PART 5

FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

To the Minister for Health and Aged Care

I have audited the accompanying annual financial statements of the Australian Radiation Protection and Nuclear Safety Agency for the year ended 30 June 2016, which comprise:

- Statement by the Accountable Authority and Chief Financial Officer;
- Statement of Comprehensive Income;
- Statement of Financial Position;
- Statement of Changes in Equity;
- Cash Flow Statement; and
- Notes to the financial statements.

Opinion

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

(a) comply with Australian Accounting Standards and the *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015*; and

(b) present fairly the financial position of the Australian Radiation Protection and Nuclear Safety Agency as at 30 June 2016 and its financial performance and cash flows for the year then ended.

Accountable Authority's Responsibility for the Financial Statements

The Chief Executive of the Australian Radiation Protection and Nuclear Safety Agency is responsible under the *Public Governance, Performance and Accountability Act 2013* for the preparation and fair presentation of annual financial statements that comply with Australian Accounting Standards and the rules made under that Act and is also responsible for such internal control as the Chief Executive determines is necessary to enable the preparation and fair presentation of financial statements that 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.

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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 entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Accountable Authority of the entity, as well as evaluating the overall presentation of the financial statements.

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.

Australian National Audit Office

Peter Kerr
Executive Director
Delegate of the Auditor-General
Canberra
16 September 2016

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STATEMENT BY THE ACCCOUNTABLE AUTHORITY AND CHIEF FINANCIAL OFFICER

In our opinion, the attached financial statements for the year ended 30 June 2016 comply with subsection 42(2) of the Public Governance, Performance and Accountability Act 2013 (PGPA Act), and are based on properly maintained financial records as per subsection 41(2) of the PGPA Act.

In our opinion, at the date of this statement, there are reasonable grounds to believe that the Australian Radiation Protection and Nuclear Safety Agency will be able to pay it debts as and when they fall due.

Carl-Magnus Larsson
Accountable Authority

16 September 2016

George Savvides
Chief Financial Officer

16 September 2016

STATEMENT OF COMPREHENSIVE INCOME

for the period ended 30 June 2016

	Notes	2016 $	Original Budget 2016 $	2015 $
NET COST OF SERVICES				
EXPENSES				
Employee benefits	1.1A	**16,186,659**	16,348,000	15,752,820
Suppliers	1.1B	**8,199,893**	6,762,000	7,037,712
Depreciation and amortisation	2.2A	**2,570,036**	2,171,000	2,332,573
Write-down and impairment of assets	1.1C	**565,177**	643,000	665,723
Foreign exchange loss	1.1D	**306**	–	–
Total expenses		**27,522,071**	25,924,000	25,788,828
OWN-SOURCE INCOME				
Own-source revenue				
Sale of goods and rendering of services	1.2A	**6,708,476**	4,771,000	6,162,101
Licence fees	1.2B	**4,607,286**	5,275,000	4,671,536
Other revenue	1.2C	**57,000**	–	56,500
Total own-source revenue		**11,372,762**	10,046,000	10,890,137
Gains				
Foreign exchange	1.2D	**–**	–	1,879
Total gains		**–**	–	1,879
Total own-source income		**11,372,762**	10,046,000	10,892,016
Net cost of services		**16,149,309**	15,878,000	14,896,812
Revenue from Government	1.2E	**13,056,000**	13,064,000	13,253,000
Deficit attributable to the Australian Government		**(3,093,309)**	(2,814,000)	(1,643,812)
OTHER COMPREHENSIVE INCOME				
Items not subject to subsequent reclassification to net cost of services				
Changes in asset revaluation surplus		**964,987**	–	2,630,310
Total other comprehensive income		**964,987**	–	2,630,310
Total comprehensive income attributable to the Australian Government		**(2,128,322)**	(2,814,000)	986,498

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

STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)

for the period ended 30 June 2016

Budget Variances Commentary

The above table provides a comparison between the 2015-16 Portfolio Budget Statements (PBS) budget and the final financial outcome in the 2015-16 financial statements. The Budget is not audited and does not reflect additional budget estimates provided in the 2015-16 Portfolio Additional Estimates Statements (PAES) or the revised budget provided as part of the 2016-17 Portfolio Budget Statements (PBS). However major changes in budget have been explained as part of the variance analysis where relevant.

The actuals are prepared in accordance with Australian Accounting Standards.

Explanations have been provided where movements are greater than 10% of the line item or 2% of total income or expense unless the movement is clearly trivial.

Departmental Major Budget Variances for 2016

Explanations of major variances	Affected line items (and statement)
Suppliers Increase in suppliers expense relates to the provision of the Australian Clinical Dosimetry Service for the full year. The increase in expense if offset by the related increase in revenue.	*Suppliers expense and Total own source revenue (Statement of Comprehensive Income) Operating cash used – suppliers (Cash Flow Statement).*
Own source revenue Sale of good and services and licence fees The 2015-16 estimated actual budget amounts for Sale of goods and rendering of services and Licence Fees were amended to $5,275,000 and $4,771,000 respectively in the 2016-17 PBS. Overall, the increase in Sale of goods and rendering of services relates to the funding of the Australian Clinical Dosimetry Service for the full year. This increase in revenue is offset by the related increase in suppliers expense. In relation to licence fees, actual income was lower than that estimated at budget.	*Total own source revenue and Suppliers expense (Statement of Comprehensive Income), Operating cash received – sale of goods and rendering of services (Cash Flow Statement).*
Total other comprehensive income The variance of $964,987 relates to the unbudgeted independent revaluation of land and buildings.	*Total other comprehensive income (Statement of Comprehensive Income), Land and Building (Statement of Financial Position).*

