Appendix 11: Financial statements for the year ended 30 June 2014

Australian National Audit Office

INDEPENDENT AUDITOR'S REPORT

To the Assistant Minister for Health

I have audited the accompanying financial statements of the Australian Radiation Protection and Nuclear Safety Agency for the year ended 30 June 2014, which comprise: a Statement by the Chief Executive and Chief Financial Officer; the Statement of Comprehensive Income; Statement of Financial Position; Statement of Changes in Equity; Cash Flow Statement; Schedule of Commitments; Schedule of Contingencies; and Notes to and forming part of the financial statements, including a Summary of Significant Accounting Policies and other explanatory information.

Chief Executive's Responsibility for the Financial Statements

The Chief Executive of the Australian Radiation Protection and Nuclear Safety Agency is responsible for the preparation of the financial statements that give a true and fair view in accordance with the Finance Minister's Orders made under the *Financial Management and Accountability Act 1997*, including the Australian Accounting Standards, and for such internal control as is necessary to enable the preparation of financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on the financial statements based on my audit. I have conducted my audit in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards. These auditing standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Australian Radiation Protection and Nuclear Safety Agency's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Australian Radiation Protection and Nuclear Safety Agency's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Chief Executive of the Australian Radiation Protection and Nuclear Safety Agency, as well as evaluating the overall presentation of the financial statements.

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Phone (02) 6203 7300 Fax (02) 6203 7777

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Independence

In conducting my audit, I have followed the independence requirements of the Australian National Audit Office, which incorporate the requirements of the Australian accounting profession.

Opinion

In my opinion, the financial statements of the Australian Radiation Protection and Nuclear Safety Agency:

(a) have been prepared in accordance with the Finance Minister's Orders made under the *Financial Management and Accountability Act 1997*, including the Australian Accounting Standards; and

(b) give a true and fair view of the matters required by the Finance Minister's Orders, including the Australian Radiation Protection and Nuclear Safety Agency's financial position as at 30 June 2014 and its financial performance and cash flows for the year then ended.

Australian National Audit Office

Peter Kerr

Executive Director

Delegate of the Auditor-General

Canberra

16 September 2014

Australian Radiation Protection and Nuclear Safety Agency (ARPANSA)

Financial Statements - 30 June 2014

Australian Radiation Protection and Nuclear Safety Agency

STATEMENT BY THE CHIEF EXECUTIVE AND CHIEF FINANCIAL OFFICER

In our opinion, the attached financial statements for the year ended 30 June 2014 are based on properly maintained financial records and give a true and fair view of the matters required by the Finance Minister's Orders made under the *Financial Management and Accountability Act 1997*, as amended.

Signed…………………	Signed…………………
Carl-Magnus Larsson Chief Executive Officer	George Savvides Chief Financial Officer
16 September 2014	16 September 2014

Australian Radiation Protection and Nuclear Safety Agency
STATEMENT OF COMPREHENSIVE INCOME
for the period ended 30 June 2014

	Notes	2014 $	2013 $
NET COST OF SERVICES			
EXPENSES			
Employee benefits	3A	**17,138,979**	17,314,382
Supplier	3B	**6,637,147**	7,726,220
Depreciation and amortisation	3C	**2,272,567**	2,330,302
Write-down and impairment of assets	3D	**314,198**	30,279
Total expenses		**26,362,891**	27,401,183
OWN-SOURCE INCOME			
Own-source revenue			
Sale of goods and rendering of services	4A	**6,679,150**	7,131,176
Licence fees	4B	**4,549,548**	4,428,701
Other revenue	4C	**56,500**	55,000
Total own-source revenue		**11,285,198**	11,614,877
Gains			
Foreign exchange	4D	**805**	127
Total gains		**805**	127
Total own-source income		**11,286,003**	11,615,004
Net cost of services		**15,076,888**	15,786,179
Revenue from Government	4E	**13,813,000**	13,498,000
Deficit attributable to the Australian Government		**(1,263,888)**	(2,288,179)
OTHER COMPREHENSIVE INCOME			
Items not subject to subsequent reclassification to net cost of services			
Changes in asset revaluation surplus		**1,375,058**	509,292
Total other comprehensive income		**1,375,058**	509,292
Total comprehensive income (loss) attributable to the Australian Government		**111,170**	(1,778,887)

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

Australian Radiation Protection and Nuclear Safety Agency
STATEMENT OF FINANCIAL POSITION
as at 30 June 2014

	Notes	2014 $	2013 $
ASSETS			
Financial assets			
Cash and cash equivalents	6A	**1,395,004**	999,734
Trade and other receivables	6B	**4,075,822**	1,995,377
Other financial assets	6C	**90,922**	113,746
Total financial assets		**5,561,748**	3,108,857
Non-financial assets			
Land and buildings	7A	**21,182,301**	18,982,031
Plant and equipment	7B,7F	**5,743,710**	6,121,867
Intangibles	7C,7G	**591,661**	622,129
Inventories	7D	**1,473,815**	1,437,945
Other non-financial assets	7E	**368,855**	350,383
Total non-financial assets		**29,360,342**	27,514,355
Total assets		**34,922,090**	30,623,212
LIABILITIES			
Payables			
Suppliers	8A	**1,157,261**	668,277
Other payables	8B	**832,727**	1,289,454
Total payables		**1,989,988**	1,957,731
Provisions			
Employee provisions	9	**4,620,837**	4,909,386
Total provisions		**4,620,837**	4,909,386
Total liabilities		**6,610,825**	6,867,117
Net assets		**28,311,265**	23,756,095
EQUITY			
Contributed equity		**15,500,000**	11,056,000
Reserves		**11,014,129**	9,639,071
Retained surplus		**1,797,136**	3,061,024
Total equity		**28,311,265**	23,756,095

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

Australian Radiation Protection and Nuclear Safety Agency
STATEMENT OF CHANGES IN EQUITY
for the period ended 30 June 2014

	Retained earnings		Asset revaluation surplus		Contributed equity/capital		Total equity	
	2014	2013	**2014**	2013	**2014**	2013	**2014**	2013
	$	$	**$**	$	**$**	$	**$**	$
Opening balance								
Balance carried forward from previous period	**3,061,024**	5,349,203	**9,639,071**	9,129,779	**11,056,000**	9,120,000	**23,756,095**	23,598,982
Adjusted opening balance	**3,061,024**	5,349,203	**9,639,071**	9,129,779	**11,056,000**	9,120,000	**23,756,095**	23,598,982
Comprehensive income								
Other comprehensive income - Changes in asset revaluation reserves	**-**	-	**1,375,058**	509,292	**-**	-	**1,375,058**	509,292
Deficit for the period	**(1,263,888)**	(2,288,179)					**(1,263,888)**	(2,288,179)
Total comprehensive income	**(1,263,888)**	(2,288,179)	**1,375,058**	509,292	**-**	-	**111,170**	(1,778,887)
Transactions with owners								
Contributions by owners								
Departmental capital budget	**-**	-	**-**	-	**1,944,000**	1,936,000	**1,944,000**	1,936,000
Equity injection	**-**	-		-	**2,500,000**	-	**2,500,000**	-
Total transactions with owners	**-**	-	**-**	-	**4,444,000**	1,936,000	**4,444,000**	1,936,000
Closing balance as at 30 June	**1,797,136**	3,061,024	**11,014,129**	9,639,071	**15,500,000**	11,056,000	**28,311,265**	23,756,095

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

Australian Radiation Protection and Nuclear Safety Agency
CASH FLOW STATEMENT
for the period ended 30 June 2014

