



Australian Government

Commonwealth Grants Commission

Annual Report 2021–22



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About this report

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Further information

For further information about this publication, please contact:

Director Business Enabling Services
Commonwealth Grants Commission
GPO Box 1899
Canberra City ACT 2601
Phone: (02) 6218 5700
Email: services@cgc.gov.au
Website: www.cgc.gov.au

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

Letter of transmittal



Australian Government
Commonwealth Grants Commission

Commonwealth Grants Commission
GPO Box 1899
Canberra City ACT 2601

The Hon Dr Jim Chalmers MP
Treasurer
Parliament House
CANBERRA ACT 2600

Dear Treasurer

Commonwealth Grants Commission Annual Report 2021–22

I am pleased to present you with the Commonwealth Grants Commission's (CGC) annual report for the year ended 30 June 2022, 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 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 'J. Rollings', written over a light grey rectangular background.

Jonathan Rollings
Secretary
Commonwealth Grants Commission

29 September 2022

AGENCY OVERVIEW

Foreword

Secretary's review

Overview

Organisational structure



Foreword

The Commonwealth Grants Commission (Commission) continues to fulfill its role in recommending to the Commonwealth Government the distribution of the Goods and Services Tax (GST) pool to the states, in line with the principle of horizontal fiscal equalisation. In doing so, the Commission assesses each state's ability to raise revenue and its cost of delivering state services.

In March 2022, the Commission provided a report to the Commonwealth Treasurer on recommended GST relativities for the distribution of GST revenue in 2022–23. This was based on economic developments and an assessment of state circumstances over the 3 years from July 2018 to June 2021. The main factors influencing changes in the distribution of GST in 2022–23 were the impact of the COVID-19 pandemic, strong growth in the value of iron ore production in Western Australia, and the transition to the 2018 legislated changes to the GST distribution arrangements.¹

The COVID-19 pandemic, and Commonwealth and state responses, continue to affect Australian society and the economy. The Commission concluded that its revenue assessment methods largely captured the effects of the pandemic on states' revenue raising capacities, particularly through changes in the value of properties transferred and taxable payrolls. The potential impact on expense assessments was more complex, with the drivers of the COVID-19 pandemic's impact on state health expenditure and spending on business support likely to differ from those underpinning the Commission's usual assessment methods. However, while the COVID-19 pandemic influenced the data used in the calculations, the terms of reference set for the update in GST relativities did not provide for any method changes in assessing state fiscal capacities. The Commission continues to monitor potential impacts of the COVID-19 pandemic and its consequences for the distribution of GST.

As part of the transition to the 2018 legislated changes, the relativity floor of 0.7 operated within the GST pool for the first time. This, and the impact of strong growth in the value of iron ore production on Western Australia's fiscal capacity, were the largest factors influencing the change in GST distribution in 2022–23. The relativity floor resulted in a significant increase in Western Australia's GST distribution, with a consequent reduction in the GST distribution of the other states. However, the impact on the other states is ameliorated in 2022–23 by the Commonwealth's no worse off guaranteed payments under the 2018 legislated changes.

The Commission is continuing to improve the clarity and accessibility of its outputs. This included changes to the report providing recommended changes to the GST distribution in 2022–23 and the provision of supporting information to the states. As part of its improved communication strategy, the Commission comprehensively restructured its website in 2022. It has also continued with its Occasional Paper series, which consists of brief, non-technical papers on topical issues affecting GST distribution. The Occasional Papers issued in 2021–22 were *New arrangements for distributing GST*; *GST distribution to states and territories in 2022–23*; and *Why are some Commonwealth payments to the states included in calculation of GST needs?* Supporting the Occasional Papers is the Research Paper series, which provides more detailed, but still non-technical, information on issues affecting GST distribution. The Research Papers issued in 2021–22 were *Fiscal equalisation and mining booms*; *Why states get different shares of GST*; *International themes in fiscal equalisation: an Australian perspective*; and *States' GST needs over a decade*.

¹ *Treasury Laws Amendment (Making Sure Every State and Territory Gets Their Fair Share of GST) Act 2018*

The Commission has continued to focus on improving its consultation and interaction with the states and the Commonwealth, and it greatly appreciates the cooperation it receives from all parties.

I would like to express my appreciation for the support and contribution of my fellow Commissioners as well as passing on to the Commission staff our thanks for their continued professionalism, dedication, and hard work.



Mike Callaghan AM PSM
Chairperson
29 September 2022

Secretary's review

I am pleased to present the annual report for 2021–22, my first full financial year as Secretary. While the year was another one of considerable change, the professionalism and dedication of our staff enabled us to deliver on our core role while also making important improvements to our organisation.

As covered in the Chairperson's foreword, the Commission's advice to the Government on GST distribution was provided in the 2022 Update on GST Revenue Sharing Relativities, publicly released on 25 March 2022. Staff also supported the Commission in publishing Occasional and Research Papers. During the year, our website was redeveloped to make it more engaging and accessible. The website also now includes a short animation explaining the Commission's role and the concept of fiscal equalisation.

Our work requires close engagement with the states and territories (states), and I would like to thank state treasury officials for their ongoing cooperation and support. We receive consistently positive feedback from states on our availability and willingness to provide advice and assistance, and we will continue to look for ways to improve.

Throughout the year our staff were again affected by disruptions due to the COVID-19 pandemic. As a small agency, that is well-equipped for remote working, our approach to navigating COVID-19 gave priority to the health and wellbeing of staff. Hybrid-working arrangements are now commonplace for our staff. Our 2022 APS Employee Census results were very positive, showing improvements in a range of areas and comparing favourably with other APS agencies.

The expiry of our existing building lease in June 2022 provided the opportunity to move to freshly fitted-out premises at 73 Northbourne Avenue. Our new accommodation provides a modern workplace with a fit-for-purpose design and contemporary facilities.

During the year we continued to progress the redevelopment of our core ICT platform for analysing state fiscal data. Some key resourcing gaps were identified and filled, and we remain optimistic the project can be finalised in the coming year.

In March 2022, our inaugural Reconciliation Action Plan was endorsed by Reconciliation Australia. I thank the Reconciliation Action Plan Working Group and congratulate them on this achievement. Our focus will now move to implementing the activities in the plan.

I would like to thank the Commission Chairperson and members for their support over the year, and thank the staff for their ongoing commitment to the agency and its work.



Jonathan Rollings
Secretary
29 September 2022



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 advice to the 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 2021–22 consisted of a part-time Chairperson and 3 part-time members.

Chairperson

Mr Michael Callaghan AM PSM



Mr Callaghan has a long career in public policy, including 38 years in the Australian 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 four 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 a number of 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.

Members as at 30 June 2022

Emeritus Professor Jeffrey Petchey



Emeritus Professor Petchey was appointed to the Commission in 2011 and reappointed in September 2016. He has degrees in economics from the University of Western Australia and the Australian National University. He is presently an economist in the School of Economics, Finance and Property at the Faculty of Business and Law, Curtin University, and specialises in research on horizontal fiscal equalisation, fiscal federalism, inter-governmental fiscal relations, fiscal competition, environmental economics and public goods.

He has published in international and domestic journals and contributed to government reports and enquiries in Australia and internationally. Emeritus Professor Petchey has coordinated AusAID and World Bank projects to develop an equalisation system for South Africa, taken part in many international forums on federalism in Europe, the USA and Canada, and conducted advisory work for the OECD on Australia's fiscal constitution.

Emeritus Professor Petchey served for five years as Head of the School of Economics and Finance, Curtin Business School and was the foundational director of the Bankwest Curtin Economics Centre.

Dr Lynne Williams AM



Dr Williams worked as an economist in the public sector for over 30 years, and currently sits on several boards related to public policy. Dr Williams is Deputy Chair of the Essential Services Commission of South Australia, Chair of the Judicial Entitlements Panel and a member of the Victorian Legal Services Board. She also chairs the audit committees of the Victorian Legal Services Board.

