

**Department of Education, Employment and Workplace Relations**

**Financial Statements 2013-14**

**Department of Education, Employment and Workplace Relations  
STATEMENT BY THE CHIEF EXECUTIVE AND CHIEF FINANCE OFFICER**

In our opinion, the attached financial statements for the year ended 18 September 2013 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.....

Lisa Paul AO PSM  
Chief Executive  
Department of Education

Signed.....

Craig Storen  
Department of Education (formerly Chief Finance Officer of the  
Department of Education, Employment and Workplace  
Relations)

**Department of Education, Employment and Workplace Relations**  
**STATEMENT OF COMPREHENSIVE INCOME**  
*for the period ended 18 September 2013*

	Notes	2014 \$'000	2013 \$'000
<b>NET COST OF SERVICES</b>			
<b>EXPENSES</b>			
Employee benefits	3A	91,914	423,228
Supplier expenses	3B	32,152	184,510
Grants	3C	1,027	2,913
Depreciation and amortisation	3D	14,184	60,739
Finance costs	3E	14	119
Write-down and impairment of assets	3F	17	1,149
Losses from asset sales	3G	13	288
<b>Total expenses</b>		<b>139,321</b>	<b>672,946</b>
<b>OWN-SOURCE INCOME</b>			
<b>Own-source revenue</b>			
Sale of goods and rendering of services	4A	7,446	45,130
<b>Total own-source revenue</b>		<b>7,446</b>	<b>45,130</b>
<b>Gains</b>			
Sale of assets	4B	-	46
Reversals of previous asset write-downs and impairment	4C	-	5
Other gains	4D	848	4,550
<b>Total gains</b>		<b>848</b>	<b>4,601</b>
<b>Total own-source income</b>		<b>8,294</b>	<b>49,731</b>
<b>Net cost of (contribution by) services</b>		<b>131,027</b>	<b>623,215</b>
Revenue from Government	4E	347,040	563,881
<b>Surplus (Deficit) attributable to the Australian Government</b>		<b>216,013</b>	<b>(59,334)</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
<b>Items not subject to subsequent reclassification to net cost of services</b>			
Changes to provision for restoration obligations		46	47
<b>Total other comprehensive income</b>		<b>46</b>	<b>47</b>
<b>Total comprehensive income (loss) attributable to the Australian Government</b>		<b>216,059</b>	<b>(59,287)</b>

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

**Department of Education, Employment and Workplace Relations**  
**STATEMENT OF FINANCIAL POSITION**  
*as at 18 September 2013*

	Notes	2014 \$'000	2013 \$'000
<b>ASSETS</b>			
<b>Financial Assets</b>			
Cash and cash equivalents	6A	4,613	21,569
Trade and other receivables	6B	352,604	94,346
Other financial assets	6C	6,343	14,326
<b>Total financial assets</b>		<u>363,560</u>	<u>130,241</u>
<b>Non-Financial Assets</b>			
Land and buildings	7A	82,512	85,453
Infrastructure, plant and equipment	7B	29,577	31,290
Intangibles	7D	110,693	112,362
Other non-financial assets	7F	27,039	23,716
<b>Total non-financial assets</b>		<u>249,821</u>	<u>252,821</u>
<b>Total assets</b>		<u>613,381</u>	<u>383,062</u>
<b>LIABILITIES</b>			
<b>Payables</b>			
Suppliers	8A	13,397	37,917
Other payables	8B	44,653	52,296
<b>Total payables</b>		<u>58,050</u>	<u>90,213</u>
<b>Provisions</b>			
Employee provisions	9A	130,302	131,932
Other provisions	9B	3,390	3,422
<b>Total provisions</b>		<u>133,692</u>	<u>135,354</u>
<b>Total liabilities</b>		<u>191,742</u>	<u>225,567</u>
<b>Net assets</b>		<u>421,639</u>	<u>157,495</u>
<b>EQUITY</b>			
Contributed equity		408,447	360,363
Reserves		42,695	43,353
Retained surplus (accumulated deficit)		(29,503)	(246,221)
<b>Total equity</b>		<u>421,639</u>	<u>157,495</u>