STATEMENT OF FINANCIAL POSITION

as at 30 June 2016

	Notes	2016 $	Original Budget 2016 $	2015 $
ASSETS				
Financial assets				
Cash and cash equivalents	2.1A	**1,210,302**	1,126,000	1,510,837
Trade and other receivables	2.1B	**932,522**	3,211,000	4,011,480
Other financial assets	2.1C	**83,067**	91,000	47,675
Total financial assets		**2,225,891**	4,428,000	5,569,992
Non-financial assets				
Land and buildings	2.2A	**24,600,000**	21,593,000	24,316,564
Leasehold improvements	2.2A	**280,863**	–	–
Plant and equipment	2.2A	**6,917,410**	4,944,000	5,978,450
Intangibles	2.2A	**863,731**	621,000	622,950
Inventories	2.2B	**1,532,976**	1,428,000	1,495,537
Other non-financial assets	2.2C	**435,115**	369,000	403,081
Total non-financial assets		**34,630,095**	28,955,000	32,816,582
Total assets		**36,855,986**	33,383,000	38,386,574
LIABILITIES				
Payables				
Suppliers	2.3A	**928,587**	–	1,276,994
Other payables	2.3B	**328,642**	1,240,000	1,071,017
Total payables		**1,257,229**	1,240,000	2,348,011
Provisions				
Employee provisions	4.1	**4,447,316**	5,370,000	4,737,800
Total provisions		**4,447,316**	5,370,000	4,737,800
Total liabilities		**5,704,545**	6,610,000	7,085,811
Net assets		**31,151,441**	26,773,000	31,300,763
EQUITY				
Contributed equity		**19,482,000**	19,482,000	17,503,000
Reserves		**14,609,426**	11,014,000	13,644,439
Retained surplus / (Accumulated deficit)		**(2,939,985)**	(3,723,000)	153,324
Total equity		**31,151,441**	26,773,000	31,300,763

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

STATEMENT OF FINANCIAL POSITION (CONTINUED)

as at 30 June 2016

Budget Variances Commentary

The above table provides a comparison between the 2015-16 Portfolio Budget Statements (PBS) budget and the final financial outcome in the 2015-16 financial statements. The Budget is not audited and does not reflect additional budget estimates provided in the 2015-16 Portfolio Additional Estimates Statements (PAES) or the revised budget provided as part of the 2016-17 Portfolio Budget Statements (PBS). However major changes in budget have been explained as part of the variance analysis where relevant.

The actuals are prepared in accordance with Australian Accounting Standards.

Explanations have been provided where movements are greater than 10% of the line item or 2% of total income or expense unless the movement is clearly trivial.

Departmental Major Budget Variances for 2016

Explanations of major variances	Affected line items (and statement)
Appropriations The variance of $2,278,478 relates to the difference in the actual and budget appropriation receivable. This is a result of higher than budgeted fixed assets expenditure.	*Trade and other receivables (Statement of Financial Position) and Operating cash received – appropriations (Cash Flow Statement).*
Land and buildings The variance relates to the independent revaluation of land and buildings in 2016 and 2015, since the budget was prepared.	*Land and buildings and Reserves (Statement of Financial Position).*
Leasehold improvements The variance relates to unbudgeted expenditure on leasehold improvements at the NSW office.	*Leasehold improvements, Trade and other receivables (Statement of Financial Position) and Investing cash used – purchase of property plant and equipment Financing cash received – contributed equity (Cash Flow Statement).*
Plant and equipment The variance relates to additional unbudgeted expenditure on replacement scientific plant and equipment	*Plant and equipment and Trade and other receivables (Statement of Financial Position) and Investing cash used – purchase of property plant and equipment and Financing cash received – contributed equity (Cash Flow Statement).*
Intangibles The variance relates to the unbudgeted purchase of the Customer Relationship Management software.	*Intangibles (Statement of Financial Position) and Investing cash used – purchase of property plant and equipment (Cash Flow Statement).*
Other non-financial assets Actual prepaid expenses were higher than those budgeted, and specifically related to software support.	*Non-financial assets (Statement of Financial Position).*
Payables Suppliers and Other payables The negative variance in suppliers is offset by the positive variance in other payables to a level that is deemed immaterial.	*Non-financial assets (Statement of Financial Position).*
Employee provisions Employee provisions are lower than budgeted due to the departure of long serving APS employees.	*Employee provisions and Cash and cash equivalents (Statement of Financial Position). Payments to employees (Cash Flow statement).*

STATEMENT OF CHANGES IN EQUITY

for the period ended 30 June 2016

	2016	Original Budget 2016	2015
	$	$	$
CONTRIBUTED EQUITY			
Opening balance			
Balance carried forward from previous period	**17,503,000**	17,503,000	15,500,000
Adjusted opening balance	**17,503,000**	17,503,000	15,500,000
Transactions with owners			
Contributions by owners			
Departmental capital budget	**1,979,000**	1,979,000	2,003,000
Total transactions with owners	**1,979,000**	1,979,000	2,003,000
Closing balance as at 30 June	**19,482,000**	19,482,000	17,503,000
RETAINED EARNINGS			
Opening balance			
Balance carried forward from previous period	**153,324**	(909,000)	1,797,136
Adjusted opening balance	**153,324**	(909,000)	1,797,136
Comprehensive income			
Deficit for the period	**(3,093,309)**	(2,814,000)	(1,643,812)
Total comprehensive income	**(3,093,309)**	(2,814,000)	(1,643,812)
Closing balance as at 30 June	**(2,939,985)**	(3,723,000)	153,324
ASSET REVALUATION RESERVE			
Opening balance			
Balance carried forward from previous period	**13,644,439**	11,014,000	11,014,129
Adjusted opening balance	**13,644,439**	11,014,000	11,014,129
Comprehensive income			
Other comprehensive income	**964,987**	–	2,630,310
Total comprehensive income	**964,987**	–	2,630,310
Closing balance as at 30 June	**14,609,426**	11,014,000	13,644,439

STATEMENT OF CHANGES IN EQUITY (CONTINUED)

for the period ended 30 June 2016

	2016	Original Budget 2016	2015
	$	$	$
TOTAL EQUITY			
Opening balance			
Balance carried forward from previous period	**31,300,763**	27,608,000	28,311,265
Adjusted opening balance	**31,300,763**	27,608,000	28,311,265
Comprehensive income			
Other comprehensive income	**964,987**	–	2,630,310
Deficit for the period	**(3,093,309)**	(2,814,000)	(1,643,812)
Total comprehensive income	**(2,128,322)**	(2,814,000)	986,498
Transactions with owners			
Contributions by owners			
Departmental capital budget	**1,979,000**	1,979,000	2,003,000
Total transactions with owners	**1,979,000**	1,979,000	2,003,000
Closing balance as at 30 June	**31,151,441**	26,773,000	31,300,763

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

Accounting Policy

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.