She was made a Member of the Order of Australia (AM) in January 2017 for her contributions to economic and public policy.

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 Federal Productivity Commission and Bureau of Immigration, Multicultural and Population 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) and Principal Fellow of St Hilda's College (University of Melbourne), where she is also a Board member.

In March 2019, Dr Williams was awarded the Faculty of Business and Economics (University of Melbourne) Alumni of Distinction Faculty Award. She sits on the Board of the Melbourne Business School and is a member of the Australian Institute of Company Directors.

The Hon Dr Peter Hendy



Dr Hendy is a professional economist and a company director. He was Chief Executive of the Australian Chamber of Commerce and Industry between 2002 and 2008 and has had a long career in both the private and public sectors, including in the areas of defence, international trade, treasury, education and industrial relations.

In 2003 he was awarded a Centenary Medal by the Governor-General for services to Australian society in business leadership. He has worked internationally in the Middle East as Executive Director of the Bahrain Economic Development Board. He has been Chief Economist in the Prime Minister’s Office and prior to that he was a Member of Parliament with roles as the Assistant Minister for Finance, Assistant Minister for Productivity and Assistant Cabinet Secretary in the Australian Government.

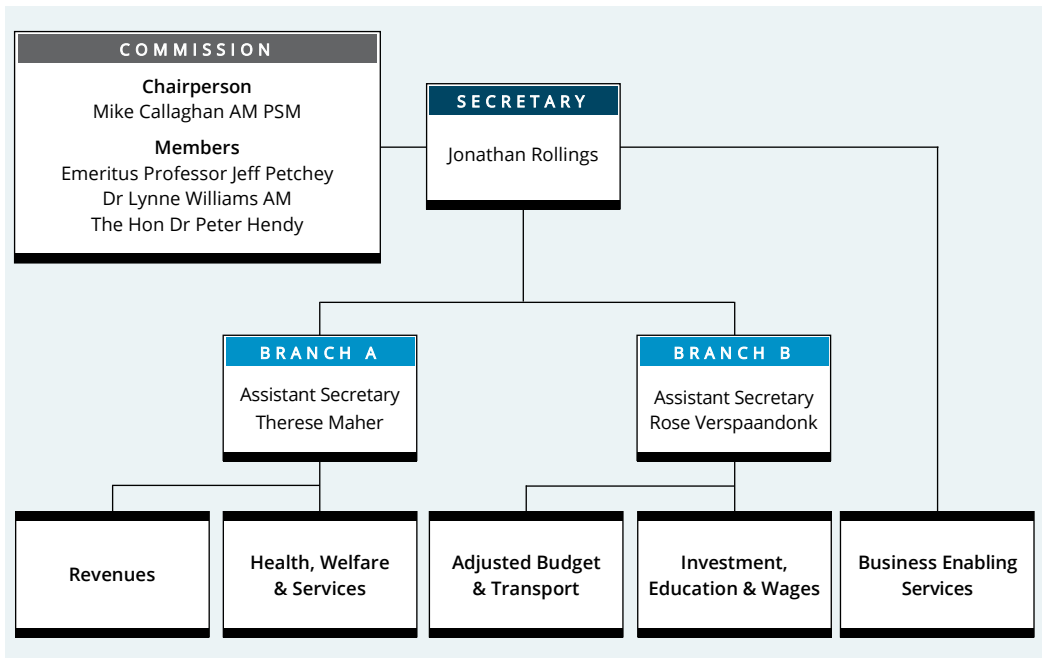
Dr Hendy is a member of the Australian Institute of Company Directors and also a Fellow of the Australian Institute of Management. He has a first-class honours degree in Economics and a PhD in Government.

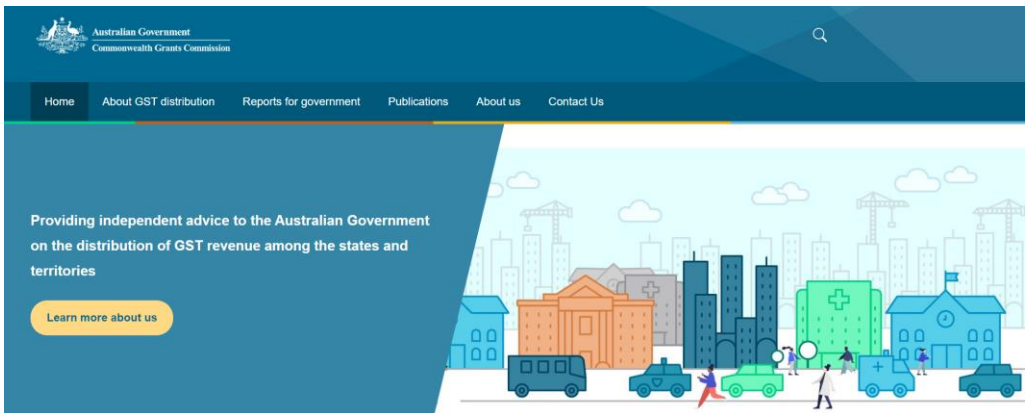
Accountable authority

The Secretary is the accountable authority for the purposes of the *Public Governance, Performance and Accountability Act 2013*, with responsibility for governing the general operation of the CGC agency.

Organisational structure

FIGURE 1 CGC Organisational Structure as at 30 June 2022





► Communication strategy

In 2021 we embarked on a project to improve the way we present public information on the CGC’s role and its work. We worked closely with a communication consultancy, Boxing Clever, to support our engagement with existing and new stakeholders, and improve community understanding of fiscal equalisation and Australia’s GST distribution arrangements.

We identified the following 4 communications priorities:

- conveying a positive narrative that explains why the CGC’s work is important and how it benefits Australians
- modernising the CGC’s communication so that it is more effective and appropriate for a contemporary, digital-first environment
- improving the presentation and accessibility of the CGC website and directing media and the public to it when new information is available
- better informing public discussion and media reporting concerning fiscal equalisation and GST distribution.

The redesigned website includes a short, animated video explaining the CGC’s role and an interactive digital map of GST distribution.



► Office accommodation

After more than a decade at our previous location in Braddon, the expiry of our lease provided an opportunity to find, design and freshly fit-out new office accommodation. We successfully occupied our new office at 73 Northbourne Avenue at the end of June 2022.

Our new office design provides staff and visitors with a modern, ergonomic, open-plan working environment equipped with functional meeting rooms, workstations, breakout areas with an abundance of natural light, and kitchen facilities. The conference and meeting rooms are equipped with the latest audio-visual equipment to facilitate meetings and virtual conferences.



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 (CGC), I present the CGC's 2021–22 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', with a stylized flourish at the end.

Jonathan Rollings
Secretary
29 September 2022

Results and analysis

The CGC measures its performance using the performance criteria outlined in the CGC's Corporate Plan 2021–22 and Portfolio Budget Statements 2022–23.

The CGC's main activity for 2021–22 was meeting the requirements of the Treasurer's terms of reference (issued on 16 March 2022), requiring the calculation of the GST revenue sharing relativities for 2022–23.

