

# **A.2**

## **Audited Financial Report**

### **Community Services Directorate CONTROLLED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2014**

## **INDEPENDENT AUDIT REPORT**

### **COMMUNITY SERVICES DIRECTORATE**

#### **To the Members of the ACT Legislative Assembly**

##### **Report on the financial statements**

The financial statements of the Community Services Directorate (the Directorate) for the year ended 30 June 2014 have been audited. These comprise the following financial statements and accompanying notes:

- Controlled financial statements – operating statement, balance sheet, statement of changes in equity, cash flow statement and statement of appropriation.
- Territorial financial statements – statement of income and expenses on behalf of the Territory, statement of assets and liabilities on behalf of the Territory, statement of changes in equity on behalf of the Territory, cash flow statement on behalf of the Territory and territorial statement of appropriation.

##### **Responsibility for the financial statements**

The Director-General is responsible for the preparation and fair presentation of the financial statements in accordance with the *Financial Management Act 1996*. This includes responsibility for maintaining adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and the accounting policies and estimates used in the preparation of the financial statements.

##### **The auditor's responsibility**

Under the *Financial Management Act 1996*, I am responsible for expressing an independent audit opinion on the financial statements of the Directorate.

The audit was conducted in accordance with Australian Auditing Standards to obtain reasonable assurance that the financial statements are free of material misstatement.

I formed the audit opinion following the use of audit procedures to obtain evidence about the amounts and disclosures in the financial statements. As these procedures are influenced by the use of professional judgement, selective testing of evidence supporting the amounts and other disclosures in the financial statements, inherent limitations of internal control and the availability of persuasive rather than conclusive evidence, an audit cannot guarantee that all material misstatements have been detected.

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Although the effectiveness of internal controls is considered when determining the nature and extent of audit procedures, the audit was not designed to provide assurance on internal controls.

The audit is not designed to provide assurance on the appropriateness of budget information included in the financial statements or to evaluate the prudence of decisions made by the Directorate.

### Electronic presentation of the audited financial statements

Those viewing an electronic presentation of these financial statements should note that the audit does not provide assurance on the integrity of information presented electronically and does not provide an opinion on any other information which may have been hyperlinked to or from these financial statements. If users of these statements are concerned with the inherent risks arising from the electronic presentation of information, they are advised to refer to the printed copy of the audited financial statements to confirm the accuracy of this electronically presented information.

### Independence

Applicable independence requirements of Australian professional ethical pronouncements were followed in conducting the audit.

### Audit opinion

In my opinion, the financial statements of the Directorate for the year ended 30 June 2014:

- (i) are presented in accordance with the *Financial Management Act 1996*, Australian Accounting Standards and other mandatory financial reporting requirements in Australia; and
- (ii) present fairly the financial position of the Directorate as at 30 June 2014 and the results of its operations and cash flows for the year then ended.

The audit opinion should be read in conjunction with other information disclosed in this report.



Dr Maxine Cooper  
Auditor-General

9 September 2014

**Community Services Directorate  
Financial Statements  
For the Year Ended 30 June 2014**

**Statement of Responsibility**

In my opinion, the financial statements are in agreement with the Community Services Directorate's accounts and records and fairly reflect the financial operations of the Directorate for the year ended 30 June 2014 and the financial position of the Directorate on that date.



Natalie Howson  
Director-General  
Community Services Directorate

24 July 2014

**Community Services Directorate  
Financial Statements  
For the Year Ended 30 June 2014**

**Statement by the Chief Finance Officer**

In my opinion, the financial statements have been prepared in accordance with generally accepted accounting principles, and are in agreement with the Community Services Directorate's accounts and records and fairly reflect the financial operations of the Directorate for the year ended 30 June 2014 and the financial position of the Directorate on that date.



Ian Hubbard  
Senior Director, Corporate Services  
Community Services Directorate

24 July 2014

**Community Services Directorate  
Operating Statement  
For the Year Ended 30 June 2014**

	<b>Note No.</b>	<b>Actual 2014 \$'000</b>	<b>Original Budget 2014 \$'000</b>	<b>Actual 2013 \$'000</b>
<b>Income</b>				
<b>Revenue</b>				
Government Payment for Outputs	4	243,185	241,428	226,713
User Charges - ACT Government	5	767	-	360
User Charges - Non-ACT Government	5	2,979	2,846	3,096
Interest	6	1	26	1
Resources Received Free of Charge	7	881	460	803
Other Revenue	8	5,968	1,500	4,393
<b>Total Revenue</b>		<b>253,781</b>	<b>246,260</b>	<b>235,366</b>
<b>Gains</b>				
Other Gains	9	672	1,236	1,308
<b>Total Gains</b>		<b>672</b>	<b>1,236</b>	<b>1,308</b>
<b>Total Income</b>		<b>254,453</b>	<b>247,496</b>	<b>236,674</b>
<b>Expenses</b>				
Employee Expenses	10	89,380	79,397	87,491
Superannuation Expenses	11	12,047	12,416	11,677
Supplies and Services	12	41,688	39,180	39,136
Depreciation and Amortisation	13	7,190	6,958	7,403
Grants and Purchased Services	14	108,616	115,270	99,676
Borrowing Costs	15	490	89	422
Other Expenses	16	539	78	254
Asset Transfers	17	-	-	229
<b>Total Expenses</b>		<b>259,950</b>	<b>253,388</b>	<b>246,288</b>
<b>Operating (Deficit)</b>		<b>(5,497)</b>	<b>(5,892)</b>	<b>(9,614)</b>
<b>Other Comprehensive Income</b>				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Net Effect of a Correction of an Error (Decrease)/Increase in the Asset		-	5	-
Revaluation Surplus	33	(1,053)	49	4,184
<b>Total Other Comprehensive (Deficit)/Income</b>		<b>(1,053)</b>	<b>54</b>	<b>4,184</b>
<b>Total Comprehensive (Deficit)</b>		<b>(6,550)</b>	<b>(5,838)</b>	<b>(5,430)</b>

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

**Community Services Directorate  
Balance Sheet  
As at 30 June 2014**

	<b>Note No.</b>	<b>Actual 2014 \$'000</b>	<b>Original Budget 2014 \$'000</b>	<b>Actual 2013 \$'000</b>
<b>Current Assets</b>				
Cash and Cash Equivalents	21	7,732	2,999	3,825
Receivables	22	2,868	2,149	2,750
Assets Held For Sale	23	24	199	120
Capital Works in Progress	26	-	130	-
Other Assets	27	1,065	134	92
<b>Total Current Assets</b>		<b>11,689</b>	<b>5,611</b>	<b>6,787</b>
<b>Non-Current Assets</b>				
Receivables	22	2,164	884	864
Property, Plant and Equipment	24	274,513	264,776	264,560
Intangible Assets	25	252	14	417
Capital Works in Progress	26	3,485	15,613	9,437
<b>Total Non-Current Assets</b>		<b>280,414</b>	<b>281,287</b>	<b>275,278</b>
<b>Total Assets</b>		<b>292,103</b>	<b>286,898</b>	<b>282,065</b>
<b>Current Liabilities</b>				
Payables	28	9,405	6,727	9,781
Finance Leases	29	1,111	1,104	1,225
Employee Benefits	30	25,416	22,886	22,401
Other Provisions	31	-	308	36
Other Liabilities	32	4,834	778	1,181
<b>Total Current Liabilities</b>		<b>40,766</b>	<b>31,803</b>	<b>34,624</b>
<b>Non-Current Liabilities</b>				
Finance Leases	29	1,636	1,057	1,557
Employee Benefits	30	1,807	2,145	1,997
Other Provisions	31	1,487	-	1,403
Other Liabilities	32	206	1,753	407
<b>Total Non-Current Liabilities</b>		<b>5,136</b>	<b>4,955</b>	<b>5,364</b>
<b>Total Liabilities</b>		<b>45,902</b>	<b>36,758</b>	<b>39,988</b>
<b>Net Assets</b>		<b>246,201</b>	<b>250,140</b>	<b>242,077</b>
<b>Equity</b>				
Accumulated Funds		190,416	187,006	185,239
Asset Revaluation Surplus	33	55,785	63,134	56,838
<b>Total Equity</b>		<b>246,201</b>	<b>250,140</b>	<b>242,077</b>

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

**Community Services Directorate  
Cash Flow Statement  
For the Year Ended 30 June 2014**

	<b>Note No.</b>	<b>Actual 2014 \$'000</b>	<b>Original Budget 2014 \$'000</b>	<b>Actual 2013 \$'000</b>
<b>Cash Flows from Operating Activities</b>				
<b>Receipts</b>				
Government Payment for Outputs		243,185	241,428	226,713
User Charges - ACT Government		1,148	-	708
User Charges - Non-ACT Government		2,767	2,846	2,807
Interest Received		1	-	1
Goods and Services Tax Input Tax Credits from the Australian Taxation Office		14,413	14,941	14,547
Goods and Services Tax Collected from Customers		797	678	572
Other		9,905	1,500	3,655
<b>Total Receipts from Operating Activities</b>		<b>272,216</b>	<b>261,393</b>	<b>249,003</b>
<b>Payments</b>				
Employee		86,138	78,506	86,705
Superannuation		11,806	12,429	11,605
Supplies and Services		38,821	38,736	38,459
Grants and Purchased Services		113,348	114,843	96,399
Borrowing Costs		197	86	213
Goods and Services Tax Paid to Suppliers		15,496	16,144	14,559
<b>Total Payments from Operating Activities</b>		<b>265,806</b>	<b>260,744</b>	<b>247,940</b>
<b>Net Cash Inflows from Operating Activities</b>	39	<b>6,410</b>	<b>649</b>	<b>1,063</b>
<b>Cash Flows from Investing Activities</b>				
<b>Receipts</b>				
Proceeds from the Sale of Property, Plant and Equipment		78	-	97
<b>Total Receipts from Investing Activities</b>		<b>78</b>	<b>-</b>	<b>97</b>
<b>Payments</b>				
Purchase of Property, Plant and Equipment		10,711	14,003	10,013
Loans Provided (Loans Receivable)		1,500	-	1,000
<b>Total Payments from Investing Activities</b>		<b>12,211</b>	<b>14,003</b>	<b>11,013</b>
<b>Net Cash (Outflows) from Investing Activities</b>		<b>(12,133)</b>	<b>(14,003)</b>	<b>(10,916)</b>



**Community Services Directorate  
Cash Flow Statement - Continued  
For the Year Ended 30 June 2014**

	<b>Note No.</b>	<b>Actual 2014 \$'000</b>	<b>Original Budget 2014 \$'000</b>	<b>Actual 2013 \$'000</b>
<b>Cash Flows from Financing Activities</b>				
<b>Receipts</b>				
Capital Injections		10,674	14,026	11,573
Receipts of Transferred Cash Balances		-	-	364
<b>Total Receipts from Financing Activities</b>		<b>10,674</b>	<b>14,026</b>	<b>11,937</b>
<b>Payments</b>				
Distributions to Government		-	350	-
Repayment of Borrowings		281	-	276
Repayment of Finance Lease Liabilities		763	322	618
<b>Total Payments from Financing Activities</b>		<b>1,044</b>	<b>672</b>	<b>894</b>
<b>Net Cash Inflows from Financing Activities</b>		<b>9,630</b>	<b>13,354</b>	<b>11,043</b>
<b>Net Increase in Cash and Cash Equivalents</b>		<b>3,907</b>	<b>-</b>	<b>1,190</b>
Cash and Cash Equivalents at the Beginning of the Reporting Period		3,825	2,999	2,635
<b>Cash and Cash Equivalents at the End of the Reporting Period</b>	21	<b>7,732</b>	<b>2,999</b>	<b>3,825</b>

The above Cash Flow Statement should be read in conjunction with the accompanying notes.