STATEMENT OF CHANGES IN EQUITY (CONTINUED)

for the period ended 30 June 2016

Budget Variances Commentary

The above table provides a comparison between the 2015-16 Portfolio Budget Statements (PBS) budget and the final financial outcome in the 2015-16 financial statements. The Budget is not audited and does not reflect additional budget estimates provided in the 2015-16 Portfolio Additional Estimates Statements (PAES) or the revised budget provided as part of the 2016-17 Portfolio Budget Statements (PBS). However major changes in budget have been explained as part of the variance analysis where relevant.

The actuals are prepared in accordance with Australian Accounting Standards.

Explanations have been provided where movements are greater than 10% of the line item or 2% of total income or expense unless the movement is clearly trivial.

Departmental Major Budget Variances for 2016

Explanations of major variances	Affected line items (and statement)
Retained earnings Effect of the variations detailed in the Budget variance commentary of the Statement of Comprehensive Income has resulted in a $783,015 reduction in the actual accumulated deficit for the period.	*Other comprehensive income (Statement of Comprehensive Income).*
Asset Revaluation Reserves Increase relates to the actual independent revaluation of land and buildings in 2016 and 2015, since the budget was prepared.	*Land and buildings and reserves (Statement of Financial Position).*

CASH FLOW STATEMENT

for the period ended 30 June 2016

	Notes	2016 $	Original Budget 2016 $	2015 $
OPERATING ACTIVITIES				
Cash received				
Appropriations		**14,342,000**	13,928,000	11,967,000
Sales of goods and rendering of services		**7,079,701**	4,286,000	11,810,133
Other cash received		**4,607,286**	5,275,000	–
Net GST received		**516,264**	485,000	503,694
Total cash received		**26,545,251**	23,974,000	24,280,827
Cash used				
Employees		**(17,024,289)**	(16,349,000)	(15,740,521)
Suppliers		**(10,087,893)**	(6,678,000)	(8,423,864)
Net GST paid		**–**	(701,000)	–
Total cash used		**(27,112,182)**	(23,728,000)	(24,164,385)
Net cash (used by) / from operating activities	3.3	**(566,931)**	246,000	116,442
INVESTING ACTIVITIES				
Cash used				
Purchase of property, plant, equipment and intangibles		**(3,365,604)**	(1,979,000)	(3,219,609)
Total cash used		**(3,365,604)**	(1,979,000)	(3,219,609)
Net cash (used by) investing activities		**(3,365,604)**	(1,979,000)	(3,219,609)
FINANCING ACTIVITIES				
Cash received				
Contributed equity		**3,632,000**	1,979,000	3,219,000
Total cash received		**3,632,000**	1,979,000	3,219,000
Net cash from financing activities		**3,632,000**	1,979,000	3,219,000
Net (decrease) / increase in cash held		**(300,535)**	246,000	115,833
Cash and cash equivalents at the beginning of the reporting period		**1,510,837**	880,000	1,395,004
Cash and cash equivalents at the end of the reporting period	2.1A	**1,210,302**	1,126,000	1,510,837

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

CASH FLOW STATEMENT (CONTINUED)

for the period ended 30 June 2016

Budget Variances Commentary

The above table provides a comparison between the 2015-16 Portfolio Budget Statements (PBS) budget and the final financial outcome in the 2015-16 financial statements. The Budget is not audited and does not reflect additional budget estimates provided in the 2015-16 Portfolio Additional Estimates Statements (PAES) or the revised budget provided as part of the 2016-17 Portfolio Budget Statements (PBS). However major changes in budget have been explained as part of the variance analysis where relevant.

The actuals are prepared in accordance with Australian Accounting Standards.

Explanations have been provided where movements are greater than 10% of the line item or 2% of total income or expense unless the movement is clearly trivial.

Departmental Major Budget Variances for 2016

Explanations of major variances	Affected line items (and statement)
Variances relating to cash flows occur because of the factors detailed under expenses, own source income, assets or liabilities.	*Operating, Investing, Financing activities (Cash Flow statement)*
Contributed Equity Variance of $1,653,000 relates to the drawdown of prior year Departmental Capital Budget (DCB)	*Financing activities (Cash Flow statement), Trade and other receivables (Statement of Financial Position)*

OVERVIEW

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

ARPANSA is an Australian Government controlled not-for-profit entity. It is a non-corporate Commonwealth Entity under the Public Governance Performance and Accountability Act 2013. The objectives of ARPANSA are to: *protect people and the environment from the harmful effects of radiation.*

The Entity 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 Entity in its present form and with its present programs is dependent on Government policy and on continuing funding by Parliament for the Entity'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 Entity in its own right.

Basis of Preparation of the Financial Report

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

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

a) Public Governance, Performance and Accountability (Financial Reporting) Rule 2015 (FRR) for reporting periods ending on or after 1 July 2015; 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.

Accounting Judgements and Estimates

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

- The fair value of land and buildings is taken to be the market value and depreciated replacement cost respectively as determined by an independent valuer.
- 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 Entity'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.