	Notes	2014 $	2013 $
OPERATING ACTIVITIES			
Cash received			
Appropriations		13,813,000	14,078,000
Sales of goods and rendering of services		10,905,698	11,695,459
Net GST received		220,542	249,167
Total cash received		24,939,240	26,022,626
Cash used			
Employees		(17,256,546)	(17,750,046)
Suppliers		(7,624,400)	(8,929,847)
Total cash used		(24,880,946)	(26,679,893)
Net cash from (used by) operating activities	10	58,294	(657,267)
INVESTING ACTIVITIES			
Cash used			
Purchase of property, plant, equipment and intangibles		(2,324,024)	(848,880)
Total cash used		(2,324,024)	(848,880)
Net cash (used by) investing activities		(2,324,024)	(848,880)
FINANCING ACTIVITIES			
Cash received			
Contributed equity		2,661,000	850,000
Total cash received		2,661,000	850,000
Net cash from financing activities		2,661,000	850,000
Net (decrease) increase in cash held		395,270	(656,147)
Cash and cash equivalents at the beginning of the reporting period		999,734	1,655,881
Cash and cash equivalents at the end of the reporting period	6A	1,395,004	999,734

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

Australian Radiation Protection and Nuclear Safety Agency
SCHEDULE OF COMMITMENTS
as at 30 June 2014

	2014	2013
BY TYPE	**$**	$
Commitments receivable		
Net GST recoverable on commitments	**(377,854)**	(107,696)
Total commitments receivable	**(377,854)**	(107,696)
Commitments payable		
Capital commitments		
Building, Infrastructure, plant and equipment [2]	**1,993,453**	387,596
Total capital commitments	**1,993,453**	387,596
Other commitments		
Operating leases [3]	**653,965**	261,109
Other commitments [4]	**1,508,978**	535,952
Total other commitments	**2,162,943**	797,061
Net commitments by type	**3,778,542**	1,076,961
BY MATURITY		
Other commitments receivable		
One year or less	**(323,995)**	(107,696)
From one to five years	**(53,859)**	
Total other commitments receivable	**(377,854)**	(107,696)
Commitments payable		
Capital commitments		
One year or less	**1,993,453**	387,596
From one to five years	**-**	-
Total capital commitments	**1,993,453**	387,596
Operating lease commitments		
One year or less	**390,948**	261,109
From one to five years	**263,017**	
Total operating lease commitments	**653,965**	261,109
Other commitments		
One year or less	**1,179,540**	535,952
From one to five years	**329,438**	
Total other commitments	**1,508,978**	535,952
Net commitments by maturity	**3,778,542**	1,076,961

Note:

1. Commitments are GST inclusive where relevant.

2. Building,Infrastructure plant and equipment - contractual payments for building renovation, computer and scientific equipment

3. Operating leases are effectively non-cancellable and comprise:

Leases for office accommodation.

Lease payments are not subject to annual increase as per the lease. The lease term is 2 years.

Agreements for the provision of motor vehicles to senior executive officers.

No contingent rentals exist. There are no renewal or purchase options available to the Agency.

4. Other commitments - contracts for the procurement of goods and services

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

Australian Radiation Protection and Nuclear Safety Agency

SCHEDULE OF CONTINGENCIES

as at 30 June 2014

	2014	2013
	$	$
Total contingent assets	-	-
Total contingent liabilities	-	-
Net contingent assets (liabilities)	-	-

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

Note 1: Summary of Significant Accounting Policies

1.1 Objectives of the Australian Radiation Protection and Nuclear Safety Agency (ARPANSA)

ARPANSA is an Australian Government controlled entity. It is a not-for-profit entity. The objectives of ARPANSA are described in the body of this Annual Report.

The Agency is structured to meet one outcome:

"Protection of people and the environment through radiation protection and nuclear safety research, policy, advice, codes, standards, services and regulation."

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

ARPANSA's activities contributing toward the outcome are classified as departmental. Departmental activities involve the use of assets, liabilities, income and expenses controlled or incurred by the Agency in its own right.

1.2 Basis of Preparation of the Financial Report

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

The financial statements and notes have been prepared in accordance with:

a) Finance Minister's Orders (or FMOs) for reporting periods ending on or after 1 July 2011; and
b) 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 are in accordance with 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 dollar unless otherwise specified.

Unless an alternative treatment is specifically required by an accounting standard or the FMOs, assets and liabilities are recognised in the balance sheet when and only when it is probable that future economic benefits will flow to the Agency or 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 executor contract 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 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, ARPANSA has made the following judgement that have the most significant impact on the amounts recorded in the financial statements:

- The long service leave liability is calculated using the shorthand method developed by the Australian Government Actuary. This method is impacted by fluctuations in the Commonwealth Government 10 year Treasury Bond rate and the Agency's estimated salary growth rates.

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

1.4 New Australian Accounting Standards

Adoption of new Australian Accounting Standard requirements

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

The following new or revised standards were issued prior to the signing of the statement by the Chief Executive and Chief Financial Officer, were applicable to the current reporting period and had an effect on the Agency's financial statements.

- AASB 13 Fair Value Measurement - introduced a common principle on how to measure fair value, placed a greater emphasis on valuing from the perspective of market participants and required additional disclosures for non-financial assets

- AASB 119 Employee benefits revised the definition of short and long term employee benefits, placing emphasis on when the benefit is expected to be settled rather than when it is due to be settled.

Future Australian Accounting Standard requirements

New standards, revised or amending standards and interpretations that were issued prior to the signing of the statement by the Chief Executive and Chief Financial Officer and are applicable to the future reporting period are not expected to have a future material impact on the Agency's financial statements.

AASB 1055 Budgetary Reporting will require ARPANSA to disclose budgeted information, presented to Parliament in the Portfolio Budget Statements. ARPANSA will also be required to provide explanations of significant variances between the budgeted amounts and actual results. This standard will be applicable to reporting periods commencing on or after 1 July 2014.

1.5 Revenue

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 Agency gains control of the appropriation, except for certain amounts that relate to activities that are reciprocal in nature, in which case revenue is recognised only when it has been earned.

Section 56 (3) of the *Australian Radiation Protection and Nuclear Safety Act 1998* (the Act), requires that money appropriated by the Parliament be transferred to the special account (notes 5A and 16 refer).

Appropriations receivable are recognised at their nominal amounts.

Licence Fees

Under paragraph 34(b) of the Act, an application for a licence must be accompanied by a fee prescribed in the regulations. Revenue for licence applications is recognised when an application for a licence is received.

Revenue for annual licence fees is recognised when a licence is issued to the licensee.

Other Types of 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 Agency retains no managerial involvement nor 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 Agency.

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

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 Agency.

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

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

Resources Received Free of Charge

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

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

Parental Leave Payments Scheme

All amounts received by the Agency under the parental leave payments scheme have been paid to employees. The total amount received under this scheme was $11,197 (2013: $10,917).

1.6 Gains

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 Note 1.7)

Sale of Assets

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

Foreign exchange

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

1.7 Transactions with the Government as Owner

Equity Injections

Amounts appropriated which are designated as ‘equity injections’ for a year (less any formal reductions) 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 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 provision for annual leave and long service leave. No provision has been made for sick leave as all sick leave is non-vesting and the average sick leave taken in future years by employees of the Agency 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 estimates salary rates that will be applied at the time the leave will be taken, including the Agency's employer superannuation contribution rates to the extent that the leave is likely to be taken during service rather than paid out on termination.

The liability for long service leave is recognised and measured at the present value of the estimated future cash flows to be made in respect of employees as at 30 June 2014. The estimate of the present value of the liability takes into account attrition rates and pay increases through promotion and inflation.