TABLE 1 Performance measures and results

Performance Measures	Responsiveness to Government
Planned Performance Results	The Commission's advice meets the Government's requirements as specified in the terms of reference provided by the Commonwealth Treasurer.
Results	<p data-bbox="391 744 502 776">Fully met</p> <p data-bbox="391 788 1184 906">In accordance with timing requirements of the Treasurer's terms of reference, the Commission provided the <i>GST Revenue Sharing Relativities: 2022 Update</i> to the Treasurer and the states on 17 March 2022 and publicly released it on 25 March 2022.</p> <p data-bbox="391 934 1184 995">The GST revenue sharing relativities for 2022–23 also complied with the other requirements of the Treasurer's terms of reference.</p> <p data-bbox="391 1024 1112 1111">The relativities recommended by the Commission were adopted in the <i>Federal Financial Relations (GST Revenue Sharing Relativities for 2022–23) Determination 2022</i> of 18 July 2022.</p>
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	<p data-bbox="391 1334 502 1367">Fully met</p> <p data-bbox="391 1378 1180 1496">The Commission drew on a range of data and quantitative methods to assess the different fiscal capacities of the states. Analysis was conducted across 20 state revenue and expense categories. Data and methods were published on the CGC website with additional details provided to state treasuries.</p> <p data-bbox="391 1525 1193 1612">Rigorous processes were used to confirm the technical quality and accuracy of the work underlying the GST relativities. These processes included detailed internal checking procedures, supplemented by independent checkers.</p> <p data-bbox="391 1641 1188 1702">Overall, states have expressed confidence in the CGC's approach for assessing state fiscal capacities and determining the GST relativities.</p>

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>Fully met</p> <p>Consultation on the 2022 Update was undertaken in accordance with the engagement plan agreed with states. State feedback on the process for the 2022 Update was obtained and will inform planning for the 2023 Update. State engagement was supplemented with regular bilateral discussions and the provision of training.</p> <p>Close engagement was maintained 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> <p>Community engagement was promoted through the release of 3 Occasional Papers and 4 Research Papers to improve understanding of fiscal equalisation and Australia’s GST distribution arrangements.</p>

Financial performance

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

Excluding depreciation, amortisation, changes in asset revaluation reserves and leasing adjustments, the CGC reported an operating surplus of \$0.65 million in 2021–22.

This compares with an operating surplus of \$2.63 million in 2020–21 after adjusting for depreciation, amortisation, changes in asset revaluation reserves and leasing adjustments.

Table 2 below summarises the CGC's total resources and total payments in 2021–22.

TABLE 2 Summary of Financial Performance (Unadjusted) for 2021–22

	2021–22 (\$'000)	2020–21 (\$'000)	Movement (\$'000)
Total own-source revenue	45	45	0
Total revenue from government	8,216	8,482	(266)
Total expenses	7,616	5,894	1,722
Net surplus/(deficit)	645	2,633	(1,988)

Resourcing statement

Table 3 below shows total expenses for Outcome 1 in 2021–22.

TABLE 3 Resource Statement for 2021–22

	Actual available (\$'000)	Payments made (\$'000)	Balance (\$'000)
Ordinary annual services			
Prior year appropriation available ¹	12,375	9,226	3,149
Departmental appropriation	8,216	-	8,216
Departmental capital budget	1,102	164	938
Total departmental annual appropriations	21,693	9,390	12,303
Total resourcing and payments	21,693	9,390	12,303

¹ Prior year appropriations available includes departmental appropriation, departmental capital budgets and retained revenue receipts under section 74 of the Public Governance, Performance and Accountability Act 2013.

TABLE 4 Total Expenses for Outcome 1 in 2021–22

	Budget ¹	Actual	Variation
	2021–22	2021–22	2021–22
	(\$'000)	(\$'000)	(\$'000)
OUTCOME 1: Informed government decisions on fiscal equalisation between the states and territories through advice and recommendations on the distribution of GST revenue			
PROGRAM 1.1: The Commission makes recommendations on the distribution of the GST pool, which are considered by government			
Departmental expenses			
Departmental appropriation	8,216	-	8,216
Expenses not requiring appropriation in the budget year ²	380	163	217
Total expenses for Program 1.1	8,596	163	8,433
Total expenses for Outcome 1	8,596	163	8,433
		2020–21	2021–22
Average staffing level (number) ³		28	28

¹ Full-year budget, including any subsequent adjustment made to the 2021–22 budget at Additional Estimates.

² Expenses not requiring appropriation in the Budget year are made up of depreciation expenses, amortisation expenses, and audit fees.

³ Actual average staffing level (ASL) for 2020–21 and 2021–22.

MANAGEMENT & ACCOUNTABILITY

Corporate governance

Our people

Purchasing

Contracts

Other mandatory information



Corporate governance

The CGC has structures and processes in place to maintain effective corporate governance. The CGC is a non-corporate Commonwealth entity under the *Public Governance, Performance and Accountability Act 2013* (PGPA Act). This imposes accountability requirements consistent with those of a department while allowing for independence from the corporate policies of the Department of the Treasury.

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 4 main committees/groups: Executive Committee, Workplace Relations Committee, Audit and Risk Committee 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 2022

Committee/Group	Membership	Role and activities
Executive Committee	Members of the senior executive, with support as required from the Director Business Enabling Services	The Executive Committee: <ul style="list-style-type: none"> • supports the Secretary on matters of corporate management, governance, risk, security, information management and resource allocation • provides strategic advice on the conduct of inquiries and assessment methods • provides strategic direction to CGC employees • acts as the Fraud Committee, Remuneration Committee, and Learning and Development Committee.
Workplace Relations Committee	The Secretary (as the Chair), Director and Assistant Director Business Enabling Services, and at least 3 staff members	Established under the <i>Commonwealth Grants Commission Enterprise Agreement 2015–2018</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	2 external members (including the Chair) and an APS member from an external agency	Established in accordance with the PGPA Act, the Audit and Risk Committee provides independent assurance and assistance to the Secretary on the CGC's risk, control and compliance framework and its financial statement responsibilities.
Reconciliation Action Plan Working Group	6 members of staff and executive in the roles of Chair, Business Advisor, People and Culture Advisor and Communications Coordinator	The Working Group supports the development and implementation of the CGC's Reconciliation Action Plan.

Audit and Risk Committee

TABLE 6 Audit and Risk Committee members and attendance for 2021–22

Name	Qualifications	Attendance
Nicholas Creagh ¹	CPA, Assistant Secretary, Finance Branch at DPS (CFO), Chair	2/2
Michelle Crowther	CPA, Assistant Secretary, Corporate Division at PM&C (CFO), Member	3/3
Peter Gunning	Bachelor of Arts in Accounting – University of Canberra, FCA, GAICD, Chair	3/3
Stephen Moore	Bachelor of Economics (Hons), Econometrics and Quantitative Economics, Macquarie University Bachelor of Economics (Hons), Econometrics and Quantitative Economics, Australian National University, Member	2/2

¹ Replaced as Chair by Peter Gunning on 8 December 2021

Audit and Risk Committee remuneration

TABLE 7 Audit and Risk Committee remuneration for 2021–22

Name	Remuneration ¹
Peter Gunning	\$5,220.00
Stephen Moore	\$3,087.50

¹ GST inclusive.

The CGC Audit and Risk Committee Charter is available on the CGC website.

Corporate planning

The CGC published its Corporate Plan 2021–22 on its website on 31 August 2021, as required under subsection 35(1)(b) of the PGPA Act. The Corporate Plan sets out our purpose and performance measures and is an important tool in articulating the CGC's strategic direction to staff and external audiences.

Fraud prevention

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.

The CGC's 2021–22 fraud certification can be found in the Letter of transmittal. No instances of fraud were detected in 2021–22.

Risk

In 2021–22, the CGC refreshed its risk management framework, developed a new risk appetite statement, and identified the key things that could prevent us from meeting a set of identified enterprise objectives. Having identified these key risks, related controls and tolerances will now be regularly reviewed as part of a rolling process and the risk plan updated as needed. The CGC Audit and Risk Committee provides independent assurance to the Secretary on the CGC's risk framework and processes.

The CGC business continuity framework will continue to evolve in line with new ways of working, including a recovery plan to ensure the continued delivery of our critical business processes, key projects, and corporate functions during a potential business disruption. The business continuity framework and specific business continuity planning processes will be tested and updated on a regular basis.

External scrutiny

The CGC is subject to an audit of the financial statements by the Australian National Audit Office (ANAO). During 2021–22, the CGC was not the subject of any ANAO performance audits. There have been no significant developments in external scrutiny of the CGC during 2021–22.