New Australian Accounting Standards

Adoption of new Australian Accounting Standard requirements

AASB 2015-7 Amendments to Australian Accounting Standards – Fair Value Disclosures of Not-for-Profit Public Sector Entities was the only accounting standard adopted earlier than the application date stated in the standard. AASB 2015–7 provides relief from disclosing quantitative information about significant unobservable inputs used in fair value, where property, plant and equipment is held for its current service potential rather than to generate net cash flows. The standard has been applied and the effect is these disclosures are no longer made.

All other new or revised standards that were issued prior to the signing of the statement by the Accountable Authority and Chief Financial Officer, and are applicable to the current reporting period did not have an effect, and are not expected to have a future effect on the Entity's financial statements.

Future Australian Accounting Standard requirements

The following new standards, revised or amending standards and interpretations that were issued prior to the signing of the statement by the Accountable Authority and Chief Financial Officer and are applicable to the future reporting period are expected to have an effect on the Entity's financial statements.

Standard / Interpretation	Application date for entity	Nature of impending changes in accounting policy and likely impact on initial application
AASB 9 *Financial Instruments*	1 July 2018	Incorporates the final requirements for all three phases of the financial instruments project: classification and measurement, impairments and hedge accounting. Likely impact – the classification of Financial assets.
AASB 15 *Revenue from Contracts with Customers*	1 July 2018	Specifies the accounting treatment for all revenue arising from contracts with customers. Likely impact – the timing of revenue recognition
AASB 16 *Leases*	1 July 2019	Requires lessees to recognise almost all leases as assets and liabilities Likely impact – Recognition of lease on the Statement of Financial Position

Taxation

The Entity 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.

Events after the Reporting Period

There have been no significant subsequent events after the reporting period that impact on the financial statement for the year ended 30 June 2016.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the period ended 30 June 2016

FINANCIAL PERFORMANCE This section analyses the financial performance of ARPANSA for the year ended 2016

	2016 $	2015 $
NOTE 1.1: EXPENSES		
NOTE 1.1A: EMPLOYEE BENEFITS		
Wages and salaries	**11,729,103**	11,205,006
Superannuation – defined contribution	**1,745,099**	1,747,559
Superannuation – defined benefit	**408,643**	388,379
Leave and other entitlements	**1,884,931**	2,058,850
Separation and redundancies	**418,883**	353,026
Total employee benefits	**16,186,659**	15,752,820

Accounting Policy

Accounting policies for employee related expenses are contained in the people and relationships section.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the period ended 30 June 2016

	2016 $	2015 $
NOTE 1.1B: SUPPLIERS		
Goods and services supplied or rendered		
Audit fees – ANAO	**57,000**	56,500
Audit fees – outsourced	**112,561**	185,962
Advisory council and committees	**127,906**	101,434
Communications	**355,998**	314,053
Construction and maintenance – Comprehensive nuclear test ban treaty	**601,815**	560,555
Contractors/Consultants	**1,142,575**	853,703
Information technology	**854,821**	702,448
Insurance	**56,516**	55,569
Laboratory supplies	**492,519**	317,267
Postage and freight	**182,833**	157,408
Reference material & subscriptions	**307,518**	265,941
Repair and maintenance	**556,692**	589,112
Training and conferences	**363,055**	205,890
Travel	**1,286,801**	1,086,469
Utilities	**477,773**	460,966
Other goods and services	**772,255**	637,667
Total goods and services supplied or rendered	**7,748,638**	6,550,944
Goods supplied	**1,501,531**	1,195,683
Services rendered	**6,247,107**	5,355,261
Total goods and services supplied or rendered	**7,748,638**	6,550,944
Other supplier expenses		
Operating lease rentals – external entity		
Minimum lease payments	**391,224**	447,055
Workers compensation premiums	**60,031**	39,713
Total other supplier expenses	**451,255**	486,768
Total supplier expenses	**8,199,893**	7,037,712

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the period ended 30 June 2016

	2016	2015
	$	$
Leasing commitments		
ARPANSA in its capacity as lessee:		
Lease for office accommodation		
– Four year office accommodation lease with two further extension options of two years each. Lease payments are subject to an annual CPI increase.		
Agreement for the provision of motor vehicle to senior executive officers.		
– No contingent rentals exist. There are no renewal or purchase options available to the Agency		
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:		
Within 1 year	**240,807**	263,392
Between 1 to 5 years	**623,115**	–
Total operating lease commitments	**863,922**	263,392

Accounting Policy

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.

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

NOTE 1.1C: WRITE-DOWN AND IMPAIRMENT OF ASSETS

	2016	2015
Impairment on financial assets	**546**	4,848
Property, plant and equipment – write-off	**16,515**	116,861
Computer software – write-off	**–**	193
Inventories – write-off	**548,116**	543,821
Total write-down and impairment of assets	**565,177**	665,723

NOTE 1.1D: FOREIGN EXCHANGE LOSSES

	2016	2015
Non-speculative	**306**	–
Total foreign exchange losses	**306**	–

Accounting Policy

Gains and losses from foreign currency are recognised when incurred.

	2016	2015
	$	$

NOTE 1.2: OWN-SOURCE REVENUE AND GAINS

Own-source revenue

NOTE 1.2A: SALE OF GOODS AND RENDERING OF SERVICES

	2016	2015
Scientific services – Personal radiation monitoring service	2,285,618	2,411,440
Construction and maintenance – Comprehensive nuclear test ban treaty	1,720,854	1,724,039
Other scientific services	2,702,004	2,026,622
Total sale of goods and rendering of services	6,708,476	6,162,101

Accounting Policy

Revenue from the sale of goods is recognised when:

a) The risks and rewards of ownership have been transferred to the buyer;

b) The Entity 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 Entity.

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 Entity.

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.