Separation and Redundancy

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

Superannuation

The majority of staff of ARPANSA are members of the Commonwealth Superannuation Scheme (CSS), the Public Sector Superannuation Scheme (PSS) or the PSS accumulation plan (PSSap), and the Australian Government Employee Superannuation Trust (AGEST). There are a small number of staff covered under various other superannuation schemes.

The CSS and PSS are defined benefit schemes for the Australian Government. The PSSap is a defined contribution scheme. The AGEST Superannuation Trust is an industry fund which was previously the Australian Government Default Superannuation fund for non-ongoing employees.

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

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

The liability for superannuation recognised as at 30 June represents outstanding contributions for the final fortnight of the year.

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.

1.10 Fair Value Measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principle market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interest. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified, into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed each reporting date and transfers between levels are determined based on a reassessment of the lowest level input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

1.11 Cash

Cash is recognised at its nominal amount. Cash and cash equivalents includes:

a) cash on hand;
b) cash held by outsiders; and
c) cash in special accounts.

1.12 Financial Assets

The Agency classifies its financial assets in the following categories:

a) financial assets at fair value through profit or loss;
b) held-to-maturity investments;
c) available-for-sale financial assets; and
d) loans and receivables.

The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. Financial assets are recognised and derecognised upon trade date. ARPANSA only holds "loans and receivables"

Effective Interest Method

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

Income is recognised on an effective interest rate basis except for financial assets that are recognised at fair value through profit or loss.

Loans and receivables

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest rate.

Impairment of Financial Assets

Financial assets are assessed for impairment at the end of each reporting period.

Financial assets held at amortised cost - if there is objective evidence that an impairment loss has been incurred for loans and receivables or held to maturity investments held at amortised cost, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate. The carrying amount is reduced by way of an allowance account. The loss is recognised in the Statement of Comprehensive Income.

Available for sale financial assets - if there is objective evidence that an impairment loss on an available-for-sale financial asset has been incurred, the amount of the difference between its cost, less principal repayments and amortisation, and its current fair value, less any impairment loss previously recognised in expenses, is transferred from equity to the Statement of Comprehensive Income.

Financial assets held at cost - If there is objective evidence that an impairment loss has been incurred, the amount of the impairment loss is the difference between the carrying amount of the asset and the present value of the estimated future cash flows discounted at the current market rate for similar assets.

1.13 Financial liabilities

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other liabilities. Financial liabilities are recognised and derecognised upon 'trade date'. The Agency only holds other liabilities.

Other Liabilities

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

1.14 Contingent Liabilities and Contingent Assets

Contingent liabilities and contingent assets are not recognised in the balance sheet 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.

1.15 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's accounts immediately prior to the restructuring.

1.16 Property, Plant and Equipment

Asset Recognition Threshold

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

Revaluations

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

Asset class	Fair value measures at:
Land	Market Value
Buildings exc.leasehold improvement	Depreciated replacement cost
Leasehold improvements	Depreciated replacement cost
Plant & equipment	Market Value

Following initial recognition at cost, property plant and equipment are carried at fair value. 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 reverses a previous revaluation decrement of the same asset class that was previously recognised in the surplus/deficit. Revaluation decrements for a class of assets are recognised directly in the surplus/deficit except to the extent that they reverse a previous revaluation increment for that class.

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 ARPANSA, using the straight-line method of depreciation. Leasehold improvements are depreciated using the straight line method over the lesser of the estimated useful life of the improvements or the unexpired period of the lease.

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:

	2014	2013
Buildings on freehold land	**18 years**	19 years
Leasehold improvements	**Lease term - 4 years**	Lease term - 4 years
Plant and equipment	**1 year to 27 years**	1 years to 27 years

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 to sell and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset's ability to generate future cash flows, and the asset would be replaced if ARPANSA 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.

1.17 Intangibles

ARPANSA's intangibles comprise purchased software, internally developed software for internal use and trade marks. These assets are carried at cost less accumulated amortisation and accumulated impairment losses.

Intangibles are amortised on a straight-line basis over their anticipated useful life. The useful lives of ARPANSA's intangibles are 5 to 15.5 years (2012-13: 5 to 15.5 years).

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

1.18 Inventories

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

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

1.19 Foreign currency transactions

Transactions denominated in a foreign currency are converted at the exchange rate at the date of the transaction. Foreign currency receivables and payables are translated at the exchange rates current at balance date where the impact is assessed as material. Exchange gains and losses are reported in the statement of comprehensive income.

1.20 Taxation

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

Revenues, expenses and assets are recognised net of GST, except:

a) where the amount of GST incurred is not recoverable from the Australian Taxation Office; and

b) for receivables and payables.

Note 2: Events after the Reporting Period

There have been no significant subsequent events after the reporting period that impact on the financial statements for the year ended 30 June 2014

Note 3: Expenses

	2014	2013
	$	$
Note 3A: Employee benefits		
Wages and salaries	**12,039,746**	12,431,538
Superannuation - defined contribution	**1,743,676**	2,075,126
Superannuation - defined benefit	**409,021**	381,282
Leave and other entitlements	**2,328,519**	2,216,693
Separation and redundancies	**618,017**	209,743
Total employee benefits	**17,138,979**	17,314,382
Note 3B: Suppliers		
Goods and services supplied or rendered		
Audit fees - ANAO	**56,500**	55,000
Audit fees - outsourced	**94,581**	92,598
Advisory council and committees	**101,158**	116,811
Communications	**338,909**	592,880
Construction and maintenance - Comprehensive nuclear test ban treaty	**646,069**	523,855
Contractors/Consultants	**407,911**	787,277
Information technology	**705,714**	643,220
Insurance	**519,252**	522,917
Laboratory supplies	**301,749**	423,883
Postage and freight	**191,070**	187,020
Reference material & subscriptions	**225,878**	235,363
Repair and maintenance	**387,755**	388,886
Training and conferences	**208,235**	353,976
Travel	**900,764**	1,126,680
Utilities	**586,174**	560,310
Other goods and services	**530,743**	678,226
Total goods and services supplied or rendered	**6,202,462**	7,288,902
Goods supplied in connection with		
External parties	**1,209,771**	1,534,544
Total goods supplied	**1,209,771**	1,534,544
Services rendered in connection with		
Related entities	**1,061,672**	1,341,367
External parties	**3,931,019**	4,413,021
Total services rendered	**4,992,691**	5,754,388
Total goods and services supplied or rendered	**6,202,462**	7,288,932
Other supplier expenses		
Operating lease rentals - external entity		
Minimum lease payments	**383,598**	384,159
Workers compensation premiums	**51,087**	53,129
Total other supplier expenses	**434,685**	437,288
Total supplier expenses	**6,637,147**	7,726,220
Note 3C: Depreciation and amortisation		
Depreciation:		
Property, plant and equipment	**1,238,576**	1,269,818
Buildings	**807,090**	824,133
Total depreciation	**2,045,666**	2,093,951
Amortisation:		
Intangibles:		
Computer software	**226,571**	236,021
Other	**330**	330
Total amortisation	**226,901**	236,351
Total depreciation and amortisation	**2,272,567**	2,330,302
Note 3D: Write-down and impairment of assets		
Impairment on financial assets	**25**	30
Property, plant and equipment - write-off	**74,135**	11,197
Computer software - write-off	**25,990**	17,630
Inventories - write-off	**214,048**	1,422
Total write-down and impairment of assets	**314,198**	30,279

