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## TABLE OF CONTENTS - NOTES

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Note 1: Summary of Significant Accounting Policies	181
Note 2: Events After the Reporting Period	190
Note 3: Expenses	191
Note 4: Own-Source Income	192
Note 5: Fair Value Measurements	193
Note 6: Financial Assets	196
Note 7: Non-Financial Assets	198
Note 8: Payables	202
Note 9: Provisions	203
Note 10: Restructuring	204
Note 11: Cash Flow Reconciliation	205
Note 12: Contingent Assets and Liabilities	206
Note 13: Senior Executive Remuneration	207
Note 14: Remuneration of Auditors	212
Note 15: Financial Instruments	212
Note 16: Financial Assets Reconciliation	216
Note 17: Administered Expenses	217
Note 18: Administered Income	217
Note 19: Administered Financial Assets	218
Note 20: Administered Payables	220
Note 21: Administered Provisions	221
Note 22: Administered Cash Flow Reconciliation	222
Note 23: Administered Contingent Assets and Liabilities	223
Note 24: Administered Financial Instruments	223
Note 25: Administered Financial Assets Reconciliation	224
Note 26: Appropriations	225
Note 27: Special Accounts	231
Note 28: Compensation and Debt Relief	232
Note 29: Assets Held in Trust	232
Note 30: Reporting of Outcomes	233
Note 31: Net Cash Appropriation Arrangements	236

## Australian Trade Commission

### Notes to and forming part of the financial statements

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#### Note 1: Summary of Significant Accounting Policies

##### 1.1 Objectives of the Australian Trade Commission

The Australian Trade Commission (the Commission) is an Australian Government controlled entity. It is a not-for-profit entity.

The Commission is the Australian Government's international trade, education and investment promotion agency. It also has responsibility for tourism policy and research where the Government's focus is on international tourism. The objective of the Commission is to contribute to Australia's economic prosperity by helping Australian businesses, education institutions, associations, and governments as they develop international markets, win productive foreign investment, promote international education, and strengthen the Australian tourism industry.

The Commission is structured to meet the following outcomes:

Outcome 1: Contribute to Australia's economic prosperity by promoting Australia's export and other international economic interests through the provision of information, advice and services to business, associations, institutions and government.

Outcome 2: The protection and welfare of Australians abroad through timely and responsive consular and passport services in specific locations overseas.

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

The Commission's activities contributing toward these outcomes are classified as either departmental or administered. Departmental activities involve the use of assets, liabilities, income and expenses controlled or incurred by the Commission in its own right. Administered activities involve the management or oversight by the Commission, on behalf of the government, of items controlled or incurred by the government.

The Commission conducts the following administered activities on behalf of the Government:

- Export Market Development Grants Scheme
- Asian Business Engagement Plan

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## Australian Trade Commission

### Notes to and forming part of the financial statements

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#### 1.2 Basis of Preparation of the Financial Statements

The financial statements are general purpose financial statements and are required by section 49 of the *Financial Management and Accountability Act 1997* (FMA Act).

The financial statements have been prepared in accordance with:

- Finance Minister's Orders (FMOs) for reporting periods ending on or after 1 July 2011; and
- Australian Accounting Standards and Interpretations 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 and values are rounded to the nearest thousand dollars unless otherwise specified.

Unless an alternative treatment is specifically required by an accounting standard or the FMOs, assets and liabilities are recognised in the statement of financial position when and only when it is probable that future economic benefits will flow to the Commission or a future sacrifice of economic benefits will be required and the amounts of the assets or liabilities can be reliably measured. However, assets and liabilities arising under executory contracts are not recognised unless required by an accounting standard. Liabilities and assets that are unrecognised are reported in the schedule of commitments or the schedule of contingencies.

Unless an alternative treatment is specifically required by an accounting standard, income and expenses are recognised in the Statement of Comprehensive Income when and only when the flow, consumption or loss of economic benefits has occurred and can be reliably measured.

#### 1.3 Significant Accounting Judgements and Estimates

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

- The fair value of leasehold improvements has been taken to be the depreciated replacement cost as determined by an independent valuer by reference to the gross replacement cost;
- The fair value of plant and equipment has been determined by reference to the market value of similar assets;
- The liability for long service leave has been estimated using present value techniques, which take account of attrition rates and pay increases through promotion and inflation;
- The liability for grants lodged and payable under the EMDG Scheme but not yet determined has been estimated by reference to payment histories in previous years;
- The liability for grant appeals lodged under the EMDG Scheme but not yet finalised has been estimated by reference to successful appeals histories in previous years; and
- The provision for impairment of departmental financial assets has been determined by reference to collection histories in previous years and the current debt profile.

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

## Australian Trade Commission Notes to and forming part of the financial statements

### 1.4 New Australian Accounting Standards

#### Adoption of New Australian Accounting Standard Requirements

No accounting standard has been adopted earlier than the application date as stated in the standard.

The following new, revised, or amending Standards or Interpretations were issued prior to the signing of the statement by the Chief Executive and Chief Finance Officer, were applicable to the current reporting period and had a material effect on the Commission's financial statements:

Standard/ Interpretation	Nature of change in accounting policy, transitional provisions <sup>1</sup> , and adjustment to financial statements
AASB 13 <i>Fair Value Measurement</i>	Requires entities to classify fair value measurements into three levels based upon the lowest level of inputs used. AASB 13 also requires a number of new disclosure requirements for assets and liabilities carried at fair value (refer to Note 5: Fair Value Measurements).

1. When transitional provisions apply, all changes in accounting policy are made in accordance with their respective transitional provisions.

All other new, revised, or amending Standards 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, and are not expected to have a future material effect, on the Commission's financial statements.

#### Future Australian Accounting Standard Requirements

The following new, revised or amending Standards or Interpretations were issued by the Australian Accounting Standards Board prior to the signing of the statement by the Chief Executive and Chief Finance Officer, which are expected to have a material impact on the Commission's financial statements for future reporting periods:

Standard/ Interpretation	Application date for the Commission <sup>1</sup>	Nature of impending change/s in accounting policy and likely impact on initial application
AASB 1055 <i>Budgetary Reporting</i>	1 July 2014	Requires reporting of budgetary information by not-for-profit entities within the General Government Sector. In particular: - original budget presented to Parliament; - variance of actuals from budget; and - explanations of significant variances. Likely impact: Provide users with information relevant to assessing the performance of the Commission, including accountability for resources entrusted to it.

1. The Commission's expected initial application date is when the accounting standard becomes operative at the beginning of the Commission's reporting period.

All other new, revised or amending Standards or Interpretations that were issued prior to the sign-off date and are applicable to future reporting periods are not expected to have a future material impact on the Commission's financial statements.

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## Australian Trade Commission

### Notes to and forming part of the financial statements

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#### 1.5 Revenue

Revenue from the sale of goods is recognised when:

- a) the risks and rewards of ownership have been transferred to the buyer;
- b) the Commission retains no managerial involvement or effective control over the goods;
- c) the revenue and transaction costs incurred can be reliably measured; and
- d) it is probable that the economic benefits associated with the transaction will flow to the Commission.

Revenue from the rendering of services is recognised by reference to the stage of completion of contracts at the reporting date. The revenue is recognised when:

- a) the amount of revenue, stage of completion and transaction costs incurred can be reliably measured; and
- b) the probable economic benefits associated with the transaction will flow to the Commission.

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

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

#### Revenue from Government

Amounts appropriated for departmental appropriations for the year (adjusted for any formal additions and reductions) are recognised as Revenue from Government when the Commission gains control of the appropriation, except for certain amounts that relate to activities that are reciprocal in nature, in which case revenue is recognised only when it has been earned. Appropriations receivable are recognised at their nominal amounts.

#### 1.6 Gains

##### Resources Received Free of Charge

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

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

Contributions of assets at no cost of acquisition or for nominal consideration are recognised as gains at their fair value when the asset qualifies for recognition, unless received from another Government entity as a consequence of a restructuring of administrative arrangements (refer to Note 1.7).

##### Sale of Assets

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

## Australian Trade Commission

### Notes to and forming part of the financial statements

#### 1.7 Transactions with the Government as Owner

##### Equity Injections

Amounts appropriated which are designated as 'equity injections' for a year (less any formal reductions) and Departmental Capital Budgets (DCBs) are recognised directly in contributed equity in that year.

##### Restructuring of Administrative Arrangements

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

#### 1.8 Employee Benefits

Liabilities for 'short-term employee benefits' (as defined in AASB 119 *Employee Benefits*) and termination benefits expected within twelve months of the end of the reporting period are measured at their nominal amounts.

The nominal amount is calculated with regard to the rates expected to be paid on settlement of the liability.

Other long term employee benefit liabilities are measured as the net total of the present value of the defined benefit obligation at the end of the reporting period minus the fair value at the end of the reporting period of plan assets (if any) out of which the obligations are to be settled directly.

##### Leave

The liability for employee benefits includes provisions for annual leave and long service leave. No provision has been made for sick leave as all sick leave is non-vesting and the average sick leave taken in future years by employees of the Commission is estimated to be less than the annual entitlement for sick 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, including the Commission's employer superannuation contribution rates to the extent that the leave is likely to be taken during service rather than paid out on termination.

The liability for long service leave is estimated using present value techniques, which take account of attrition rates and pay increases through promotion and inflation.

For employees engaged overseas, liabilities for separation entitlements are calculated in accordance with local employment conditions.

##### Separation and Redundancy

Provision is made for separation and redundancy benefit payments. The Commission recognises a provision for termination when it has developed a detailed formal plan for the terminations and has informed those employees affected that it will carry out the terminations.

##### Superannuation

Australian based staff of the Commission are members of the Commonwealth Superannuation Scheme (CSS), the Public Sector Superannuation Scheme (PSS), the Public Sector Superannuation accumulation plan (PSSap), and a small number of other complying funds nominated by employees.

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

For employees engaged overseas, the Commission pays employer contributions to meet its superannuation obligations, which vary according to local employment conditions.

The liability for superannuation recognised as at 30 June represents outstanding contributions for the final pay period of the year and other amounts payable in relation to 2013-14.

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## Australian Trade Commission

### Notes to and forming part of the financial statements

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#### 1.9 Leases

A distinction is made between finance leases and operating leases. Finance leases effectively transfer from the lessor to the lessee substantially all the risks and rewards incidental to ownership of leased assets. An operating lease is a lease that is not a finance lease. In operating leases, the lessor effectively retains substantially all such risks and benefits.

Where an asset is acquired by means of a finance lease, the asset is capitalised at either the fair value of the lease property or, if lower, the present value of minimum lease payments at the inception of the contract and a liability is recognised at the same time and for the same amount.

The discount rate used is the interest rate implicit in the lease. Leased assets are amortised over the period of the lease. Lease payments are allocated between the principal component and the interest expense.

Operating lease payments are expensed on a straight-line basis which is representative of the pattern of benefits derived from the leased assets.

The net present value of future net outlays in respect of surplus space under non-cancellable lease agreements is expensed in the period in which the space becomes surplus.

Security deposits in relation to overseas property leases are payable to the Commission on the termination of individual leases. These deposits are classified as current or non-current receivables as appropriate.

Lease incentives taking the form of payments from landlords, subsidised fitout, or rental holidays, are recognised as liabilities. These liabilities are reduced by allocating future lease payments between rental expense and reduction of the liability.

#### 1.10 Fair Value Measurement

The Commission deems transfers between levels of the fair value hierarchy to have occurred at the end of the reporting period, by re-assessing categorisation based on the lowest level input that is significant to the fair value measurement as a whole.

#### 1.11 Cash

Cash is recognised at its nominal amount. Cash and cash equivalents includes cash on hand, cash at banks and deposits held at call with banks and includes cash in special accounts.