NOTE 1.2B: LICENCE FEES

	2016	2015
Application fees	43,429	224,418
Annual charges	4,563,857	4,447,118
Total licence fees	4,607,286	4,671,536

Accounting Policy

Under paragraph 34(b) of the Australian Radiation Protection and Nuclear Saftey Act (ARPANS 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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the period ended 30 June 2016

	2016 $	2015 $
NOTE 1.2C: OTHER REVENUE		
Resources received free of charge – ANAO audit fees	**57,000**	56,500
Total other revenue	**57,000**	56,500

Accounting Policy

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.

Gains

	2016	2015
NOTE 1.2D: FOREIGN EXCHANGE GAIN		
Non-speculative	–	1,879
Total foreign exchange gain / (loss)	–	1,879

Accounting Policy

Gains and losses from foreign currency are recognised when earned

Revenue from Government

	2016	2015
NOTE 1.2E: REVENUE FROM GOVERNMENT		
Appropriation:		
Departmental appropriation	13,056,000	13,253,000
Total revenue from Government	**13,056,000**	13,253,000

Accounting Policy

Amounts appropriated for departmental appropriations for the year (adjusted for any formal additions and reductions) are recognised as Revenue from Government when the Entity 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 2.1A and 3.2 refer).

Appropriations receivable are recognised at their nominal amounts.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the period ended 30 June 2016

FINANCIAL POSITION This section analyses ARPANSA's assets used to conduct its operations and the operating liabilities incurred as a result for the year ended 2016. Employee related information is disclosed in the People and relationships section.

	2016 $	2015 $
NOTE 2.1: FINANCIAL ASSETS		
NOTE 2.1A: CASH AND CASH EQUIVALENTS		
Special accounts	1,190,489	1,485,669
Cash on hand or on deposit	19,813	25,168
Total cash and cash equivalents	1,210,302	1,510,837

Accounting Policy

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

a) cash on hand;

b) cash at bank; and

c) cash in special accounts.

	2016 $	2015 $
NOTE 2.1B: TRADE AND OTHER RECEIVABLES		
Goods and services receivables		
Goods and services	884,523	1,003,945
Total goods and services receivables	884,523	1,003,945
Appropriations receivable:		
For existing program	–	2,939,000
Total appropriations receivables	–	2,939,000
Other receivables		
Statutory receivables – GST	45,238	83,539
Other – leave liability transfer and bond advance	18,337	2,499
Total other receivables	63,575	86,038
Total trade and other receivables (gross)	948,098	4,028,983
Less impairment allowance account		
Goods and services	(15,576)	(17,503)
Total trade and other receivables (net)	932,522	4,011,480
Trade and other receivables (net) to be recovered in:		
No more than 12 months	932,522	4,011,480
Total trade and other receivables (net)	932,522	4,011,480

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the period ended 30 June 2016

	2016	2015
	$	$
Total trade and other receivables (gross) are aged as follows:		
Not overdue	**794,492**	3,879,223
Overdue by:		
0 to 30 days	**122,203**	113,365
31 to 60 days	**20,282**	25,350
61 to 90 days	**11,121**	11,045
Total trade and other receivables (gross)	**948,098**	4,028,983
Impairment allowance is aged as follows:		
Overdue by:		
31 to 60 days	**4,455**	17,503
61 to 90 days	**11,121**	–
Total impairment allowance	**15,576**	17,503

Goods and services receivable was with entities external to the Australian Government.
Credit terms are net 30 days (2015: 30 days)

Accounting Policy

Receivables

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

Reconciliation of Impairment Allowance

	2016	2015
Goods and services		
Opening Balance	**17,503**	13,828
Amounts recovered and reversed	**–**	–
Amounts written off	**(2,473)**	(1,173)
Increase/decrease recognised in net cost of services	**546**	4,848
Closing Balance	**15,576**	17,503

NOTE 2.1C: OTHER FINANCIAL ASSETS

	2016	2015
Accrued revenue	**83,067**	47,675
Total other financial assets	**83,067**	47,675

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

Accounting Policy

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

NOTE 2.2: NON-FINANCIAL ASSETS

NOTE 2.2A: 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 2016

	Land	Buildings	Leasehold Improvements	PP & E	Computer software internally developed	Computer software purchased	Other intangibles – Trademarks	Total
	$	$	$	$	$	$	$	$
As at 1 July 2015								
Gross book value	7,500,000	16,816,564	–	9,421,394	1,092,900	1,743,024	4,620	36,578,502
Accumulated depreciation and impairment	–	–	–	(3,442,944)	(979,710)	(1,233,264)	(4,620)	(5,660,538)
Net book value 1 July 2015	7,500,000	16,816,564	–	5,978,450	113,190	509,760	–	30,917,964
Additions:								
By purchase	–	264,840	306,396	2,342,707	–	451,661	–	3,365,604
Revaluations and impairments recognised in other comprehensive income		964,987		–	–	–	–	964,987
Depreciation and amortisation	–	(946,391)	(25,533)	(1,387,232)	(101,724)	(109,156)		(2,570,036)
Disposals:								–
Other disposals	–	–	–	(16,515)	–	–	–	(16,515)
Net book value 30 June 2016	7,500,000	17,100,000	280,863	6,917,410	11,466	852,265	–	32,662,004
Net book value as of 30 June 2016 represented by:								
Gross book value	7,500,000	17,100,000	306,396	11,662,191	1,092,900	2,075,771	4,620	39,741,878
Accumulated depreciation and impairment	–	–	(25,533)	(4,744,781)	(1,081,434)	(1,223,506)	(4,620)	(7,079,874)
Net book value 30 June 2016	7,500,000	17,100,000	280,863	6,917,410	11,466	852,265	–	32,662,004

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the period ended 30 June 2016

Reconciliation of the opening and closing balances of property, plant and equipment for 2015