Our People

The CGC has a small and specialised workforce that is committed to assisting the Government make informed decisions on fiscal equalisation between the states and territories through expert advice and recommendations on the distribution of GST revenue.

Staffing information

At 30 June 2022, the CGC had 35 APS employees. The average staffing level across the 2021–22 financial year was 27.52. All CGC staff were located in Canberra.

While the CGC continues to look for opportunities to engage with and employ Aboriginal and Torres Strait Islander people, the CGC did not employ any Aboriginal or Torres Strait Islander employees during the 2021–22 financial year.

The CGC's workforce is increasingly diverse:

- 43 per cent are women
- 46 per cent of the Senior Executive Service (SES) and Executive Level (EL) cohort are women
- 51 per cent are under 45 years of age
- 10 per cent identify as having a disability
- 8 per cent identify as LGBTIQ+
- 23 per cent were born overseas
- 20 per cent speak a language other than English.

People capability

In 2021–22, the CGC continued to invest in our people capability, building and retaining a highly skilled, diverse and motivated workforce, including staff with expertise in data and statistical analysis.

Our aim was to attract more entry level staff, such as graduates and university students, to support our more experienced staff and grow the 'experts' of the future. Through our continued engagement with the Australian Government Graduate Program Data Stream, the CGC successfully gained a graduate in early 2022.

Throughout 2021–22, we engaged 5 university students with relevant skills on a casual basis to support our work. This initiative gives the agency access to an emerging talent pool, with current skills and fresh perspectives while providing the students with an income, experience in an office environment and the opportunity to apply their analytical, writing and time management skills. Over time, there may be the added benefit of ongoing employment opportunities.

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 skills including through on-the-job and formal training and development opportunities.

In 2021–22, the CGC implemented an e-learning management system (Learnhub) to support ongoing professional and personal development and meet mandatory training requirements. Through Learnhub, we were able to provide flexible and timely training resources to staff.

As part of further development initiatives, newer staff were encouraged and supported to attend numerous seminars and presentations throughout the year, and the EL 1 cohort was provided with leadership training to support their growing responsibilities.

Employment arrangements

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 may be appointed on a full-time or part-time basis. At 30 June 2022, all members were appointed on a part-time basis.

The Remuneration Tribunal is responsible for determining remuneration and allowances for members. At 30 June 2022, members were covered by the *Remuneration Tribunal (Remuneration and Allowances for Holders of Part-Time Public Office) Determination 2021 (Compilation No. 9)* for remuneration and the *Remuneration Tribunal (Official Travel) Determination 2019* for travel arrangements.

The Secretary is a Senior Executive Service (SES) Band 3 employee assigned to the role by the Secretary to the 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 Treasury Secretary.

The CGC has 2 SES Band 1 employees 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 in the CGC are employed under the *Commonwealth Grants Commission Enterprise Agreement 2015–2018*. While this agreement nominally expired on 22 December 2018, subsequent remuneration increases have been provided for under the *Commonwealth Grants Determination 2018/01* for 3 years from 23 December 2018 to 22 December 2021, and for a further year from 23 December 2021 under the *Commonwealth Grants Determination 2021/01*.

Table 8 below summarises the employment arrangements in place for staff as at 30 June 2022.

TABLE 8 Employment Arrangements for APS Employees as at 30 June 2022

Instrument	SES	Non-SES	Total
Enterprise Agreement	-	32	32
Section 24(1) Determination	3	-	3
Individual Flexibility Arrangement	0	4	4
Total	3	36	39

Employee census results

The results of the 2022 Australian Public Service (APS) Employee Census highlighted the success of the CGC in continuing to be an agency with a strong team culture and an engaged and motivated workforce. In 2022, the CGC achieved excellent results, scoring highly across the range of indices.

Australian Public Service
Employee Census 2022 9 May–10 June

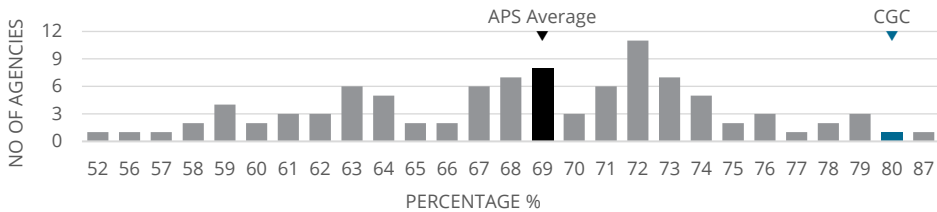


► 2022 Australian Public Service Employee Census

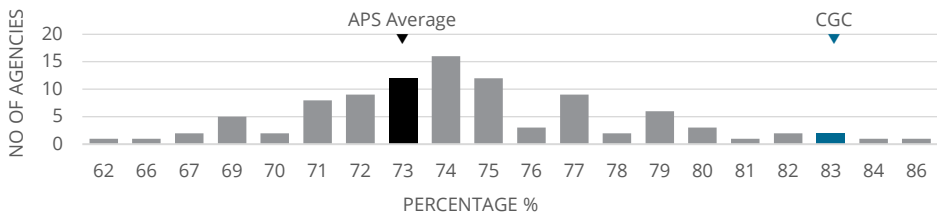
The Australian Public Service (APS) Employee Census is an annual opinion survey sent to all APS employees. The survey asks respondents a range of questions about employee engagement, wellbeing, innovation, performance management, leadership, and general impressions of the APS.

In the 2022 Census, we achieved very positive results, comparing favourably with APS agencies in communication, employee engagement, enabling innovation, wellbeing and support and SES leadership. The charts below show the CGC's placement compared to the APS average and other agencies.

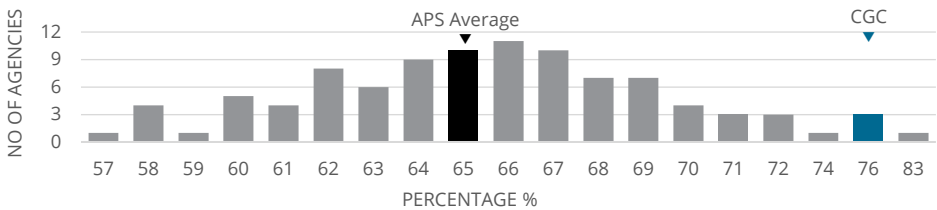
COMMUNICATION - 2nd out of 98 agencies



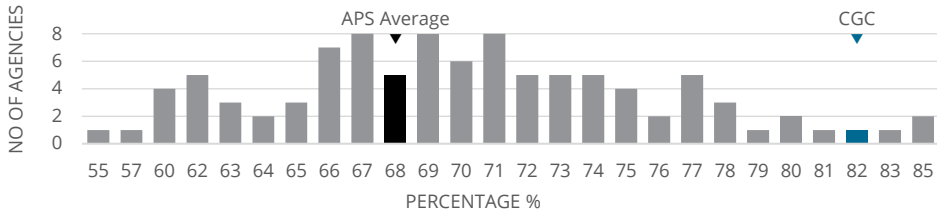
ENGAGEMENT - 3rd out of 98 agencies



INNOVATION - 3rd out of 98 agencies



WELLBEING - 4th out of 98 agencies



Salary ranges

Salary ranges for non-SES employees are tabled below.

TABLE 9 Salary ranges for APS employees, by classification, at 30 June 2022

Classification	Minimum (\$)	Maximum (\$)
EL 2	142,658	153,237
EL 1	115,259	121,172
APS 6	90,845	95,873
APS 5	79,941	83,636
APS 4	72,585	75,873
APS 3	62,688	67,765
APS 2	57,688	61,700
APS 1	47,669	53,384

Performance payments

Non-SES employees in the CGC are eligible for an annual performance bonus in accordance with the requirements as set out in the *Commonwealth Grants Commission Enterprise Agreement 2015–2018*. Performance pay arrangements for SES employees are in accordance with any provisions in their individual determinations. A summary of performance payments for 2021–22 is tabled below.