#### 1.12 Financial Assets and Liabilities

##### *Recognised Financial Assets and Liabilities*

Financial assets and liabilities are measured at fair value. In practice this means that receivables are measured at their nominal amounts, less any allowance for impairment losses. Provisions are made when collection of the debt is judged to be less rather than more likely.

Trade creditors and accruals are recognised to the extent that the goods or services have been received (and irrespective of having been invoiced) and measured at their nominal amounts, being the amounts at which they will be settled.

#### 1.13 Contingent Liabilities and Contingent Assets

Contingent liabilities and contingent assets are not recognised in the statement of financial position but are reported in the relevant schedules and notes. They may arise from uncertainty as to the existence of a liability or asset or represent an asset or liability in respect of which the amount cannot be reliably measured. Contingent assets are disclosed when settlement is probable but not virtually certain and contingent liabilities are disclosed when settlement is greater than remote.

## Australian Trade Commission

### Notes to and forming part of the financial statements

#### 1.14 Acquisition of Assets

Assets are recorded at cost on acquisition except as stated below. The cost of acquisition includes the fair value of assets transferred in exchange and liabilities undertaken. Financial assets are initially measured at their fair value plus transaction costs where appropriate.

Assets acquired at no cost, or for nominal consideration, are initially recognised as assets and income at their fair value at the date of acquisition, unless acquired as a consequence of restructuring of administrative arrangements. In the latter case, assets are initially recognised as contributions by owners at the amounts at which they were recognised in the transferor agency's accounts immediately prior to the restructuring.

#### 1.15 Property, Plant and Equipment

##### Asset Recognition Threshold

Purchases of property, plant and equipment are recognised initially at cost in the statement of financial position, except for purchases costing less than \$5,000 (\$3,500 for computer equipment), which are expensed in the year of acquisition (other than where they form part of a group of similar items which are significant in total).

The initial cost of an asset includes an estimate of the cost of dismantling and removing the item and restoring the site on which it is located where there is a reasonable prospect that this will be required.

##### Revaluations

Fair values for each class of asset are determined as shown below:

<i>Asset class</i>	<i>Fair value measurement</i>
Land and Buildings	
-Leasehold improvements	Depreciated replacement cost
Property, plant and equipment	
-Plant and equipment	Market selling price

Following initial recognition at cost, property, plant and equipment are carried at fair value less subsequent accumulated depreciation and accumulated impairment losses. Valuations are conducted with sufficient frequency to ensure that the carrying amounts of assets do 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 reversed a previous revaluation increment for that class.

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the asset restated to the revalued amount.

##### Depreciation

Depreciable property, plant and equipment assets are written-off to their estimated residual values over their estimated useful lives to the Commission using, in all cases, the straight-line method of depreciation.

Depreciation rates (useful lives), residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future, reporting periods, as appropriate.

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

	<u>2014</u>		<u>2013</u>
Leasehold improvements	<b>Lease term or assessed life</b>		Lease term or assessed life
Property, plant and equipment	<b>3 to 10 years</b>		3 to 10 years



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## Australian Trade Commission

### Notes to and forming part of the financial statements

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#### Impairment

All assets were assessed for impairment at 30 June 2014. Where indications of impairment exist, the asset's recoverable amount is estimated and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount.

The recoverable amount of an asset is the higher of its fair value less costs of disposal and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset's ability to generate future cash flows, and the asset would be replaced if the Commission were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

#### 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.

#### Restoration Provisions

Provisions for restoration represent restoration obligations in respect of information and communications technology equipment. The provisions are the best estimate of the present value of the expenditure required to settle the restoration obligations at reporting date, based on current security and legal requirements and technology. The amount of the provision for future restoration costs is capitalised as a Property, Plant and Equipment asset and amortised over the asset's life.

### 1.16 Intangibles

The Commission's intangibles comprise internally developed and purchased software for internal use and other intellectual property. Other intellectual property comprises databases, still and moving images and website resources. These assets are carried at cost less accumulated amortisation and accumulated impairment losses.

Intangible asset development projects in progress, where future economic benefits are assessed as probable, are recognised progressively as assets and measured at cost. Amortisation begins when the asset is first put into use or held ready for use.

Intangible assets are amortised on a straight-line basis over their anticipated useful life. The useful lives of the Commission's intangibles are 3 to 10 years (2012-13: 3 to 8 years).

All intangible assets were assessed for indications of impairment at 30 June 2014. 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.

### 1.17 Taxation/Competitive Neutrality

The Commission is exempt from all forms of taxation except Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST).

The Commission also pays various in-country taxes applicable to its overseas operations.

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

#### Competitive Neutrality

The Commission has not been required to make any competitive neutrality payments.

### 1.18 Foreign Currency

Transactions denominated in a foreign currency are translated to Australian currency using the exchange rate at the date of the transaction. At reporting date, foreign currency receivables and payables or assets and liabilities are translated at the exchange rates current as at that date. All exchange gains and losses are recognised as revenues or expenses, as appropriate.

The Commission's operating budget funding for overseas activities is adjusted for any differences in realised foreign exchange transactions during the year against rates set at Budget by the Department of Finance. Adjustments are generally made to the Appropriation Bills in the current or following year. Any amounts so receivable or payable at the end of the reporting period are recognised as assets or liabilities as appropriate.

## Australian Trade Commission

### Notes to and forming part of the financial statements

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#### 1.19 Reporting of Administered Activities

Administered revenues, expenses, assets, liabilities and cash flows are disclosed in the administered schedules and related notes.

Except where otherwise stated below, administered items are accounted for on the same basis and using the same policies as for departmental items, including the application of Australian Accounting Standards.

#### Administered Cash Transfers to and from the Official Public Account

Revenue collected by the Commission for use by the Government rather than the Commission is administered revenue. Collections are transferred to the Official Public Account (OPA) maintained by the Department of Finance. Conversely, cash is drawn from the OPA to make payments under Parliamentary appropriation on behalf of Government. These transfers to and from the OPA are adjustments to the administered cash held by the Commission on behalf of the Government and reported as such in the schedule of administered cash flows and in the administered reconciliation schedule.

#### Grants

The Commission, on behalf of the Government, administers grants relating to the Export Market Development Grants Scheme (EMDG) and Asian Business Engagement Plan (ABE).

Export Market Development Grants are brought to account when deemed payable in accordance with the provisions of the *Export Market Development Grants Act 1997*. However, a provision is also recognised at the end of the financial year for the likely payments arising from grants claims and appeals lodged but not yet finalised based on prior years' payment history.

ABE grant liabilities are recognised to the extent that (i) the services required to be performed by the grantee have been performed or (ii) the grant eligibility criteria have been satisfied, but payments due have not been made. A commitment is recorded when the Government enters into an agreement to make these grants but services have not been performed or criteria satisfied.

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**Australian Trade Commission**  
**Notes to and forming part of the financial statements**

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**Note 2: Events After the Reporting Period**

There was no subsequent event that had the potential to significantly affect the ongoing structure and financial activities of the Commission.

## Australian Trade Commission

### Notes to and forming part of the financial statements

#### Note 3: Expenses

	2014	2013
	\$'000	\$'000
<b>Note 3A: Employee Benefits</b>		
Wages and salaries	89,191	81,405
Superannuation		
Defined contribution plans	3,709	2,888
Defined benefit plans	5,788	5,177
Leave and other entitlements	18,689	15,956
Separation and redundancies	3,735	2,864
Fringe benefits tax	3,529	2,219
<b>Total employee benefits</b>	<b>124,641</b>	<b>110,509</b>

#### Note 3B: Suppliers

##### Goods and services supplied or rendered

Contractors, consultants and service providers	11,278	8,437
Non-lease property related costs	5,852	4,905
Publicity and promotions	8,134	9,302
Communications and information technology	4,915	4,660
Travel and related expenses	8,181	7,393
Tradestart payments	3,183	3,229
Other operating costs	9,216	8,315
<b>Total goods and services supplied or rendered</b>	<b>50,759</b>	<b>46,241</b>

##### Services rendered in connection with

Related parties	496	416
External parties	50,263	45,825
<b>Total services rendered</b>	<b>50,759</b>	<b>46,241</b>
<b>Total goods and services supplied or rendered</b>	<b>50,759</b>	<b>46,241</b>

##### Other suppliers

##### Operating lease rentals in connection with

Related parties		
Minimum lease payments	4,044	3,914
External parties		
Minimum lease payments	16,104	13,082
Workers compensation expenses	438	362
<b>Total other suppliers</b>	<b>20,586</b>	<b>17,358</b>
<b>Total suppliers</b>	<b>71,345</b>	<b>63,599</b>

#### Note 3C: Depreciation and Amortisation

##### Depreciation

Property, plant and equipment	6,675	7,029
Buildings	3,489	3,705
<b>Total depreciation</b>	<b>10,164</b>	<b>10,734</b>

##### Amortisation

Intangibles	7,904	6,742
<b>Total amortisation</b>	<b>7,904</b>	<b>6,742</b>
<b>Total depreciation and amortisation</b>	<b>18,068</b>	<b>17,476</b>

## Australian Trade Commission

### Notes to and forming part of the financial statements

	2014	2013
	\$'000	\$'000
<b><u>Note 3D: Write-Down and Impairment of Assets</u></b>		
Impairment on trade and other receivables	12	35
<b>Total write-down and impairment of assets</b>	<b>12</b>	<b>35</b>
<b><u>Note 3E: Losses from Asset Sales</u></b>		
Land and buildings		
Proceeds from sale	(1)	-
Carrying value of assets sold	1	-
Property, plant and equipment		
Proceeds from sale	(209)	(261)
Carrying value of assets sold	252	432
Intangibles		
Carrying value of assets sold	-	34
<b>Total losses from asset sales</b>	<b>43</b>	<b>205</b>
<b><u>Note 3F: Foreign Exchange Losses</u></b>		
Non-speculative	666	366
<b>Total foreign exchange losses</b>	<b>666</b>	<b>366</b>
<b>Note 4: Own-Source Income</b>		
<b>Own-Source Revenue</b>		
<b><u>Note 4A: Sale of Goods and Rendering of Services</u></b>		
<b>Rendering of services in connection with</b>		
Related parties	11,846	8,365
External parties	9,129	6,518
<b>Total rendering of services</b>	<b>20,975</b>	<b>14,883</b>
<b><u>Note 4B: Rental Income</u></b>		
Operating lease		
Property lease	85	297
<b>Total rental income</b>	<b>85</b>	<b>297</b>
<b><u>Note 4C: Other Revenue</u></b>		
Other	2,851	2,236
<b>Total other revenue</b>	<b>2,851</b>	<b>2,236</b>
<b>Gains</b>		
<b><u>Note 4D: Other Gains</u></b>		
Resources received free of charge		
Financial statement audit services	160	160
Leasehold improvements	166	-
<b>Total other gains</b>	<b>326</b>	<b>160</b>
<b><u>Note 4E: Revenue from Government</u></b>		
Appropriations		
Departmental appropriations	176,760	159,962
<b>Total revenue from Government</b>	<b>176,760</b>	<b>159,962</b>

## Australian Trade Commission

### Notes to and forming part of the financial statements

#### Note 5: Fair Value Measurements

The following tables provide an analysis of assets and liabilities that are measured at fair value.

The different levels of the fair value hierarchy are defined below.