	Land	Buildings	Leasehold Improvements	PP & E	Computer software internally developed	Computer software purchased	Other intangibles – Trademarks	Total
	$	$	$	$	$	$	$	$
As at 1 July 2014								
Gross book value	5,700,000	15,482,301	–	8,041,336	1,121,464	1,637,967	4,620	31,987,688
Accumulated depreciation and impairment	–	–	–	(2,297,626)	(902,196)	(1,265,743)	(4,451)	(4,470,016)
Net book value 1 July 2014	5,700,000	15,482,301	–	5,743,710	219,268	372,224	169	27,517,672
Additions:								
By purchase	–	1,353,515	–	1,625,858	–	240,237	–	3,219,610
Revaluations and impairments recognised in other comprehensive income	1,800,000	830,310	–					2,630,310
Depreciation and amortisation	–	(849,562)	–	(1,274,257)	(106,078)	(102,508)	(169)	(2,332,574)
Disposals:								–
Other disposals	–	–	–	(116,861)	–	(193)	–	(117,054)
Net book value 30 June 2015	7,500,000	16,816,564	–	5,978,450	113,190	509,760	–	30,917,964
Net book value as of 30 June 2015 represented by:								
Gross book value	7,500,000	16,816,564	–	9,421,394	1,092,900	1,743,024	4,620	36,578,502
Accumulated depreciation and impairment	–	–	–	(3,442,944)	(979,710)	(1,233,264)	(4,620)	(5,660,538)
Net book value 30 June 2015	7,500,000	16,816,564	–	5,978,450	113,190	509,760	–	30,917,964

Accounting Policy

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.

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.

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 $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

Following initial recognition at cost, property plant and equipment is 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.

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 vale

Revaluation of land and buildings

On 30 June 2016 independent valuers from the Jones Lang LaSalle Advisory Services Pty Ltd conducted a valuation of Land and Buildings. The previous revaluation was conducted on 30 June 2015.

No revaluation increments for land (2015: $1,800,000) and $964,987 for buildings on freehold land (2015: $830,310) were recognised.

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

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 leasehold 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

	2016	2015
Buildings on freehold land	**18 years**	18 years
Leasehold improvements	**Lease term – 4 years**	Lease term – 4 years
Plant and equipment	**1 to 27 years**	1 to 27 years

Impairment

All assets were assessed for impairment at 30 June 2016. 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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the period ended 30 June 2016

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.

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 (2014-15: 5 to 15.5 years).

All intangibles assets were assessed for indications of impairment as at 30 June 2016.

	2016	2015
	$	$
NOTE 2.2B: INVENTORIES		
Inventories held for sale		
Finished goods	24,469	52,906
Total Inventories held for sale	**24,469**	52,906
Inventories held for distribution	1,508,507	1,442,631
Total inventories	**1,532,976**	1,495,537

During 2015-16, $37,745 of inventory held for sale was recognised as an expense (2014-15: $39,850).

During 2015-16, $3,902 of inventory held for distribution was recognised as an expense (2014-15: $51,235).

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.

Accounting Policy

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.

NOTE 2.2C: OTHER NON-FINANCIAL ASSETS

	2016	2015
Prepayments	435,115	403,081
Total other non-financial assets	**435,115**	403,081

	2016	2015
Other non-financial assets expected to be recovered		
No more than 12 months	435,115	403,081
Total other non-financial assets	**435,115**	403,081

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the period ended 30 June 2016

	2016	2015
	$	$
NOTE 2.3: PAYABLES		
NOTE 2.3A: SUPPLIERS		
Trade creditors and accruals	928,587	1,276,994
Total suppliers	928,587	1,276,994
Suppliers expected to be settled		
No more than 12 months	928,587	1,276,994
Total suppliers	928,587	1,276,994

Settlement is usually made within 30 days.

	2016	2015
NOTE 2.3B: OTHER PAYABLES		
Salaries and wages	89,896	467,385
Superannuation	8,386	75,528
Separation and redundancies	–	99,951
Unearned income	213,547	403,421
Other	16,813	24,732
Total other payables	328,642	1,071,017
Other payables are expected to be settled in:		
No more than 12 months	328,642	1,071,017
Total other payables	328,642	1,071,017

Accounting Policy

Parental Leave Payments Scheme

All amounts received by the Entity under the parental leave payments scheme have been paid to employees. The total amount received under this scheme was $26,305 (2015: $43,591).

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the period ended 30 June 2016

FUNDING This section identifies ARPANSA's funding structure

NOTE 3.1: 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 3.1A: ANNUAL APPROPRIATIONS ('RECOVERABLE GST EXCLUSIVE')

Annual Appropriations for 2016

	Appropriation Act		*PGPA Act*				
	Annual Appropriation [1]	AFM	Section 74	Section 75	Total appropriation	Appropriation applied in 2016 (current and prior years)	Variance [2]
	$	$	$	$	$	$	$
DEPARTMENTAL							
Ordinary annual services	13,064,000	–	–	–	13,064,000	14,342,000	(1,278,000)
Capital Budget [3]	1,979,000				1,979,000	3,632,000	(1,653,000)
Other services							
Equity	–	–	–	–	–	–	–
Total departmental	15,043,000	–	–	–	15,043,000	17,974,000	(2,931,000)

Notes:

1 A Section 51 determination has resulted in the permanent loss of control of $8,000.

2 The variance of $2,931,000 for departmental ordinary annual services reflects the quarantined amount of $8,000 and movement in appropriation receivable of $2,939,000

3 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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the period ended 30 June 2016

Annual Appropriations for 2015

	Appropriation Act		*PGPA Act*				
	Annual Appropriation[1]	AFM	Section 74	Section 75	Total appropriation	Appropriation applied in 2015 (current and prior years)	Variance[2]
	$	$	$	$	$	$	$
DEPARTMENTAL							
Ordinary annual services	13,258,000	–	–	–	13,258,000	11,967,000	1,291,000
Capital Budget[3]	2,003,000				2,003,000	1,994,000	9,000
Other services							
Equity	–	–	–	–	–	1,225,000	(1,225,000)
Total departmental	15,261,000	–	–	–	15,261,000	15,186,000	75,000

Notes:

1 A Section 51 determination has resulted in the permanent loss of control of $5,000.

2 The variance of $75,000 for departmental ordinary annual services reflects the quarantined amount of $5,000 and movement in appropriation receivable of $70,000.