Note 4: Own-Source Income

Own-source revenue	2014 $	2013 $
Note 4A: Sale of goods and rendering of services		
Scientific services - Personal radiation monitoring service	**2,574,137**	2,505,819
Construction and maintenance - Comprehensive nuclear test ban treaty	**1,792,880**	2,017,644
Other scientific services	**2,312,133**	2,607,713
Total sale of goods and rendering of services	**6,679,150**	7,131,176
Sale of goods in connection with		
Related entities	**3,322**	1,754
External parties	**320,377**	312,586
Total sale of goods	**323,699**	314,340
Rendering of services in connection with		
Related entities	**418,663**	1,062,217
External parties	**5,936,788**	5,754,619
Total rendering of services	**6,355,451**	6,816,836
Total sale of goods and rendering of services	**6,679,150**	7,131,176
Note 4B: Licence fees		
Application fees	**514,769**	528,797
Annual charges	**4,034,779**	3,899,904
Total licence fees	**4,549,548**	4,428,701
Note 4C: Other revenue		
Resources received free of charge - ANAO audit fees	**56,500**	55,000
Total other revenue	**56,500**	55,000
Gains		
Note 4D: Foreign exchange gains		
Non-speculative	**805**	127
Total foreign exchange gains	**805**	127
Revenue from Government		
Note 4E: Revenue from Government		
Appropriation:		
Departmental appropriation	**13,813,000**	13,498,000
Total revenue from Government	**13,813,000**	13,498,000

The Agency has received $11,197 (2013: $10,917) under the Parental Leave Payments Scheme.

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		
	Fair value	**Level 1 inputs**	**Level 2 inputs**	**Level 3 inputs**
	$	**$**	**$**	**$**
Non-financial assets				
Land	5,700,000	-	5,700,000	-
Buildings on freehold land	15,482,301	-	-	15,482,301
Leasehold improvements	-	-	-	-
Plant and equipment	5,743,710	-	2,606,252	3,137,458
Total non-financial assets	26,926,011	-	8,306,252	18,619,759
Total fair value measurements of assets in the statement of financial position	26,926,011	-	8,306,252	18,619,759

Fair value measurements - highest and best use

ARPANSA's assets are held for operational purposes and not held for the purposes of deriving a profit. The current use of the assets is considered the highest and best use.

Note 5B: Level 1 and Level 2 Transfers for Recurring Fair Value Measurements

There have been no level 1 or level 2 transfers for recurring fair value measurements.

The entity's policy for determining when transfers between levels are deemed to have occurred can be found in Note 1.

Note 5: Fair Value Measurements (continued)

Note 5C: 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 $	Valuation technique(s)[1]	Inputs used	Range (weighted average)[2]
Non-financial assets					
Land	Level 2	5,700,000	Market approach	Values based on evidence of comparable sales	
Buildings on freehold land	Level 3	15,482,301	Depreciated replacement cost	Values based on estimated construction cost for replacement	$3433 sqm and 2.5% per annum[3]
Plant and equipment	Level 2	2,606,252	Market approach	Adjusted market transactions Replacement cost new	
Plant and equipment	Level 3	3,137,458	Depreciated replacement cost	Consumed economic benefit/ obsolescence of asset	2.5%-20.00% (9.59%) per annum

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. The remaining and total life of the buildings were assessed by the valuer based on the use, condition and location of the building in question. The replacement cost information used to assess the replacement costs of the buildings is considered to be a Level 2 input but the assessment of total and remaining lives are considered to be Level 3 inputs as they are essentially subjective assessments made by the valuers.

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

The Agency procured valuation services from the Australian Valuation Office (AVO) in relation to land and buildings at 30 June 2014. The AVO provided written assurance that their valuations were in compliance with AASB 13. The Agency also procured the services of the Australian Valuation Services (AVS) to undertake a review of the leasehood improvements and plant and equipment valuations. The AVS provided written assurance that these valuations were in compliance with AASB 13.

Recurring Level 3 fair value measurements - sensitivity of inputs

The significant unobservable inputs used in the fair value measurement of the Agency's buildings relate to total and remaining useful life, as these are essentially subjective assessment by the valuers. The significant unobservable inputs in the fair value measurement of the Agency's plant and equipment relate to the consumed economic benefit /obsolescence of the asset. A significant increase (decrease) in this input would result in significantly lower (higher) fair value measurement.

Note 5D: Reconciliation for Recurring Level 3 Fair Value Measurements

Recurring Level 3 fair value measurements - reconciliation for assets

	Non-financial assets		
	Buildings	**Plant and equipment**	**Total**
	2014	**2014**	**2014**
	$	**$**	**$**
Opening balance	14,118,000	2,993,764	**17,111,764**
Purchases	1,632,301	826,942	**2,459,243**
Revaluation	475,058	-	**475,058**
Depreciation	(743,059)	(683,248)	**(1,426,307)**
Closing balance	**15,482,301**	**3,137,458**	**18,619,759**

The entity's policy for determining when transfers between levels are deemed to have occurred can be found in Note 1.

Note 6: Financial Assets

	2014	2013
	$	$
Note 6A: Cash and cash equivalents		
Special accounts	**1,357,982**	962,856
Cash on hand or on deposit	**37,022**	36,878
Total cash and cash equivalents	**1,395,004**	999,734
Note 6B: Trade and other receivables		
Goods and services receivables in connection with		
External parties	**1,134,496**	924,516
Total goods and services receivables	**1,134,496**	924,516
Appropriations receivable:		
For existing program	**2,869,000**	1,086,000
Total appropriations receivables	**2,869,000**	1,086,000
Other receivables		
Statutory receivables - GST	**86,154**	4,560
Total other receivables	**86,154**	4,560
Total trade and other receivables (gross)	**4,089,650**	2,015,076
Less impairment allowance account		
Goods and services	**(13,828)**	(19,699)
Total trade and other receivables (net)	**4,075,822**	1,995,377
Trade and other receivables (net) to be recovered in:		
No more than 12 months	**4,075,822**	1,995,377
More than 12 months	**-**	-
Total trade and other receivables (net)	**4,075,822**	1,995,377
Total trade and other receivables (gross) are aged as follows:		
Not overdue	**3,996,220**	1,890,586
Overdue by:		
0 to 30 days	**75,168**	97,299
31 to 60 days	**18,262**	26,937
61 to 90 days	**-**	254
Total trade and other receivables (gross)	**4,089,650**	2,015,076
Impairment allowance is aged as follows:		
Overdue by:		
31 to 60 days	**13,828**	19,445
61 to 90 days	**-**	254
Total impairment allowance	**13,828**	19,699

Goods and sevices receivable was with entities external to the Australian Government . Credit terms are net 30 days (2013: 30 days)

	2014	2013
Reconciliation of Impairment Allowance		
Goods and services		
Opening Balance	**19,699**	21,489
Amounts recovered and reversed	**-**	915
Amounts written off	**(5,896)**	(2,735)
Increase/decrease recognised in net cost of services	**25**	30
Closing Balance	**13,828**	19,699
Note 6C: Other financial assets		
Accrued revenue	**90,922**	113,746
Total other financial assets	**90,922**	113,746

Total other financial assets are expected to be recovered in no more than 12 months.

Note 7: Non-Financial Assets

	2014	2013
	$	$
Note 7A: Land and buildings		
Land at fair value		
Total land at fair value	**5,700,000**	4,800,000
Buildings on freehold land:		
– Work in progress	**1,632,301**	-
– Fair value	**13,850,000**	14,118,000
– Accumulated depreciation	**-**	-
Total buildings on freehold land	**15,482,301**	14,118,000
Leasehold improvements		
– Fair value	**159,600**	159,600
– Accumulated depreciation	**(159,600)**	(95,569)
Total leasehold improvements	**-**	64,031
Total land and buildings	**21,182,301**	18,982,031

Revaluation of land and buildings

All revaluations are conducted in accordance with the revaluation policy stated at Note 1. On 30 June 2014 independent valuers from the Australian Valuation Office conducted a valuation of Land and Buildings. The previous revaluation was conducted on 30 June 2013.