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

#### Note 5A: Fair Value Measurements

##### Fair value measurements at the end of the reporting period by hierarchy for assets and liabilities in 2014

	Fair value measurements at the end of the reporting period using			
	Fair value	Level 1	Level 2	Level 3
	\$'000	inputs	inputs	inputs
		\$'000	\$'000	\$'000
<b>Non-financial assets</b>				
Leasehold improvements	14,346	-	-	14,346
Other property, plant and equipment	19,064	-	17,269	1,795
<b>Total non-financial assets</b>	<b>33,410</b>	<b>-</b>	<b>17,269</b>	<b>16,141</b>
<b>Total fair value measurements of assets in the statement of financial position</b>	<b>33,410</b>	<b>-</b>	<b>17,269</b>	<b>16,141</b>

#### Fair value measurements - highest and best use differs from current use for non-financial assets (NFAs)

The highest and best use of all non-financial assets are the same as their current use.

## Australian Trade Commission Notes to and forming part of the financial statements

### Note 5B: Valuation Technique and Inputs for Level 2 and Level 3 Fair Value Measurements

#### Level 2 and 3 fair value measurements - valuation technique and the inputs used for assets and liabilities in 2014

	Category (Level 2 or Level 3)	Fair value \$'000	Valuation technique(s) <sup>1</sup>	Inputs used	Range (weighted average) <sup>2</sup>
<b>Non-financial assets</b>					
Leasehold improvements	Level 3	14,346	Depreciated replacement cost	Cost per square metre	\$412 - \$28,053 (\$1,892)
Other property, plant and equipment <sup>3</sup>	Level 2	17,269	Market approach	Sale prices of comparable assets	N/A
Other property, plant and equipment <sup>4</sup>	Level 3	1,795	Depreciated replacement cost	Costs of producing or acquiring similar assets with equivalent service capacity	\$0.000m - \$0.153m (\$0.002m)

1. No change in valuation technique occurred during the period.

2. Significant unobservable inputs only. Not applicable for assets or liabilities in the Level 2 category.

3. Comprises non-specialised IT assets, motor vehicles and furniture and fittings.

4. Comprises specialised IT assets.

#### **Recurring and non-recurring Level 3 fair value measurements - valuation processes**

For leasehold improvements, the Commission procured valuation services from Colliers International (Colliers) and relied on valuation models provided by Colliers. The Commission analyses changes in fair value measurements at least once every 12 months. Colliers provided written assurance to the Commission that the model developed is in compliance with AASB 13.

For the majority of items of other property, plant and equipment measured at depreciated replacement cost, the Commission procured valuation services from Pickles Valuation Services (Pickles) in 2013 and relied on valuation models provided by Pickles. The remaining items of other property, plant and equipment are subject to management valuation using market based evidence. The Commission analyses changes in fair value measurements at least once every 12 months.

#### **Recurring Level 3 fair value measurements - sensitivity of inputs**

The significant unobservable inputs used in the fair value measurement of the Commission's leasehold improvements are costs per square metre of similar leasehold improvements in the relevant city or country. Significant increases (decreases) of any of those inputs in isolation would result in a significantly higher (lower) fair value measurement.

The significant unobservable inputs used in the fair value measurement of the Commission's other property, plant and equipment are the costs of producing or acquiring similar assets with equivalent service capacity. Significant increases (decreases) of any of those inputs in isolation would result in a significantly higher (lower) fair value measurement.

**Australian Trade Commission**  
**Notes to and forming part of the financial statements**

**Note 5C: Reconciliation for Recurring Level 3 Fair Value Measurements**

**Recurring Level 3 fair value measurements - reconciliation for assets**

	Non-financial assets		
	Leasehold	Other	Total
	improvements	property, plant and equipment	
2014	2014	2014	
	\$'000	\$'000	\$'000
<b>Opening balance</b>	<b>11,180</b>	<b>3,075</b>	<b>14,255</b>
Total gains/(losses) recognised in net cost of services <sup>1</sup>	(3,489)	(1,147)	(4,636)
Total gains/(losses) recognised in other comprehensive income <sup>2</sup>	3,697	-	3,697
Purchases	2,959	-	2,959
Sales	(1)	(133)	(134)
<b>Closing balance</b>	<b>14,346</b>	<b>1,795</b>	<b>16,141</b>

1. These gains/(losses) are presented in the Statement of Comprehensive Income under 'Depreciation and amortisation'.

2. These gains/(losses) are presented in the Statement of Comprehensive Income under 'Change in asset revaluation surplus'.



## Australian Trade Commission

### Notes to and forming part of the financial statements

#### Note 6: Financial Assets

	2014	2013
	\$'000	\$'000
<b>Note 6A: Cash and Cash Equivalents</b>		
Special accounts	100	100
Cash at bank	3,455	3,319
Cash on hand	39	55
<b>Total cash and cash equivalents</b>	<b>3,594</b>	<b>3,474</b>
<b>Note 6B: Trade and Other Receivables</b>		
<b>Good and services receivables in connection with</b>		
Related parties	608	1,025
External parties	2,319	2,811
<b>Total goods and services receivables</b>	<b>2,927</b>	<b>3,836</b>
<b>Appropriations receivables</b>		
Existing programs	39,570	52,096
<b>Total appropriations receivable</b>	<b>39,570</b>	<b>52,096</b>
<b>Other receivables</b>		
GST receivable from the Australian Taxation Office	641	563
<b>Total other receivables</b>	<b>641</b>	<b>563</b>
<b>Total trade and other receivables (gross)</b>	<b>43,138</b>	<b>56,495</b>
<b>Less impairment allowance</b>		
Goods and services	30	162
<b>Total impairment allowance</b>	<b>30</b>	<b>162</b>
<b>Total trade and other receivables (net)</b>	<b>43,108</b>	<b>56,333</b>
<b>Trade and other receivables (net) expected to be recovered</b>		
No more than 12 months	42,301	55,530
More than 12 months	807	803
<b>Total trade and other receivables (net)</b>	<b>43,108</b>	<b>56,333</b>
<b>Trade and other receivables (gross) aged as follows</b>		
Not overdue	42,991	55,962
Overdue by		
0 to 30 days	83	57
31 to 60 days	16	9
61 to 90 days	10	304
More than 90 days	38	163
<b>Total trade and other receivables (gross)</b>	<b>43,138</b>	<b>56,495</b>
<b>Impairment allowance aged as follows</b>		
Overdue by:		
More than 90 days	30	162
<b>Total impairment allowance</b>	<b>30</b>	<b>162</b>

Credit terms for goods and services were within 30 days (2013: 30 days).

**Australian Trade Commission**  
**Notes to and forming part of the financial statements**

**Note 6B: Trade and Other Receivables (continued)**

**Reconciliation of the Impairment Allowance**

**Movements in relation to 2014**

	Goods and services \$'000	Total \$'000
<b>Opening balance</b>	<b>162</b>	<b>162</b>
Amounts written off	(145)	(145)
Amounts recovered and reversed	-	-
Increase/(Decrease) recognised in net surplus	13	13
<b>Closing balance</b>	<b>30</b>	<b>30</b>

**Movements in relation to 2013**

	Goods and services \$'000	Total \$'000
Opening balance	227	227
Amounts written off	(35)	(35)
Amounts recovered and reversed	(48)	(48)
Increase/(Decrease) recognised in net surplus	18	18
Closing balance	162	162

## Australian Trade Commission Notes to and forming part of the financial statements

### Note 7: Non-Financial Assets

	2014	2013
	\$'000	\$'000
<b>Note 7A: Land and Buildings</b>		
<b>Leasehold improvements</b>		
Fair value	13,501	11,221
Leasehold improvements - work in progress - at cost	1,339	879
Accumulated impairment losses	(494)	(920)
<b>Total leasehold improvements</b>	<b>14,346</b>	<b>11,180</b>
<b>Total land and buildings</b>	<b>14,346</b>	<b>11,180</b>

Impairment losses of \$0.494m (2013: \$0.629m) were recognised in other comprehensive income.

No land or buildings are expected to be sold or disposed of within the next 12 months, other than in the normal course of business operations.

### Note 7B: Property Plant and Equipment

#### Other property, plant and equipment

Fair value	20,696	14,049
Accumulated depreciation	(6,307)	-
	<b>14,389</b>	<b>14,049</b>
Property, plant and equipment - work in progress - at cost	4,675	7,849
<b>Total other property, plant and equipment</b>	<b>19,064</b>	<b>21,898</b>
<b>Total property, plant and equipment</b>	<b>19,064</b>	<b>21,898</b>

No indicators of impairment were found for property, plant and equipment.

No property, plant or equipment is expected to be sold or disposed of within the next 12 months, other than in the normal course of business operations.

#### Revaluations of non-financial assets

All revaluations were conducted in accordance with revaluation policy stated at Note 1.

The 2014 revaluation of leasehold improvements was conducted by the independent qualified valuer Colliers International Pty Ltd. The revaluation increment for leasehold improvements was \$4.191m (2013: \$4.146m increment).

A management valuation of other property, plant and equipment was conducted at 30 June 2013. The revaluation increment for other property, plant and equipment was \$0.987m in 2013. No revaluation was conducted at 30 June 2014.

All increments and decrements were transferred to the asset revaluation surplus by asset class and included in the equity section of the statement of financial position. No decrements were expensed (2013: no decrements).

## Australian Trade Commission

### Notes to and forming part of the financial statements

#### Note 7C: Reconciliation of the Opening and Closing Balances of Property, Plant and Equipment

##### Reconciliation of the opening and closing balances of property, plant and equipment for 2014

	Buildings - leasehold improvements \$'000	Other property, plant & equipment \$'000	Total \$'000
<b>As at 1 July 2013</b>			
Gross book value	11,180	21,898	33,078
Accumulated depreciation and impairment	-	-	-
<b>Total as at 1 July 2013</b>	<b>11,180</b>	<b>21,898</b>	<b>33,078</b>
Additions			
Purchase	2,959	3,852	6,811
Acquisition of entities or operations (including restructuring)	-	73	73
Revaluations and impairments recognised in other comprehensive income	3,697	-	3,697
Depreciation	(3,489)	(6,675)	(10,164)
Disposals			
Other	(1)	(252)	(253)
Other movements	-	168	168
<b>Total as at 30 June 2014</b>	<b>14,346</b>	<b>19,064</b>	<b>33,410</b>
<b>Total as at 30 June 2014 represented by</b>			
Gross book value	14,346	25,371	39,717
Accumulated depreciation and impairment	-	(6,307)	(6,307)
<b>Total as at 30 June 2014</b>	<b>14,346</b>	<b>19,064</b>	<b>33,410</b>

##### Reconciliation of the opening and closing balances of property, plant and equipment for 2013

	Buildings - leasehold improvements \$'000	Other property, plant & equipment \$'000	Total \$'000
<b>As at 1 July 2012</b>			
Gross book value	10,209	32,570	42,779
Accumulated depreciation and impairment	-	(14,356)	(14,356)
<b>Total as at 1 July 2012</b>	<b>10,209</b>	<b>18,214</b>	<b>28,423</b>
Additions			
Purchase	1,159	10,360	11,519
Revaluations and impairments recognised in other comprehensive income	3,517	987	4,504
Depreciation	(3,705)	(7,029)	(10,734)
Disposals			
Other	-	(432)	(432)
Other movements	-	(202)	(202)
<b>Total as at 30 June 2013</b>	<b>11,180</b>	<b>21,898</b>	<b>33,078</b>
<b>Total as at 30 June 2013 represented by</b>			
Gross book value	11,180	21,898	33,078
Accumulated depreciation and impairment	-	-	-
<b>Total as at 30 June 2013</b>	<b>11,180</b>	<b>21,898</b>	<b>33,078</b>

**Australian Trade Commission**  
**Notes to and forming part of the financial statements**

	2014	2013
	\$'000	\$'000
<b>Note 7D: Intangibles</b>		
<b>Computer software</b>		
Internally developed – in progress	4,579	8,010
Internally developed – in use	29,997	24,157
Purchased	20,134	15,296
Accumulated amortisation	<u>(35,350)</u>	<u>(29,923)</u>
<b>Total computer software</b>	<b><u>19,360</u></b>	<b><u>17,540</u></b>
<b>Other intangibles<sup>1</sup></b>		
Internally developed – in progress	-	-
Internally developed – in use	3,227	-
Purchased	-	-
Accumulated amortisation	<u>(1)</u>	<u>-</u>
<b>Total other intangibles</b>	<b><u>3,226</u></b>	<b><u>-</u></b>
<b>Total intangibles</b>	<b><u>22,586</u></b>	<b><u>17,540</u></b>

1. Other intangibles comprise capital costs in connection with the Tourism International Visitor Survey and National Visitor Survey.