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

**Department of Education, Employment and Workplace Relations**  
**STATEMENT OF CHANGES IN EQUITY**  
*for the period ended 18 September 2013*

	Retained earnings		Asset revaluation reserves		Contributed equity/capital		Total equity	
	2014	2013	2014	2013	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Opening balance</b>								
Balance carried forward from previous period	<b>(246,221)</b>	(186,891)	<b>43,353</b>	44,346	<b>360,363</b>	312,474	<b>157,495</b>	169,929
Adjustment for errors <sup>1</sup>	-	4	<b>1</b>	(1,040)	-	-	<b>1</b>	(1,036)
Adjustment for changes in accounting policies	-	-	-	-	-	-	-	-
<b>Adjusted opening balance</b>	<b>(246,221)</b>	(186,887)	<b>43,354</b>	43,306	<b>360,363</b>	312,474	<b>157,496</b>	168,893
<b>Comprehensive income</b>								
Other comprehensive income	-	-	-	-	-	-	-	-
Adjustment to provision for restoration obligations	-	-	<b>46</b>	47	-	-	<b>46</b>	47
Surplus (Deficit) for the period	<b>216,013</b>	(59,334)	-	-	-	-	<b>216,013</b>	(59,334)
<b>Total comprehensive income</b>	<b>216,013</b>	(59,334)	<b>46</b>	47	-	-	<b>216,059</b>	(59,287)
<b>Transactions with owners</b>								
<b>Distributions to owners</b>								
Returns of capital:								
Restructuring (Note 10)	-	-	-	-	-	(1,777)	-	(1,777)
<b>Contributions by owners</b>								
Equity injection - Appropriation	-	-	-	-	<b>2,672</b>	5,607	<b>2,672</b>	5,607
Departmental capital budget	-	-	-	-	<b>45,412</b>	45,094	<b>45,412</b>	45,094
Return of Unspent Appropriation	-	-	-	-	-	(1,035)	-	(1,035)
Restructuring	-	-	-	-	-	-	-	-
<b>Total transactions with owners</b>	-	-	-	-	<b>48,084</b>	47,889	<b>48,084</b>	47,889
Transfers between equity components <sup>2</sup>	<b>705</b>	-	<b>(705)</b>	-	-	-	-	-
<b>Closing balance as at 18 September</b>	<b>(29,503)</b>	(246,221)	<b>42,695</b>	43,353	<b>408,447</b>	360,363	<b>421,639</b>	157,495

<sup>1</sup>The adjustment to the assets revaluation reserves relates to assets that were incorrectly re-valued and are no longer assets of the department as at 1 July 2012.

<sup>2</sup>The reclassification of equity components relates to an impairment of leasehold improvements in 2011-12 that should have been offset against asset revaluation reserves rather than an impairment expense as per 2012 Note 3F: Write-down and impairments of assets as the asset had been revalued.