Revaluation increments of $900,000 for land (2013: $300,000) and $475,058 for buildings on freehold land (2013: $209,292).

All increments were transferred to the asset revaluation reserve surplus by asset class and included in the equity section of the statement of financial position

No indicators of impairment were found for land and buildings.

No land and buildings are expected to be sold or disposed of within the next 12 months.

Note 7: Non-Financial Assets (continued)

	2014 $	2013 $
Note 7B: Plant and equipment		
Plant and equipment:		
– work in progress	**-**	359,274
– fair value	**8,041,336**	7,026,457
– accumulated depreciation	**(2,297,626)**	(1,263,864)
Total plant and equipment	**5,743,710**	6,121,867

Revaluation of plant and equipment

All revaluations are conducted in accordance with the revaluation policy stated at Note 1. Plant and equipment was subject to a revaluation at 30 June 2012.

No indicators of impairment were found for plant and equipment

No plant and equipment are expected to be sold or disposed of within the next 12 months.

	2014 $	2013 $
Note 7C: Intangibles		
Computer software:		
Purchased	**1,637,967**	1,477,659
Accumulated amortisation	**(1,265,743)**	(1,181,375)
Internally developed – in use	**1,121,464**	1,121,464
Accumulated amortisation	**(902,196)**	(796,118)
Total computer software	**591,492**	621,630
Trademarks:		
Trademarks	**4,620**	4,620
Accumulated amortisation	**(4,451)**	(4,121)
Total trademarks	**169**	499
Total intangibles	**591,661**	622,129

No indicators of impairment were found for intangible assets.
No intangibles are expected to be sold or disposed of within the next 12 months.

Note 7: Non-Financial Assets (continued)

	2014	2013
	$	$
Note 7D: Inventories		
Inventories held for sale		
Finished goods	**236,704**	62,419
Total Inventories held for sale	**236,704**	62,419
Inventories held for distribution	**1,237,111**	1,375,526
Total inventories	**1,473,815**	1,437,945

During 2013-14, $76,759 of inventory held for sale was recognised as an expense (2012-13: $106,591).
During 2013-14, $69,156, of inventory held for distribution was recognised as an expense (2012-13: $57,068).

No items of inventory were recognised at fair value less cost to sell.

All inventory is expected to be sold or distributed in the next 12 months.

	2014	2013
Note 7E: Other non-financial assets		
Prepayments	**368,855**	350,383
Total other non-financial assets	**368,855**	350,383
Other non-financial assets expected to be recovered		
No more than 12 months	**368,855**	350,383
Total other non-financial assets	**368,855**	350,383

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

Note 7: Non-Financial Assets (continued)

Note 7F: 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

	Land	Buildings	Leasehold Improvements	PP & E	Total
	$	$	$	$	$
As at 1 July 2013					
Gross book value	**4,800,000**	**14,118,000**	**159,600**	**7,385,731**	**26,463,331**
Accumulated depreciation and impairment	**-**	**-**	**(95,569)**	**(1,263,864)**	**(1,359,433)**
Net book value 1 July 2013	**4,800,000**	**14,118,000**	**64,031**	**6,121,867**	**25,103,898**
Additions:					
By purchase	**-**	**1,632,301**	**-**	**934,555**	**2,566,856**
Revaluations and impairments recognised in other comprehensive income	**900,000**	**475,058**	**-**		**1,375,058**
Depreciation expense	**-**	**(743,059)**	**(64,031)**	**(1,238,576)**	**(2,045,666)**
Disposals:					
Other disposals	**-**	**-**	**-**	**(74,136)**	**(74,136)**
Net book value 30 June 2014	**5,700,000**	**15,482,301**	**-**	**5,743,710**	**26,926,011**
Net book value as of 30 June 2014 represented by:					
Gross book value	**5,700,000**	**15,482,301**	**159,600**	**8,041,336**	**29,383,237**
Accumulated depreciation and impairment	**-**	**-**	**(159,600)**	**(2,297,626)**	**(2,457,226)**
Net book value 30 June 2014	**5,700,000**	**15,482,301**	**-**	**5,743,710**	**26,926,011**

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

	Land	Buildings	Leasehold Improvements	PP & E	Total
	$	$	$	$	$
As at 1 July 2012					
Gross book value	4,500,000	14,570,000	159,600	6,702,310	25,931,910
Accumulated depreciation and impairment	-	-	-	-	-
Net book value 1 July 2012	4,500,000	14,570,000	159,600	6,702,310	25,931,910
Additions:					
By purchase	-	67,272		700,572	767,844
Revaluations and impairments recognised in other comprehensive income	300,000	209,292	-		509,292
Depreciation expense	-	(728,564)	(95,569)	(1,269,818)	(2,093,951)
Disposals:					
Other disposals	-	-	-	(11,197)	(11,197)
Net book value 30 June 2013	4,800,000	14,118,000	64,031	6,121,867	25,103,898
Net book value as of 30 June 2013 represented by:					
Gross book value	4,800,000	14,118,000	159,600	7,385,731	26,463,331
Accumulated depreciation and impairment	-	-	(95,569)	(1,263,864)	(1,359,433)
Net book value 30 June 2013	4,800,000	14,118,000	64,031	6,121,867	25,103,898

Note 7: Non-Financial Assets (continued)

Note 7G: Reconciliation of the Opening and Closing Balances of Intangibles

Reconciliation of the opening and closing balances of intangibles 2014

	Computer software internally developed $	Computer software purchased $	Other intangibles - Trademarks $	Total $
As at 1 July 2013				
Gross book value	**1,121,464**	**1,477,659**	**4,620**	**2,603,743**
Accumulated amortisation and impairment	**(796,118)**	**(1,181,375)**	**(4,121)**	**(1,981,614)**
Net book value 1 July 2013	**325,346**	**296,284**	**499**	**622,129**
Additions:				
By purchase		**222,422**	**-**	**222,422**
Amortisation	**(106,078)**	**(120,492)**	**(330)**	**(226,900)**
Disposals:				
Other disposals	**-**	**(25,990)**	**-**	**(25,990)**
Net book value 30 June 2014	**219,268**	**372,224**	**169**	**591,661**
Net book value as of 30 June 2014 represented by:				
Gross book value	**1,121,464**	**1,637,967**	**4,620**	**2,764,051**
Accumulated amortisation and impairment	**(902,196)**	**(1,265,743)**	**(4,451)**	**(2,172,390)**
Net book value 30 June 2014	**219,268**	**372,224**	**169**	**591,661**

Reconciliation of the opening and closing balances of intangibles 2013

	Computer software internally developed $	Computer software purchased $	Other intangibles - Trademarks $	Total $
As at 1 July 2012				
Gross book value	1,121,464	1,425,730	4,620	2,551,814
Accumulated amortisation and impairment	(689,278)	(1,060,740)	(3,791)	(1,753,809)
Net book value 1 July 2012	432,186	364,990	829	798,005
Additions:				
By purchase		78,105	-	78,105
Amortisation	(106,840)	(129,181)	(330)	(236,351)
Disposals:				
Other disposals	-	(17,630)	-	(17,630)
Net book value 30 June 2013	325,346	296,284	499	622,129
Net book value as of 30 June 2013 represented by:				
Gross book value	1,121,464	1,477,659	4,620	2,603,743
Accumulated amortisation and impairment	(796,118)	(1,181,375)	(4,121)	(1,981,614)
Net book value 30 June 2013	325,346	296,284	499	622,129

Note 8: Payables

	2014	2013
	$	$
Note 8A: Suppliers		
Trade creditors and accruals	**1,157,261**	664,110
Operating lease rentals	**-**	4,167
Total supplier	**1,157,261**	668,277
Suppliers expected to be settled		
No more than 12 months	**1,157,261**	668,277
More than 12 months	**-**	-
Total suppliers	**1,157,261**	668,277
Suppliers in connection with		
Related parties	**314,502**	81,619
External parties	**842,759**	586,658
Total supplier payables	**1,157,261**	668,277

Settlement is usually made within 30 days.