TABLE 10 Performance Payments in 2021–22

Classification	Number	Total (\$)	Average (\$)	Minimum (\$)	Maximum (\$)
SES	1	9,111	9,111	9,111	9,111
EL 2	5	33,922	6,784	64	10,834
EL 1	7	25,417	3,631	661	9,139
APS 6	4	8,601	2,150	1,140	3,763
APS 5	1	806	806	806	806
Total	18	77,857			

Non-salary benefits

During 2021–22, the CGC provided employees with a range of non-salary benefits including:

- allowances for specific functions or situations
- car parking
- Christmas closedown period
- influenza vaccinations
- flexible working arrangements
- performance payments
- professional memberships
- relocation assistance
- training and development
- use of laptops and associated equipment.

Employment statistics

TABLE 11 Ongoing APS Employees by Classification, Employment Status, and Gender¹ at 30 June 2022

Classification	Female		Male		Total
	Full-Time	Part-Time	Full-Time	Part-Time	
SES Band 3	-	-	1	-	1
SES Band 1	2	-	-	-	2
EL 2	-	-	4	-	4
EL 1	6	2	2	-	10
APS 6	1	1	2	-	4
APS 5	1	-	2	1	4
APS 4	2	-	3	-	5
Total	12	3	14	1	30

TABLE 12 Non-ongoing APS Employees by Classification, Employment Status, and Gender¹ at 30 June 2022

Classification	Female		Male		Total
	Full-Time	Part-Time	Full-Time	Part-Time	
EL 2	-	-	-	1	1
EL 1	-	-	-	1	1
APS 4	1	-	-	-	1
APS 2	-	-	-	1	1
APS 1	-	-	-	1	1
Total	1	-	-	4	5

TABLE 13 Ongoing APS Employees by Classification, Employment Status, and Gender¹ at 30 June 2021

Classification	Female		Male		Total
	Full-Time	Part-Time	Full-Time	Part-Time	
SES Band 3	-	-	1	-	1
SES Band 1	1	-	1	-	2
EL 2	1	-	5	-	6
EL 1	3	2	2	-	7
APS 6	3	-	2	-	5
APS 5	1	-	2	-	3
Total	9	2	13	-	24

TABLE 14 Non-ongoing APS Employees by Classification, Employment Status, and Gender¹ at 30 June 2021

Classification	Female		Male		Total
	Full-Time	Part-Time	Full-Time	Part-Time	
EL 2	-	-	1	-	1
EL 1	1	-	-	1	2
APS 1	-	2	-	-	2
Total	1	2	1	1	5

¹ No employees identified as indeterminate for the reporting periods.

Executive remuneration

TABLE 15 Remuneration for Key Management Personnel in 2021–22

Name	Position title	Short-term benefits			Post-employment benefits	Other long-term benefits		Termination benefits	Total remuneration
		Base salary	Bonuses	Other benefits	Superannuation contributions	Long service leave	Other long-term benefits		
Jonathan Rollings	Secretary	340,300	-	-	62,972	11,304	-	-	414,576

TABLE 16 Remuneration for Senior Executives in 2021–22

Total remuneration bands	No. of senior executives	Short-term benefits			Post-employment benefits	Other long-term benefits		Termination benefits	Total remuneration
		Average base salary	Average bonuses	Average other benefits and allowances	Average superannuation contributions	Average long service leave	Average other long-term benefits	Average termination benefits	Average total remuneration
\$0 - \$220,000 ¹	1	124,926	-	-	16,835	-	-	-	141,761
\$220,001 - \$300,000 ¹	2	203,486	-	-	35,682	21,113	-	-	260,281

¹ Amounts calculated and reported on a pro-rata basis.



Photo: RAP Working Group

► Reflect Reconciliation Action Plan

In 2021-22, we embarked on a journey for reconciliation and developed a Reconciliation Action Plan (RAP). This is the first RAP for the organisation and an important milestone. It was endorsed by Reconciliation Australia in March 2022.

In response to strong interest from staff and support from the executive, the CGC established a Reconciliation Action Plan (RAP) Working Group to develop the RAP.

The establishment of the RAP Working Group reflects interest from staff in improving cultural capability and building relationships and respect with First Nations peoples, communities and organisations.

The composition of the RAP Working Group reflects the strong commitment of the organisation. Through the RAP Working Group members of the executive team, senior managers and other staff come together to reflect on our reconciliation journey. The RAP is championed by the Secretary.

A key part of developing our plan was the engagement of all staff in conversations about our current levels of cultural awareness and capability. Since the plan has been endorsed and published, the focus has turned to implementing the plan as a whole-of-organisation initiative.

The CGC commissioned an artwork for our inaugural RAP. *Making our way*, produced by IB Creative Agency and created by Wiradjuri woman, De Greer-Yindimincarlie, represents the Commonwealth Grants Commission's journey of reconciliation. A description of the artwork is available on our website.

The artwork is proudly displayed as a floor-to-ceiling mural in the conference room where Commission meetings are held. The use of glass in our modern office also means the artwork can be seen by all staff as they undertake their work. We have integrated the artwork into electronic signature blocks, virtual meeting backgrounds, and the website.

The prominence of the artwork provides a visual reminder of our aim. As we seek to positively contribute to the reconciliation movement, we strive to constantly learn more about the rich culture of First Nations peoples and foster meaningful connections.

During the RAP launch we reflected as a group on where we are and where we would like to be. Cultural awareness training is mandatory for all staff. Over the next year we aim to grow our capability including building relationships.

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 own internal purchasing policy and accountable authority instructions.

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

Contracts

Expenditure on reportable consultancy contracts

TABLE 17 Expenditure on reportable consultancy contracts

	Number	Expenditure \$ (GST incl.)
New contracts entered into during the reporting period	0	\$0
Ongoing contracts entered into during a previous reporting period	2	\$115,567
Total	2	\$115,567

During 2021–22, no new reportable consultancy contracts were entered into. Two ongoing reportable consultancy contracts were active during the period, involving total actual expenditure of \$115,567.

Decisions to engage consultants during 2021–22 were made in accordance with the PGPA Act and related regulations including the Commonwealth Procurement Rules and relevant internal policies. The procedures adopted to identify potential consultants varied according to the nature of the task, but generally involved using panel arrangements.

The CGC engaged consultants when specialist knowledge or skills were needed to complete a task, or when it was more cost-effective to do so. Decisions to engage consultants were taken after considering the importance of the task and possible in-house options.

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 at tenders.gov.au.

Expenditure on reportable non-consultancy contracts

New non-consultancy contracts entered into during 2021–22 predominantly related to the CGC office relocation, ICT infrastructure asset refresh, website redevelopment and ICT labour-hire arrangements. Ongoing non-consultancy contracts included the lease for the previous office accommodation and ICT labour-hire arrangements.

TABLE 18 Expenditure on reportable non-consultancy contracts

	Number	Expenditure \$ (GST incl.)
New contracts entered into during the reporting period	29	\$1,515,045
Ongoing contracts entered into during a previous reporting period	7	\$1,009,290
Total	36	\$2,524,335

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 at tenders.gov.au.

Other mandatory information

Advertising and market research

The CGC did not conduct any advertising campaigns or market research during the 2021–22 financial year.

Grants

There were no grant programs administered by the CGC in 2021–22.

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 www.disabilitygateway.gov.au/ads.

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 www.apsc.gov.au.

Freedom of information

Entities subject to the *Freedom of Information Act 1982* (FOI Act) are required to publish information 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. This plan is accessible on the CGC's website at www.cgc.gov.au.