**Community Services Directorate  
Statement of Changes in Equity  
For the Year Ended 30 June 2014**

		Accumulated Funds Actual 2014 \$'000	Asset Revaluation Surplus Actual 2014 \$'000	Total Equity Actual 2014 \$'000	Original Budget 2014 \$'000
	Note No.				
<b>Balance at 1 July 2013</b>		185,239	56,838	242,077	242,302
<b>Comprehensive Income</b>					
Net Effect of a Correction of an Error		-	-	-	5
Operating (Deficit)		(5,497)	-	(5,497)	(5,892)
(Decrease)/Increase in the Asset Revaluation Surplus	33	-	(1,053)	(1,053)	49
<b>Total Comprehensive (Deficit)</b>		<b>(5,497)</b>	<b>(1,053)</b>	<b>(6,550)</b>	<b>(5,838)</b>
<b>Transactions Involving Owners Affecting Accumulated Funds</b>					
Capital Injections		10,674	-	10,674	14,026
Capital (Distributions)		-	-	-	(350)
<b>Total Transactions Involving Owners Affecting Accumulated Funds</b>		<b>10,674</b>	<b>-</b>	<b>10,674</b>	<b>13,676</b>
<b>Balance at 30 June 2014</b>		<b>190,416</b>	<b>55,785</b>	<b>246,201</b>	<b>250,140</b>

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

**Community Services Directorate  
Statement of Changes in Equity - Continued  
For the Year Ended 30 June 2014**

		Accumulated Funds Actual 2013 \$'000	Asset Revaluation Surplus Actual 2013 \$'000	Total Equity Actual 2013 \$'000	Original Budget 2013 \$'000
	Note No.				
<b>Balance at 1 July 2012</b>		207,802	63,156	270,958	263,016
<b>Comprehensive Income</b>					
Net Effect of a Correction of an Error		-	-	-	(1,271)
Operating (Deficit)		(9,614)	-	(9,614)	(8,522)
Increase in the Asset Revaluation Surplus	33	-	4,184	4,184	41
<b>Total Comprehensive (Deficit)/Surplus</b>		<b>(9,614)</b>	<b>4,184</b>	<b>(5,430)</b>	<b>(9,752)</b>
Transfer to/(from) Reserves	33	10,502	(10,502)	-	-
<b>Transactions Involving Owners Affecting Accumulated Funds</b>					
Capital Injections		11,573	-	11,573	30,993
Capital (Distributions)		-	-	-	(350)
Net Assets transferred in as part of an Administrative Restructure	35	364	-	364	364
Net Assets transferred out as part of an Administrative Restructure	35	(35,388)	-	(35,388)	-
<b>Total Transactions Involving Owners Affecting Accumulated Funds</b>		<b>(23,451)</b>	<b>-</b>	<b>(23,451)</b>	<b>31,007</b>
<b>Balance at 30 June 2013</b>		<b>185,239</b>	<b>56,838</b>	<b>242,077</b>	<b>284,271</b>

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

**Community Services Directorate  
Summary of Controlled Output Classes  
For the Year Ended 30 June 2014**

	<b>Output Class 1 \$'000</b>	<b>Output Class 2 \$'000</b>	<b>Output Class 3 \$'000</b>	<b>Output Class 4 \$'000</b>	<b>Total \$'000</b>
<b>2014</b>					
Total Income	112,178	24,803	35,951	81,520	<b>254,453</b>
Total Expenses	(113,180)	(25,560)	(37,949)	(83,261)	<b>(259,950)</b>
<b>Operating (Deficit)</b>	<b><u>(1,002)</u></b>	<b><u>(757)</u></b>	<b><u>(1,998)</u></b>	<b><u>(1,741)</u></b>	<b><u>(5,497)</u></b>
<b>2013</b>					
Total Income	101,097	20,109	32,652	82,816	<b>236,674</b>
Total Expenses	(105,977)	(22,024)	(36,812)	(81,475)	<b>(246,288)</b>
<b>Operating (Deficit)/Surplus</b>	<b><u>(4,880)</u></b>	<b><u>(1,915)</u></b>	<b><u>(4,160)</u></b>	<b><u>1,341</u></b>	<b><u>(9,614)</u></b>

**Community Services Directorate**  
**Operating Statement for Output Class 1 - Disability and Therapy Services**  
**For the Year Ended 30 June 2014**

**Description**

Disability Services and Policy - the provision of high quality community based, consumer focused disability services through government and non-government service providers to meet the accommodation support, community access and support, respite care and well-being needs of people with moderate to severe disabilities.

Therapy Services - the provision of therapy services for children with delays in development from birth to age eight, and for children, young people and adults with disabilities (i.e. from birth to 65 years), including counselling and support, and assistance with physical, intellectual, communication and other functional disabilities.

	<b>Actual 2014 \$'000</b>	<b>Original Budget 2014 \$'000</b>	<b>Actual 2013 \$'000</b>
<b>Income</b>			
<b>Revenue</b>			
Government Payment for Outputs	109,233	108,437	98,080
User Charges - ACT Government	229	-	159
User Charges - Non-ACT Government	357	1,148	315
Interest	1	26	1
Resources Received Free of Charge	154	142	277
Other Revenue	2,193	50	2,238
<b>Total Revenue</b>	<b>112,167</b>	<b>109,803</b>	<b>101,070</b>
<b>Gains</b>			
Other Gains	11	-	27
<b>Total Gains</b>	<b>11</b>	<b>-</b>	<b>27</b>
<b>Total Income</b>	<b>112,178</b>	<b>109,803</b>	<b>101,097</b>
<b>Expenses</b>			
Employee Expenses	42,774	35,862	41,171
Superannuation Expenses	5,793	5,558	5,634
Supplies and Services	16,697	16,095	18,180
Depreciation and Amortisation	831	722	879
Grants and Purchased Services	46,856	52,286	39,889
Borrowing Costs	105	40	115
Other Expenses	124	-	109
<b>Total Expenses</b>	<b>113,180</b>	<b>110,563</b>	<b>105,977</b>
<b>Operating (Deficit)</b>	<b>(1,002)</b>	<b>(760)</b>	<b>(4,880)</b>

**Community Services Directorate**  
**Operating Statement for Output Class 2 - Early Intervention Services**  
**For the Year Ended 30 June 2014**

**Description**

Early Intervention Services - the provision of an early intervention and prevention services, with a focus on children pre-birth to age eight and their families. Early intervention and prevention services are provided through a universal platform with targeted services for vulnerable families. Services provided include parenting information available on-line and through parenting tip sheets, sustained home visiting, parenting advice and support services, specialist clinical services, community development and education. Services are delivered in partnership with other agencies, local community organisations and service providers.

	<b>Actual</b>	<b>Original</b>	
	<b>2014</b>	<b>Budget</b>	<b>Actual</b>
	<b>\$'000</b>	<b>2014</b>	<b>2013</b>
		<b>\$'000</b>	<b>\$'000</b>
<b>Income</b>			
<b>Revenue</b>			
Government Payment for Outputs	24,009	23,834	19,646
User Charges - ACT Government	287	-	35
User Charges - Non-ACT Government	99	-	23
Resources Received Free of Charge	14	-	8
Other Revenue	336	316	381
<b>Total Revenue</b>	<b>24,745</b>	<b>24,150</b>	<b>20,093</b>
<b>Gains</b>			
Other Gains	58	-	16
<b>Total Gains</b>	<b>58</b>	<b>-</b>	<b>16</b>
<b>Total Income</b>	<b>24,803</b>	<b>24,150</b>	<b>20,109</b>
<b>Expenses</b>			
Employee Expenses	7,770	7,601	6,129
Superannuation Expenses	1,154	1,006	882
Supplies and Services	3,658	4,015	2,527
Depreciation and Amortisation	381	695	972
Grants and Purchased Services	12,240	12,095	11,456
Borrowing Costs	117	15	57
Other Expenses	240	28	1
<b>Total Expenses</b>	<b>25,560</b>	<b>25,455</b>	<b>22,024</b>
<b>Operating (Deficit)</b>	<b>(757)</b>	<b>(1,305)</b>	<b>(1,915)</b>

**Community Services Directorate**  
**Operating Statement for Output Class 3 - Community Participation**  
**For the Year Ended 30 June 2014**

**Description**

Community Relations - the provision of a variety of community support development activities that strengthen engagement, foster community relations and participation, and build community capability, including improved access to services.

Arts Engagement - encourage community participation in and access to the arts through supporting artistic excellence and diversity, strengthening the sustainability of arts organisations and the capacity for arts to contribute to social and economic outcomes and fostering artistic innovation and creative thinking.

	<b>Actual 2014 \$'000</b>	<b>Original Budget 2014 \$'000</b>	<b>Actual 2013 \$'000</b>
<b>Income</b>			
<b>Revenue</b>			
Government Payment for Outputs	30,194	30,471	28,347
User Charges - ACT Government	26	-	43
User Charges - Non-ACT Government	2,300	1,078	2,297
Resources Received Free of Charge	22	12	33
Other Revenue	2,843	811	722
<b>Total Revenue</b>	<b>35,385</b>	<b>32,372</b>	<b>31,442</b>
<b>Gains</b>			
Other Gains	566	1,236	1,210
<b>Total Gains</b>	<b>566</b>	<b>1,236</b>	<b>1,210</b>
<b>Total Income</b>	<b>35,951</b>	<b>33,608</b>	<b>32,652</b>
<b>Expenses</b>			
Employee Expenses	6,400	5,703	6,386
Superannuation Expenses	1,026	392	841
Supplies and Services	8,139	9,139	7,473
Depreciation and Amortisation	4,586	3,668	4,336
Grants and Purchased Services	17,674	17,175	17,412
Borrowing Costs	27	1	32
Other Expenses	97	-	103
Asset Transfers	-	-	229
<b>Total Expenses</b>	<b>37,949</b>	<b>36,078</b>	<b>36,812</b>
<b>Operating (Deficit)</b>	<b>(1,998)</b>	<b>(2,470)</b>	<b>(4,160)</b>

**Community Services Directorate**  
**Operating Statement for Output Class 4 - Children Youth and Family Services**  
**For the Year Ended 30 June 2014**

**Description**

Youth Services - the provision of support services to young people at risk, and supervision of young offenders.

Care and Protection Services - the provision of care and protection services for children and young people, promote their safety within the family unit and, where a child is at risk and cannot remain within the family home, support the child in out-of-home care.

	<b>Actual</b>	<b>Original</b>	<b>Actual</b>
	<b>2014</b>	<b>Budget</b>	<b>2013</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Income</b>			
<b>Revenue</b>			
Government Payment for Outputs	79,748	78,686	80,640
User Charges - ACT Government	226	-	123
User Charges - Non-ACT Government	223	620	461
Resources Received Free of Charge	691	323	485
Other Revenue	596	306	1,052
<b>Total Revenue</b>	<b>81,484</b>	<b>79,935</b>	<b>82,761</b>
<b>Gains</b>			
Other Gains	36	-	55
<b>Total Gains</b>	<b>36</b>	<b>-</b>	<b>55</b>
<b>Total Income</b>	<b>81,520</b>	<b>79,935</b>	<b>82,816</b>
<b>Expenses</b>			
Employee Expenses	32,436	30,231	33,806
Superannuation Expenses	4,074	5,460	4,319
Supplies and Services	13,194	9,931	10,971
Depreciation and Amortisation	1,392	1,873	1,215
Grants and Purchased Services	31,846	33,701	30,919
Borrowing Costs	241	33	218
Other Expenses	78	50	27
Asset Transfers	-	13	-
<b>Total Expenses</b>	<b>83,261</b>	<b>81,292</b>	<b>81,475</b>
<b>Operating (Deficit)</b>	<b>(1,741)</b>	<b>(1,357)</b>	<b>1,341</b>



**Community Services Directorate  
Controlled Statement of Appropriation  
For the Year Ended 30 June 2014**

	<b>Note No.</b>	<b>Original Budget 2014 \$'000</b>	<b>Total Appropriated 2014 \$'000</b>	<b>Appropriation Drawn 2014 \$'000</b>	<b>Appropriation Drawn 2013 \$'000</b>
<b>Controlled</b>					
Government Payment for Outputs	(i)	241,428	247,009	243,185	226,713
Capital Injections	(ii)	14,026	17,555	10,674	11,573
<b>Total Controlled Appropriation</b>		<b>255,454</b>	<b>264,564</b>	<b>253,859</b>	<b>238,286</b>

The above Controlled Statement of Appropriation should be read in conjunction with the accompanying notes.

**Column Heading Explanation**

The *Original Budget* column shows the amounts that appear in the Cash Flow Statement in the Budget Papers. This amount also appears in these financial statements, in the Cash Flow Statement of the Directorate.

The *Total Appropriated* column is inclusive of all appropriation variations occurring after the Original Budget.