	2014	2013
Note 8B: Other payables		
Salaries and wages	**452,727**	416,936
Superannuation	**61,894**	65,578
Separation and redundancies	**235,471**	96,596
Unearned income	**48,613**	676,466
Other	**34,022**	33,878
Total other payables	**832,727**	1,289,454
Other payables are expected to be settled in:		
No more than 12 months	**832,727**	1,289,454
More than 12 months	**-**	-
Total other payables	**832,727**	1,289,454

Note 9: Provisions

	2014	2013
Employee provisions		
Leave	**4,620,837**	4,909,386
Total employee provisions	**4,620,837**	4,909,386
Employee provisions are expected to be settled in:		
No more than 12 months	**1,152,866**	1,122,600
More than 12 months	**3,467,971**	3,786,786
Total employee provisions	**4,620,837**	4,909,386

Note 10: Cash Flow Reconciliation

	2014 $	2013 $
Reconciliation of cash and cash equivalents as per financial position to Cash Flow Statement		
Cash and cash equivalents as per:		
Cash Flow Statement	**1,395,004**	999,734
Statement of financial position	**1,395,004**	999,734
Difference	**-**	-
Reconciliation of net cost of services to net cash from (used by) operating activities:		
Net cost of services	**(15,076,888)**	(15,786,179)
Revenue from Government	**13,813,000**	13,498,000
Adjustments for non-cash items		
Depreciation /amortisation	**2,272,567**	2,330,302
Net write down of non-financial assets (excluding write-down of inventories)	**100,125**	30,249
Capital contributions	**1,317,745**	-
Changes in assets / liabilities		
(Increase) / decrease in net receivables	**(2,080,445)**	700,704
(Increase) / decrease in inventories	**(35,870)**	50,220
(Increase) / decrease in prepayments	**(18,472)**	112,035
(Increase) / decrease in accrued revenue	**22,824**	(32,043)
Increase / (decrease) in employee provisions	**(288,549)**	(318,815)
Increase / (decrease) in supplier payables	**488,984**	(709,801)
Increase / (decrease) in other payables	**(456,727)**	(531,939)
Net cash from (used by) operating activities	**58,294**	(657,267)

Note 11: Contingent Liabilities and Assets

As at 30 June 2014, and 30 June 2013 ARPANSA had no quantifiable, unquantifiable or significant remote contingencies.

Note 12: Executive Remuneration

Note 12A: Senior Executive Remuneration Expense for the reporting period

	2014 $	2013 $
Short-term employee benefits:		
Salary	**841,992**	804,145
Performance bonuses	**300**	1,000
Motor vehicle and other allowances	**93,141**	109,105
Total short-term employee benefits	**935,433**	914,250
Post-employment benefits		
Superannuation	**137,099**	125,634
Total post-employment benefits	**137,099**	125,634
Other long-term employee benefits		
Annual leave accrued	**3,411**	7,325
Long-service leave	**10,208**	14,632
Total other long-term employee benefits	**13,619**	21,957
Total senior executive remuneration expenses	**1,086,151**	1,061,841

Notes:

1. Note 12A was prepared on an accrual basis
2. Note 12A excludes acting arrangements and part-year service where remuneration expensed for a senior executive was less than $195,000

Note 12: Executive Remuneration (continued)

Note 12B: Average Annual Reportable Remuneration Paid to Substantive Senior Executives During the Reporting Period

Average annual reportable remuneration paid to substantive senior executives in 2014

Average annual reportable remuneration[1]	**Senior Executives No.**	**Reportable salary[2] $**	**Contributed superannuation[3] $**	**Reportable allowance[4] $**	**Bonus paid[5] $**	**Total $**
Total reportable remuneration (including part-time arrangements):						
less than $195,000	-	-	-	-	-	-
$225,000 to $254,999	**2**	**204,637**	**30,392**	**28**	-	**235,057**
$345,000 to $374,999	**1**	**327,249**	**39,383**	-	-	**366,632**
Total number of substantive senior executives	**3**					

Average annual reportable remuneration paid to substantive senior executives in 2013

Average annual reportable remuneration[1]	Senior Executives No.	Reportable salary[2] $	Contributed superannuation[3] $	Reportable allowance[4] $	Bonus paid[5] $	Total $
Total reportable remuneration (including part-time arrangements):						
less than $195,000	-	-	-	-	-	-
$225,000 to $254,999	2	202,850	30,470	168	-	233,488
$325,000 to $354,999	1	292,761	33,421	-	-	326,182
Total number of substantive senior executives	3					

Notes:

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' to account for tax benefits);
   c) exempt foreign employment income; and
   d) salary sacrificed superannuation

3. The 'contributed superannuation' amount is the average actual superannuation contributions paid to senior executives in that reportable remuneration band during the reporting period, as per the individuals' payslips.

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.

Note 12: Executive Remuneration (continued)

Note 12C: 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[1]	Staff No.	Reportable salary[2] $	Contributed superannuation[3] $	Reportable allowance[4] $	Bonus paid[5] $	Total $
Total reportable remuneration (including part-time arrangements):						
$195,000 to $224,999	**1**	**173,106**	**24,233**	**4,123**	**300**	**201,762**
$225,000 to $254,999	**1**	**207,964**	**36,932**	**-**	**300**	**245,196**
Total number of other highly paid staff	**2**					

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

Average annual reportable remuneration[1]	Staff No.	Reportable salary[2] $	Contributed superannuation[3] $	Reportable allowance[4] $	Bonus paid[5] $	Total $
Total reportable remuneration (including part-time arrangements):						
$195,000 to $224,999	1	175,539	23,518	4,067	1,000	204,124
$225,000 to $254,999	2	210,832	23,491	-	1,000	235,322
Total number of other highly paid staff	3					

Notes:

1.This table reports staff:
- a) who were employed by the entity during the reporting period;
- b) whose reportable remuneration was $195,000 or more for the financial year; and
- c) were not required to be disclosed in Table B

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' to account for tax benefits);
- c) exempt foreign employment income; and
- d) salary sacrificed superannuation

3. The 'contributed superannuation' amount is the average actual superannuation contributions paid to staff in that reportable remuneration band during the reporting period as per the individuals' payslips.

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.

Note 13: Remuneration of Auditors

	2014	2013
	$	$
Financial statement audit services were provided free of charge to the Agency by the Australian National Audit Office (ANAO)		
The fair value of the financial statement audit services provided:	**56,500**	55,000

No other services were provided by the auditors of the financial statements.