3 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.

NOTE 3.1B: UNSPENT DEPARTMENTAL ANNUAL APPROPRIATIONS ('RECOVERABLE GST EXCLUSIVE')

	2016	2015
	$	$
Authority		
DEPARTMENTAL		
Appropriation Act (No. 1) 2015-16	19,813	–
Appropriation Act (No. 1) 2014-15	–	2,964,168
Total Departmental	19,813	2,964,168

ARPANSA Special Account (Departmental)	**2016** **$**	2015 $

NOTE 3.2: SPECIAL ACCOUNTS

Establishing Instrument: *Australian Radiation Protection and Nuclear Safety Act 1998; s56(4)*

Appropriation: Public Governance, Performance and Accountability Act 2013; s80

Purpose: The purpose of the Special Account is set out in the Australian Radiation Protection and Nuclear Safety Act 1998 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	**1,510,837**	1,395,004
Increases		
Appropriations credited to special account	**17,974,000**	15,186,000
Other receipts	**12,203,251**	12,313,827
Total increase	**30,177,251**	27,499,827
Available for payments	**31,688,088**	28,894,831
Decreases		
Departmental	**(30,477,786)**	(27,383,994)
Total decrease	**(30,477,786)**	(27,383,994)
Total Balance carried to next period	**1,210,302**	1,510,837

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the period ended 30 June 2016

	2016 $	2015 $

NOTE 3.3: CASH FLOW RECONCILIATION

Reconciliation of cash and cash equivalents as per financial position to Cash Flow Statement

	2016	2015
Cash and cash equivalents as per:		
Cash Flow Statement	**1,210,302**	1,510,837
Statement of financial position	**1,210,302**	1,510,837
Difference	**–**	–

Reconciliation of net cost of services to net cash from (used by) operating activities:

	2016	2015
Net cost of services	**(16,149,309)**	(14,896,812)
Revenue from Government	**13,056,000**	13,253,000
Adjustments for non-cash items		
Depreciation/amortisation	**2,570,036**	2,332,573
Net write down of non-financial assets	**16,515**	117,054
Other adjustments		
Movement in capital receivable	**(1,653,000)**	(1,216,000)
Changes in assets / liabilities		
(Increase) / decrease in net receivables	**3,078,958**	64,342
(Increase) / decrease in inventories	**(37,439)**	(21,722)
(Increase) / decrease in prepayments	**(32,034)**	(34,226)
(Increase) / decrease in accrued revenue	**(35,392)**	43,247
Increase / (decrease) in employee provisions	**(290,484)**	116,963
Increase / (decrease) in supplier payables	**(348,407)**	119,733
Increase / (decrease) in other payables	**(742,375)**	238,290
Net cash (used by) / from operating activities	**(566,931)**	116,442

	2016	2015
	$	$

NOTE 4.1: PROVISIONS

	2016 $	2015 $
Employee provisions		
Leave	4,447,316	4,737,800
Total employee provisions	4,447,316	4,737,800
Employee provisions are expected to be settled in:		
No more than 12 months	1,058,910	1,115,699
More than 12 months	3,388,406	3,622,101
Total employee provisions	4,447,316	4,737,800

Accounting Policy

Liabilities for 'short-term employee benefits' and termination benefits expected to be settled 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 Entity 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 Entity'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 2016. 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 in the Department of Finance'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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the period ended 30 June 2016

	2016 $	2015 $
NOTE 4.2: SENIOR MANAGEMENT PERSONNEL REMUNERATION		
Short-term employee benefits:		
Salary	1,180,105	1,109,352
Performance bonuses	900	900
Motor vehicle and other allowances	187,724	175,792
Short-term employee benefits	1,368,729	1,286,044
Post-employment benefits		
Superannuation	228,766	210,468
Post-employment benefits	228,766	210,468
Other long-term employee benefits		
Annual leave	94,658	96,710
Long-service leave	32,097	31,286
Other long-term employee benefits	126,755	127,996
Termination benefits		
Voluntary redundancy payments	–	98,840
Total	1,724,250	1,723,348

The total number of full-time senior management personnel that are included in the above table are 8 individuals (2015: 7 individuals)

MANAGING UNCERTAINTIES This section analyses how ARPANSA manages financial risks within its operating environment

NOTE 5.1: CONTINGENT LIABILITIES AND ASSETS

As at 30 June 2016 ARPANSA had no quantifiable or unquantifiable contingencies. (2015: Nil)

Accounting Policy

Contingent liabilities and contingent assets are not recognised in the Statement of Financial Position but are reported in the 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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the period ended 30 June 2016

	2016	2015
	$	$
NOTE 5.2: FINANCIAL INSTRUMENTS		
NOTE 5.2A: CATEGORIES OF FINANCIAL INSTRUMENTS		
Financial assets		
Receivables		
Cash and cash equivalents	1,210,302	1,510,837
Trade and other receivables	887,284	986,442
Other financials assets	83,067	47,675
Total receivables	2,180,653	2,544,954
Total financial assets	2,180,653	2,544,954
Financial liabilities		
Financial liabilities measured at amortised cost		
Trade creditors	928,587	937,850
Total financial liabilities measured at amortised cost	928,587	937,850
Total Financial liabilities	928,587	937,850

There was no interest income from financial assets nor interest expense from financial liabilities in the year ending 30 June 2016 (2015: Nil)

The Fair value of Financial Instruments are equal to the carry value of these items.

Accounting Policy

Financial Assets

ARPANSA only holds financial assets that are classified as "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.

Impairment of Financial Assets

Financials 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 receivables 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.