## Department of Education, Employment and Workplace Relations

### CASH FLOW STATEMENT

for the period ended 18 September 2013

	Notes	2014 \$'000	2013 \$'000
<b>OPERATING ACTIVITIES</b>			
<b>Cash received</b>			
Appropriations		139,921	634,229
Sale of goods and rendering of services		6,757	27,294
Net GST received		7,336	21,245
Other		9	6,205
<b>Total cash received</b>		<b>154,023</b>	<b>688,973</b>
<b>Cash used</b>			
Employee benefits		94,220	422,820
Supplier expenses		69,950	202,423
Grants		1,068	2,913
Section 31 receipts transferred to the OPA		3,473	42,117
<b>Total cash used</b>		<b>168,711</b>	<b>670,273</b>
<b>Net cash from (used by) operating activities</b>	11	<b>(14,688)</b>	<b>18,700</b>
<b>INVESTING ACTIVITIES</b>			
<b>Cash received</b>			
Proceeds from sales of infrastructure, plant and equipment		6	26
Proceeds from sales of land and buildings		-	302
<b>Total cash received</b>		<b>6</b>	<b>328</b>
<b>Cash used</b>			
Purchase of infrastructure, plant and equipment		1,009	7,196
Purchase / development of intangibles		6,606	36,802
Purchase of land and buildings		256	1,341
<b>Total cash used</b>		<b>7,871</b>	<b>45,339</b>
<b>Net cash from (used by) investing activities</b>		<b>(7,865)</b>	<b>(45,011)</b>
<b>FINANCING ACTIVITIES</b>			
<b>Cash received</b>			
Contributed equity - capital injections		-	5,607
Contributed equity - capital budget		5,597	39,733
<b>Total cash received</b>		<b>5,597</b>	<b>45,340</b>
<b>Net cash from (used by) financing activities</b>		<b>5,597</b>	<b>45,340</b>
<b>Net increase (decrease) in cash held</b>		<b>(16,956)</b>	<b>19,029</b>
Cash and cash equivalents at the beginning of the reporting period		21,569	2,540
<b>Cash and cash equivalents at the end of the reporting period</b>	6A	<b>4,613</b>	<b>21,569</b>

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

**Department of Education, Employment and Workplace Relations**  
**SCHEDULE OF COMMITMENTS**  
*as at 18 September 2013*

	2014	2013
<b>BY TYPE</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Commitments receivable</b>		
Sublease rental income <sup>1</sup>	(27,419)	(29,095)
Net GST recoverable on commitments	(45,889)	(47,700)
<b>Total commitments receivable</b>	<b>(73,308)</b>	<b>(76,795)</b>
<b>Commitments payable</b>		
Operating leases <sup>1</sup>	471,744	485,661
IT commitments <sup>2</sup>	44,227	47,995
Research and development	31	40
Other <sup>3</sup>	23,647	26,605
<b>Total other commitments payable</b>	<b>539,649</b>	<b>560,301</b>
<b>Net commitments by type</b>	<b>466,341</b>	<b>483,506</b>
<b>BY MATURITY</b>		
<b>Commitments receivable</b>		
Within 1 year	(12,609)	(16,096)
Between 1 to 5 years	(37,357)	(37,357)
More than 5 years	(23,342)	(23,342)
<b>Total commitments receivable</b>	<b>(73,308)</b>	<b>(76,795)</b>
<b>Commitments payable</b>		
<b>Operating lease commitments<sup>1</sup></b>		
Within 1 year	64,231	64,231
Between 1 to 5 years	197,496	197,496
More than 5 years	210,017	223,934
<b>Total operating lease commitments</b>	<b>471,744</b>	<b>485,661</b>
<b>IT commitments<sup>2</sup></b>		
Within 1 year	17,389	17,389
Between 1 to 5 years	26,838	30,531
More than 5 years	-	75
<b>Total IT commitments</b>	<b>44,227</b>	<b>47,995</b>
<b>Research and development commitments</b>		
Within 1 year	31	40
Between 1 to 5 years	-	-
<b>Total research and development commitments</b>	<b>31</b>	<b>40</b>
<b>Other commitments<sup>3</sup></b>		
Within 1 year	13,654	13,654
Between 1 to 5 years	9,993	12,951
<b>Total other commitments</b>	<b>23,647</b>	<b>26,605</b>
<b>Net commitments by maturity</b>	<b>466,341</b>	<b>483,506</b>

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

**Department of Education, Employment and Workplace Relations**  
**SCHEDULE OF COMMITMENTS**  
*as at 18 September 2013*

NB: Commitments are GST inclusive where relevant. The maturity range 'within 1 year' shows the period 19 September 2013 to 30 June 2014.

<sup>1</sup> Operating leases included are effectively non-cancellable and comprise:

<b>Nature of lease</b>	<b>General description of leasing arrangement</b>
Leases for office accommodation	Lease payments are subject to periodic market value or indexed increases.
Sub lease revenue for office accommodation	Vacant office space is sub leased where possible. The total of future minimum lease payments expected to be received over the next five years is \$24,329,381 (2013: \$25,812,561) including GST.
Agreement for provision of motor vehicles to senior executive officers	No contingent rentals exist. There are no renewal or purchase options available to the department.