The *Appropriation Drawn* is the total amount of appropriation received by the Directorate during the year. This amount appears in these financial statements, in the Cash Flow Statement of the Directorate.

**Variances between 'Original Budget' and 'Total Appropriated'**

**(i) Government Payment for Outputs (GPO)**

The variance between the Original Budget and Total Appropriated largely relates to the Treasurer's Advance (\$2.800m) for additional demand for disability services, additional funding to meet other operational cost pressures (\$1.4m) and supplementary appropriation (\$1.310m) to meet the salaries and wages increase under the new Enterprise Bargaining Agreement.

**(ii) Capital Injections**

The variance between the Original Budget and Total Appropriated relates to undisbursed appropriation from 2012-13 rolled over under section 16B of the *Financial Management Act 1996* (FMA) (\$2.029m) for a number of projects including the Capital Upgrade program for Community and Youth Facilities, Tuggeranong Arts Centre Improvements, Belconnen Art Centre Stage 2, Canberra Glassworks and other Arts Facilities. In addition the Directorate received funding from the Treasurer's Advance (\$1.500m) for the loan facility for the Boundless Canberra All-Abilities Playground.

**Variances between 'Total Appropriated' and 'Appropriation Drawn'**

**(i) Government Payment for Outputs (GPO)**

The variance between Total Appropriated and Appropriation Drawn in 2013-14 largely relates to a reduction in funding from the Commonwealth for the National Disability Services Partnership Agreement (\$2.184m), projects rolled over into 2014-15 for Repairs and Maintenance, Community Helping Aboriginal Australians to Negotiate Choices Leading to Employment and Success program (CHANCES), Kingston Visual Arts Hub Feasibility, Children and Young People System (CHYPS) scoping project, Aboriginal Torres Strait Islander (ATSI) Scholarship program, ATSI Elected Body, and feasibility funding for More Men's Sheds.

**(ii) Capital Injections**

The variance between Total Appropriated and Appropriation Drawn relates to funds for the Fitter's Workshop (\$3.058m) not being drawn as the original purpose of the funding is not being pursued. The variance also includes rollovers into 2014-15 for projects that have not been physically or financially completed this financial year including; The Ainslie Music Hub (\$1.310m), Gorman House Multi-Arts Hub (\$0.340m), Holt Early Childhood Centre (\$0.200m), Kingston Visual Arts Hub (\$0.150m), Replacement of Canberra Seniors Centre Design (\$0.401m), Public Arts Scheme (\$0.427m) and Woden/Weston Creek Community Hub Feasibility and Forward Design (\$0.297m).

**Community Services Directorate  
Controlled Note Index of the Financial Statements  
For the Year Ended 30 June 2014**

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**Community Services Directorate  
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**Community Services Directorate  
Notes to and Forming Part of the Financial Statements  
For the Year Ended 30 June 2014**

**NOTE 1. OBJECTIVES OF THE COMMUNITY SERVICES DIRECTORATE**

**Operations and Principal Activities**

The work of the Community Services Directorate (the Directorate) is shaped by whole of government priorities which promote the participation and wellbeing of the Canberra community. The focus and responsibility of the Directorate is broad and includes a range of policy and programs which deliver essential services to individuals, their families and the ACT community more broadly.

Services are targeted to people with a disability, children and young people, families, carers, women, Aboriginal and Torres Strait Islander peoples, and people who are ageing. Programs include multicultural affairs, volunteering, community services and facilities, concessions, therapy services, and arts and culture.

The Directorate is committed to recognising the stage of life and circumstances of its clients and to facilitating an outcome that is focused on their individual needs. This is reflected in the Directorate's Strategic Plan which articulates participation as the central driver of its work, and is supported by five goals:

- a positive start - individuals and families receive services and support when they are needed;
- support to grow and develop - individuals and families have the skills, support and information to join in;
- a productive life - people of Canberra are valued contributors to our community;
- a connected community - people of Canberra come together to build a vibrant, resilient and connected community; and
- a leading organisation - leading in the way we work for the people of Canberra.

Participation, and its elements of engaging, learning, working and having a voice, is about ways to achieve better outcomes for everyone in the ACT. Central to this approach is a commitment to value and to build the cultural and social capital in the ACT, and to support and engage people who are the most marginalised and vulnerable in our community.

**Community Services Directorate  
Notes to and Forming Part of the Financial Statements  
For the Year Ended 30 June 2014**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**(a) Basis of Accounting**

The *Financial Management Act 1996* (FMA) requires the preparation of annual financial statements for ACT Government agencies.

The FMA and the *Financial Management Guidelines* issued under the Act, requires an agency's financial statements to include:

- (i) an Operating Statement for the year;
- (ii) a Balance Sheet at the end of the year;
- (iii) a Statement of Changes in Equity for the year;
- (iv) a Cash Flow Statement for the year;
- (v) an Operating Statement for each class of output for the year;
- (vi) a Statement of Appropriation for the year;
- (vii) a summary of the significant accounting policies adopted for the year; and
- (viii) such other statements as are necessary to fairly reflect the financial operations of the agency during the year and its financial position at the end of the year.

These general-purpose financial statements have been prepared to comply with 'Generally Accepted Accounting Principles' as required by the FMA. The financial statements have been prepared in accordance with:

- (i) Australian Accounting Standards; and
- (ii) ACT Accounting and Disclosure Policies.

The financial statements have been prepared using the accrual basis of accounting, which recognises the effects of transactions and events when they occur. The financial statements have also been prepared according to the historical cost convention, except for land, buildings, correctional facility, land improvements, works of art and community and heritage assets, which were measured at fair value in accordance with the (re)valuation policies applicable to the Directorate during the reporting period.

As at 30 June 2014, the Directorate's current liabilities (\$40.8m) exceed its current assets (\$11.7m) by \$29.1m. However, this is not considered a liquidity risk as its cash requirements are funded through appropriation from the ACT Government on a cash-needs basis. This is consistent with the whole-of-government cash management regime which requires excess cash balances to be held centrally rather than within individual agency bank accounts.

Fair value is 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. Fair value is measured using the market approach, the cost approach or the income approach valuation techniques as appropriate. In estimating the fair value of an asset or liability, the Directorate takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at measurement date.

**Community Services Directorate  
Notes to and Forming Part of the Financial Statements  
For the Year Ended 30 June 2014**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

**(a) Basis of Accounting - continued**

The above approach to fair value measurement does not apply to leasing transactions within the scope of Australian Accounting Standard AASB 117 Leases or measurements that have some similarities to fair value but are not fair value, such as value in use in AASB 136 Impairment of Assets.

For disclosure purposes fair value measurements are categorised into Level 1, 2 or 3 based on the extent to which the inputs to the valuation techniques are observable and the significance of the inputs to the fair value measurement in its entirety. The Fair Value Hierarchy is made of the following three levels:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities that the agency can access at the 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; and
- Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs) that are unobservable for particular assets or liabilities.

These financial statements are presented in Australian dollars, which is the Directorate's functional currency.

The Directorate is an individual reporting entity.

**(b) Controlled and Territorial Items**

The Directorate produces Controlled and Territorial financial statements. The Controlled financial statements include income, expenses, assets and liabilities over which the Directorate has control. The Territorial financial statements include income, expenses, assets and liabilities that the Directorate administers on behalf of the ACT Government, but does not control.

The purpose of the distinction between Controlled and Territorial is to enable an assessment of the Directorate's performance against the decisions it has made in relation to the resources it controls, while maintaining accountability for all resources under its responsibility.

The basis of accounting described in Note 2 (a) above applies to both Controlled and Territorial financial statements except where specified otherwise.

**Community Services Directorate**  
**Notes to and Forming Part of the Financial Statements**  
**For the Year Ended 30 June 2014**  
**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

**(c) The Reporting Period**

These financial statements state the financial performance, changes in equity and cash flows of the Directorate for the year ended 30 June 2014 together with the financial position of the Directorate as at 30 June 2014.

**(d) Comparative Figures**

*Budget Figures*

To facilitate a comparison with the Budget Papers, as required by the *Financial Management Act 1996*, budget information for 2013-14 has been presented in the financial statements. Budget numbers in the financial statements are the original budget numbers that appear in the Budget Papers, which aligns to information included in the *Appropriation Act 2013-2014*.

*Prior Year Comparatives*

Comparative information has been disclosed in respect of the previous period for amounts reported in the financial statements, except where an Australian Accounting Standard does not require comparative information to be disclosed.

Where the presentation or classification of items in the financial statements is amended, the comparative amounts have been reclassified where practical. Where a reclassification has occurred, the nature, amount and reason for the reclassification is provided.

**(e) Rounding**

All amounts in the financial statements have been rounded to the nearest thousand dollars (\$'000). Use of "-" represents zero amounts or amounts rounded down to zero.

**(f) Revenue Recognition**

Revenue is recognised at the fair value of the consideration received or receivable in the Operating Statement. All revenue is recognised to the extent that it is probable that the economic benefits will flow to the Directorate and the revenue can be reliably measured. In addition the following specific recognition criteria must also be met before revenue is recognised:

*Government Payment for Outputs*

Government Payment for Outputs are recognised as revenues when the Directorate gains control over the funding. Control over appropriated funds is obtained upon the receipt of cash.

**Community Services Directorate  
Notes to and Forming Part of the Financial Statements  
For the Year Ended 30 June 2014**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

**(f) Revenue Recognition - continued**

*Payment for Expenses on Behalf of the Territory*

The Payment for Expenses on behalf of the Territory is recognised on an accrual basis. Due to the nature of territorial accounting, the Statement of Assets and Liabilities on Behalf of the Territory includes (as applicable) liabilities to, and receivables from, the Territory Banking Account.

*Rendering of Services*

Revenue from the rendering of services is recognised when the stage of completion of the transaction at the reporting date can be measured reliably and the costs of rendering the service can be measured reliably.

*Interest*

Interest revenue is recognised using the effective interest method.

*Revenue Received in Advance*

Revenue received in advance is recognised as a liability if there is a present obligation to return the funds received, otherwise all are recorded as revenue.

**(g) Resources Received and Provided Free of Charge**

Resources received free of charge are recorded as revenue in the Operating Statement at fair value. The revenue is separately disclosed under resources received free of charge. Goods and services received free of charge from ACT Government agencies are recorded as resources received free of charge, whereas goods and services received free of charge from entities external to the ACT Government are recorded as donations. Services that are received free of charge are only recorded in the Operating Statement if they can be reliably measured and would have been purchased if not provided to the Directorate free of charge.

**(h) Repairs and Maintenance**

The Directorate undertakes repairs and maintenance on property, plant and equipment assets. Where the maintenance leads to an upgrade of the asset and increases the service potential of the existing asset, the cost is capitalised. Maintenance expenses which do not increase the service potential of the asset are expensed.

**(i) Borrowing Costs**

Borrowing costs are expensed in the period in which they are incurred.



**Community Services Directorate  
Notes to and Forming Part of the Financial Statements  
For the Year Ended 30 June 2014**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

**(j) Waivers of Debt**

Debts that are waived under section 131 of the *Financial Management Act 1996* are expensed during the year in which the right to payment was waived. Further details of waivers are disclosed at Note 18 Waivers, Impairment Losses and Write-offs and Note 46 Waivers, Impairment Losses and Write-offs – Territorial.

**(k) Current and Non-Current Items**

Assets and liabilities are classified as current or non-current in the Balance Sheet and in the relevant notes. Assets are classified as current where they are expected to be realised within 12 months after the reporting date. Liabilities are classified as current when they are due to be settled within 12 months after the reporting date or the Directorate does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Assets or liabilities which do not fall within the current classification are classified as non-current.

**(l) Impairment of Assets**

The Directorate assesses at each reporting date whether there is any indication that an asset may be impaired. Assets are also reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. However, intangible assets that are not yet available for use are tested annually for impairment regardless of whether there is an indication of impairment, or more frequently if events or circumstances indicate they might be impaired.

An impairment loss is recognised for the amount by which an asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the asset's 'fair value less costs of disposal' and its 'value in use'. An asset's 'value in use' is its depreciated replacement cost, where the asset would be replaced if the Directorate were deprived of it. Non-financial assets that have previously been impaired are reviewed for possible reversal of impairment at each reporting date.

Any resulting impairment losses, for land, buildings, correctional facility, land improvements, works of art and community and heritage assets, are recognised as a decrease in the Asset Revaluation Surplus relating to these classes of assets.