No indicators of impairment were found for intangible assets.

No intangibles are expected to be sold or disposed of within the next 12 months, other than in the normal course of business operations.

## Australian Trade Commission

### Notes to and forming part of the financial statements

#### Note 7E: Reconciliation of the Opening and Closing Balances of Intangibles

##### Reconciliation of the opening and closing balances of intangibles for 2014

	Computer software internally developed \$'000	Computer software purchased \$'000	Other intangibles internally developed \$'000	Total \$'000
<b>As at 1 July 2013</b>				
Gross book value	32,167	15,296	-	47,463
Accumulated amortisation and impairment	(18,214)	(11,709)	-	(29,923)
<b>Total as at 1 July 2013</b>	<b>13,953</b>	<b>3,587</b>	<b>-</b>	<b>17,540</b>
<b>Additions</b>				
Purchase or internally developed	4,771	5,122	3,227	13,120
Revaluations and impairments recognised in other comprehensive income	-	-	-	-
Amortisation	(4,917)	(2,986)	(1)	(7,904)
Disposals				
Other	-	-	-	-
Other movements	-	(170)	-	(170)
<b>Total as at 30 June 2014</b>	<b>13,807</b>	<b>5,553</b>	<b>3,226</b>	<b>22,586</b>
<b>Net book value as of 30 June 2014 represented by</b>				
Gross book value	34,576	20,134	3,227	57,937
Accumulated amortisation and impairment	(20,769)	(14,581)	(1)	(35,351)
<b>Total as at 30 June 2014</b>	<b>13,807</b>	<b>5,553</b>	<b>3,226</b>	<b>22,586</b>

##### Reconciliation of the opening and closing balances of intangibles for 2013

	Computer software internally developed \$'000	Computer software purchased \$'000	Other intangibles internally developed \$'000	Total \$'000
<b>As at 1 July 2012</b>				
Gross book value	30,990	17,289	-	48,279
Accumulated amortisation and impairment	(18,934)	(13,632)	-	(32,566)
<b>Total as at 1 July 2012</b>	<b>12,056</b>	<b>3,657</b>	<b>-</b>	<b>15,713</b>
<b>Additions</b>				
Purchase or internally developed	5,901	2,505	-	8,406
Amortisation	(4,059)	(2,683)	-	(6,742)
Disposals				
Other	-	(34)	-	(34)
Other movements	55	142	-	197
<b>Total as at 30 June 2013</b>	<b>13,953</b>	<b>3,587</b>	<b>-</b>	<b>17,540</b>
<b>Total as at 30 June 2013 represented by</b>				
Gross book value	32,167	15,296	-	47,463
Accumulated amortisation and impairment	(18,214)	(11,709)	-	(29,923)
<b>Total as at 30 June 2013</b>	<b>13,953</b>	<b>3,587</b>	<b>-</b>	<b>17,540</b>

## Australian Trade Commission

### Notes to and forming part of the financial statements

	2014	2013
	\$'000	\$'000
<b><u>Note 7F: Other Non-Financial Assets</u></b>		
Prepayments - property leases	5,695	5,134
Prepayments - other	<u>2,218</u>	<u>2,042</u>
<b>Total other non-financial assets</b>	<b>7,913</b>	<b>7,176</b>
<b>Other non-financial assets expected to be recovered</b>		
No more than 12 months	<u>7,913</u>	<u>7,176</u>
<b>Total other non-financial assets</b>	<b>7,913</b>	<b>7,176</b>

No indicators of impairment were found for other non-financial assets.

#### Note 8: Payables

<b><u>Note 8A: Suppliers</u></b>		
Trade creditors and accruals	12,163	14,808
GST payable to the Australian Taxation Office	<u>55</u>	<u>19</u>
<b>Total suppliers</b>	<b>12,218</b>	<b>14,827</b>
<b>Suppliers expected to be settled</b>		
No more than 12 months	11,778	14,571
More than 12 months	<u>440</u>	<u>256</u>
<b>Total suppliers</b>	<b>12,218</b>	<b>14,827</b>
<b>Suppliers in connection with</b>		
Related parties	407	19
External parties	<u>11,811</u>	<u>14,808</u>
<b>Total suppliers</b>	<b>12,218</b>	<b>14,827</b>

Settlement was usually made within 30 days.

<b><u>Note 8B: Other Payables</u></b>		
Wages and salaries	3,631	3,067
Lease incentives	172	412
Unearned revenue	1,359	861
Other	<u>14</u>	<u>23</u>
<b>Total other payables</b>	<b>5,176</b>	<b>4,363</b>
<b>Other payables expected to be settled</b>		
No more than 12 months	5,084	4,191
More than 12 months	<u>92</u>	<u>172</u>
<b>Total other payables</b>	<b>5,176</b>	<b>4,363</b>

## Australian Trade Commission

### Notes to and forming part of the financial statements

#### Note 9: Provisions

	2014	2013
	\$'000	\$'000
<b>Note 9A: Employee Provisions</b>		
Leave	23,007	19,586
Separations and redundancies	10,351	9,715
Bonuses and overseas staff entitlements	-	1,738
Other	-	117
<b>Total employee provisions</b>	<b>33,358</b>	<b>31,156</b>
<b>Employee provisions expected to be settled</b>		
No more than 12 months	12,612	13,264
More than 12 months	20,746	17,892
<b>Total employee provisions</b>	<b>33,358</b>	<b>31,156</b>
<b>Note 9B: Other Provisions</b>		
Provision for onerous contracts	1,558	3,094
Provision for restoration	784	692
<b>Total other provisions</b>	<b>2,342</b>	<b>3,786</b>
<b>Other provisions expected to be settled</b>		
No more than 12 months	1,519	1,377
More than 12 months	823	2,409
<b>Total other provisions</b>	<b>2,342</b>	<b>3,786</b>

	Provision for onerous contracts	Provision for restoration	Total
	\$'000	\$'000	\$'000
<b>As at 1 July 2013</b>	<b>3,094</b>	<b>692</b>	<b>3,786</b>
Additional provisions made	101	207	308
Amounts used	(1,110)	(25)	(1,135)
Amounts reversed	(527)	(90)	(617)
<b>Total as at 30 June 2014</b>	<b>1,558</b>	<b>784</b>	<b>2,342</b>

The Commission currently has 91 (2013: 90) agreements for the leasing of premises which have provisions requiring the Commission to restore the premises to their original condition at the conclusion of the lease. The Commission has made a provision to reflect the estimated present value of this obligation where it is considered probable that the clauses in the leases will be enforced by landlords. It is the Commission's experience that this only applies to a minority of leases.



**Australian Trade Commission**  
**Notes to and forming part of the financial statements**

**Note 10: Restructuring**

**Note 10A: Departmental Restructuring**

	2014
	Tourism Policy, Programs and Research: Department of Industry <sup>1</sup>
	\$'000
<b>FUNCTIONS ASSUMED</b>	
<b>Assets recognised</b>	
Goods and services receivables	10
Appropriations receivable	1,215
Other property, plant and equipment	73
Other non-financial assets	194
<b>Total assets recognised</b>	<b>1,492</b>
<b>Liabilities recognised</b>	
Employee provisions	2,848
Other payables	717
<b>Total liabilities recognised</b>	<b>3,565</b>
<b>Net assets/(liabilities) recognised<sup>2,3</sup></b>	<b>(2,073)</b>
<b>Income assumed</b>	
Recognised by the receiving entity	2,271
Recognised by the losing entity	2,701
<b>Total income assumed</b>	<b>4,972</b>
<b>Expenses assumed</b>	
Recognised by the receiving entity	8,490
Recognised by the losing entity	8,939
<b>Total expenses assumed</b>	<b>17,429</b>

1. Responsibility for tourism policy, programs and research was assumed from the Department of Industry during 2013-14 due to an Administrative Arrangements Order made on 3 October 2013.

2. The net liabilities assumed from all entities were \$2.073m.

3. In respect of functions assumed, the net book values of assets and liabilities were transferred to the Commission for no consideration.

## Australian Trade Commission

### Notes to and forming part of the financial statements

#### Note 11: Cash Flow Reconciliation

	2014	2013
	\$'000	\$'000
<b>Reconciliation of cash and cash equivalents as per statement of financial position to cash flow statement</b>		
<b>Cash and cash equivalents as per</b>		
Cash flow statement	3,594	3,474
Statement of financial position	<u>3,594</u>	<u>3,474</u>
<b>Discrepancy</b>	<u>-</u>	<u>-</u>
<b>Reconciliation of net cost of services to net cash from/(used by) operating activities</b>		
Net (cost of)/contribution by services	(190,538)	(174,614)
Revenue from Government	176,760	159,962
<b>Adjustments for non-cash items</b>		
Depreciation/amortisation	18,068	17,476
Net write down of non-financial assets	12	35
Loss on disposal of assets	43	205
<b>Movements in assets and liabilities</b>		
<b>Assets</b>		
(Increase)/Decrease in net receivables	712	4,376
(Increase)/Decrease in prepayments	(543)	(4,399)
<b>Liabilities</b>		
Increase/(Decrease) in employee provisions and payables	(646)	213
Increase/(Decrease) in supplier payables	1,215	(807)
Increase/(Decrease) in other payables	95	178
Increase/(Decrease) in other provisions	<u>(1,444)</u>	<u>(807)</u>
<b>Net cash from/(used by) operating activities</b>	<u>3,734</u>	<u>1,818</u>

## Australian Trade Commission Notes to and forming part of the financial statements

### Note 12: Contingent Assets and Liabilities

	Claims for damages or costs		Total	
	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000
<b>Contingent liabilities</b>				
Balance from previous period	127	232	127	232
New contingent liabilities recognised	64	127	64	127
Re-measurement	-	-	-	-
Obligations expired	(127)	(232)	(127)	(232)
<b>Total contingent liabilities</b>	<b>64</b>	<b>127</b>	<b>64</b>	<b>127</b>

#### **Quantifiable Contingencies**

The Schedule of Contingencies contains \$0.064m of contingent liabilities disclosure in respect to claims for damages or costs (2013: \$0.127m). The amount represents an estimate of the Commission's liability based on precedent in such cases. The Commission is defending the claims.

#### **Significant Remote Contingencies**

The Commission has provided bank guarantees for a total of \$0.536m (2013: \$0.521m) in relation to property leases. These were not included in the Schedule of Contingencies.

## Australian Trade Commission

### Notes to and forming part of the financial statements

#### Note 13: Senior Executive Remuneration

##### Note 13A: Senior Executive Remuneration Expenses for the Reporting Period

	2014	2013
	\$	\$
<b>Short-term employee benefits</b>		
Salary	11,129,821	9,193,361
Other allowances	<u>1,113,769</u>	<u>1,033,509</u>
<b>Total short-term employee benefits</b>	<u>12,243,590</u>	<u>10,226,870</u>
<b>Post-employment benefits</b>		
Superannuation	<u>1,966,571</u>	<u>1,554,092</u>
<b>Total post-employment benefits</b>	<u>1,966,571</u>	<u>1,554,092</u>
<b>Other long-term benefits</b>		
Annual leave accrued	1,013,235	875,144
Long-service leave	<u>433,063</u>	<u>386,518</u>
<b>Total other long-term employee benefits</b>	<u>1,446,298</u>	<u>1,261,662</u>
<b>Termination benefits</b>	514,878	494,170
<b>Total senior executive remuneration expenses<sup>1,2</sup></b>	<u>16,171,337</u>	<u>13,536,794</u>

1. Note 13A was prepared on an accrual basis.

2. Note 13A excludes acting arrangements and part-year service where total remuneration expensed for a senior executive was less than \$195,000.