Note 14: Compensation and Debt Relief

	2014	2013
No "Act of Grace payments" were expensed during the reporting period (2013: nil)	-	-
No waivers of amounts owing to the Australian Government were made pursuant to subsection 34(1) of the Financial Management and Accountability Act 1997 (2013: nil).	-	-
No payments were provided under the Compensation for Detriment caused by Defective Administration (CDDA) Scheme during the reporting period (2013: nil).	-	-
No ex-gratia payments were provided for during the reporting period (2013: nil).	-	-
One payment was provided in special circumstances relating to APS employment pursuant to section 73 of the *Public Service Act 1999* (PS Act) during the reporting period. (2013: 2 payments).	**50,187**	65,363

Note 15: Financial Instruments

	2014	2013
	$	$
Note 15A: Categories of financial instruments		
Financial assets		
Loans and receivables		
Cash and cash equivalents	**1,395,004**	999,734
Receivables for goods and services	**1,120,668**	904,817
Other financials assets	**90,922**	113,746
Total loans and receivables	**2,606,594**	2,018,297
Total financial assets	**2,606,594**	2,018,297
Financial liabilities		
Financial liabilities measured at amortised cost		
Trade creditors	**362,010**	367,438
Total financial liabilities measured at amortised cost	**362,010**	367,438
Total Financial liabilities	**362,010**	367,438

Note 15: Financial Instruments (continued)

Note 15B: Credit risk

ARPANSA is exposed to minimal credit risk as loans and receivables are cash and trade receivables. The maximum exposure to credit risk is the risk that arises from potential default of a debtor. This amount is equal to the total amount of trade receivables (2014: $1,134,496 and 2013:$924,516). ARPANSA has assessed the risk of the default on payment and has allocated $13,828 in 2014 (2013: $19,699) to an impairment allowance account.

ARPANSA has policies and procedures that guide employees' debt recovery techniques that are to be applied when debts are past due.

ARPANSA holds no collateral to mitigate against credit risk.

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

	Not Past Due Nor Impaired 2014 $	Not Past Due Nor Impaired 2013 $	**Past due or impaired 2014 $**	Past due or impaired 2013 $
Cash and cash equivalent	**1,395,004**	999,734	**-**	-
Receivables for goods and services	**1,041,066**	800,026	**93,430**	124,490
Other financials assets	**90,922**	113,746		
Total	**2,526,992**	1,913,506	**93,430**	124,490

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

	0 to 30 days $	**31 to 60 days $**	**61 to 90 days $**	**90+ days $**	**Total $**
Loans and receivables					
Receivables for goods and services	**75,168**	**4,434**	**-**	**-**	**79,602**
Total	**75,168**	**4,434**	**-**	**-**	**79,602**

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

	0 to 30 days $	**31 to 60 days $**	**61 to 90 days $**	**90+ days $**	**Total $**
Loans and receivables					
Receivables for goods and services	97,299	7,492	-	-	104,791
Total	97,299	7,492	-	-	104,791

Note 15: Financial Instruments (continued)

Note 15C: Liquidity risk

ARPANSA's financial liabilities are trade creditors. The majority of ARPANSA's funding is appropriated from the Australian Government. The Agency manages its budgeted funds to ensure it has adequate funds to meet payments as they fall due. In addition, ARPANSA has policies in place to ensure timely payments are made when due and has no past experience of default. ARPANSA does not expect to have difficulty meeting its financial liabilities as and when they become due and payable.

Maturities for non-derivative financial liabilities in 2014

	On demand	**within 1 year 2014 $**	**1 to 2 years 2014 $**	**2 to 5 years 2014 $**	**Total 2014 $**
Trade creditors	**-**	**362,010**	**-**	**-**	**362,010**
Total	**-**	**362,010**	**-**	**-**	**362,010**

Maturities for non-derivative financial liabilities in 2013

	On demand	**within 1** year 2013 $	**1 to 2** years 2013 $	**2 to 5** years 2013 $	Total 2013 $
Trade creditors		367,438	-	-	367,438
Total		367,438	-	-	367,438

ARPANSA has no derivative financial liabilities in either 2014 or 2013.

Note 15D: Market Risk

Currency Risk

ARPANSA's exposure to "Currency Risk" is minimal as only a small number of contracts are in currencies other than Australian Dollars.

Interest Rate Risk

ARPANSA's financial instruments are not exposed to interest rate risk.

Other Price Risk

ARPANSA's financial instruments are not exposed to other price risk.

Note 16: Financial Assets Reconciliation

	Notes	2014 $	2013 $
Total financial assets as per statement of financial position		**5,561,748**	3,108,857
Less: Non-financial instrument components			
Appropriations receivables	6B	**2,869,000**	1,086,000
Other receivables	6B	**86,154**	4,560
Total non-financial instrument components		**2,955,154**	1,090,560
Total financial assets as per financial instruments note	15A	**2,606,594**	2,018,297

Note 17: Appropriations

In accordance with section 56 of the *Australian Radiation Protection and Nuclear Safety Act 1998*, all monies received by ARPANSA are to be paid into the ARPANSA Special Account. Pursuant to this section, all monies paid into this Account are automatically appropriated for the use of ARPANSA.

Note 17A: Annual Appropriations ('Recoverable GST exclusive')

Annual Appropriations for 2014

	Appropriation Act			*FMA Act*					
	Annual Appropriation $	Appropriations reduced [1] $	AFM [2] $	Section 30 $	Section 31 $	Section 32 $	Total appropriation $	Appropriation applied in 2014 (current and prior years) $	Variance [4] $
DEPARTMENTAL									
Ordinary annual services	15,804,000	-	-	-	-	-	15,804,000	15,199,000	605,000
Other services									
Equity	2,500,000	-	-	-	-	-	2,500,000	1,275,000	1,225,000
Total departmental	18,304,000	-	-	-	-	-	18,304,000	16,474,000	1,830,000

Notes:

1. Appropriations reduced under Appropriation Acts (Nos. 1,3 and 5) 2013-14: sections 10,11, 12 and 15 and under Appropriation Acts (Nos. 2,4 and 6) 2013-14: 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 the Finance Minister to reduce that appropriation. The reduction in the appropriation is effected by the Finance Minister's determination and is disallowable by Parliament.

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 an adjustment of $47,000 that met the recognition criteria of a formal reduction in revenue (in accordance with with FMO Div 101) but at law the appropriation had not been amended before the end of the reporting period.

4. The variance of $1,830,000 for departmental ordinary annual services reflects the appropriation adjustment amount of $47,000 and movement in appropriation receivable of $1,783,000.

Annual Appropriations for 2013

	Appropriation Act								
	Annual Appropriation $	Appropriations reduced [1] $	AFM [2] $	Section 30 $	Section 31 $	Section 32 $	Total appropriation $	Appropriation applied in 2013 (current and prior years) $	Variance [3] $
DEPARTMENTAL									
Ordinary annual services	15,522,000	(88,000)	-	-	-	-	15,434,000	14,928,000	506,000
Other services									
Equity	-	-	-	-	-	-	-	-	-
Total departmental	15,522,000	(88,000)	-	-	-	-	15,434,000	14,928,000	506,000

Notes:

1. Appropriations reduced under Appropriation Acts (Nos. 1,3 and 5) 2012-13: sections 10,11, 12 and 15 and under Appropriation Acts (Nos. 2,4 and 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 the Finance Minister to reduce that appropriation. The reduction in the appropriation is effected by the Finance Minister's determination and is disallowable by Parliament. On 5 August 2013, the Finance Minister issued a determination to reduce departmental appropriation following a request from the Minister for Health and Ageing. The amount of the reduction under Appropriation Act (No.3) 2012-13 was : $88,000

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. The variance of $506,000 reflect the movement in appropriation receivable.