Where the impairment loss is greater than the available balance in the Asset Revaluation Surplus for the relevant class of asset, the difference is expensed in the Operating Statement. Impairment losses for plant and equipment, leasehold improvements and intangible assets are also recognised in the Operating Statement as these asset classes are carried at cost, and do not have an Asset Revaluation Surplus attached to them. The carrying amount of the asset is also reduced to its recoverable amount.

**Community Services Directorate  
Notes to and Forming Part of the Financial Statements  
For the Year Ended 30 June 2014**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

**(m) Cash and Cash Equivalents**

For the purposes of the Cash Flow Statement and the Balance Sheet, cash includes cash at bank and cash on hand. Directorate money held in the Territory Banking Cash Fund is classified as a Cash Equivalent. The Cash Equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

**(n) Receivables**

Accounts receivable (including trade receivables and other trade receivables) are initially recognised at fair value and are subsequently measured at amortised cost, with any adjustments to the carrying amount being recorded through the Operating Statement.

Trade receivables arise in the normal course of selling goods/services to other ACT Government agencies and to the public. Trade receivables are payable within 28 days after the issue of an invoice or the goods/services have been provided under a contractual arrangement.

Other trade receivables arise outside the normal course of selling goods and services to other ACT Government agencies and to the public. Other trade receivables are payable within 28 days after the issue of an invoice or the goods/services have been provided under a contractual arrangement.

The allowance for impairment losses represents the amount of trade receivables and other trade receivables the Directorate estimates will not be repaid. The allowance for impairment losses is based on objective evidence and a review of overdue balances. The Directorate considers the following is objective evidence of impairment:

- (a) becoming aware of financial difficulties of debtors;
- (b) default payments; or
- (c) debts more than 90 days overdue.

The amount of the allowance is the difference between the asset's carrying amount and the present value of the estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial. The amount of the allowance is recognised in the Operating Statement. The allowance for impairment losses are written off against the allowance account when the Directorate ceases action to collect the debt as it considers that it will cost more to recover the debt than the debt is worth.

Receivables that have been renegotiated because they are past due or impaired are accounted for based on the renegotiated terms.

**Community Services Directorate  
Notes to and Forming Part of the Financial Statements  
For the Year Ended 30 June 2014**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

**(o) Assets Held for Sale**

Assets held for sale are assets that are available for immediate sale in their present condition, and their sale is highly probable.

Assets held for sale are measured at the lower of the carrying amount and fair value less costs to sell. An impairment loss is recognised for any initial or subsequent write down of the asset to fair value less cost to sell. Assets held for sale are not depreciated.

**(p) Acquisition and Recognition of Property, Plant and Equipment**

Property, plant and equipment are initially recorded at cost. Cost includes the purchase price, directly attributable costs and the estimated cost of dismantling and removing the item (where, upon acquisition there is a present obligation to remove the item).

Where property, plant and equipment are acquired at no cost, or minimal cost, cost is its fair value as at the date of acquisition. However, property, plant and equipment acquired at no or minimal cost as part of a Restructuring of Administrative Arrangements is measured at the transferor's book value.

Property, plant and equipment with a minimum value of \$5,000 are capitalised.

**(q) Measurement of Property, Plant and Equipment after Initial Recognition**

Property, plant and equipment are valued using the cost or revaluation model of valuation. Land, buildings, correctional facility, land improvements, works of art and community and heritage assets are measured at fair value. Leasehold improvements and plant and equipment are measured at cost.

Fair value is 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.

Fair value for land and non-specialised buildings is measured using the market approach valuation technique. This approach uses prices and other relevant information generated by market transactions involving identical or similar assets.

Fair value for specialised buildings, leasehold improvements and some community heritage assets is measured by reference to the cost of replacing the remaining future economic benefits embodied in the asset (i.e. depreciated replacement cost).

**Community Services Directorate  
Notes to and Forming Part of the Financial Statements  
For the Year Ended 30 June 2014**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

**(q) Measurement of Property, Plant and Equipment after Initial Recognition - continued**

This is the cost approach valuation technique. Depreciated replacement cost is the current replacement cost of an asset less accumulated depreciation calculated on the basis of such cost to reflect the already consumed economic benefits, expired economic benefits or obsolescence of the asset. Current replacement cost is determined by reference on the cost of a substitute asset of comparable utility, the gross project size specifications or the historical cost, adjusted by relevant indices.

For other community and heritage assets, fair value is measured using the market approach valuation technique.

Fair values for some works of art are measured using depreciated replacement cost. For other works of art, fair value is determined using assessment of value in the art market by an accredited art valuer.

Land, buildings, correctional facility, land improvements, works of art and community and heritage assets are revalued every 3 years. However, if at any time the Directorate considers that the carrying amount of an asset materially differs from its fair value then the asset will be revalued regardless of when the last valuation took place. Any accumulated depreciation relating to buildings, correctional facility, land improvements, works of art and community and heritage assets at the date of revaluation is written back against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

The cost of plant and equipment comprises of the purchase price, any directly attributable costs, and the initial estimate of the costs of dismantling and removing plant and equipment and restoring the site on which it is located.

**(r) Intangible Assets**

The Directorate's intangible assets are comprised of externally acquired software for internal use.

Externally acquired software is recognised and capitalised when:

- (a) it is probable that the expected future economic benefits that are attributable to the software will flow to the Directorate;
- (b) the cost of the software can be measured reliably; and
- (c) the acquisition cost is equal to or exceeds \$50,000.

Capitalised software has a finite useful life. Software is amortised on a straight-line basis over its useful life, over a period not exceeding 5 years.

Intangible Assets are measured at cost.

**Community Services Directorate**  
**Notes to and Forming Part of the Financial Statements**  
**For the Year Ended 30 June 2014**  
**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

**(s) Depreciation and Amortisation of Non-Current Assets**

Non-current assets with a limited useful life are systematically depreciated/amortised over their useful lives in a manner that reflects the consumption of their service potential. The useful life commences when an asset is ready for use. When an asset is revalued it is depreciated/amortised over its newly assessed remaining useful life. Amortisation is used in relation to intangible assets and depreciation is applied to physical assets such as buildings, land improvements and plant and equipment.

Land, works of art and some community and heritage assets have an indefinite useful life and are therefore not depreciated.

Leasehold improvements and motor vehicles under a finance lease are depreciated over the estimated useful life of each asset, or the unexpired period of the relevant lease, whichever is shorter.

All depreciation is calculated after first deducting any residual values which remain for each asset.

Depreciation/amortisation for non-current assets is determined as follows:

<b>Class of Asset</b>	<b>Depreciation/ Amortisation Method</b>	<b>Useful Life (Years)</b>
Buildings	Straight Line	5 – 60
Correctional Facility	Straight Line	12 – 45
Land Improvements	Straight Line	5 – 60
Leasehold Improvements	Straight Line	2 – 10
Community and Heritage Assets	Straight Line	5 – 60
Plant and Equipment	Straight Line	4 – 10
Motor Vehicles	Straight Line	2 – 5
Externally Developed Software	Straight Line	2 – 5

The useful lives of all major assets are reassessed on an annual basis.

**(t) Payables**

Payables are a financial liability and are initially recognised at fair value based on the transaction cost and subsequent to initial recognition at amortised cost, with any adjustments to the carrying amount being recorded in the Operating Statement. All amounts are normally settled within 30 days after the invoice date.

Payables include Trade Payables, Accrued Expenses and Other Payables.

Trade Payables represent the amounts owing for goods and services received prior to the end of the reporting period and unpaid at the end of the reporting period and relate to the normal operations of the Directorate.

**Community Services Directorate  
Notes to and Forming Part of the Financial Statements  
For the Year Ended 30 June 2014**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

**(t) Payables - continued**

Accrued Expenses represent goods and services provided by other parties during the period that are unpaid at the end of the reporting period and where an invoice has not been received by period end.

Other Payables are those unpaid invoices that do not directly relate to the normal operations of the Directorate.

**(u) Borrowings**

Borrowings are a financial liability and are measured at the fair value of the consideration received when initially recognised and at amortised cost subsequent to initial recognition, with any adjustments to the carrying amount being recorded in the Operating Statement. The loans are interest free loans with repayments to be made over the next 2 years.

**(v) Leases**

The Directorate has entered into finance leases and operating leases.

*Finance Leases*

Finance leases effectively transfer to the Directorate substantially all the risks and rewards incidental to ownership of the assets under a finance lease. The title may or may not eventually be transferred. Finance leases are initially recognised as an asset and a liability at the lower of the fair value (AASB 13 Fair Value Measurement definition of fair value does not apply – see AASB 117 Leases paragraph 6A) of the asset and the present value of the minimum lease payments each being determined at the inception of the lease.

The discount rate used to calculate the present value of the minimum lease payments is the interest rate implicit in the lease. Assets under a finance lease are depreciated on a straight-line basis over the shorter of the asset's useful life and lease term. The depreciation is calculated after first deducting any residual values which remain for each leased asset. Each lease payment is allocated between interest expense and reduction of the lease liability. Lease liabilities are classified as current and non-current.

*Operating Leases*

Operating leases do not effectively transfer to the Directorate substantially all the risks and rewards incidental to ownership of the asset under an operating lease. Operating lease payments are recorded as an expense in the Operating Statement on a straight line basis over the term of the lease.

**Community Services Directorate**  
**Notes to and Forming Part of the Financial Statements**  
**For the Year Ended 30 June 2014**  
**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

**(w) Employee Benefits**

Employee benefits include:

- short-term employee benefits such as the following, if expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related services – wages and salaries, annual leave loading, and applicable on-costs;
- other long-term benefits such as long service leave and annual leave; and
- termination benefits.

On-costs include annual leave, long service leave, superannuation and other costs that are incurred when employees take annual and long service leave.

*Wages and Salaries*

Accrued wages and salaries are measured as the amount that remains unpaid to employees at the end of the reporting period.

*Annual and Long Service Leave*

Annual and long service leave, including applicable on-costs, that are not expected to be wholly settled before twelve months after the end of the reporting period when the employees render the related service are measured at the present value of estimated future payments to be made in respect of services provided by employees up to the end of the reporting period. Consideration is given to the future wage and salary levels, experience of employee departures and periods of service. At the end of each reporting period end, the present value of future annual leave and long service leave payments is estimated using market yields on Commonwealth Government bonds with terms to maturity that match, as closely as possible, the estimated future cash flows.

Annual leave liabilities have been estimated on the assumption that they will be wholly settled within three years.

In 2013-14, the rate used to estimate the present value of future payments is 103.5% (101.3% in 2012-13).

The long service leave liability is estimated with reference to the minimum period of qualifying service. For employees with less than the required minimum period of 7 years qualifying service, the probability that employees will reach the required minimum period has been taken into account in estimating the provision for long service leave and applicable on-costs.



**Community Services Directorate  
Notes to and Forming Part of the Financial Statements  
For the Year Ended 30 June 2014**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

**(w) Employee Benefits - continued**

The provision for annual and long service leave includes estimated on-costs. As these on-costs only become payable if the employee takes annual and long service leave while in service, the probability that employees will take annual and long service leave while in service has been taken into account in estimating the liability for on-costs.

The significant judgements and assumptions included in the estimation of annual and long service leave liabilities are determined by an actuary. The Australian Government Actuary performed this assessment in May 2014. The assessment by an actuary is performed every 5 years. However it may be performed more frequently if there is a significant contextual change in the parameters underlying the 2014 report. The next actuarial review is expected to be undertaken by May 2019. Further information about this estimate is provided in Note 2(aa) Significant Accounting Judgements and Estimates.

Annual and long service leave liabilities are classified as current liabilities in the Balance Sheet where there are no unconditional rights to defer the settlement of the liability for at least 12 months. Conditional long service leave liabilities are classified as non-current because the Directorate has an unconditional right to defer the settlement of the liability until the employee has completed the requisite years of service.

**(x) Superannuation**

The Directorate receives funding for superannuation payments as part of the Government Payment for Outputs. The Directorate then makes payments on a fortnightly basis to the Territory Banking Account to cover its superannuation liability for the Commonwealth Superannuation Scheme (CSS) and the Public Sector Superannuation Scheme (PSS). This payment covers the CSS/PSS employer contribution (but does not include the productivity component). The Directorate pays the productivity component directly to Comsuper. The CSS and PSS are defined benefit superannuation plans meaning that the defined benefits received by employees are based on the employee's years of service and average final salary.