## Australian Trade Commission Notes to and forming part of the financial statements

### Note 13B: Average Annual Reportable Remuneration Paid to Substantive Senior Executives during the Reporting Period

Average annual reportable remuneration <sup>1</sup>	Substantive senior executives		Reportable salary <sup>2</sup>	Contributed superannuation <sup>3</sup>	Reportable allowances <sup>4</sup>	Bonus paid <sup>5</sup>	Total reportable remuneration
	No.	\$					
Total reportable remuneration (including part-time arrangements)							
less than \$195,000	11	116,163	17,732	-	-	-	133,895
\$195,000 to \$224,999	9	184,208	26,197	26	-	-	210,431
\$225,000 to \$254,999	11	210,342	30,049	-	-	-	240,391
\$255,000 to \$284,999	9	239,533	33,911	29	-	-	273,473
\$285,000 to \$314,999	10	265,956	29,515	-	-	-	295,471
\$315,000 to \$344,999	4	294,898	36,466	-	-	-	331,364
\$345,000 to \$374,999	6	312,304	43,287	-	-	-	355,591
\$375,000 to \$404,999	1	367,745	33,805	-	-	-	401,550
\$435,000 to \$464,999	1	397,213	45,085	-	-	-	442,298
\$495,000 to \$524,999	1	432,908	74,686	-	-	-	507,594
<b>Total number of substantive senior executives</b>	<b>63</b>						

1. This table reports substantive senior executives who received remuneration during the reporting period. Each row is an averaged figure based on headcount for individuals in the band.

2. 'Reportable salary' includes the following:

- a) gross payments (less any bonuses paid, which are separated out and disclosed in the 'bonus paid' column);
- b) reportable fringe benefits (at the net amount prior to 'grossing up' for tax purposes); and
- c) reportable employer superannuation contributions.

3. The 'contributed superannuation' amount is the average cost to the Commission for the provision of superannuation benefits to substantive senior executives in that reportable remuneration band during the reporting period.

4. 'Reportable allowances' are the average actual allowances paid as per the 'total allowances' line on individuals' payment summaries.

5. The Commission does not pay bonuses to senior executives.

## Australian Trade Commission Notes to and forming part of the financial statements

### Note 13B: Average Annual Reportable Remuneration Paid to Substantive Senior Executives during the Reporting Period (continued)

Average annual reportable remuneration <sup>1</sup>	Substantive senior executives		Reportable salary <sup>2</sup>	Contributed superannuation <sup>3</sup>	Reportable allowances <sup>4</sup>	Bonus paid <sup>5</sup>	Total reportable remuneration
	No.	\$					
Total reportable remuneration (including part-time arrangements):							
less than \$195,000	20	87,986	9,853	-	-	-	97,839
\$195,000 to \$224,999	11	183,132	25,887	-	-	-	209,019
\$225,000 to \$254,999	12	210,860	27,519	-	-	-	238,379
\$255,000 to \$284,999	12	235,385	29,724	-	-	-	265,109
\$285,000 to \$314,999	6	271,279	27,610	-	-	-	298,889
\$315,000 to \$344,999	7	293,632	36,699	-	-	-	330,331
\$345,000 to \$374,999	1	334,585	28,535	-	-	-	363,120
\$375,000 to \$404,999	1	331,183	57,498	-	-	-	388,681
\$405,000 to \$434,999	1	379,830	40,406	-	-	-	420,236
Total number of substantive senior executives	71						

1. This table reports substantive senior executives who received remuneration during the reporting period. Each row is an averaged figure based on headcount for individuals in the band.

2. 'Reportable salary' includes the following:

- a) gross payments (less any bonuses paid, which are separated out and disclosed in the 'bonus paid' column);
- b) reportable fringe benefits (at the net amount prior to 'grossing up' for tax purposes); and
- c) reportable employer superannuation contributions.

3. The 'contributed superannuation' amount is the average cost to the Commission for the provision of superannuation benefits to substantive senior executives in that reportable remuneration band during the reporting period.

4. 'Reportable allowances' are the average actual allowances paid as per the 'total allowances' line on individuals' payment summaries.

5. The Commission does not pay bonuses to senior executives.

## Australian Trade Commission Notes to and forming part of the financial statements

### Note 13C: Average Annual Reportable Remuneration Paid to Other Highly Paid Staff during the Reporting Period

Average annual reportable remuneration paid to other highly paid staff in 2014

Average annual reportable remuneration <sup>1</sup>	Other highly paid staff	Reportable salary <sup>2</sup>	Contributed superannuation <sup>3</sup>	Reportable allowances <sup>4</sup>	Bonus paid <sup>5</sup>	Total reportable remuneration
	No.	\$	\$	\$	\$	\$
<b>Total reportable remuneration (including part time arrangements):</b>						
\$195,000 to \$224,999	14	190,170	20,889	-	-	211,059
\$225,000 to \$254,999	11	217,016	20,384	-	-	237,400
\$255,000 to \$284,999	11	244,439	22,868	55	-	267,362
\$285,000 to \$314,999	5	276,517	26,930	-	-	303,447
<b>Total number of other highly paid staff</b>	<b>41</b>					

1. This table reports staff:

- who were employed by the Commission during the reporting period;
- whose reportable remuneration was \$195,000 or more for the financial period; and
- who were not required to be disclosed in Table B disclosures.

2. 'Reportable salary' includes the following:

- gross payments (less any bonuses paid, which are separated out and disclosed in the 'bonus paid' column);
- reportable fringe benefits (at the net amount prior to 'grossing up' for tax purposes); and
- reportable employer superannuation contributions.

3. The 'contributed superannuation' amount is the average cost to the Commission for the provision of superannuation benefits to other highly paid staff in that reportable remuneration band during the reporting period.

4. 'Reportable allowances' are the average actual allowances paid as per the 'total allowances' line on individuals' payment summaries

5. 'Bonus paid' represents average actual bonuses paid during the reporting period in that reportable remuneration band. The 'bonus paid' within a particular band may vary between financial years due to various factors such as individuals commencing with or leaving the entity during the financial year.

The Commission has 60 to 70 Australian staff serving at overseas posts. Many of these staff, who are not senior executives, receive accommodation and other allowances which contribute to their remuneration resulting in them receiving more than \$195,000 in total remuneration for the purposes of this note.

## Australian Trade Commission Notes to and forming part of the financial statements

Average annual reportable remuneration paid to other highly paid staff in 2013

Average annual reportable remuneration <sup>1</sup>	Other highly paid staff No.	Reportable salary <sup>2</sup> \$	Contributed superannuation <sup>3</sup> \$	Reportable allowances <sup>4</sup> \$	Bonus paid <sup>5</sup> \$	Total reportable remuneration \$
Total reportable remuneration (including part time arrangements):						
\$195,000 to \$224,999	18	189,964	18,945	-	381	209,290
\$225,000 to \$254,999	8	217,559	20,758	-	-	238,317
\$255,000 to \$284,999	7	240,696	23,480	-	877	265,053
\$285,000 to \$314,999	4	269,368	24,246	-	1,475	295,089
Total number of other highly paid staff	37					

1. This table reports staff:

- who were employed by the Commission during the reporting period;
- whose reportable remuneration was \$195,000 or more for the financial period; and
- who were not required to be disclosed in Table B disclosures.

2. 'Reportable salary' includes the following:

- gross payments (less any bonuses paid, which are separated out and disclosed in the 'bonus paid' column);
- reportable fringe benefits (at the net amount prior to 'grossing up' for tax purposes); and
- reportable employer superannuation contributions.

3. The 'contributed superannuation' amount is the average cost to the Commission for the provision of superannuation benefits to other highly paid staff in that reportable remuneration band during the reporting period.

4. 'Reportable allowances' are the average actual allowances paid as per the 'total allowances' line on individuals' payment summaries

5. 'Bonus paid' represents average actual bonuses paid during the reporting period in that reportable remuneration band. The 'bonus paid' within a particular band may vary between financial years due to various factors such as individuals commencing with or leaving the entity during the financial year.

The Commission has 60 to 70 Australian staff serving at overseas posts. Many of these staff, who are not senior executives, receive accommodation and other allowances which contribute to their remuneration resulting in them receiving more than \$195,000 in total remuneration for the purposes of this note.



## Australian Trade Commission Notes to and forming part of the financial statements

### Note 14: Remuneration of Auditors

	2014 \$'000	2013 \$'000
Financial statement audit services were provided free of charge to the Commission by the Australian National Audit Office (ANAO).		
<b>Fair value of services received</b>		
Financial statement audit services	160	160
Other services	17	-
<b>Total fair value of services received</b>	<u>177</u>	<u>160</u>

KPMG was engaged by the ANAO in 2013-14 to provide financial statement audit services to the Commission. The nature of other services provided by KPMG was the provision of financial reporting tools and associated training and support.

### Note 15: Financial Instruments

#### Note 15A: Fair Value of Financial Instruments

	Carrying amount 2014 \$'000	Fair value 2014 \$'000	Carrying amount 2013 \$'000	Fair value 2013 \$'000
<b>Financial Assets</b>				
Cash	3,594	3,594	3,474	3,474
Receivables for goods and services	2,897	2,897	3,674	3,674
<b>Total financial assets</b>	<u>6,491</u>	<u>6,491</u>	<u>7,148</u>	<u>7,148</u>
<b>Financial Liabilities</b>				
Trade creditors	12,163	12,163	14,808	14,808
Other payables	5,176	5,176	4,363	4,363
<b>Total financial liabilities</b>	<u>17,339</u>	<u>17,339</u>	<u>19,171</u>	<u>19,171</u>

#### Financial Assets

The net fair values of cash and non-interest bearing monetary financial assets approximate their carrying amounts.

#### Financial Liabilities

The net fair values for trade creditors and other payables approximate their carrying amounts.

## Australian Trade Commission

### Notes to and forming part of the financial statements

#### **Note 15B: Credit Risk**

The Commission's senior management has endorsed policies and procedures for debt management (including the provision of credit terms) to minimise the incidence of credit risk.

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

The Commission's maximum exposures to credit risk at reporting date in relation to each class of recognised financial assets is the carrying amount of those assets as indicated at Note 15A.

#### **Credit quality of financial assets not past due or individually determined as impaired**

	<b>Not past due nor impaired 2014 \$'000</b>	Not past due nor impaired 2013 \$'000	<b>Past due or impaired 2014 \$'000</b>	Past due or impaired 2013 \$'000
Cash	3,594	3,474	-	-
Receivables for goods and services	2,780	3,303	147	533
<b>Total</b>	<b>6,374</b>	<b>6,777</b>	<b>147</b>	<b>533</b>

#### **Ageing of financial assets that were past due but not impaired in 2014**

	<b>0 to 30 days \$'000</b>	<b>31 to 60 days \$'000</b>	<b>61 to 90 days \$'000</b>	<b>90+ days \$'000</b>	<b>Total \$'000</b>
Receivables for goods and services	83	16	10	8	117
<b>Total</b>	<b>83</b>	<b>16</b>	<b>10</b>	<b>8</b>	<b>117</b>

#### **Ageing of financial assets that were past due but not impaired in 2013**

	<b>0 to 30 days \$'000</b>	<b>31 to 60 days \$'000</b>	<b>61 to 90 days \$'000</b>	<b>90+ days \$'000</b>	<b>Total \$'000</b>
Receivables for goods and services	57	9	304	1	371
<b>Total</b>	<b>57</b>	<b>9</b>	<b>304</b>	<b>1</b>	<b>371</b>

## Australian Trade Commission

### Notes to and forming part of the financial statements

#### **Note 15C: Liquidity Risk**

The Commission undertakes cash forecasting to ensure it can meet its financial liabilities as they fall due.