<sup>2</sup> IT commitments include contracts for data services, IT software licensing and hardware maintenance agreements.

<sup>3</sup> Other commitments include a range of contracts such as fees for provision of services.



**Department of Education, Employment and Workplace Relations**

**SCHEDULE OF CONTINGENCIES**

*as at 18 September 2013*

	2014	2013
	\$'000	\$'000
<b>Contingent liabilities</b>		
Claims for damages or costs	<u>244</u>	<u>294</u>
<b>Total contingent liabilities</b>	<u>244</u>	<u>294</u>
<b><i>Net contingent assets (liabilities)</i></b>	<u>(244)</u>	<u>(294)</u>

Details of each class of contingent liabilities and contingent assets listed above are disclosed in **Error! Reference source not found.**Contingent Assets and Liabilities, along with information on significant remote contingencies and contingencies that cannot be quantified.

**Department of Education, Employment and Workplace Relations**  
**ADMINISTERED SCHEDULE OF COMPREHENSIVE INCOME**  
*for the period ended 18 September 2013*

	Notes	2014 \$'000	2013 \$'000
<b>NET COST OF SERVICES</b>			
<b>EXPENSES</b>			
Supplier expenses	17A	469,025	2,331,808
Subsidies	17B	29,408	240,227
Personal benefits	17C	4,784,618	20,283,124
Grants	17D	2,272,968	9,205,453
Finance costs	17E	-	47
Write-down and impairment of assets	17F	21,222	3,817
Payment to CAC Act bodies	17G	6,291	6,280
<b>Total expenses administered on behalf of Government</b>		<b>7,583,532</b>	<b>32,070,756</b>
<b>INCOME</b>			
<b>Revenue</b>			
<b>Taxation revenue</b>			
Other taxes	18A	21,039	172,567
<b>Total taxation revenue</b>		<b>21,039</b>	<b>172,567</b>
<b>Non-taxation revenue</b>			
Interest	18B	695	1,527
Commonwealth asset recoveries	18C	2,309	37,230
Other revenue	18D	146,660	29,022
<b>Total non-taxation revenue</b>		<b>149,664</b>	<b>67,779</b>
<b>Total own-source revenue</b>		<b>170,703</b>	<b>240,346</b>
<b>Gains</b>			
Fair value gains from financial instruments	18E	-	29,134
Reversals of previous asset write-downs and impairment	18F	-	19,205
<b>Total gains</b>		<b>-</b>	<b>48,339</b>
<b>Total own-source income administered on behalf of Government</b>		<b>170,703</b>	<b>288,685</b>
<b>Net cost of (contribution by) services</b>		<b>7,412,829</b>	<b>31,782,071</b>
<b>Surplus (Deficit)</b>		<b>(7,412,829)</b>	<b>(31,782,071)</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
<b>Items not subject to subsequent reclassification to net cost of services</b>			
Changes in asset revaluation surplus		116,725	(37,572)
<b>Total other comprehensive income (loss)</b>		<b>116,725</b>	<b>(37,572)</b>
<b>Total comprehensive income (loss)</b>		<b>(7,296,104)</b>	<b>(31,819,643)</b>

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

**Department of Education, Employment and Workplace Relations**  
**ADMINISTERED SCHEDULE OF ASSETS AND LIABILITIES**  
*as at 18 September 2013*