Superannuation payments have also been made directly to superannuation funds for those members of the Public Sector who are part of superannuation accumulation schemes. This includes the Public Sector Superannuation Scheme Accumulation Plan (PSSAP) and schemes of employee choice.

Superannuation employer contribution payments for the CSS and PSS are calculated by taking the salary level at an employee's anniversary date and multiplying by the actuarially assessed nominal CSS or PSS employer contribution rate for each employee. The productivity component payments are calculated by taking the salary level, at an employee's anniversary date, and multiplying it by the employer contribution rate (approximately 3%) for each employee.



**Community Services Directorate  
Notes to and Forming Part of the Financial Statements  
For the Year Ended 30 June 2014**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

**(x) Superannuation - continued**

Superannuation payments for the PSSAP are calculated by taking the salary level, at an employee's anniversary date, and multiplying it by the appropriate employer contribution rate.

Superannuation payments for fund of choice arrangements are calculated by taking an employee's salary each pay and multiplying it by the appropriate employer contribution rate.

The Superannuation Provision Account recognises the total Territory superannuation liability for the CSS and PSS, and Comsuper and the external schemes recognise the superannuation liability for the PSSAP and other schemes respectively.

The ACT Government is liable for the reimbursement of the emerging costs of benefits paid each year to members of the CSS and PSS in respect of the ACT Government service provided after 1 July 1989. These reimbursement payments are made from the Superannuation Provision Account.

**(y) Equity Contributed by the ACT Government**

Contributions made by the ACT Government, through its role as owner of the Directorate, are treated as contributions of equity.

Increases or decreases in net assets as a result of Administrative Restructures are also recognised in equity.

**(z) Insurance**

Major risks are insured through the ACT Insurance Authority. The excess payable, under this arrangement, varies depending on each class of insurance held.

**Community Services Directorate  
Notes to and Forming Part of the Financial Statements  
For the Year Ended 30 June 2014**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

**(aa) Significant Accounting Judgements and Estimates**

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

- (a) **Fair Value of Assets:** The Directorate has made a significant estimate regarding the fair value of its assets. Land and buildings, including the correctional facility, land improvements, community and heritage assets and works of art have been recorded at the market value of similar properties or assets as determined by an independent valuer. The valuer discounts the land value to reflect its use for community purposes. In some circumstances, buildings that are purpose built may in fact realise more or less in the market. Works of art are valued independently by an accredited art valuer.
- (b) **Employee Benefits:** Significant judgements have been applied in estimating the liability for employee benefits. The estimated liability for annual and long service leave requires a consideration of the future wage and salary levels, experience of employee departures, probability that leave will be taken in service and periods of service. The estimate also includes an assessment of the probability that employees will meet the minimum service period required to qualify for long service leave and that on-costs will become payable. Further information on this estimate is provided in Note 2(w) Employee Benefits.
- (c) **Impairment Losses:** Debts are written off as impaired when so identified. The write-off is to expense or, to the extent an allowance for impairment already existed, as a reversal of the allowance. An allowance is raised for any impairment based on a review of all outstanding accounts at year end.
- (d) **Estimation of the Useful Life of Property, Plant and Equipment:** The Directorate has made a significant estimate in determining the useful lives of its property, plant and equipment. The estimation of property, plant and equipment has been based on the historical experience of similar assets. For assets valued by an external valuer, the Directorate applies the estimated remaining useful life of assets as assessed in the valuation reports. Leasehold Improvements and Motor Vehicles under a finance lease have a useful life equal to the estimated useful life assessed by the Directorate at the time of acquisition or the unexpired period of the lease. For all other plant and equipment, an assessment of the useful life of the asset is done at the time of acquisition. The useful lives are assessed on an annual basis and any adjustments made when considered necessary. Further disclosure concerning an asset's useful life can be found at Note 2(s) Depreciation and Amortisation of Non-Current Assets.

No other 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.

**Community Services Directorate  
Notes to and Forming Part of the Financial Statements  
For the Year Ended 30 June 2014**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

**(ab) Impact of Accounting Standards Issued but yet to be Applied**

The following new and revised accounting standards and interpretations have been issued by the Australian Accounting Standards Board but do not apply to the current reporting period. These standards and interpretations are applicable to future reporting periods. The Directorate does not intend to adopt these standards and interpretations early. Where applicable, these Australian Accounting Standards will be adopted from their application date. The implications of adopting the below pronouncements, when applicable, has been addressed below:

<b>Standard</b>	<b>Background</b>	<b>Implications for the Directorate</b>
AASB 9 Financial Instruments (application date 1 January 2018)	The changes relate to disclosure requirements	No financial impact
AASB 1055 Budgetary Reporting (application date 1 July 2014)	The changes relate to disclosure requirements	No financial impact
AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Interpretations 2, 5, 10, 12, 19 & 127] (application date 1 January 2018)	The changes relate to disclosure requirements, and only some are relevant to the Directorate	No financial impact
AASB 2013-9 Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments Part B Materiality (application date 1 January 2014) Part C Financial Instruments (application date 1 January 2015)	The changes relate to disclosure requirements	No financial impact
AASB 1031 Materiality withdrawal effective from 1 July 2014.	The changes relate to disclosure requirements	No financial impact

**Community Services Directorate  
Notes to and Forming Part of the Financial Statements  
For the Year Ended 30 June 2014**

**NOTE 3. CHANGE IN ACCOUNTING ESTIMATES, ACCOUNTING POLICY  
AND CORRECTION OF A PRIOR PERIOD ERROR**

**(a) Change in Accounting Estimate**

The Directorate had no changes in Accounting Estimate during the reporting period.

**(b) Change in Accounting Policy**

The Directorate had no changes in Accounting Policy during the reporting period.

**(c) Correction of Prior Period Errors**

The Directorate had no correction of prior period errors during the reporting period.

**Community Services Directorate**  
**Notes to and Forming Part of the Financial Statements**  
**For the Year Ended 30 June 2014**

**NOTE 4. GOVERNMENT PAYMENT FOR OUTPUTS**

Government Payment for Outputs (GPO) is revenue received from the ACT Government to fund the costs of delivering outputs. The ACT Government pays GPO appropriation on a fortnightly basis.

	<b>2014</b>	<b>2013</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Revenue from the ACT Government</b>		
Government Payment for Outputs <sup>a</sup>	<u>243,185</u>	<u>226,713</u>
<b>Government Payment for Outputs</b>	<b><u>243,185</u></b>	<b><u>226,713</u></b>

a) GPO funding for 2013-14 was higher than in 2012-13 mainly due to funding for new initiatives, such as Support for Disability Services and Service Enhancements, Youth Engagement and Family Support for Youth, the Fourth Unit at Bimberi Youth Justice Centre and additional funding from the Commonwealth for the launch of the National Disability Insurance Scheme (NDIS) in July 2014. This was partially offset by general savings.

**Community Services Directorate**  
**Notes to and Forming Part of the Financial Statements**  
**For the Year Ended 30 June 2014**

**NOTE 5. USER CHARGES FOR GOODS AND SERVICES**

User Charges for Goods and Services revenue is derived by providing services to other ACT Government agencies and to the public. User-charges revenue is not part of ACT Government appropriation and is paid by the user of the services. This revenue is driven by consumer demand and is commercial in nature.

	<b>2014</b>	<b>2013</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>User Charges - ACT Government</b>		
User Charges - ACT Government <sup>a</sup>	767	360
<b>Total User Charges - ACT Government</b>	<b>767</b>	<b>360</b>
<b>User Charges - Non-ACT Government</b>		
Respite Care for Disability Clients	76	97
Individual Support Accommodation for Disability Clients <sup>b</sup>	193	188
Tenant Rental Income <sup>c</sup>	1,760	1,810
Facilities Hire <sup>d</sup>	616	493
Other <sup>e</sup>	334	508
<b>Total User Charges - Non-ACT Government</b>	<b>2,979</b>	<b>3,096</b>
<b>Total User Charges for Goods and Services</b>	<b>3,746</b>	<b>3,456</b>

a) The increase in User Charges - ACT Government relates to monies received from Housing ACT for their contribution to the Project Management Office (PMO) and People Management Unit (PMU). The PMO is responsible for promoting and implementing organisational strategy and change across the Directorate and the PMU is responsible for managing the workforce planning across all divisions in the Directorate.

b) Revenue for Individual Support Accommodation for Disability Clients relates to funding received from the NSW Department of Ageing. There is currently one NSW client accessing Disability ACT services.

c) The Tenant Rental Income relates to rent received from external tenancies at the Community Hubs and from tenants under the Affordable Rental Office Scheme.

d) The increase in Facilities Hire relates to additional revenue received for the hire of facilities for the National Multicultural Festival and hire of rooms by external parties through the Office for Multicultural Affairs and the Office for Aboriginal and Torres Strait Islander Affairs.

e) Other User Charges - Non-ACT Government largely relates to funding received from the Commonwealth for welfare services provided to the Jervis Bay Territory and overseas adoption fees. The decrease from 2012-13 relates to the reduction in the demand for welfare services provided in the Jervis Bay Territory.

**Community Services Directorate**  
**Notes to and Forming Part of the Financial Statements**  
**For the Year Ended 30 June 2014**

**NOTE 6. INTEREST**

	<b>2014</b>	<b>2013</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Interest Revenue from Non-ACT Government Entities</b>		
Interest Revenue <sup>a</sup>	<u>1</u>	<u>1</u>
<b>Total Interest Revenue from Non-ACT Government Entities</b>	<u><b>1</b></u>	<u><b>1</b></u>

a) Interest revenue relates to interest earned on the Directorate's operating account currently held with the Westpac Banking Corporation. The account was previously held with the Commonwealth Bank of Australia.

**NOTE 7. RESOURCES RECEIVED FREE OF CHARGE**

Resources received free of charge relate to goods and/or services provided free of charge from other agencies within the ACT Government. Goods and services received free of charge from entities external to the ACT Government are classified as donations. Donations are shown in Note 9 Other Gains.

	<b>2014</b>	<b>2013</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Revenue from ACT Government Entities</b>		
Resources received free of charge from other ACT Government entities are detailed as follows:		
Justice and Community Safety Directorate - Legal Services <sup>a</sup>	<u>881</u>	<u>803</u>
<b>Total Resources Received Free of Charge</b>	<u><b>881</b></u>	<u><b>803</b></u>

a) Legal Services provided by the Justice and Community Safety Directorate (JACSD) free of charge during the year largely relates to advice on matters within the Office for Children, Youth and Family Support.

**Community Services Directorate**  
**Notes to and Forming Part of the Financial Statements**  
**For the Year Ended 30 June 2014**

**NOTE 8. OTHER REVENUE**

Other Revenue arises from the core activities of the Directorate. Other Revenue is distinct from Other Gains, as Other Gains are items that are not part of the core activities of the Directorate.

	<b>2014</b>	<b>2013</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Other Revenue from ACT Government Entities</b>		
Grants <sup>a</sup>	1,016	141
Other <sup>b</sup>	492	281
<b>Total Other Revenue from ACT Government Entities</b>	<b>1,508</b>	<b>422</b>
<b>Other Revenue from Non-ACT Government Entities</b>		
Workers' Compensation Insurance Recoveries <sup>c</sup>	250	1,016
Grants <sup>d</sup>	2,895	1,036
Return of Prior Year's Expenditure <sup>e</sup>	1,088	1,718
Other <sup>f</sup>	227	201
<b>Total Other Revenue from Non-ACT Government Entities</b>	<b>4,460</b>	<b>3,971</b>
<b>Total Other Revenue</b>	<b>5,968</b>	<b>4,393</b>

a) Other Grants Revenue from ACT Government Entities relates to funding received in 2013-14 from the Chief Minister, Treasury and Economic Development Directorate (CMTEDD) (formerly Chief Minister and Treasury Directorate (CMTD)) for the Strategic Asset Management Plan, funding from the Economic Development Directorate (EDD), now part of CMTEDD, for the Megalo Print Studio project in Kingston and revenue from the Justice and Community Safety Directorate (JACSD) for the Conflict Resolution Program. The revenue received in 2012-13 also included funding from JACSD for the Conflict Resolution Program and one-off funding from Relationships Australia Confiscated Assets Fund and additional revenue from CMTEDD for the Commitment to Care Financial Services.

b) Other Revenue from ACT Government Entities largely relates to the recovery of prior year accommodation support services for a Disability ACT (DACT) client from the ACT Public Trustee and a prior year legal settlement from the ACT Insurance Authority. The revenue received in 2012-13 related to the recovery of a prior year legal settlement from the ACT Insurance Authority and recoveries from Housing ACT for prior year call handling charges.

c) Workers' Compensation Insurance Recoveries relate to settlement of prior year claims. In 2012-13 there were a significant number of claims settled for medically retired staff and an overall higher number of claims settled compared to 2013-14.

d) The increase in Grants Revenue from Non-ACT Government Entities largely relates to funding received from the Commonwealth for the Community Energy Efficiency Program and Sector Development Grants as part of the National Disability Insurance Scheme.



