statement	A table summarising the total resources and total payments of the entity	Mandatory
17AF(2)	Not applicable	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
17AD(d)	Management and Accountability		
	Corporate Governance		
17AG(2)(a)	Corporate governance	Information on compliance with section 10 (fraud systems)	Mandatory
17AG(2)(b)(i)	Letter of transmittal	A certification by accountable authority that fraud risk assessments and fraud control plans have been prepared	Mandatory

PGPA Rule Reference	Part of report	Description	Requirement
17AG(2)(b)(ii)	Letter of transmittal	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
17AG(2)(b)(iii)	Letter of transmittal	A certification by accountable authority that all reasonable measures have been taken to deal appropriately with fraud relating to the entity	Mandatory
17AG(2)(c)	Corporate governance	An outline of structures and processes in place for the entity to implement principles and objectives of corporate governance	Mandatory
17AG(2)(d)–(e)	Not applicable	A statement of significant issues reported to the 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
Audit Committee			
17AG (2A)(a)	Corporate governance	A direct electronic address of the charter determining the functions of the entity's audit committee	Mandatory
17AG (2A)(b)	Corporate governance	The name of each member of the entity's audit committee	Mandatory
17AG (2A)(c)	Corporate governance	The qualifications, knowledge, skills or experience of each member of the entity's audit committee	Mandatory
17AG (2A)(d)	Corporate governance	Information about the attendance of each member of the entity's audit committee at committee meetings	Mandatory
17AG (2A)(e)	Corporate governance	The remuneration of each member of the entity's audit committee	Mandatory
External Scrutiny			
17AG(3)	Independent auditor's report	Information on the most significant developments in external scrutiny and the entity's response to the scrutiny	Mandatory
17AG(3)(a)	Not applicable	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
17AG(3)(b)	Not applicable	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
17AG(3)(c)	Not applicable	Information on any capability reviews on the entity that were released during the period	If applicable, mandatory

PGPA Rule Reference	Part of report	Description	Requirement
Management of Human Resources			
17AG(4)(a)	Management of human resources	An assessment of the entity's effectiveness in managing and developing employees to achieve entity objectives	Mandatory
17AG(4)(aa)	Management of human resources	Statistics on the entity's employees on an ongoing and non-ongoing basis, including the following: (i) statistics on full-time employees (ii) statistics on part-time employees (iii) statistics on gender (iv) statistics on staff location	Mandatory
17AG(4)(b)	Management of human resources	Statistics on the entity's APS employees on an ongoing and non-ongoing basis, including the following: (i) statistics on staffing classification level (ii) statistics on full-time employees (iii) statistics on part-time employees (iv) statistics on gender (v) statistics on staff location (vi) statistics on employees who identify as Indigenous Australians	Mandatory
17AG(4)(c)	Management of human resources	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
17AG(4)(c)(i)	Management of human resources	Information on the number of SES and non-SES employees covered by agreements, etc., identified in paragraph 17AG(4)(c)	Mandatory
17AG(4)(c)(ii)	Management of human resources	The salary ranges available for APS employees by classification level	Mandatory
17AG(4)(c)(iii)	Management of human resources	A description of non-salary benefits provided to employees	Mandatory
17AG(4)(d)(i)	Not applicable	Information on the number of employees at each classification level who received performance pay	If applicable, mandatory
17AG(4)(d)(ii)	Not applicable	Information on aggregate amounts of performance pay at each classification level	If applicable, mandatory
17AG(4)(d)(iii)	Not applicable	Information on the average amount of performance payment, and range of such payments, at each classification level	If applicable, mandatory
17AG(4)(d)(iv)	Not applicable	Information on aggregate amount of performance payments	If applicable, mandatory

PGPA Rule Reference	Part of report	Description	Requirement
Assets Management			
17AG(5)	Not applicable	An assessment of effectiveness of assets management where asset management is a significant part of the entity's activities	If applicable, mandatory
Purchasing			
17AG(6)	Purchasing	An assessment of entity performance against the <i>Commonwealth Procurement Rules</i>	Mandatory
Reportable consultancy contracts			
17AG(7)(a)	Contracts	A summary statement detailing the number of new reportable consultancy contracts entered into during the period, the total actual expenditure on all such contracts (inclusive of GST), the number of ongoing reportable consultancy contracts that were entered into during a previous reporting period, and the total actual expenditure in the reporting period on those ongoing contracts (inclusive of GST)	Mandatory
17AG(7)(b)	Contracts	A statement that <i>"During [reporting period], [specified number] new reportable consultancy contracts were entered into involving total actual expenditure of \$[specified million]. In addition, [specified number] ongoing reportable consultancy contracts were active during the period, involving total actual expenditure of \$[specified million]."</i>	Mandatory
17AG(7)(c)	Contracts	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
17AG(7)(d)	Contracts	A statement that <i>"Annual reports contain information about actual expenditure on reportable consultancy contracts. Information on the value of reportable consultancy contracts is available on the AusTender website."</i>	Mandatory
Reportable non-consultancy contracts			
17AG(7A)(a)	Contracts	A summary statement detailing the number of new reportable non-consultancy contracts entered into during the period, the total actual expenditure on such contracts (inclusive of GST), the number of ongoing reportable non-consultancy contracts that were entered into during a previous reporting period, and the total actual expenditure in the reporting period on those ongoing contracts (inclusive of GST)	Mandatory
17AG(7A)(b)	Contracts	A statement that <i>"Annual reports contain information about actual expenditure on reportable non-consultancy contracts. Information on the value of reportable non-consultancy contracts is available on the AusTender website."</i>	Mandatory

PGPA Rule Reference	Part of report	Description	Requirement
17AD(daa)		Additional information about organisations receiving amounts under reportable consultancy contracts or reportable non-consultancy contracts	
17AGA	Contracts	Additional information, in accordance with section 17AGA, about organisations receiving amounts under reportable consultancy contracts or reportable non-consultancy contracts	Mandatory
Australian National Audit Office Access Clauses			
17AG(8)	Not applicable	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
Exempt contracts			
17AG(9)	Not applicable	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
Small business			
17AG(10) (a)	Purchasing	A statement that "[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."	Mandatory
17AG(10) (b)	Purchasing	An outline of the ways in which the procurement practices of the entity support small and medium enterprises	Mandatory
17AG(10) (c)	Not applicable	If the entity is considered by the Department administered by the Finance Minister as material in nature, a statement that "[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."	If applicable, mandatory
Financial Statements			
17AD(e)	Financial statements	Inclusion of the annual financial statements in accordance with subsection 43(4) of the Act	Mandatory

PGPA Rule Reference	Part of report	Description	Requirement
Executive Remuneration			
17AD(da)	Management of human resources	Information about executive remuneration in accordance with Subdivision C of Division 3A of Part 2-3 of the Rule	Mandatory
17AD(f) Other Mandatory Information			
17AH(1)(a)(i)	Not applicable	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
17AH(1)(a)(ii)	Other mandatory information	If the entity did not conduct advertising campaigns, a statement to that effect	If applicable, mandatory
17AH(1)(b)	Not applicable	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
17AH(1)(c)	Other mandatory information	Outline of mechanisms of disability reporting, including reference to website for further information	Mandatory
17AH(1)(d)	Other mandatory information	Website reference to where the entity’s Information Publication Scheme statement pursuant to Part II of FOI Act can be found	Mandatory
17AH(1)(e)	Not applicable	Correction of material errors in previous annual report	If applicable, mandatory
17AH(2)	Other mandatory information	Information required by other legislation	Mandatory

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