#### **Maturities for non-derivative financial liabilities in 2014**

	On demand \$'000	within 1 year \$'000	between 1 to 2 years \$'000	between 2 to 5 years \$'000	more than 5 years \$'000	Total \$'000
Trade creditors	12,163	-	-	-	-	12,163
Other payables	5,004	80	47	35	10	5,176
<b>Total</b>	<b>17,167</b>	<b>80</b>	<b>47</b>	<b>35</b>	<b>10</b>	<b>17,339</b>

#### **Maturities for non-derivative financial liabilities 2013**

	On demand \$'000	within 1 year \$'000	between 1 to 2 years \$'000	between 2 to 5 years \$'000	more than 5 years \$'000	Total \$'000
Trade creditors	14,808	-	-	-	-	14,808
Other payables	3,951	240	81	77	14	4,363
<b>Total</b>	<b>18,759</b>	<b>240</b>	<b>81</b>	<b>77</b>	<b>14</b>	<b>19,171</b>

The Commission had no derivative financial liabilities in either 2014 or 2013.

## Australian Trade Commission

### Notes to and forming part of the financial statements

#### **Note 15D: Market Risk**

##### **Currency risk**

Foreign currency risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Commission is exposed to foreign exchange currency risk primarily through undertaking certain transactions denominated in foreign currency. The Commission is exposed to foreign exchange risk for many currencies.

The following table details the effect on the net cost of services and equity as at 30 June from a 11.5% favourable/unfavourable change in the Australian dollar against all currencies with all other variables held constant.

##### **Sensitivity analysis of the risk that the Commission is exposed to for 2014**

	Risk variable	Change in risk variable %	Effect on	
			Net cost of services \$'000	Equity \$'000
Currency risk	Exposed currencies	+ 11.5	654	654
Currency risk	Exposed currencies	- 11.5	(654)	(654)

##### **Sensitivity analysis of the risk that the Commission is exposed to for 2013**

	Risk variable	Change in risk variable %	Effect on	
			Net cost of services \$'000	Equity \$'000
Currency risk	Exposed currencies	+ 15.7	861	861
Currency risk	Exposed currencies	- 15.7	(861)	(861)

The above amounts relate to the unrealised foreign exchange movements. Realised movements in foreign exchange are covered by adjustments to the Commission's appropriations.

The method used to arrive at the possible risk of 11.5% was based on both statistical and non-statistical analyses. The statistical analysis has been based on main currencies' movements for the last five years. This information is then revised and adjusted for reasonableness under the economic circumstances. The five main currencies the Commission has exposure to are US dollars, Euros, Chinese Renminbi, Japanese Yen and Indian Rupees.

##### **Interest rate risk**

The Commission has no material exposure to interest rate risk.

##### **Other price risk**

The Commission is exposed to a variety of immaterial commodity price risks relating to various supply contracts.

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**Australian Trade Commission**  
**Notes to and forming part of the financial statements**

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**Note 16: Financial Assets Reconciliation**

	2014	2013
	\$'000	\$'000
<b>Total financial assets as per statement of financial position</b>	<b>46,702</b>	59,807
<b>Less: Non-financial instrument components</b>		
Appropriations receivable	(39,570)	(52,096)
Other receivables	(641)	(563)
<b>Total non-financial instrument components</b>	<b>(40,211)</b>	(52,659)
<b>Total financial assets as per financial instruments note</b>	<b>6,491</b>	7,148

**Australian Trade Commission**  
**Notes to and forming part of the financial statements**

<b>Note 17: Administered Expenses</b>	<b>2014</b>	<b>2013</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Note 17A: Employee Benefits</b>		
Wages and salaries	4,502	5,171
Superannuation		
Defined contribution plans	190	215
Defined benefit plans	673	640
Fringe benefits tax	20	16
Other employee expenses	34	35
<b>Total employee benefits</b>	<b>5,419</b>	<b>6,077</b>
<b>Note 17B: Suppliers</b>		
<b>Goods and services supplied or rendered</b>		
Operating expenses	672	822
<b>Total goods and services supplied or rendered</b>	<b>672</b>	<b>822</b>
<b>Services rendered in connection with</b>		
External parties	672	822
<b>Total services rendered</b>	<b>672</b>	<b>822</b>
<b>Total goods and services supplied or rendered</b>	<b>672</b>	<b>822</b>
<b>Other suppliers</b>		
<b>Operating lease rentals in connection with</b>		
External parties		
Minimum lease payments	579	606
<b>Total other suppliers</b>	<b>579</b>	<b>606</b>
<b>Total suppliers</b>	<b>1,251</b>	<b>1,428</b>
<b>Note 17C: Grants</b>		
Private sector		
Export Market Development Grants	116,178	118,380
Asian Business Engagement Plan Grants	1,759	-
<b>Total grants</b>	<b>117,937</b>	<b>118,380</b>
<b>Note 18: Administered Income</b>		
<b>Revenue</b>		
<b>Non-Taxation Revenue</b>		
<b>Note 18A: Other Revenue</b>		
Other	372	6
<b>Total other revenue</b>	<b>372</b>	<b>6</b>

**Australian Trade Commission**  
**Notes to and forming part of the financial statements**

<b>Note 19: Administered Financial Assets</b>	<b>2014</b>	<b>2013</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Note 19A: Cash and Cash Equivalents</b>		
Cash at bank	-	46
<b>Total cash and cash equivalents</b>	<b>-</b>	<b>46</b>
<b>Note 19B: Trade and Other Receivables</b>		
<b>Other receivables</b>		
Other	96	117
GST receivable from the Australian Taxation Office	7	12
<b>Total other receivables</b>	<b>103</b>	<b>129</b>
<b>Total trade and other receivables (gross)</b>	<b>103</b>	<b>129</b>
<b>Less impairment allowance</b>		
Other	(84)	(85)
<b>Total impairment allowance</b>	<b>(84)</b>	<b>(85)</b>
<b>Total trade and other receivables (net)</b>	<b>19</b>	<b>44</b>
<b>Trade and other receivables (net) expected to be recovered</b>		
No more than 12 months	13	34
More than 12 months	6	10
<b>Total trade and other receivables (net)</b>	<b>19</b>	<b>44</b>
<b>Trade and other receivables (gross) aged as follows</b>		
Not overdue	7	28
Overdue by		
More than 90 days	96	101
<b>Total trade and other receivables (gross)</b>	<b>103</b>	<b>129</b>
<b>Impairment allowance aged as follows</b>		
Not overdue	-	-
Overdue by		
More than 90 days	84	85
<b>Total impairment allowance</b>	<b>84</b>	<b>85</b>

Other receivables are with entities external to the Australian Government. Credit terms were within 30 days (2013: 30 days).

**Australian Trade Commission**  
**Notes to and forming part of the financial statements**

**Note 19: Administered Financial Assets (continued)**

**Reconciliation of the Impairment Allowance**

**Movements in relation to 2014**

	Other receivables \$'000	Total \$'000
<b>Opening balance</b>	85	85
Amounts recovered and reversed	(1)	(1)
<b>Closing balance</b>	<b>84</b>	<b>84</b>

Movements in relation to 2013

	Other receivables \$'000	Total \$'000
Opening balance		
Impairment allowance 1 July 2012	85	85
Closing balance	85	85



**Australian Trade Commission**  
**Notes to and forming part of the financial statements**

<b>Note 20: Administered Payables</b>	<b>2014</b>	<b>2013</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Note 20A: Suppliers</b>		
Trade creditors and accruals	39	75
Other creditors	5	4
<b>Total suppliers</b>	<b>44</b>	<b>79</b>
<b>Suppliers expected to be settled</b>		
No more than 12 months	32	62
More than 12 months	12	17
<b>Total suppliers</b>	<b>44</b>	<b>79</b>
<b>Suppliers in connection with</b>		
External parties	44	79
<b>Total suppliers</b>	<b>44</b>	<b>79</b>
<b>Note 20B: Grants</b>		
Private sector:		
ABE Plan grants payable	473	-
<b>Total grants</b>	<b>473</b>	<b>-</b>
<b>Grants expected to be settled</b>		
No more than 12 months	473	-
<b>Total grants</b>	<b>473</b>	<b>-</b>
<b>Note 20C: Other Payables</b>		
Salaries and wages	179	160
<b>Total other payables</b>	<b>179</b>	<b>160</b>
<b>Other payables are expected to be settled</b>		
No more than 12 months	179	160
<b>Total other payables</b>	<b>179</b>	<b>160</b>

**Australian Trade Commission**  
**Notes to and forming part of the financial statements**

**Note 21: Administered Provisions**

**Note 21A: Employee Provisions**

Leave	1,709	2,331
<b>Total employee provisions</b>	<b>1,709</b>	<b>2,331</b>

**Employee provisions are expected to be settled**

No more than 12 months	603	578
More than 12 months	1,106	1,753
<b>Total employee provisions</b>	<b>1,709</b>	<b>2,331</b>

**Note 21B: Grants Provisions**

Provision for EMDG grants	8,996	6,438
<b>Total grants provisions</b>	<b>8,996</b>	<b>6,438</b>

**Grant provisions expected to be settled**

No more than 12 months	8,996	6,438
<b>Total grants provisions</b>	<b>8,996</b>	<b>6,438</b>

	Provision for grants \$'000	Total \$'000
<b>As at 1 July 2013</b>	<b>6,438</b>	<b>6,438</b>
Additional provisions made	8,321	8,321
Amounts used	(5,763)	(5,763)
<b>Total as at 30 June 2014</b>	<b>8,996</b>	<b>8,996</b>

**Australian Trade Commission**  
**Notes to and forming part of the financial statements**

<b>Note 22: Administered Cash Flow Reconciliation</b>	<b>2014</b>	<b>2013</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Reconciliation of cash and cash equivalents as per administered schedule of assets and liabilities to administered cash flow statement</b>		
<b>Cash and cash equivalents as per</b>		
Schedule of administered cash flows	-	46
Schedule of administered assets and liabilities	-	46
<b>Discrepancy</b>	<u>-</u>	<u>-</u>
<b>Reconciliation of net cost of services to net cash from/(used) operating activities</b>		
Net (cost of)/contribution by services	<b>(124,235)</b>	(125,879)
<b>Movement in assets and liabilities</b>		
<b>Assets</b>		
(Increase)/Decrease in net receivables	25	7
<b>Liabilities</b>		
Increase/(Decrease) in employee provisions	<b>(622)</b>	(47)
Increase/(Decrease) in supplier payables	<b>(35)</b>	6
Increase/(Decrease) in grants payable	<b>473</b>	-
Increase/(Decrease) in other payables	<b>19</b>	1
Increase/(Decrease) in grants provisions	<b>2,558</b>	(1,932)
<b>Net cash from/(used by) operating activities</b>	<b><u>(121,817)</u></b>	<b><u>(127,844)</u></b>

## Australian Trade Commission

### Notes to and forming part of the financial statements

#### Note 23: Administered Contingent Assets and Liabilities

	Claims for damages or costs	
	2014	2013
	\$'000	\$'000
<b>Contingent liabilities</b>		
Balance from previous period	2,558	1,539
New contingent liabilities recognised	2,132	3,869
Re-measurement	19	88
Liabilities realised	(1,796)	(1,814)
Obligations expired	(2,030)	(1,124)
<b>Total contingent liabilities</b>	<b>883</b>	<b>2,558</b>
<b>Net contingent assets/(liabilities)</b>	<b>883</b>	<b>2,558</b>

#### Quantifiable Administered Contingencies

The Schedule of Administered Contingencies contains \$0.883m of contingent liabilities in respect to claims for damages or costs (2013: \$2.558m). The amount represents an estimate of the Commission's liability based on outstanding grants appeals.