**Community Services Directorate**  
**Notes to and Forming Part of the Financial Statements**  
**For the Year Ended 30 June 2014**

**NOTE 8. OTHER REVENUE - Continued**

e) Return of Prior Year's Expenditure relates to recovery of unspent funds from Service Funding Agreements for disability services. This funding is re-applied to current Disability ACT service programs.

f) Other Revenue from Non-ACT Government Entities largely relates to sponsorship monies for the National Multicultural Festival and the Young Citizen of the Year Awards.

**NOTE 9. OTHER GAINS**

Other Gains are transactions that are not part of the Directorate's core activities. Other Gains are distinct from other revenue, as other revenue arises from the core activities of the Directorate.

	<b>2014</b>	<b>2013</b>
	<b>\$'000</b>	<b>\$'000</b>
Gains from the Sale of Assets <sup>a</sup>	77	97
Gains from the Contribution of Assets <sup>b</sup>	447	1,185
Donations <sup>c</sup>	122	26
Other Gains <sup>d</sup>	26	-
<b>Total Other Gains</b>	<b>672</b>	<b>1,308</b>

a) Gains from the Sale of Assets relate to motor vehicles, where the finance lease has expired and the vehicle has been sold at a value higher than the residual value. The decrease from 2012-13 can be attributed to the lower average sale price received per vehicle in 2013-14.

b) Gains from the Contribution of Assets for 2013-14 relate to the transfer of one Affordable Rental Office property from Housing ACT. Gains from the Contribution of Assets for 2012-13 relates to the transfer of four Affordable Rental Office properties from Housing ACT.

c) Donations for 2013-14 relates to the recognition of three donated public works of art including 'Chalchiuhtlicue 2012' donated by the Mexico Embassy of Australia, 'Patria es Humanidad 2013', donated by the Embassy of Cuba and 'The Encounter 2006' donated by the Uruguay Embassy of Australia. Donations in 2012-13 relate to the recognition of the 'Moai Statue' public works of art statue donated to the people and the City of Canberra from the Ambassador of Chile in 1998.

d) Other Gains in 2013-14 relates to the unrealised gain (nominal interest) for the loan facility to Boundless Canberra for construction of the Boundless Canberra All-Abilities Playground.

**Community Services Directorate**  
**Notes to and Forming Part of the Financial Statements**  
**For the Year Ended 30 June 2014**

**NOTE 10. EMPLOYEE EXPENSES**

	<b>2014</b>	<b>2013</b>
	<b>\$'000</b>	<b>\$'000</b>
Salaries and Wages <sup>a</sup>	77,091	75,810
Annual Leave Expense <sup>b</sup>	4,471	4,191
Long Service Leave Expense <sup>c</sup>	1,462	1,527
Workers' Compensation Insurance Premium <sup>d</sup>	5,583	5,674
Other Employee Benefits and On-Costs <sup>e</sup>	773	289
<b>Total Employee Expenses</b>	<b>89,380</b>	<b>87,491</b>

a) The increase in Salaries and Wages can be attributed to the increase in average base salaries as a result of the 2013-14 Enterprise Bargaining Agreement (EBA) compared to last financial year and an increase in the number of full-time equivalent staff (FTEs) (see Note 30 Employee Benefits).

b) The increase in Annual Leave expenses can be attributed to an increase in average base salaries directly relating to the EBA increase (2%), an increase in the number of employees and a higher amount of annual leave taken compared to the previous financial year.

c) The decrease in Long Service Leave expense relates to the reduction in Long Service Liability for employees that have left during the financial year partially offset by the impact of a higher government bond rate used to estimate the present value of long service leave entitlements (103.5% in 2013-14 compared to 101.3% in 2012-13).

d) The slight decrease in Workers' Compensation Insurance Premium reflects stability in the ACT's risk margin by Comcare.

e) Other Employee Benefits and On-Costs largely relates to employee Fringe Benefits Tax and one voluntary redundancy.

**Community Services Directorate**  
**Notes to and Forming Part of the Financial Statements**  
**For the Year Ended 30 June 2014**

**NOTE 11. SUPERANNUATION EXPENSES**

The Directorate receives funding for superannuation payments as part of the Government Payment for Outputs. The Directorate then makes payments on a fortnightly basis to the Territory Banking Account for its portion of the Territory's Commonwealth Superannuation Scheme (CSS) and Public Sector Superannuation Scheme (PSS) superannuation liability. The Productivity Benefit for these schemes is paid directly to Comsuper.

Superannuation payments are made directly to Comsuper to cover the superannuation liability for employees that are in the Public Sector Superannuation Scheme Accumulation Plan (the PSSAP).

Superannuation payments are also made to external providers as part of the employee Fund of Choice arrangements, and to employment agencies for the superannuation contribution the Directorate is required to make for the contract staff it employs.

	<b>2014</b>	<b>2013</b>
	<b>\$'000</b>	<b>\$'000</b>
Superannuation Contributions to the Territory Banking Account	6,262	6,310
Productivity Benefit	861	863
Superannuation Payment to ComSuper (for the PSSAP)	519	555
Superannuation to External Providers	<u>4,405</u>	<u>3,949</u>
<b>Total Superannuation Expenses</b>	<b><u>12,047</u></b>	<b><u>11,677</u></b>

The increase in Superannuation expenses can be attributed to a higher number of employees under Fund of Choice, an increase in the average number of full-time equivalent (FTE) staff and higher average base salaries compared to last financial year.

**Community Services Directorate**  
**Notes to and Forming Part of the Financial Statements**  
**For the Year Ended 30 June 2014**

**NOTE 12. SUPPLIES AND SERVICES**

	<b>2014</b>	<b>2013</b>
	<b>\$'000</b>	<b>\$'000</b>
Client Services <sup>a</sup>	358	479
Employment Agency Services <sup>b</sup>	7,479	8,780
IT Services <sup>c</sup>	6,574	5,154
Travel and Transport	1,194	1,296
Contractors and Consultants <sup>d</sup>	4,076	1,823
Operating Lease Rental Payments <sup>e</sup>	5,694	5,503
Staff Development and Recruitment <sup>f</sup>	1,260	1,413
Repairs and Maintenance <sup>g</sup>	2,482	2,186
Printing, Stationery and Publications <sup>h</sup>	615	792
Communications <sup>i</sup>	958	805
Domestic Services and Supplies	2,810	2,915
Other Property Expenses <sup>j</sup>	1,441	1,334
Minor Plant and Equipment	243	263
External Bureau Services <sup>k</sup>	2,711	2,926
Insurance Expenses	461	468
Legal Expenses <sup>l</sup>	902	855
Hire Charges	845	827
Public Relations and Media <sup>m</sup>	638	419
Other <sup>n</sup>	947	898
<b>Total Supplies and Services</b>	<b>41,688</b>	<b>39,136</b>

a) Client Services expenditure relates to costs associated with assessments and transport for out of home care clients and for program aids for Therapy ACT clients. The decrease from 2012-13 reflects monitoring of costs associated with client assessments. It also reflects the reduction in child care contingency costs that were part of Children Services and Regulation Unit which was transferred to the Education and Training Directorate (ETD) as part of the Administrative Arrangements in November 2012.

b) Employment Agency Services largely relate to disability support workers employed through external agencies. Employment Agency Services are also used for support staff at Macgregor House who provide services to out of home care children with special needs. The decrease from 2012-13 reflects the strategies put in place by Disability ACT (DACT) to reduce the usage of agency staff in favour of DACT staff, partially offset by an increase in the demand for service at Macgregor House.

c) IT Services expense largely relate to Shared Services ICT Service Level Agreement (SLA) charges and software licence and maintenance costs. The increase from 2012-13 mainly relates to additional costs following final reconciliation of SLA costs for 2011-12 and 2012-13 which were received late June 2014.

**Community Services Directorate  
Notes to and Forming Part of the Financial Statements  
For the Year Ended 30 June 2014**

**NOTE 12. SUPPLIES AND SERVICES - Continued**

- d) The increase in Contractors and Consultants largely relates to costs associated with clinical services provided to Disability ACT (DACT) clients, preparation for the launch of the National Disability Insurance Scheme (NDIS) from 1 July 2014, a baseline financial assessment for the development of an Out of Home Care Strategy and professional fees associated with the Community Sector Reform project.
- e) The slight increase in Operating Lease Rental Payments can be attributed to a general increase in rental charges this year associated with 11 Moore St, Canberra City and Nature Conservation House, Belconnen.
- f) The decrease in Staff Development and Recruitment largely relates to one-off costs in 2012-13 for training associated with the NDIS Taskforce and Office for Children, Youth and Family Support (OCYFS) staff and a reduction in graduate placement costs.
- g) The increase in Repairs and Maintenance mainly relates to costs associated with the Aboriginal Torres Strait Islander Cultural Centre, ongoing maintenance of the security systems at Bimberi Youth Justice Centre and maintenance associated with heating, ventilation and air conditioning at various facilities.
- h) The decrease in Printing, Stationery and Publications predominantly relates to the reclassification of postage services billed by Shared Services this year as part of the Service Level Agreement (SLA) and disclosed under External Bureau Services and changes to the Womens' Information Referral Centre. In 2012-13 there was also a one-off publication of an Emergency Preparedness Guide.
- i) The increase in Communications expense relates to an increase in Canberra Connect call handling services and higher charges for telephone costs under the Service Partnership Agreement (SPA).
- j) The increase in Other Property Expenses mostly relates to management costs associated with the Affordable Rental Office, property management fees for the Griffin Centre and security services at the Theo Notaras Multicultural Centre.
- k) External Bureau Services expenditure relates to services provided by Shared Services for Human Resources (HR), Finance, Records Management and Procurement. The decrease largely relates to a reduction in charges for HR services, offset by the reclassification of postage services billed by Shared Services as part of the SLA now disclosed under External Bureau Services.
- l) Legal expenses relates to services provided by Justice and Community Safety Directorate (JACSD) and are largely for advice on matters within the Office for Children, Youth and Family Support.
- m) The increase in Public Relations and Media expenses relates to higher costs for the National Multicultural Festival, printing associated with the preparation of the launch of the National Disability Insurance Scheme (NDIS), an increase in the printing of flyers and information leaflets by the Office for Ageing and Office for Multicultural Affairs for a variety of operational programs and information leaflets and an increase in advertising and listing of the Directorate in the White Pages Directory.
- n) The increase in Other Supplies and Services largely relates to an increase internal audit costs mainly relating to the 'Non-Government Organisation's Disability Services Review', partially offset by a decrease in expenditure relating to Official Hospitality and Entertainment.

**Community Services Directorate**  
**Notes to and Forming Part of the Financial Statements**  
**For the Year Ended 30 June 2014**

**NOTE 13. DEPRECIATION AND AMORTISATION**

	<b>2014</b>	<b>2013</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Depreciation</b>		
Correctional Facility <sup>a</sup>	931	787
Buildings <sup>b</sup>	4,001	4,571
Land Improvements	300	285
Leasehold Improvements	405	394
Community and Heritage Assets <sup>c</sup>	654	488
Plant and Equipment	69	69
Motor Vehicles	665	672
<b>Total Depreciation</b>	<b>7,025</b>	<b>7,266</b>
<b>Amortisation</b>		
Externally Developed Software <sup>d</sup>	165	137
<b>Total Amortisation</b>	<b>165</b>	<b>137</b>
<b>Total Depreciation and Amortisation</b>	<b>7,190</b>	<b>7,403</b>

a) The increase in depreciation for the Correctional Facility directly relates to the revaluation increment of the Bimberi Youth Justice Centre undertaken in 2012-13.

b) The decrease in depreciation for Buildings is mainly due to the transfer of 28 childcare properties to the Education and Training Directorate (ETD) under the Administrative Arrangements in November 2012 and an overall revaluation decrement by the Australian Valuation Office as part of the revaluation process in 2012-13.

c) The increase in depreciation for Community and Heritage Assets can be attributed to the revision of the estimated useful life for the Canberra Glassworks from 58 years down to 30 years as part of the revaluation process in 2012-13.

d) The increase in amortisation for Externally Developed Software relates to the addition of the Disability Client Information System in September 2012.