Correction of information published in 2020–21 Annual Report

A correction has been made on page 55 of the *Commonwealth Grants Commission 2020–21 Annual Report*. In the list of requirements table at PGPA Rule reference 17AD(e) under the Financial Statements heading, the report reads 'Error! Reference source not found'. This has been corrected to read 'Financial performance' and the report has been re-tabled in Parliament.

Environmental performance

The CGC is committed to the principles of ecologically sustainable development and effective environmental management strategies. In 2021–22, 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
- implementing 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.

Work health, safety and wellbeing

At the CGC we are committed to the health, safety and wellbeing of staff and visitors to our workplace. We promote a healthy and safe workplace that endeavours to return us all safely each day to our families, friends and communities.

Workplace health, safety and wellbeing matters are standing agenda items that are routinely discussed at executive and senior management meetings and Workplace Relations/Health and Safety Committee meetings.

There were no reportable incidents lodged with Comcare during the reporting year. No investigations were conducted by Comcare during the reporting year. The CGC received no directions or notices under parts 10 to 13 of the *Work Health and Safety Act 2011*.

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

- availability of workstation assessments for all staff with sit-to-stand desk options
- provision of ergonomic equipment and furniture
- access to an annual influenza vaccination program
- provision of disposable masks and hand sanitiser throughout the work premises
- ensuring our first aid supplies and equipment are current and operational
- multi-purpose room for parenting, first aid, meditation or prayer
- access to an Employee Assistance Program
- expansion of ICT remote working capabilities, enabling staff to regularly work from home
- review and ongoing management of the work, health and safety governance framework.

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 2022:

- (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 2022 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 2022 and for the year then ended:

- Statement by the Secretary and Chief Financial Officer;
- Statement of comprehensive income;
- Statement of financial position;
- Statement of changes in equity;
- Cash flow statement; and
- Notes to and forming part of the financial statements, comprising a summary of significant accounting policies and other explanatory information.

Basis for opinion

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

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.

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



Mark Vial
Executive Director
Delegate of the Auditor-General

Canberra
31 August 2022

Statement by the Secretary and Chief Financial Officer

In our opinion, the attached financial statements for the year ended 30 June 2022 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
31 August 2022



Ashley Jackson
Chief Financial Officer
31 August 2022

Statement of comprehensive income

for the period ended 30 June 2022

	Notes	2022 \$'000	2021 \$'000	Original Budget \$'000
Expenses				
Employee benefits	2A	5,542	4,536	5,417
Suppliers	2B	1,607	854	2,509
Depreciation and amortisation	4	467	486	670
Write-down and impairment of assets	4	-	18	-
Total expenses		7,616	5,894	8,596
Own-source income				
Resources received free of charge		45	45	45
Total own-source income		45	45	45
Net cost of services		7,571	5,849	8,551
Revenue from Government		8,216	8,482	8,216
Surplus/(deficit) attributable to Government		645	2,633	(335)
Total comprehensive income/(loss)		645	2,633	(335)

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

Statement of financial position

as at 30 June 2022

	Notes	2022 \$'000	2021 \$'000	Budget \$'000
Assets				
Financial assets				
Cash and cash equivalents		172	100	100
Trade and other receivables	3	12,261	12,328	8,347
Total financial assets		12,433	12,428	8,447
Non-financial assets				
Leasehold	4	752	428	-
Plant and equipment	4	418	28	89
Software	4	888	180	1,916
Prepayments		81	47	24
Total non-financial assets		2,139	683	2,029
Total assets		14,572	13,111	10,476
Liabilities				
Payables				
Suppliers		478	109	128
Other payables	5A	153	206	109
Total payables		631	315	237
Interest bearing liabilities				
Leases	5B	-	335	-
Total interest-bearing liabilities		-	335	-
Provisions				
Employee provisions	5C	1,472	1,630	1,412
Other provisions	5D	-	109	109
Total provisions		1,472	1,739	1,521
Total liabilities		2,103	2,389	1,758
Net assets		12,469	10,722	8,718
Equity				
Contributed equity		3,090	1,988	3,090
Reserves		200	200	200
Retained surplus		9,179	8,534	5,428
Total equity		12,469	10,722	8,718

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

Statement of changes in equity

for the period ended 30 June 2022

	2022 \$'000	2021 \$'000	Budget \$'000
Contributed equity			
Opening balance			
Balance carried forward from previous period	1,988	886	886
Transactions with owners			
Departmental capital budget	1,102	1,102	1,102
Closing balance as at 30 June	3,090	1,988	3,090
Retained surplus			
Opening balance			
Balance carried forward from previous period	8,534	5,901	5,763
Comprehensive income			
Surplus/(deficit) for the period	645	2,633	(335)
Closing balance as at 30 June	9,179	8,534	5,428
Asset revaluation reserve			
Opening balance			
Balance carried forward from previous period	200	200	200
Closing balance as at 30 June	200	200	200
Total equity			
Opening balance			
Balance carried forward from previous period	10,722	6,987	7,951
Comprehensive income			
Surplus/(deficit) for the period	645	2,633	(335)
Transactions with owners			
Departmental capital budget	1,102	1,102	1,102
Closing balance as at 30 June	12,469	10,722	8,718

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

Cash flow statement

for the period ended 30 June 2022

	2022	2021	Budget
	\$'000	\$'000	\$'000
OPERATING ACTIVITIES			
Cash received			
Appropriations	7,574	5,416	8,192
GST received	258	110	-
Other	-	433	-
Total cash received	7,832	5,959	8,192
Cash used			
Employees	5,635	4,673	5,417
Suppliers	1,790	935	2,440
Total cash used	7,425	5,608	7,857
Net cash from/(used by) operating activities	407	351	335
INVESTING ACTIVITIES			
Cash used			
Purchase of non-financial assets	1,889	180	1,102
Total cash used	1,889	180	1,102
Net cash from/(used by) investing activities	(1,889)	(180)	(1,102)
FINANCING ACTIVITIES			
Cash received			
Contributed equity	1,889	180	1,102
Total cash received	1,889	180	1,102
Cash used			
Principal payments of lease liabilities	335	351	335
Total cash used	335	351	335
Net cash from/(used by) financing activities	1,554	(171)	767
NET INCREASE/(DECREASE) IN CASH HELD	72	-	-
Cash at the beginning of the reporting period	100	100	100
Cash and cash equivalents at the end of the reporting period	172	100	100

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

Notes

Note 1: Summary of significant accounting policies

1.1 Objectives of the CGC

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

1.2 Basis of preparation

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

The financial statements have been prepared in accordance with the:

- a) *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015*, and
- b) Australian Accounting Standards and Interpretations – 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 reporting period did not have a material effect on the CGC's financial statements.

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.

Revenue from Government

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

1.5 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

Leased ROU assets are capitalised at the commencement date of the lease and comprise the initial lease liability amount, initial direct costs incurred when entering into 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 right of use lease asset that shows indicators of impairment and an impairment loss is recognised against any right-of-use 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.

1.8 Property, plant and equipment

Revaluations

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

Revaluation adjustments are made on a class basis. Any revaluation increment is credited to equity under the heading of 'asset revaluation reserve', except to the extent that it reversed a previous revaluation decrement of the same asset class that was previously recognised in the surplus/deficit. Revaluation decrements for a class of assets are recognised directly in the surplus/deficit, except to the extent that they reverse a previous revaluation increment for that class. Upon revaluation, any accumulated depreciation is eliminated against the gross carrying amount of the asset and the asset restated to the revalued amount.

Depreciation

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

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

Asset class	2022	2021
Leasehold	Within the lease term	Within the lease term
Plant and equipment	Two to five years	Two to five years

Impairment

All assets were assessed for indications of impairment at 30 June 2022. Where indications of impairment exist, the asset's recoverable amount is estimated, and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount.

Derecognition

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

1.9 Fair value measurement

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

1.10 Software

CGC's software has been 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 three to seven years (2021: three to seven years).