#### Significant Remote Administered Contingencies

The Commission had no significant remote administered contingencies.

#### Note 24: Administered Financial Instruments

##### Note 24A: Fair Value of Financial Instruments

	Carrying	Fair	Carrying	Fair
	amount	value	amount	value
	2014	2014	2013	2013
	\$'000	\$'000	\$'000	\$'000
<b>Financial Assets</b>				
Cash	-	-	46	46
Receivables	12	12	32	32
<b>Total financial assets</b>	<b>12</b>	<b>12</b>	<b>78</b>	<b>78</b>
<b>Financial Liabilities</b>				
Supplier and other payables	223	223	239	239
Grants payable and provisions	9,469	9,469	6,438	6,438
<b>Total financial liabilities</b>	<b>9,692</b>	<b>9,692</b>	<b>6,677</b>	<b>6,677</b>

#### **Financial assets**

The net fair values of cash and non-interest bearing monetary financial assets approximate their carrying amounts.

#### **Financial liabilities**

The net fair values for trade, other creditors and payables approximate their carrying amounts.

There is no significant exposure to credit, liquidity or market risk.

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**Australian Trade Commission**  
**Notes to and forming part of the financial statements**

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<b>Note 25: Administered Financial Assets Reconciliation</b>	<b>2014</b>	<b>2013</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Total financial assets as per schedule of administered assets and liabilities</b>	<b>19</b>	<b>90</b>
<b>Less: Non-financial instrument components</b>		
Other receivables	(7)	(12)
<b>Total non-financial instrument components</b>	<b>(7)</b>	<b>(12)</b>
<b>Total financial assets as per administered financial instruments note</b>	<b>12</b>	<b>78</b>

## Australian Trade Commission Notes to and forming part of the financial statements

### Note 26: Appropriations

#### Note 26A: Annual Appropriations (Recoverable GST exclusive)

Annual Appropriations for 2014	Appropriation Act		FMA Act				Total appropriation \$'000	Appropriation applied in 2014 (current and prior years) \$'000	Variance \$'000
	Annual Appropriation \$'000	Appropriations reduced <sup>1,3</sup> \$'000	Section 30 \$'000	Section 31 \$'000	Section 32 \$'000	Section 32 AFM <sup>2</sup> \$'000			
<b>Departmental</b>									
Ordinary annual services	172,007	-	-	24,820	-	-	196,827	197,651	(824)
Other services	-	-	-	-	-	-	-	-	-
Equity	-	-	-	-	-	-	-	-	-
<b>Total departmental</b>	<b>172,007</b>	<b>-</b>	<b>-</b>	<b>24,820</b>	<b>-</b>	<b>-</b>	<b>196,827</b>	<b>197,651</b>	<b>(824)</b>
<b>Administered items</b>									
Ordinary annual services	141,740	(14,539)	393	-	-	-	127,594	122,210	5,384
Administered items	141,740	(14,539)	393	-	-	-	127,594	122,210	5,384
<b>Total administered</b>	<b>141,740</b>	<b>(14,539)</b>	<b>393</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>127,594</b>	<b>122,210</b>	<b>5,384</b>

1. Appropriations reduced under Appropriation Acts (No. 1, 3, 5) 2013-14; sections 10, 11, and 12 under Appropriation Acts (No. 2, 4, 6) 2013-14; sections 12, 13, and 14. Departmental appropriations do not lapse at financial year-end. However, the responsible Minister may decide that part or all of a departmental appropriation is not required and request that the Finance Minister reduce that appropriation. The reduction in the appropriation is effected by the Finance Minister's determination and is disallowable by Parliament. As with departmental appropriations, the responsible Minister may decide that part or all of an administered appropriation is not required and request that the Finance Minister reduce that appropriation. For administered appropriations reduced under section 11 of Appropriation Acts (Nos. 1, 3, 5) 2013-14 and section 12 of Appropriation Acts (Nos. 2, 4, 6) 2013-14, the appropriation is taken to be reduced to the required amount specified in Table D of this note once the annual report is tabled in Parliament. All administered appropriations may be adjusted by a Finance Minister's determination, which is disallowable by Parliament.

2. Advance to the Finance Minister (AFM) - Appropriation Acts (Nos. 1, 3, 5) 2013-14; section 13 and Appropriation Acts (Nos. 2, 4, 6) 2013-14; section 15.

3. In 2013-14, there was no adjustment that met the recognition criteria of a formal addition or reduction in revenue (in accordance with FMO Div 101).

## Australian Trade Commission Notes to and forming part of the financial statements

### Note 26A: Annual Appropriations ('Recoverable GST exclusive') (continued)

Annual Appropriations for 2013

	Appropriation Act		FMA Act			Total appropriation \$'000	Appropriation applied in 2013 (current and prior years) \$'000	Variance \$'000
	Annual Appropriation \$'000	Appropriations reduced <sup>1,3</sup> AFM <sup>2</sup> \$'000	Section 30 \$'000	Section 31 \$'000	Section 32 \$'000			
Departmental								
Ordinary annual services	160,800	-	-	17,879	-	178,679	179,814	(1,135)
Other services	-	-	-	-	-	-	-	-
Equity	-	-	-	-	-	-	-	-
Total departmental	160,800	-	-	17,879	-	178,679	179,814	(1,135)
Administered								
Ordinary annual services	150,400	(24,413)	5	-	-	125,992	127,849	(1,857)
Administered items	150,400	(24,413)	5	-	-	125,992	127,849	(1,857)
Total administered	150,400	(24,413)	5	-	-	125,992	127,849	(1,857)

1. Appropriations reduced under Appropriation Acts (No. 1, 3, 5) 2012-13: sections 10, 11, 12 and 15 under Appropriation Acts (No. 2, 4, 6) 2012-13: sections 12, 13, 14 and 17. Departmental appropriations do not lapse at financial year-end. However, the responsible Minister may decide that part or all of a departmental appropriation is not required and request that the Finance Minister reduce that appropriation. The reduction in the appropriation is effected by the Finance Minister's determination and is disallowable by Parliament. As with departmental appropriations, the responsible Minister may decide that part or all of an administered appropriation is not required and request that the Finance Minister reduce that appropriation. For administered appropriations reduced under section 11 of Appropriation Acts (Nos. 1, 3, 5) 2012-13 and section 12 of Appropriation Acts (Nos. 2, 4, 6) 2012-13, the appropriation is taken to be reduced to the required amount specified in Table D of this note once the annual report is tabled in Parliament. All administered appropriations may be adjusted by a Finance Minister's determination, which is disallowable by Parliament.

2. Advance to the Finance Minister (AFM) - Appropriation Acts (Nos. 1, 3, 5) 2012-13: section 13 and Appropriation Acts (Nos. 2, 4, 6) 2012-13: section 15.

3. In 2012-13, there was no adjustment that met the recognition criteria of a formal addition or reduction in revenue (in accordance with FMO Div 101).

## Australian Trade Commission Notes to and forming part of the financial statements

### Note 26B: Departmental and Administered Capital Budgets ('Recoverable GST exclusive')

	2014 Capital Budget Appropriations			Capital Budget Appropriations applied in		
	<i>Appropriation Act</i>	<i>FMA Act</i>	Total Capital Budget Appropriations \$'000	2014 (current and prior years)		
	Annual Capital Budget \$'000	Appropriations reduced <sup>2</sup> \$'000		Payments for non-financial assets <sup>3</sup> \$'000	Payments for other purposes \$'000	Total payments \$'000
<b>Departmental</b> Ordinary annual services - Departmental Capital Budget <sup>1</sup>	11,020	-	11,020	23,752	-	23,752
<b>Administered</b> Ordinary annual services - Administered Capital Budget <sup>1</sup>	-	-	-	-	-	-
						(12,732)

1. Departmental and Administered Capital Budgets are appropriated through Appropriation Acts (No. 1, 3, 5). They form part of ordinary annual services and are not separately identified in the Appropriation Acts. For more information on ordinary annual services appropriation, please see Note 26A: Annual Appropriations.

2. Appropriations reduced under Appropriation Acts (No. 1, 3, 5) 2013-14: sections 10, 11, 12 and 15 or via a determination by the Finance Minister.

3. Payments made for non-financial assets include purchase of assets, expenditure on assets which has been capitalised, costs incurred to make good an asset to its original condition, and the capital repayment component of finance leases.



## Australian Trade Commission Notes to and forming part of the financial statements

### Note 26B: Departmental and Administered Capital Budgets ('Recoverable GST exclusive') (continued)

	2013 Capital Budget Appropriations			Capital Budget Appropriations applied in 2013 (current and prior years)			Variance \$'000
	Appropriation Act		Total Capital Budget Appropriations \$'000	Payments for non-financial assets <sup>3</sup> \$'000	Payments for other purposes \$'000	Total payments \$'000	
	Annual Capital Budget \$'000	Appropriations reduced <sup>2</sup> \$'000					
Departmental Ordinary annual services - Departmental Capital Budget <sup>1</sup>	18,492	-	18,492	13,758	-	13,758	4,734
Administered Ordinary annual services - Administered Capital Budget <sup>1</sup>	-	-	-	-	-	-	-

1. Departmental and Administered Capital Budgets are appropriated through Appropriation Acts (No. 1, 3, 5). They form part of ordinary annual services and are not separately identified in the Appropriation Acts. For more information on ordinary annual services appropriation, please see Note 26A: Annual Appropriations.

2. Appropriations reduced under Appropriation Acts (No. 1, 3, 5) 2012-13: sections 10, 11, 12 and 15 or via a determination by the Finance Minister.

3. Payments made for non-financial assets include purchase of assets, expenditure on assets which has been capitalised, costs incurred to make good an asset to its original condition, and the capital repayment component of finance leases.

## Australian Trade Commission

### Notes to and forming part of the financial statements

#### Note 26C: Unspent Annual Appropriations ('Recoverable GST exclusive')

	2014	2013
	\$'000	\$'000
<b>Departmental</b>		
Appropriation Act (No. 2) 2007-08 <sup>1</sup>	-	4,105
Appropriation Act (No. 2) 2008-09 <sup>1</sup>	-	113
Appropriation Act (No. 2) 2009-10 <sup>1</sup>	-	600
Appropriation Act (No. 1) 2011-12	-	24,566
Appropriation Act (No. 1) 2012-13	-	8,397
Appropriation Act (No. 1) 2012-13 - Capital Budget (DCB)	-	13,368
Appropriation Act (No. 3) 2012-13	-	1,769
Appropriation Act (No. 1) 2013-14	16,767	-
Appropriation Act (No. 1) 2013-14 - Capital Budget (DCB)	4,460	-
Appropriation Act (No. 3) 2013-14	12,454	-
Appropriation Act (No. 3) 2013-14	626	-
<b>Total departmental</b>	<b>34,307</b>	<b>52,918</b>
<b>Administered</b>		
Appropriation Act (No. 1) 2008-09 <sup>1</sup>	-	2,000
Appropriation Act (No. 1) 2009-10 <sup>1</sup>	-	340
Appropriation Act (No. 1) 2012-13	2,300	31,082
Appropriation Act (No. 1) 2013-14	8,535	-
Appropriation Act (No. 3) 2013-14	14,840	-
<b>Total administered</b>	<b>25,675</b>	<b>33,422</b>

Note:

1. These Acts were repealed by the *Statute Stocktake (Appropriations) Act 2013* on 1 July 2013.

## Australian Trade Commission Notes to and forming part of the financial statements

### Note 26D: Reduction in Administered Items ('Recoverable GST exclusive')

#### Reduction in Administered Items for 2014<sup>1,2</sup>

	Amount required <sup>3</sup> - by Appropriation Act		Total amount required <sup>3</sup>	Total amount appropriated <sup>4</sup>	Total reduction <sup>5</sup>
	Act (No. 1)	Act (No. 3)			
<b>Ordinary Annual Services</b>					
Outcome 1	126,900,000.00	301,309.34	-	141,740,000.00	14,538,690.66
Outcome 2	-	-	-	-	-
<b>Total</b>	<b>126,900,000.00</b>	<b>301,309.34</b>	<b>-</b>	<b>141,740,000.00</b>	<b>14,538,690.66</b>

1. Numbers in this section of the table must be disclosed to the cent.
2. Administered items for 2013-14 were reduced to these amounts when these financial statements were tabled in Parliament as part of the Commission's 2013-14 annual report. This reduction is effective in 2014-15, but the amounts are reflected in Table A in the 2013-14 financial statements in the column 'Appropriations reduced' as they are adjustments to 2013-14 appropriations.
3. Amount required as per Appropriation Act (Act 1 s11; Act 2 s12).
4. Total amount appropriated in 2013-14.
5. Total reduction effective in 2014-15.