**Community Services Directorate**  
**Notes to and Forming Part of the Financial Statements**  
**For the Year Ended 30 June 2014**

**NOTE 14. GRANTS AND PURCHASED SERVICES**

Grants are amounts provided to non-ACT Government entities under the community services and disability services programs. Grants may be for capital or recurrent purposes and the name or category reflects the use of the grant. The grants given are usually subject to terms and conditions set out in the contract, correspondence, or by legislation.

Purchased services are amounts paid to obtain services from other ACT Government entities and external parties.

	<b>2014</b>	<b>2013</b>
	<b>\$'000</b>	<b>\$'000</b>
Payments to Service Providers and Non-Government Organisations <sup>a</sup>	108,616	99,676
<b>Total Grants and Purchased Services</b>	<b><u>108,616</u></b>	<b><u>99,676</u></b>

a) Payments to Service Providers and Non-Government Organisations are largely for the delivery of disability services, out of home care for children in need and the provision of programs for the Office for Children, Youth and Family Support (OCYFS). This also includes the community services grants program. The increase reflects new initiatives for 2013-14 including Enhanced Service Offers under the National Partnership with the Commonwealth for the National Disability Insurance Scheme (NDIS) and the Youth Engagement and Family Support for Youth program.

**NOTE 15. BORROWING COSTS**

	<b>2014</b>	<b>2013</b>
	<b>\$'000</b>	<b>\$'000</b>
Finance Cost on Make Good <sup>a</sup>	50	49
Interest Expense on Borrowings <sup>b</sup>	242	160
Finance Charges on Finance Leases <sup>c</sup>	198	213
<b>Total Borrowing Costs</b>	<b><u>490</u></b>	<b><u>422</u></b>

a) Finance Cost on Make Good relates to the present value discounts applied to make good liabilities for facilities leased by the Directorate.

b) Interest Expense on Borrowings relates to the loan received from the Environment and Planning Directorate (EPD), (formally the Environment and Sustainable Development Directorate (ESDD)), Resource Management Fund in 2010-11 for the purpose of conducting energy efficiency audits on a range of properties held by the Directorate and the second loan received from EPD's Resource Management Fund in 2011-12 for the purpose of energy efficient lighting, controls and mechanical upgrades in a variety of community facilities. The increase is also related to the recognition of the nominal interest on debt recognised as part of the second loan (\$1.5m) provided to Boundless Canberra this financial year for the development of an All-Abilities Playground.

c) Finance charges associated with motor vehicle finance leases relates to the interest rate implicit in each lease. The decrease in Finance Charges on Finance Leases reflects lower average interest rate for existing leased vehicles (5.9% in 2013-14 compared with 6.5% in 2012-13).

**Community Services Directorate**  
**Notes to and Forming Part of the Financial Statements**  
**For the Year Ended 30 June 2014**

**NOTE 16. OTHER EXPENSES**

	<b>2014</b>	<b>2013</b>
	<b>\$'000</b>	<b>\$'000</b>
Impairment Losses and Write-offs (see Note 18)	125	141
Loss on Disposal of Assets <sup>a</sup>	53	113
Resources Provided Free of Charge <sup>b</sup>	361	-
<b>Total Other Expenses</b>	<b>539</b>	<b>254</b>

a) Loss on Disposal of Assets relates to the retirement of nine vehicles disposed of at less than the residual value and the retirement of the Leasehold Improvements on the Shopfront for the Womens' Information and Referral Centre.

b) Resources Provided Free of Charge relates to room hire at the three Child and Family Centres provided to ACT Government and Non-ACT Government agencies free of charge and training provided by the Learning and Community Education (LaCE) unit free of charge to external clients including Foster Care Training.

**NOTE 17. ASSET TRANSFERS**

	<b>2014</b>	<b>2013</b>
	<b>\$'000</b>	<b>\$'000</b>
Asset Transfers <sup>a</sup>	-	229
<b>Total Asset Transfers</b>	<b>-</b>	<b>229</b>

a) There were no Asset Transfers from the Directorate during 2013-14. There was one Affordable Rental Office property transferred back to Housing ACT in 2012-13 as it was no longer available for use as part of the Affordable Rental Office Scheme.



**Community Services Directorate**  
**Notes to and Forming Part of the Financial Statements**  
**For the Year Ended 30 June 2014**

**NOTE 18. WAIVERS, IMPAIRMENT LOSSES AND WRITE-OFFS**

Under Section 131 of the *Financial Management Act 1996* the Treasurer may, in writing, waive the right to payment of an amount payable to the Territory.

A waiver is the relinquishment of a legal claim to a debt. The write-off of a debt is the accounting action taken to remove a debt from the books, but does not relinquish the legal right of the Directorate to recover the amount. The Treasurer did not waive any debts owing to the Directorate from third parties during the financial year and for the previous financial year.

The impairment losses and write-offs listed below have occurred during the reporting period for the Directorate.

	<b>2014</b>	<b>2013</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Impairment Losses</b>		
<i>Impairment Loss from Receivables</i>		
Trade Receivables <sup>a</sup>	42	108
<i>Total Impairment Loss from Receivables</i>	<u>42</u>	<u>108</u>
<b>Total Impairment Losses</b>	<u>42</u>	<u>108</u>
<b>Write-Offs</b>		
Irrecoverable Debts <sup>b</sup>	83	34
<b>Total Write-Offs</b>	<u>83</u>	<u>34</u>
<b>Total Impairment Losses and Write-Offs</b>	<u><u>125</u></u>	<u><u>142</u></u>

a) Impairment Losses for Trade Receivables relates to outstanding debtors assessed by the Directorate as no longer having a strong probability of recovery.

b) The value of debts written off relates to 103 individual invoices totalling \$83,442 which have been assessed to be unrecoverable. The majority of the unrecoverable debt written-off are low in value and relate to Disability ACT (DACT) respite accommodation services.

**NOTE 19. ACT OF GRACE PAYMENTS**

Under Section 130 of the *Financial Management Act 1996* the Treasurer may, in writing, authorise Act of Grace Payments to be made by the Directorate. Act of Grace payments are a method of providing equitable remedies to entities or individuals that may have been unfairly disadvantaged by the Government but have no legal claim to the payment.

There were no Act of Grace payments made during the financial year or for the previous financial year.

**Community Services Directorate**  
**Notes to and Forming Part of the Financial Statements**  
**For the Year Ended 30 June 2014**

**NOTE 20. AUDITOR'S REMUNERATION**

Auditor's remuneration consists of financial audit services provided to the Directorate by the ACT Auditor-General's Office.

No other services were provided by the ACT Auditor-General's Office.

	<b>2014</b> <b>\$'000</b>	<b>2013</b> <b>\$'000</b>
<b>Audit Services</b>		
Audit Fees Paid or payable to the ACT Auditor-General's Office	<u>108</u>	<u>105</u>
<b>Total Audit Services</b>	<u><b>108</b></u>	<u><b>105</b></u>

**Community Services Directorate**  
**Notes to and Forming Part of the Financial Statements**  
**For the Year Ended 30 June 2014**

**NOTE 21. CASH AND CASH EQUIVALENTS**

The Directorate holds a number of bank accounts with Westpac Banking Corporation as part of the whole-of-government banking arrangements.

	<b>2014</b>	<b>2013</b>
	<b>\$'000</b>	<b>\$'000</b>
Cash at Bank <sup>a</sup>	7,714	3,813
Cash on Hand	18	12
<b>Total Cash and Cash Equivalents</b>	<b><u>7,732</u></b>	<b><u>3,825</u></b>

a) Cash at Bank mainly relates to revenue received in advance from the Commonwealth for the National Disability Insurance Scheme (NDIS) Sector Development, Early Intervention and Prevention Services and Youth Services, the Directorate's cash buffer, cash held for energy efficiency projects to be undertaken in 2014-15, additional appropriation set aside to meet the salaries and wages increase under the new Enterprise Bargaining Agreement to be paid in the first pay period for 2014-15 and funding associated with the Public Art Repairs and Maintenance Sinking Fund.

**Community Services Directorate**  
**Notes to and Forming Part of the Financial Statements**  
**For the Year Ended 30 June 2014**

**NOTE 22. RECEIVABLES**

	<b>2014</b>	<b>2013</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current Receivables</b>		
Trade Receivables <sup>a</sup>	2,069	2,128
Less: Allowance for Impairment Losses	<u>(233)</u>	<u>(239)</u>
	1,836	1,889
Net Goods and Services Tax Receivable	943	631
Accrued Revenue	<u>89</u>	<u>230</u>
<b>Total Current Receivables</b>	<b><u>2,868</u></b>	<b><u>2,750</u></b>
<b>Non-Current Receivables</b>		
Loans Receivable <sup>b</sup>	<u>2,164</u>	<u>864</u>
<b>Total Non-Current Receivables</b>	<b><u>2,164</u></b>	<b><u>864</u></b>
<b>Total Receivables</b>	<b><u>5,032</u></b>	<b><u>3,614</u></b>

a) Trade Receivables as at June 2014 mainly relates to respite fees for disability services, recovery of revenue from Chief Minister, Treasury and Economic Development Directorate (CMTEDD) for the artsACT Strategic Asset Management Plan (SAMP), Office for Youth, Children and Family Support (OCYFS) services and recoveries, Commonwealth milestone funding for the Energy Efficiency Program and the recovery of salaries and wages and administration expenses from Housing ACT. Trade receivables as at 30 June 2013 related to rent owing from tenants in the Community Hubs, room hire at the Multicultural Centre and various grants from the Commonwealth for artsACT, Disability ACT (DACT) services and OCYFS.

b) Loans Receivable relate to the funding provided to Boundless Canberra to construct an All-Abilities Playground in the National Capital precinct. The loan is non-interest bearing over a period of five years with no defined repayments other than to be paid by the end of the contract term.

**Ageing of Receivables**

	<b>Past Due</b>				
	<b>Not</b>	<b>Less than</b>	<b>30 to 60</b>	<b>Greater</b>	
	<b>Overdue</b>	<b>30 Days</b>	<b>Days</b>	<b>than</b>	
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>60 Days</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>2014</b>					
<b>Not Impaired<sup>1</sup></b>					
Receivables	4,336	147	387	162	<b>5,032</b>
<b>Impaired</b>					
Receivables	-	-	-	233	<b>233</b>
<b>2013</b>					
<b>Not Impaired<sup>1</sup></b>					
Receivables	2,665	244	207	498	<b>3,614</b>
<b>Impaired</b>					
Receivables	-	-	-	239	<b>239</b>

1) "Not Impaired" refers to Net Receivables (that is Gross Receivables less Impaired Receivables)

**Community Services Directorate**  
**Notes to and Forming Part of the Financial Statements**  
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**NOTE 22. RECEIVABLES - Continued**

	<b>2014</b>	<b>2013</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Reconciliation of the Allowance for Impairment Losses</b>		
Allowance for Impairment Losses at the Beginning of the Reporting Period	239	134
Additional Allowance Recognised	119	246
Reduction in Allowance from Amounts Recovered	(42)	(107)
Reduction in Allowance from Amounts Written Off	(83)	(34)
<b>Allowance for Impairment Losses at the End of the Reporting Period</b>	<b>233</b>	<b>239</b>

There are no carrying amount of financial assets that are past due or impaired, whose terms have been renegotiated.