Financial liabilities

Financial liabilities are classified as either financial liabilities other liabilities. Financial liabilities are recognised and derecognised upon 'trade date'.

Other Financial 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).

NOTE 5.2B: CREDIT RISK

ARPANSA is exposed to minimal credit risk as financial assets 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 (2016: $884,523 and 2015:$1,003,945). ARPANSA has assessed the risk of the default on payment and has allocated $15,576 in 2016 (2015: $17,503) 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 2016 $	Not Past Due Nor Impaired 2015 $	**Past Due or Impaired 2016 $**	Past Due or Impaired 2015 $
Cash and cash equivalent	**1,210,302**	1,510,837	**–**	–
Receivables for goods and services	**730,917**	854,185	**153,606**	149,760
Other financials assets	**83,067**	47,675	**–**	–
Total	**2,024,286**	2,412,697	**153,606**	149,760

Ageing of financial assets that were past due but not impaired in 2016

	0 to 30 days $	**31 to 60 days $**	**61 to 90 days $**	**90+ days $**	**Total $**
Receivables					
Receivables for goods and services	**122,203**	**15,827**	**–**	**–**	**138,030**
Total	**122,203**	**15,827**	**–**	**–**	**138,030**

Ageing of financial assets that were past due but not impaired in 2015

	0 to 30 days $	31 to 60 days $	61 to 90 days $	90+ days $	Total $
Receivables					
Receivables for goods and services	113,365	7,847	11,045	–	132,257
Total	113,365	7,847	11,045	–	132,257

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the period ended 30 June 2016

NOTE 5.2C: 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 2016

	On demand	within 1 year 2016 $	1 to 2 years 2016 $	2 to 5 years 2016 $	Total 2016 $
Trade creditors	–	928,587	–	–	928,587
Total	–	928,587	–	–	928,587

Maturities for non-derivative financial liabilities in 2015

	On demand	within 1 year 2015 $	1 to 2 years 2015 $	2 to 5 years 2015 $	Total 2015 $
Trade creditors	–	937,850	–	–	937,850
Total	–	937,850	–	–	937,850

ARPANSA has no derivative financial liabilities in either 2016 or 2015.

NOTE 5.2D: 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 5.3: 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.

Accounting Policy

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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the period ended 30 June 2016

NOTE 5.3A: FAIR VALUE MEASUREMENTS, VALUATION TECHNIQUE AND INPUTS USED

Fair value measurements at the end of the reporting period				For Levels 2 and 3 fair-value measurement	
	2016 $	2015 $	Category (Level 2 or Level 3)	Valuation technique(s)[1]	Inputs used
Non-financial assets					
Land	7,500,000	7,500,000	Level 2	Market approach	Values based on evidence of comparable sales
Buildings on freehold land	17,100,000	16,816,564	Level 3	Depreciated replacement cost	Values based on estimated construction cost for replacement
Leasehold Improvements	280,863	–	Level 3	Depreciated replacement cost	Replacement cost new assets
Plant and equipment	3,677,618	2,409,296	Level 2	Market approach	Adjusted market transactions Replacement cost new assets
Plant and equipment	3,239,792	3,569,154	Level 3	Depreciated replacement cost	Consumed economic benefit/ obsolescence of asset
Total non-financial assets	**31,798,273**	**30,295,014**			

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

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.

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

The Agency procured valuation services from Jones Lang LaSalle Advisory Services Pty Ltd in relation to land and buildings at 30 June 2016, and at 30 June 2015.

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.

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.

NOTE 5.3B: RECONCILIATION FOR RECURRING LEVEL 3 FAIR VALUE MEASUREMENTS

Recurring Level 3 fair value measurements – reconciliation for assets

	Non-financial assets							
	Buildings		Leasehold improvements		Plant and equipment		Total	
	2016	2015	2016	2015	2016	2015	2016	2015
	$	$	$	$	$	$	$	$
Opening balance	16,816,564	15,482,301	–	–	3,569,154	3,137,458	20,385,718	18,619,759
Purchases	264,840	1,353,515	306,396		277,892	1,147,766	849,128	2,501,281
Revaluation	964,987	830,310	–	–	–	–	964,987	830,310
Depreciation	(946,391)	(849,562)	(25,533)		(607,255)	(716,070)	(1,579,179)	(1,565,632)
Closing balance	17,100,000	16,816,564	280,863	–	3,239,791	3,569,154	20,620,654	20,385,718

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the period ended 30 June 2016

NOTE 6.1: 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"

	Outcome 2016 $	2015 $
Expenses		
Employees	**16,186,659**	15,752,820
Suppliers	**8,199,893**	7,037,712
Depreciation and amortisation	**2,570,036**	2,332,573
Write-down and impairment of assets	**565,177**	665,723
Foreign exchange loss	**306**	–
Total Expenses	**27,522,071**	25,788,828
Own-Source Income		
Sales of goods and services	**6,708,476**	6,162,101
Licence Fees	**4,607,286**	4,671,536
Other revenue	**57,000**	56,500
Foreign exchange	**–**	1,879
Total Own-Source Income	**11,372,762**	10,892,016
Net cost of outcome delivery	**16,149,309**	14,896,812
Assets		
Cash and cash equivalents	**1,210,302**	1,510,837
Trade and other receivables	**932,522**	4,011,480
Other financial assets	**83,067**	47,675
Land and buildings	**24,600,000**	24,316,564
Leasehold improvements	**280,863**	–
Property, plant and equipment	**6,917,410**	5,978,450
Intangibles	**863,731**	622,950
Inventories	**1,532,976**	1,495,537
Other non-financial assets	**435,115**	403,081
Total Assets	**36,855,986**	38,386,574
Liabilities		
Suppliers	**928,587**	1,276,994
Other payables	**328,642**	1,071,017
Employee provisions	**4,447,316**	4,737,800
Total Liabilities	**5,704,545**	7,085,811

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