#### Reduction in Administered Items for 2013<sup>1,2</sup>

	Amount required <sup>3</sup> - by Appropriation Act		Total amount required <sup>3</sup>	Total amount appropriated <sup>4</sup>	Total reduction <sup>5</sup>
	Act (No. 1)	Act (No. 3)			
<b>Ordinary Annual Services</b>					
Outcome 1	125,987,386.53	-	125,987,386.53	150,400,000.00	24,412,613.47
Outcome 2	-	-	-	-	-
<b>Total</b>	<b>125,987,386.53</b>	<b>-</b>	<b>125,987,386.53</b>	<b>150,400,000.00</b>	<b>24,412,613.47</b>

1. Numbers in this section of the table must be disclosed to the cent.
2. Administered items for 2012-13 were reduced to these amounts when these financial statements were tabled in Parliament as part of the Commission's 2012-13 annual report. This reduction was effective in 2013-14, but the amounts were reflected in Table A in the 2012-13 financial statements in the column 'Appropriations reduced' as they were adjustments to 2012-13 appropriations.
3. Amount required as per Appropriation Act (Act 1 s11; Act 2 s12).
4. Total amount appropriated in 2012-13.
5. Total reduction effective in 2013-14.

## Australian Trade Commission

### Notes to and forming part of the financial statements

#### Compliance with Statutory Conditions for Payments from the Consolidated Revenue Fund

On 8 July 2013 legal advice was received that indicated there could be breaches of Section 83 of the Constitution under certain circumstances with payments for long service leave, goods and services tax and payments under determinations of the Remuneration Tribunal. The Commission undertook to review its processes and controls over payments for these items to minimise the possibility for future breaches as a result of these payments. The Commission has completed this assessment and concluded that there is a low risk of the certain circumstances mentioned in the legal advice applying to the Commission. The Commission has not identified any specific breaches or potential breaches of Section 83 in respect of these items.

#### Note 27: Special Accounts

	Administered Payments and Receipts for Other Entities <sup>1</sup>		Services for Other Entities and Trust Moneys <sup>2</sup>	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
<b>Balance brought forward from previous period</b>	<b>100</b>	100	-	-
<b>Increases</b>				
Other receipts	10,224	9,072	1,233	-
<b>Total increases</b>	<b>10,224</b>	9,072	<b>1,233</b>	-
<b>Available for payments</b>	<b>10,324</b>	9,172	<b>1,233</b>	-
<b>Decreases</b>				
<b>Departmental</b>				
Payments made	-	-	(286)	-
<b>Total departmental</b>	<b>-</b>	-	<b>(286)</b>	-
<b>Administered</b>				
Payments made	(10,224)	(9,072)	-	-
Balance returned to the Official Public Account	-	-	-	-
<b>Total administered</b>	<b>(10,224)</b>	(9,072)	<b>-</b>	-
<b>Total decreases</b>	<b>(10,224)</b>	(9,072)	<b>(286)</b>	-
<b>Total balance carried to the next period</b>	<b>100</b>	100	<b>947</b>	-

1. Appropriation: *Financial Management and Accountability Act 1997* section 20.

Establishing Instrument: *Financial Management and Accountability Determination 2006/15*.

Purpose: To make payments overseas on behalf of other entities, and to make payments to other entities for amounts received overseas on their behalf.

2. Appropriation: *Financial Management and Accountability Act 1997* section 20.

Establishing Instrument: *Financial Management and Accountability Determination 2008/05*.

Purpose: To disburse amounts temporarily held on trust, and to disburse amounts in connection with services performed on behalf of other entities.

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**Australian Trade Commission**  
**Notes to and forming part of the financial statements**

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**Note 28: Compensation and Debt Relief**

The Commission did not provide any departmental or administered compensation or debt relief in both the current and prior reporting periods.

**Note 29: Assets Held in Trust**

The Commission had no assets held in trust in both the current and prior reporting periods.

## Australian Trade Commission Notes to and forming part of the financial statements

### Note 30: Reporting of Outcomes

As the Commission is a services organisation its outputs are directly related to the time its service staff spend on the provision of services. Business Unit Managers complete an annual survey of time spent on outputs which is then crossed with the cost of operating the Business Units to arrive at costs directly attributable to each output. These costs are converted to percentages which are then used as drivers to allocate full costs (that is all direct and indirect costs) to each output.

#### Note 30A: Net Cost of Outcome Delivery

	Outcome 1		Outcome 2		Total	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
<b>Departmental</b>						
Expenses	201,911	183,021	12,864	9,169	214,775	192,190
Own-source income	(22,785)	(16,737)	(1,452)	(839)	(24,237)	(17,576)
<b>Administered</b>						
Expenses	124,607	125,885	-	-	124,607	125,885
Income	(372)	(6)	-	-	(372)	(6)
<b>Net cost of outcome delivery</b>	<b>303,361</b>	<b>292,163</b>	<b>11,412</b>	<b>8,330</b>	<b>314,773</b>	<b>300,493</b>

## Australian Trade Commission Notes to and forming part of the financial statements

### Note 30B: Major Classes of Departmental Expenses, Income, Assets and Liabilities by Outcome

	Outcome 1		Outcome 2		Total	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
<b>Expenses</b>						
Employee benefits	117,176	105,237	7,465	5,272	124,641	110,509
Suppliers	67,072	60,565	4,273	3,034	71,345	63,599
Depreciation and amortisation	16,986	16,642	1,082	834	18,068	17,476
Write-down and impairment of assets	11	33	1	2	12	35
Losses from asset sales	40	195	3	10	43	205
Foreign exchange losses	626	349	40	17	666	366
<b>Total expenses</b>	<b>201,911</b>	<b>183,021</b>	<b>12,864</b>	<b>9,169</b>	<b>214,775</b>	<b>192,190</b>
<b>Own-source income</b>						
Revenue from government	166,174	152,330	10,586	7,632	176,760	159,962
Sale of goods and rendering of services	19,719	14,173	1,256	710	20,975	14,883
Rental income	80	283	5	14	85	297
Other revenue	2,680	2,129	171	107	2,851	2,236
Other gains	306	152	20	8	326	160
<b>Total own-source income</b>	<b>188,959</b>	<b>169,067</b>	<b>12,038</b>	<b>8,471</b>	<b>200,997</b>	<b>177,538</b>
<b>Assets</b>						
Cash and cash equivalents	3,379	3,308	215	166	3,594	3,474
Trade and other receivables	40,526	53,645	2,582	2,688	43,108	56,333
Land and buildings	13,487	10,647	859	533	14,346	11,180
Property, plant and equipment	17,922	20,853	1,142	1,045	19,064	21,898
Intangibles	21,233	16,703	1,353	837	22,586	17,540
Other non-financial assets	7,439	6,834	474	342	7,913	7,176
<b>Total assets</b>	<b>103,986</b>	<b>111,990</b>	<b>6,625</b>	<b>5,611</b>	<b>110,611</b>	<b>117,601</b>
<b>Liabilities</b>						
Suppliers	11,486	14,120	732	707	12,218	14,827
Other payables	4,866	4,155	310	208	5,176	4,363
Employee provisions	31,360	29,670	1,998	1,486	33,358	31,156
Other provisions	2,202	3,605	140	181	2,342	3,786
<b>Total liabilities</b>	<b>49,914</b>	<b>51,550</b>	<b>3,180</b>	<b>2,582</b>	<b>53,094</b>	<b>54,132</b>

Outcomes 1 and 2 are described in Note 1.1. Net costs shown include intra-government costs that are eliminated in calculating the actual Budget outcome. Refer to Outcome 1 Resourcing Table and Outcome 2 Resourcing Table of this Annual Report.

## Australian Trade Commission Notes to and forming part of the financial statements

### Note 30C: Major Classes of Administered Expenses, Income, Assets, and Liabilities by Outcome

	Outcome 1		Outcome 2		Total	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
<b>Expenses</b>						
Employee benefits	5,419	6,077	-	-	5,419	6,077
Suppliers	1,251	1,428	-	-	1,251	1,428
Grants	117,937	118,380	-	-	117,937	118,380
<b>Total expenses</b>	<b>124,607</b>	<b>125,885</b>	<b>-</b>	<b>-</b>	<b>124,607</b>	<b>125,885</b>
<b>Income</b>						
Other revenue	372	6	-	-	372	6
<b>Total income</b>	<b>372</b>	<b>6</b>	<b>-</b>	<b>-</b>	<b>372</b>	<b>6</b>
<b>Assets</b>						
Cash and cash equivalents	-	46	-	-	-	46
Trade and other receivables	19	44	-	-	19	44
<b>Total assets</b>	<b>19</b>	<b>90</b>	<b>-</b>	<b>-</b>	<b>19</b>	<b>90</b>
<b>Liabilities</b>						
Suppliers	44	79	-	-	44	79
Grants	473	-	-	-	473	-
Other payables	179	160	-	-	179	160
Employee provisions	1,709	2,331	-	-	1,709	2,331
Grants provisions	8,996	6,438	-	-	8,996	6,438
<b>Total liabilities</b>	<b>11,401</b>	<b>9,008</b>	<b>-</b>	<b>-</b>	<b>11,401</b>	<b>9,008</b>

Outcomes 1 and 2 are described in Note 1.1. Net costs shown include intra-government costs that are eliminated in calculating the actual Budget outcome. Refer to Outcome 1 Resourcing Table and Outcome 2 Resourcing Table of this Annual Report.



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**Australian Trade Commission**  
**Notes to and forming part of the financial statements**

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**Note 31: Net Cash Appropriation Arrangements**

	2014	2013
	\$'000	\$'000
<b>Total comprehensive income/(loss) less depreciation/amortisation expenses previously funded through revenue appropriations<sup>1</sup></b>	<b>7,987</b>	<b>7,328</b>
Plus: depreciation/amortisation expenses previously funded through revenue appropriation	<u>(18,068)</u>	<u>(17,476)</u>
<b>Total comprehensive income/(loss) - as per the Statement of Comprehensive Income</b>	<b><u>(10,081)</u></b>	<b><u>(10,148)</u></b>

1. From 2010-11, the Government introduced net cash appropriation arrangements, where revenue appropriations for depreciation/amortisation expenses ceased. Entities now receive a separate capital budget provided through equity appropriations. Capital budgets are to be appropriated in the period when cash payment for capital expenditure is required.