	Notes	2014 \$'000	2013 \$'000
<b>ASSETS</b>			
<b>Financial assets</b>			
Cash and cash equivalents	20A	139,495	2,118
Receivables	20B	1,215,380	1,345,773
Other investments	20C	123,712	6,987
<b>Total financial assets</b>		<b>1,478,587</b>	<b>1,354,878</b>
<b>Non-financial assets</b>			
Other non-financial assets	21A	68,173	3,493
<b>Total non-financial assets</b>		<b>68,173</b>	<b>3,493</b>
<b>Total assets administered on behalf of Government</b>		<b>1,546,760</b>	<b>1,358,371</b>
<b>LIABILITIES</b>			
<b>Payables</b>			
Suppliers	22A	59,478	145,279
Subsidies	22B	8,024	32,349
Personal benefits	22C	527,046	478,356
Grants	22D	13,799	43,084
Other payables	22E	2,807,241	2,827,840
<b>Total payables</b>		<b>3,415,588</b>	<b>3,526,908</b>
<b>Provisions</b>			
Provision of personal benefits	23A	624,484	742,404
<b>Total provisions</b>		<b>624,484</b>	<b>742,404</b>
<b>Total liabilities administered on behalf of Government</b>		<b>4,040,072</b>	<b>4,269,312</b>
<b>Net assets (liabilities)</b>		<b>(2,493,312)</b>	<b>(2,910,941)</b>

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

**Department of Education, Employment and Workplace Relations**  
**ADMINISTERED RECONCILIATION SCHEDULE**

	2014	2013
	\$'000	\$'000
<b>Opening assets less liabilities as at 1 July</b>	<b>(2,910,941)</b>	<b>(2,549,581)</b>
Adjustment for errors	-	-
Adjustment for changes in accounting policies	-	-
<b>Adjusted opening assets less liabilities</b>	<b>(2,910,941)</b>	<b>(2,549,581)</b>
Net cost of (contribution by) services		
Income	<b>170,703</b>	288,685
Expenses		
Payments to Non-CAC Act bodies	<b>(7,577,241)</b>	(32,064,476)
Payments to CAC Act bodies	<b>(6,291)</b>	(6,280)
<b>Other comprehensive income</b>		
Revaluations transferred to (from) reserves	<b>116,725</b>	(37,572)
<b>Transfers (to) from the Australian Government</b>		
Appropriation transfers from Official Public Account		
Annual appropriations		
Payments to Non-CAC Act bodies	<b>778,810</b>	3,506,182
Payments to CAC Act bodies	<b>6,291</b>	6,300
Special appropriations (limited)		
Payments to Non-CAC Act bodies	<b>164,276</b>	149,654
Payments to CAC Act bodies	-	-
Special appropriations (unlimited)		
Payments to Non-CAC Act bodies	<b>7,076,100</b>	28,995,853
Payments to CAC Act bodies	<b>16,637</b>	67,551
Appropriation transfers to OPA	<b>(305,369)</b>	(1,267,259)
Restructuring	-	-
Withholdings	<b>(23,297)</b>	
Other movements	<b>285</b>	2
<b>Closing assets less liabilities as at 18 September</b>	<b>(2,493,312)</b>	<b>(2,910,941)</b>

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

**Department of Education, Employment and Workplace Relations**  
**ADMINISTERED CASH FLOW STATEMENT**  
*for the period ended 18 September 2013*

	Notes	2014 \$'000	2013 \$'000
<b>OPERATING ACTIVITIES</b>			
<b>Cash received</b>			
Interest		692	759
Net GST received		278,476	1,296,531
Levies		42,216	172,567
Other		191,275	214,270
<b>Total cash received</b>		<b>512,659</b>	<b>1,684,127</b>
<b>Cash used</b>			
Suppliers		874,990	3,460,537
Subsidies		53,733	239,906
Personal benefits		4,790,339	20,294,687
Grants		2,302,253	9,055,698
Interest		-	34
Payments to CAC Act bodies		6,291	6,280
<b>Total cash used</b>		<b>8,027,606</b>	<b>33,057,142</b>
<b>Net cash flows from (used by) operating activities</b>	24	<b>(7,514,947)</b>	<b>(31,373,015)</b>
<b>INVESTING ACTIVITIES</b>			
<b>Cash received</b>			
<b>Repayments of advances and loans</b>			
Repayments of advances and loans		17,551	200,419
<b>Total cash received</b>		<b>17,551</b>	<b>200,419</b>
<b>Cash used</b>			
Loans made		59,552	284,099
<b>Total cash used</b>		<b>59,552</b>	<b>284,099</b>
<b>Net cash flows from (used by) investing activities</b>		<b>(42,001)</b>	<b>(83,680)</b>
<b>Net increase (decrease) in cash held</b>		<b>(7,556,948)</b>	<b>(31,456,695)</b>
Cash and cash equivalents at the beginning of the reporting period		58	15
<b>Cash from Official Public Account</b>			
Appropriations		7,847,598	32,725,540
GST appropriations		255,494	306,020
Special accounts		348	654
<b>Total cash from official public account</b>		<b>8,103,440</b>	<b>33,032,214</b>
<b>Cash to Official Public Account</b>			
Appropriations		(130,291)	(1,267,259)
Return of GST appropriations		(278,476)	(307,329)
Special accounts		(137,225)	(888)
<b>Total cash to official public account</b>		<b>(545,992)</b>	<b>(1,575,476)</b>
<b>Cash and cash equivalents at the end of the reporting period</b>	20A	<b>558</b>	<b>58</b>