All software assets were assessed for indications of impairment as at 30 June 2022.

1.11 Supplier and other payables

Supplier and other payables are recognised at amortised cost. Liabilities are recognised to the extent that the goods or services have been received (and irrespective of having been invoiced). Supplier payables are settled within 30 days.

1.12 Employee benefits

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

Leave

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

The leave liabilities are calculated on the basis of employees' remuneration at the estimated salary rates that will be applied at the time the leave is taken, plus the CGC's employer superannuation contribution rates and applicable on-costs, to the extent that the leave is likely to be taken during service rather than paid out on termination.

The liability for long service leave has been determined by reference to paragraph 24(1)(a) of the *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015* using the shorthand method. The estimate of the present value of the liability takes into account attrition rates and pay increases through promotion and enterprise agreements.

Superannuation

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

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

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

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

1.13 Taxation

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

1.14 Events after the reporting period

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

Note 2: Expenses

	2022	2021
	\$'000	\$'000
NOTE 2A: EMPLOYEE BENEFITS		
Wages and salaries	3,811	3,309
Superannuation		
Defined contribution plans	355	276
Defined benefit plans	1,166	349
Leave and other entitlements	210	602
Total employee benefits	5,542	4,536

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

	2022	2021
	\$'000	\$'000
NOTE 2B: SUPPLIERS		
Goods and services supplied or rendered		
Consultants	141	1
Contractors	206	224
Information technology	496	217
Travel	12	40
Property	270	46
Audit fees	45	45
Other	437	281
Total goods and services	1,607	854
Total suppliers	1,607	854

Note 3: Financial assets

	2022	2021
	\$'000	\$'000
Appropriation receivables	12,131	12,275
Trade receivables	-	28
GST receivable from the Australian Taxation Office	130	25
Total trade and other receivables	12,261	12,328

Note 4: Non-financial assets

Reconciliation of the opening and closing balances of property, plant and equipment and software for 2022.

	Leasehold ¹	Plant and equipment	Software	Total
	\$'000	\$'000	\$'000	\$'000
At 1 July 2021				
Gross book value	1,206	161	202	1,569
Accumulated depreciation, amortisation and impairment	(778)	(133)	(22)	(933)
Total at 1 July 2021	428	28	180	636
Additions purchase or internally developed	752	429	708	1,889
Depreciation and amortisation expense	(78)	(39)	-	(117)
Depreciation on right-of-use assets	(350)	-	-	(350)
Impairments recognised in net cost of services	-	-	-	-
Disposals	-	-	-	-
Total at 30 June 2022	752	418	888	2,058
Total at 30 June 2022 represented by				
Gross book value	752	429	-	1,181
Assets under construction	-	-	888	888
Accumulated depreciation, amortisation and impairment	-	(11)	-	(11)
Total at 30 June 2022	752	418	888	2,058
Carrying amount of right of use assets	-	-	-	-

¹Leasehold includes leasehold improvements and property lease ROU Assets. The existing property lease expires on 30 June 2022.

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

Note 5: Payables, leases and provisions

	2022 \$'000	2021 \$'000
NOTE 5A: OTHER PAYABLES		
Salaries and wages	153	87
Employee payables	-	119
Total other payables	153	206
NOTE 5B: LEASES		
Lease liabilities	-	335
Total leases	-	335
<i>Total cash outflow for leases for the year ended 30 June 2022 was \$335,065.</i>		
Maturity analysis – contractual undiscounted cash flows		
Within 1 year	-	336
Between 1 to 5 years	-	-
Total leases	-	336
<i>The above lease disclosures should be read in conjunction with the accompanying Note 4.</i>		
<i>On 1 July 2022, the CGC begins a new lease at 73 Northbourne Avenue Canberra ACT 2601 for a period of 10 years.</i>		
<i>The future contractual undiscounted cash flows relating to this lease are set out in the table below.</i>		
Maturity analysis – contractual undiscounted cash flows		
Within 1 year		293
Between 1 to 5 years		1,270
More than 5 years		1,834
Total		3,397
NOTE 5C: EMPLOYEE PROVISIONS		
Leave	1,472	1,630
Total employee provisions	1,472	1,630
NOTE 5D: OTHER PROVISIONS		
		Provision for restoration \$'000
As at 1 July 2021		109
'Make good' provision utilised		(109)
Total at 30 June 2022		-

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

Note 6: Key management personnel remuneration and related parties

Note 6A: Key management personnel remuneration

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

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

	2022	2021
	\$'000	\$'000
KMP remuneration		
Short-term employee benefits	340	335
Post-employment benefits	63	67
Other long-term employee benefits	11	28
Total KMP remuneration expenses¹	414	430

¹ The total KMP remuneration expenses included in the above table relate to one employee (2021: two). In 2021, the number includes one individual who became a KMP through the financial year, as well as one individual who ceased.

Note 6B: Related party transactions

Related party relationships

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

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

Transactions with related parties

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

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

Note 7: Appropriations

	2022	2021
	\$'000	\$'000
NOTE 7A: ANNUAL APPROPRIATIONS ('RECOVERABLE GST EXCLUSIVE)		
Departmental appropriation	8,216	8,482
Departmental capital budget	1,102	1,102
PGPA Act – section 74 receipts	258	433
Total appropriation	9,576	10,017
Appropriations applied (current and prior years)	9,391	6,029
Variance	185	3,988

	2022	2021
	\$'000	\$'000
NOTE 7B: UNSPENT ANNUAL APPROPRIATIONS ('RECOVERABLE GST EXCLUSIVE)		
Departmental		
<i>Appropriation Act (No.1) Operating 2019–2020</i>	-	2,168
<i>Appropriation Act (No.1) Departmental Capital Budget 2019–2020</i>	-	623
<i>Appropriation Act (No.1) Operating 2020–2021</i>	-	3,532
<i>Appropriation Act (No.1) Departmental Capital Budget 2020–2021</i>	-	459
<i>Supply Act (No.1) Operating 2020–2021</i>	2,881	4,950
<i>Supply Act (No.1) Departmental Capital Budget 2020–2021</i>	-	643
<i>Appropriation Act (No.1) Operating 2021–2022</i>	8,484	-
<i>Appropriation Act (No.1) Departmental Capital Budget 2021–2022</i>	938	-
Total departmental	12,303	12,375

Note 8: Aggregate assets and liabilities

	2022	2021
	\$'000	\$'000
ASSETS EXPECTED TO BE RECOVERED IN:		
No more than 12 months		
Cash and cash equivalents	172	100
Trade and other receivables	12,261	12,328
Prepayments	81	47
Total no more than 12 months	12,514	12,475
More than 12 months		
Leasehold	752	350
Plant and equipment	418	106
Software	888	180
Total more than 12 months	2,058	636
Total assets	14,572	13,111
LIABILITIES EXPECTED TO BE SETTLED IN:		
No more than 12 months		
Suppliers	478	109
Other payables	153	206
Leases	-	335
Employee provisions	373	595
Other provisions	-	109
Total no more than 12 months	1,004	1,354
More than 12 months		
Employee provisions	1,099	1,035
Other provisions	-	-
Total more than 12 months	1,099	1,035
Total liabilities	2,103	2,389

Note 9: Budget variances

The following table provides high-level commentary on major variances between budgeted information for the CGC as published in the Portfolio Budget Statements and the 2021–22 final outcome as presented in accordance with Australian accounting standards. Major variances are those deemed relevant to an analysis of the CGC's performance and are not focused merely on numerical differences between the budget and actual results.

Explanations of major variances are as per table below.