Note 17: Appropriations (continued)

Note 17B: Departmental Capital Budgets ('Recoverable GST exclusive')

	2014 Capital Budget Appropriations				Capital Budget Appropriations Applied in 2014 (current and prior years)			
	Appropriation Act		*FMA Act*					
	Annual Capital Budget	Appropriations reduced [2]	Section 32	Total Capital Budget Appropriations	Payments for non-financial assets [3]	Payments for other purposes	Total payments	Variance
	$	$	$	$	$	$	$	$
DEPARTMENTAL								
Ordinary annual services - Departmental Capital Budget [1]	**1,944,000**	**-**	**-**	**1,944,000**	**2,324,000**	**-**	**2,324,000**	**(380,000)**

Notes:

1. Departmental Capital Budgets are appropriated through Appropriation Acts (No.1,3,5). They form part of ordinary annual services, and are not separately identified in the Appropriation Acts. For more information on ordinary annual services appropriations, please see Note 17A: 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 on non-financial assets include purchases 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.

	2013 Capital Budget Appropriations				Capital Budget Appropriations Applied in 2013 (current and prior years)			
	Appropriation Act		*FMA Act*					
	Annual Capital Budget	Appropriations reduced [2]	Section 32	Total Capital Budget Appropriations	Payments for non-financial assets [3]	Payments for other purposes	Total payments	Variance
	$	$	$	$	$	$	$	$
DEPARTMENTAL								
Ordinary annual services - Departmental Capital Budget [1]	**1,936,000**	**-**	**-**	**1,936,000**	**848,880**	**-**	**848,880**	**1,087,120**

Notes:

1. Departmental Capital Budgets are appropriated through Appropriation Acts (No.1,3,5). They form part of ordinary annual services, and are not separately identified in the Appropriation Acts. For more information on ordinary annual services appropriations, please see Note 17 A: 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 on non-financial assets include purchases 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.

Note 17 C: Unspent Departmental Annual Appropriations ('Recoverable GST exclusive')

Authority	**2014**	2013
	$	$
DEPARTMENTAL		
Appropriation Act (No. 1) 2012-13	**-**	1,122,878
Appropriation Act (No. 1) 2013-14	**1,681,022**	-
Appropriation Act (No. 2) 2013-14	**1,225,000**	
Total Departmental	**2,906,022**	1,122,878

Note 18: Special Accounts

ARPANSA Special Account (Departmental)	**2014**	2013
	$	$
Establishing Instrument: *ARPANS Act 1998; s56(4)*		
Appropriation: *Financial Management and Accountability Act 1997*; s21		
Purpose: The purpose of the Special Account is set out in the ARPANS Act at section 56(4): "The purposes of the Special Account are to make payments: (a) to further the object of this Act (as set out in section 3); and (b) otherwise in connection with the performance of the CEO's functions under this Act or the Regulations."		
Balance brought forward from previous period	**999,734**	1,655,881
Appropriations credited to special account	**16,474,000**	14,928,000
GST credits (FMA Act s30A)	**220,542**	249,167
Other receipts	**10,905,698**	11,695,459
Total increase	**27,600,240**	26,872,626
Available for payments	**28,599,974**	28,528,507
Payments made to employees	**(17,256,546)**	(17,750,046)
Payments made to suppliers	**(9,948,424)**	(9,778,727)
Total decrease	**(27,204,970)**	(27,528,773)
Total Balance carried to next period	**1,395,004**	999,734

Note 19: Compliance with Statutory Conditions for Payments from the Consolidated Revenue Fund

Section 83 of the Constitution provides that no amount may be paid out of the Consolidated Revenue Fund except under an appropriation made by law. The Department of Finance and Deregulation provided information to all agencies in 2011 regarding the need for risk assessments in relation to compliance with statutory conditions on payments from special appropriations, including special accounts.

During 2012-13 additional legal advice was received that indicated there could be breaches of Section 83 under certain circumstances with payments for long service leave, goods and services tax and payments under determinations of the Remuneration Tribunal. The agency reviewed its processes and controls over payments for these items to minimise the possibility for future breaches as a result of these payments. The agency determined that there is a low risk of the certain circumstances mentioned in the legal advice applying to the department, and was not aware of any specific breaches of Section 83 in respect of these items.

The agency completed a review of possible exposure to risk of non- compliance with statutory conditions on payments from appropriations. This involved:

• a review of the Australian Radiation Protection and Nuclear Safety Act 1998 and Australian Radiation Protection and Nuclear Safety Regulations 1999; and

• determining the risk of non-compliance by assessing the difficulty of administering the statutory conditions and assessing the extent to which existing payment systems and processes satisfy those conditions

The agency has only one special account involving statutory conditions for payment.

This work had been completed in respect of all amounts with statutory conditions for payment - representing $24.09m of total expenditure in 2013-14 ($ 25.1m in 2012-13)

No issues of non-compliance with Section 83 have been identified.

The Australian Government continues to have regard to developments in case law, including the High Court's most recent decision on Commonwealth expenditure in Williams v Commonwealth [2014] HCA 23, as they contribute to the larger body of law relevant to the development of Commonwealth programs. In accordance with its general practice, the Government will continue to monitor and assess risk and decide on any appropriate actions to respond to risks of expenditure not being consistent with constitutional or other legal requirements

Note 20: Reporting of Outcomes

All ARPANSA's transactions fall within Outcome 1, "The Australian people and the environment are protected from the harmful effects of radiation"

Note 20A: Net cost of outcome delivery

	Outcome	
	2014	2013
	$	$
Departmental		
Expenses	**26,362,891**	27,401,183
Own-source income	**11,286,003**	11,615,004
Net cost of outcome delivery	**15,076,888**	15,786,179

Net cost shown include intra-government costs that are eliminated in calculating the actual Budget Outcome.

Note 20B: Major classes of departmental expense, income, assets and

	Outcome	
	2014	2013
	$	$
Expenses		
Employees	**17,138,979**	17,314,382
Suppliers	**6,637,147**	7,726,220
Depreciation and amortisation	**2,272,567**	2,330,302
Write-down and impairment of assets	**314,198**	30,279
Other expenses	**-**	-
Total	**26,362,891**	27,401,183
Income		
Revenue from government	**13,813,000**	13,498,000
Sales of goods and services	**6,679,150**	7,131,176
Licence Fees	**4,549,548**	4,428,701
Other revenue	**56,500**	55,000
Foreign exchange	**805**	127
Total	**25,099,003**	25,113,004
Assets		
Cash and cash equivalents	**1,395,004**	999,734
Trade and other receivables	**4,075,822**	1,995,377
Other financial assets	**90,922**	113,746
Land and buildings	**21,182,301**	18,982,031
Property, plant and equipment	**5,743,710**	6,121,867
Intangibles	**591,661**	622,129
Inventories	**1,473,815**	1,437,945
Other non-financial assets	**368,855**	350,383
Total	**34,922,090**	30,623,212
Liabilities		
Suppliers	**1,157,261**	668,277
Other payables	**832,727**	1,289,454
Employee provisions	**4,620,837**	4,909,386
Total	**6,610,825**	6,867,117

Net cost shown include intra-government costs that are eliminated in calculating the actual Budget Outcome.

Note 21: Net Cash Appropriation Arrangements

	2014	2013
	$	$
Total comprehensive income (loss) less depreciation/amortisation expenses previously funded through revenue appropriations *	**2,383,737**	551,415
Plus: depreciation/amortisation expenses previously funded through revenue appropriations		
Depreciation and amortisation expenses	**(2,272,567)**	(2,330,302)
Total comprehensive income (loss) as per the Statement of Comprehensive Income	**111,170**	(1,778,887)

* 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.