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

**Department of Education, Employment and Workplace Relations**  
**SCHEDULE OF ADMINISTERED COMMITMENTS**  
*as at 18 September 2013*

BY TYPE	2014 \$'000	2013 \$'000
<b>Commitments receivable</b>		
Net GST recoverable on commitments	(7,343,096)	(7,591,420)
<b>Total commitments receivable</b>	<b>(7,343,096)</b>	<b>(7,591,420)</b>
<b>Commitments payable</b>		
<b>Other commitments</b>		
Employment programmes	7,056,185	7,649,171
Goods and services <sup>1</sup>	269,146	312,169
Grants	455,375	549,966
Legislative obligations <sup>2</sup>	109,973,138	112,134,857
Other	67	85
<b>Total other commitments</b>	<b>117,753,911</b>	<b>120,646,248</b>
<b>Net commitments by type</b>	<b>110,410,815</b>	<b>113,054,828</b>
<b>BY MATURITY</b>		
<b>Commitments receivable</b>		
Within 1 year	(897,785)	(1,146,109)
Between 1 to 5 years	(4,569,814)	(4,569,814)
More than 5 years	(1,875,497)	(1,875,497)
<b>Total commitments receivable</b>	<b>(7,343,096)</b>	<b>(7,591,420)</b>
<b>Commitments payable</b>		
<b>Other Commitments</b>		
Within 1 year	12,118,041	15,010,378
Between 1 to 5 years	72,844,563	72,844,563
More than 5 years	32,791,307	32,791,306
<b>Total other commitments</b>	<b>117,753,911</b>	<b>120,646,247</b>
<b>Net commitments by maturity</b>	<b>110,410,815</b>	<b>113,054,827</b>

NB: All commitments are GST inclusive where relevant. The maturity range 'within 1 year' shows the period 19 September 2013 to 30 June 2014.

The value of commitments is determined based on expected value of services contracted, but yet to be performed under the agreement.

<sup>1</sup> Goods and services contracts include amounts relating to consultancies.

<sup>2</sup> Legislative obligations relate to amounts specified in the legislation where a funding determination has not yet been made. The legislation comprises the *Australian Education Act 2013*, the *Schools Assistance Act 2008* and the *Indigenous Education (Targeted Assistance) Act 2000*.

**Department of Education, Employment and Workplace Relations**  
**SCHEDULE OF ADMINISTERED CONTINGENCIES**  
*as at 18 September 2013*

	2014	2013
	\$'000	\$'000
<b>Contingent assets</b>		
Claims for damages or costs	17,561	19,928
<b>Total contingent assets</b>	<u>17,561</u>	<u>19,928</u>
<b>Contingent liabilities</b>		
Claims for damages or costs	90,127	74,174
<b>Total contingent liabilities</b>	<u>90,127</u>	<u>74,174</u>
<b><i>Net contingent assets (liabilities)</i></b>	<u>(72,566)</u>	<u>(54,246)</u>

Details of each class of contingent assets and liabilities in the above table are disclosed in **Error! Reference source not found**. Administered Contingent Assets and Liabilities, along with information on significant remote contingencies and contingencies that cannot be quantified.