Explanation of major variances	Variance to budget		Affected line items
	\$'000	%	
STATEMENT OF COMPREHENSIVE INCOME			
Suppliers Delays relating to the availability of resources due to COVID-19 and timing of expenditure for the relocation to new premises	(902)	–36%	<i>Suppliers (Statement of Comprehensive Income)</i>
Depreciation Timing of procurements relating to the fit-out of new premises and ICT refresh	(203)	–30%	<i>Depreciation (Statement of Comprehensive Income and Statement of Financial Position)</i>
STATEMENT OF FINANCIAL POSITION			
Trade and other receivables Surplus from the prior year and delays in the software development has impacted on appropriation receivable	3,914	47%	<i>Trade and other receivables (Statement of Financial Position)</i>
Leasehold Timing of procurement of leasehold improvements for new premises	752	100%	<i>Leasehold (Statement of Financial Position and Cash Flow Statement)</i>
Plant and Equipment Timing of procurement of ICT refresh as part of the relocation to new premises	329	370%	<i>Plant and Equipment (Statement of Financial Position and Cash Flow Statement)</i>
Software Prior year delays and availability of resources continue to impact the development of the new Assessment System	(1,028)	–54%	<i>Software (Statement of Financial Position and Cash Flow Statement)</i>

Acronyms and Initialisms

Acronym	Meaning
AASB	Australian Accounting Standards Board
ABS	Australian Bureau of Statistics
AC	Companion of the Order of Australia
ACT	Australian Capital Territory
ANAO	Australian National Audit Office
APS	Australian Public Service
ASL	Average Staffing Level
CGC	Commonwealth Grants Commission
CFO	Chief Financial Officer
CPA	Certified Practising Accountant
CSS	Commonwealth Superannuation Scheme
DPS	Department of Parliamentary Services
EL	Executive Level
FOI	Freedom of Information
FOI Act	<i>Freedom of Information Act 1982</i>
GGS	General Government Sector
GST	Goods and Services Tax
HFE	Horizontal Fiscal Equalisation
ICT	Information and Communications Technology
IMF	International Monetary Fund
IPS	Information Publication Scheme
KMP	Key Management Personnel
NAIDOC	National Aborigines and Islanders Day Observance Committee
OECD	Organisation for Economic Cooperation and Development
PGPA Act	<i>Public Governance, Performance and Accountability Act 2013</i>
PGPA Rule	<i>Public Governance, Performance and Accountability Rule 2014</i>
PhD	Doctor of Philosophy degree
PM&C	Department of the Prime Minister and Cabinet
PSM	Protective Security Manual
PSS	Public Sector Superannuation Scheme
PSSap	Public Sector Superannuation Accumulation Scheme
RAP	Reconciliation Action Plan
ROU	Right of Use
RWG	RAP Working Group
SES	Senior Executive Service
SME	Small to Medium-sized Enterprise
USA	United States of America
WHS	Work Health and Safety

Glossary

Term	Meaning
COVID-19	Coronavirus pandemic that emerged in December 2019
Horizontal Fiscal Equalisation	Principle which underpins the distribution of GST revenue to the states and territories to provide their citizens with a comparable standard of services
Relativity floor	The GST floor sets a relativity below which a state's GST share cannot fall. It creates a minimum per person GST share that each state receives, irrespective of its fiscal circumstances.

List of requirements

PGPA Rule Reference	Description	Requirement
17AD(g) Letter of transmittal		
17AI	A copy of the letter of transmittal signed and dated by accountable authority on date final text approved, with statement that the report has been prepared in accordance with section 46 of the Act and any enabling legislation that specifies additional requirements in relation to the annual report	Mandatory
17AD(h) Aids to access		
17AJ(a)	Table of contents	Mandatory
17AJ(b)	Alphabetical index	Mandatory
17AJ(c)	Glossary of abbreviations and acronyms	Mandatory
17AJ(d)	List of requirements	Mandatory
17AJ(e)	Details of contact officer	Mandatory
17AJ(f)	Entity's website address	Mandatory
17AJ(g)	Electronic address of report	Mandatory
17AD(a) Review by accountable authority		
17AD(a)	A review by the accountable authority of the entity	Mandatory
17AD(b) Overview of the entity		
17AE(1)(a)(i)	A description of the role and functions of the entity	Mandatory
17AE(1)(a)(ii)	A description of the organisational structure of the entity	Mandatory
17AE(1)(a)(iii)	A description of the outcomes and programmes administered by the entity	Mandatory
17AE(1)(a)(iv)	A description of the purposes of the entity as included in corporate plan	Mandatory
17AE(1)(aa)(i)	Name of the accountable authority or each member of the accountable authority	Mandatory
17AE(1)(aa)(ii)	Position title of the accountable authority or each member of the accountable authority	Mandatory
17AE(1)(aa)(iii)	Period as the accountable authority or member of the accountable authority within the reporting period	Mandatory
17AE(1)(b)	An outline of the structure of the portfolio of the entity	Portfolio departments - mandatory
17AE(2)	Where the outcomes and programs administered by the entity differ from any Portfolio Budget Statement, Portfolio Additional Estimates Statement or other portfolio estimates statement that was prepared for the entity for the period, include details of variation and reasons for change	If applicable, mandatory

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

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

PGPA Rule Reference	Description	Requirement
17AG(4)(d)(iv)	Information on aggregate amount of performance payments	If applicable, mandatory
Assets Management		
17AG(5)	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)	An assessment of entity performance against the <i>Commonwealth Procurement Rules</i>	Mandatory
Reportable consultancy contracts		
17AG(7)(a)	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)	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)	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)	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)	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)	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
17AD(daa)	Additional information about organisations receiving amounts under reportable consultancy contracts or reportable non-consultancy contracts	
17AGA	Additional information, in accordance with section 17AGA, about organisations receiving amounts under reportable consultancy contracts or reportable non-consultancy contracts	Mandatory

PGPA Rule Reference	Description	Requirement
Australian National Audit Office Access Clauses		
17AG(8)	If an entity entered into a contract with a value of more than \$100,000 (inclusive of GST) and the contract did not provide the Auditor-General with access to the contractor's premises, the report must include the name of the contractor, purpose and value of the contract, and the reason why a clause allowing access was not included in the contract	If applicable, mandatory
Exempt contracts		
17AG(9)	If an entity entered into a contract or there is a standing offer with a value greater than \$10,000 (inclusive of GST) which has been exempted from being published in AusTender because it would disclose exempt matters under the FOI Act, the annual report must include a statement that the contract or standing offer has been exempted, and the value of the contract or standing offer, to the extent that doing so does not disclose the exempt matters	If applicable, mandatory
Small business		
17AG(10)(a)	A statement that <i>"[Name of entity] supports small business participation in the Commonwealth Government procurement market. Small and Medium Enterprises (SME) and Small Enterprise participation statistics are available on the Department of Finance's website."</i>	Mandatory
17AG(10)(b)	An outline of the ways in which the procurement practices of the entity support small and medium enterprises	Mandatory
17AG(10)(c)	If the entity is considered by the Department administered by the Finance Minister as material in nature—a statement that <i>"[Name of entity] recognises the importance of ensuring that small businesses are paid on time. The results of the Survey of Australian Government Payments to Small Business are available on the Treasury's website."</i>	If applicable, mandatory
Financial Statements		
17AD(e)	Inclusion of the annual financial statements in accordance with subsection 43(4) of the Act	Mandatory
Executive Remuneration		
17AD(da)	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)	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)	If the entity did not conduct advertising campaigns, a statement to that effect	If applicable, mandatory
17AH(1)(b)	A statement that <i>"Information on grants awarded by [name of entity] during [reporting period] is available at [address of entity's website]."</i>	If applicable, mandatory

PGPA Rule Reference	Description	Requirement
17AH(1)(c)	Outline of mechanisms of disability reporting, including reference to website for further information	Mandatory
17AH(1)(d)	Website reference to where the entity's Information Publication Scheme statement pursuant to Part II of FOI Act can be found	Mandatory
17AH(1)(e)	Correction of material errors in previous annual report	If applicable, mandatory
17AH(2)	Information required by other legislation	Mandatory

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