	<b>2014</b>	<b>2013</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Classification of ACT Government / Non-ACT Government Receivables</b>		
<b>Receivables with ACT Government Entities</b>		
Net Trade Receivables	905	437
Accrued Revenue	13	72
<b>Total Receivables with ACT Government Entities</b>	<b>918</b>	<b>509</b>
<b>Receivables with Non-ACT Government Entities</b>		
Loans Receivable	2,164	864
Net Trade Receivables	931	1,453
Accrued Revenue	76	158
Net Goods and Services Tax Receivable	943	630
<b>Total Receivables with Non-ACT Government Entities</b>	<b>4,114</b>	<b>3,105</b>
<b>Total Receivables</b>	<b>5,032</b>	<b>3,614</b>

**Community Services Directorate**  
**Notes to and Forming Part of the Financial Statements**  
**For the Year Ended 30 June 2014**

**NOTE 23. ASSETS HELD FOR SALE**

The Directorate has classified some plant and equipment as 'assets held for sale'. As at 30 June 2014, the Directorate had three motor vehicles which had been returned to the fleet provider (SG Fleet) and are expected to be sold in July 2014. The residual and all lease payments have been paid. As such these vehicles have been classified as plant and equipment held for sale.

	<b>2014</b>	<b>2013</b>
	<b>\$'000</b>	<b>\$'000</b>
Plant and Equipment Held for Sale <sup>a</sup>	<u>24</u>	<u>120</u>
<b>Total Assets Held for Sale</b>	<b><u>24</u></b>	<b><u>120</u></b>

a) With the majority of motor vehicle leases being 2 to 4 years, the decrease in plant and equipment held for sale can be attributed to fewer number of motor vehicle finance lease contracts coming to an end during the 2014 financial year.

**Fair Value Hierarchy**

The Directorate's Assets Held for Sale are considered to be immaterial in value and have not been disclosed in a Fair Value Hierarchy.

**Community Services Directorate  
Notes to and Forming Part of the Financial Statements  
For the Year Ended 30 June 2014**

**NOTE 24. PROPERTY, PLANT AND EQUIPMENT**

Property, plant and equipment include the following classes of assets - Land, Correctional Facility, Buildings, Land Improvements, Leasehold Improvements, Community and Heritage Assets, Works of Art and Plant and Equipment.

Land includes all land held by the Directorate relating to Community, Youth and artsACT facilities.

The Correctional Facility held by the Directorate relates to the buildings used at the Bimberi Youth Justice Centre.

Buildings and Land Improvements held by the Directorate include Community, Youth and artsACT facilities acquired for the delivery of outputs and includes the written down value of land improvements made in relation to those facilities. Land Improvements are additions to areas of land that increase the utility of the land and have a limited useful life and are depreciated. eg. parking lots, retaining walls and purpose built children's playground structures adjoining a building.

Leasehold Improvements represent capital expenditure incurred in relation to leased assets and any make good requirements relating to the leased premises. This includes fit-out of leased buildings undertaken by the Directorate mainly in relation to its occupancy of Level 2 at Nature Conservation House Belconnen, Swanson Plaza Belconnen and the Ground Floor and Levels 4,5,6,7 and 8 of 11 Moore Street Canberra City.

Community and Heritage Assets are non-current assets that the ACT Government intends to preserve indefinitely because of their unique, cultural or environmental attributes. A common feature of heritage assets is that they cannot be replaced and they are not usually available for sale or for redeployment. Heritage and Community assets held by the Directorate include:

*Oaks Estate Community Hall  
The Causeway Hall  
The Hall Museum  
Hall Neighbourhood Hall and Precinct  
Tharwa Primary and Pre-school  
Corroboree Park Community Hall  
Downer Community Hall  
Gorman House  
Ainslie Arts Centre  
The Canberra Glassworks  
The Chapel (Canberra Glassworks guest accommodation)  
Strathnairn Homestead  
Ethos (Public Work of Art)*

Works of Art held by the Directorate include various public artworks around Canberra developed and maintained by artsACT.

Plant and Equipment includes motor vehicles, communications equipment, furniture and fittings, medical equipment and office equipment.

**Community Services Directorate**  
**Notes to and Forming Part of the Financial Statements**  
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**NOTE 24. PROPERTY, PLANT AND EQUIPMENT - Continued**

	<b>2014</b>	<b>2013</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Land and Buildings</b>		
Land at Fair Value <sup>a</sup>	52,725	52,152
<b>Total Land Assets</b>	<b>52,725</b>	<b>52,152</b>
Correctional Facility at Fair Value	42,115	42,115
Less: Accumulated Depreciation	(1,007)	(76)
<b>Total Written Down Value of Correctional Facility</b>	<b>41,108</b>	<b>42,039</b>
Buildings at Fair Value <sup>b</sup>	127,821	113,810
Less: Accumulated Depreciation	(4,346)	(343)
Less: Accumulated Impairment Losses	(367)	(367)
<b>Total Written Down Value of Buildings</b>	<b>123,107</b>	<b>113,100</b>
Land Improvements at Fair Value <sup>c</sup>	9,275	9,242
Less: Accumulated Depreciation	(315)	(22)
Less: Accumulated Impairment Losses	(42)	(42)
<b>Total Written Down Value of Land Improvements</b>	<b>8,918</b>	<b>9,178</b>
<b>Total Written Down Value of Correctional Facility, Buildings and Land Improvements</b>	<b>173,134</b>	<b>164,317</b>
<b>Total Land and Written Down Value of Correctional Facility, Buildings and Land Improvements</b>	<b>225,859</b>	<b>216,469</b>
<b>Leasehold Improvements</b>		
Leasehold Improvements at Cost <sup>d</sup>	13,469	13,487
Less: Accumulated Depreciation	(11,359)	(10,972)
<b>Total Written Down Value of Leasehold Improvements</b>	<b>2,110</b>	<b>2,515</b>
<b>Community and Heritage Assets</b>		
Community and Heritage Assets at Fair Value	29,739	29,715
Less: Accumulated Depreciation	(708)	(56)
<b>Total Written Down Value of Community and Heritage Assets <sup>e</sup></b>	<b>29,031</b>	<b>29,659</b>
<b>Works of Art</b>		
Works of Art at Fair Value <sup>f</sup>	14,021	12,510
<b>Total Written Down Value of Works of Art</b>	<b>14,021</b>	<b>12,510</b>
<b>Plant and Equipment</b>		
Plant and Equipment at Cost <sup>g</sup>	4,838	4,990
Less: Accumulated Depreciation	(1,346)	(1,583)
<b>Total Written Down Value of Plant and Equipment</b>	<b>3,492</b>	<b>3,407</b>
<b>Total Written Down Value of Property, Plant and Equipment</b>	<b>274,513</b>	<b>264,560</b>



**Community Services Directorate**  
**Notes to and Forming Part of the Financial Statements**  
**For the Year Ended 30 June 2014**

**NOTE 24. PROPERTY, PLANT AND EQUIPMENT - Continued**

- a) The increase in Land at Fair Value can be attributed to the transfer of land from Housing ACT for one Affordable Rental Office Property and an increment in land due to the reclassification for the West Belconnen Child and Family Centre.
- b) The increase in Buildings at Fair Value mainly relates to the completion of various capital projects during the year including the Holt Community Centre, Lanyon Community Centre, Chifley Health and Wellbeing Hub, the Tuggeranong Arts Centre and the Street Theatre Extension.
- c) The minor increase in Land Improvements at Fair Value can be attributed to the completion of various minor capital upgrade projects.
- d) Leasehold Improvements at Cost includes three major properties; 11 Moore St, Canberra City, Swanson Plaza Belconnen and Nature Conservation House, Belconnen. The leasehold for the Women's Information and Referral Centre was retired in November 2013.
- e) The decrease in Community and Heritage Assets mainly relates to the impact of a revision of remaining useful life for the Canberra Glassworks as a result of the revaluation process undertaken in June 2013.
- f) The increase in Works of Art at Fair Value largely relates to the completion of various public art works including 'Firestorm Story Tree', 'In the Stream and Breezing in Canberra', 'Other Side of Midnight', 'Two to Tango - Darwin Place', 'Microscopia' and 'Culture Fragment'.
- g) The decrease in Plant and Equipment is largely due a reduction in the average cost per vehicle (\$27,359) compared to 2012-13 (\$29,957).

**Community Services Directorate  
Notes to and Forming Part of the Financial Statements  
For the Year Ended 30 June 2014**

**NOTE 24. PROPERTY, PLANT AND EQUIPMENT - Continued**

**Assets Under a Finance Lease**

Assets under a finance lease are included in Plant and Equipment in the above disclosure. Assets under a finance lease are also required to be separately disclosed as outlined below.

	<b>2014</b>	<b>2013</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Carrying Amount of Assets Under a Finance Lease</b>		
Plant and Equipment under a Finance Lease <sup>h</sup>	4,131	4,292
Less: Accumulated Depreciation	<u>(962)</u>	<u>(1,263)</u>
<b>Total Written Down Value of Plant and Equipment Under a Finance Lease</b>	<u><b>3,169</b></u>	<u><b>3,029</b></u>
<b>Total Written Down Value of Assets Under a Finance Lease</b>	<u><b>3,169</b></u>	<u><b>3,029</b></u>

h) Plant and Equipment under a Finance Lease relates to motor vehicles. The Directorate currently has 151 vehicles compared to 149 vehicles as at 30 June 2013.

**Valuation of Non-Current Assets**

The former Australian Valuation Office (AVO), both an independent and AAPI Certified Practising valuer, performed the revaluations of all the Directorate's assets, excluding valuations on public works of art, which are separately assessed by an independent accredited art valuer, Helen Maxwell.

All Land, Buildings, Land Improvements and Community and Heritage Assets were valued as at 30 June 2013.

All Works of Art were valued as at 30 June 2012.

**Community Services Directorate**  
**Notes to and Forming Part of the Financial Statements**  
**For the Year Ended 30 June 2014**

**NOTE 24. PROPERTY, PLANT AND EQUIPMENT - Continued**

**Reconciliation of Property, Plant and Equipment**

The following table shows the movement of Property, Plant and Equipment during 2013-14.

	Land \$'000	Correctional Facility \$'000	Buildings and Improvements \$'000	Leasehold Improvements \$'000	Community and Heritage Assets \$'000	Works of Art \$'000	Plant and Equipment \$'000	Total \$'000
Carrying Amount at the Beginning of the Reporting Period	52,152	42,039	122,278	2,515	29,659	12,510	3,407	264,560
Additions	-	-	14,169	-	1,085	1,511	1,696	18,461
Disposals	-	-	-	-	-	-	(853)	(853)
Net Transfers to the Directorate	218	-	229	-	-	-	-	447
Assets Classified as Held for Sale	-	-	-	-	-	-	(24)	(24)
Revaluation Increment / (Decrement)	355	-	(349)	-	(1,059)	-	-	(1,053)
Depreciation	-	(931)	(4,301)	(405)	(654)	-	(734)	(7,025)
<b>Carrying Amount at the End of the Reporting Period</b>	<b>52,725</b>	<b>41,108</b>	<b>132,026</b>	<b>2,110</b>	<b>29,031</b>	<b>14,021</b>	<b>3,492</b>	<b>274,513</b>

**Community Services Directorate**  
**Notes to and Forming Part of the Financial Statements**  
**For the Year Ended 30 June 2014**

**NOTE 24. PROPERTY, PLANT AND EQUIPMENT - Continued**  
**Reconciliation of Property, Plant and Equipment**

The following table shows the movement of Property, Plant and Equipment during 2012-13.

	Land \$'000	Correctional Facility \$'000	Buildings and Land Improvements \$'000	Leasehold Improvements \$'000	Community and Heritage Assets \$'000	Works of Art \$'000	Plant and Equipment \$'000	Total \$'000
Carrying Amount at the Beginning of the Reporting Period	59,136	34,937	148,308	2,808	30,132	10,170	3,163	288,654
Additions	-	1,542	5,228	101	1,083	2,389	1,800	12,143
Disposals	-	-	-	-	-	(37)	(935)	(972)
Net Transfers to the Directorate	(15,124)	-	(15,908)	-	(1,271)	-	-	(32,303)
Assets Classified as Held for Sale	-	-	-	-	-	-	120	120
Reclassification of Assets	(409)	-	(1,213)	-	1,622	-	-	-
Revaluation Increment / (Decrement)	8,549	6,347	(9,281)	-	(1,419)	(12)	-	4,184
Depreciation	-	(787)	(4,856)	(394)	(488)	-	(741)	(7,266)
<b>Carrying Amount at the End of the Reporting Period</b>	<b>52,152</b>	<b>42,039</b>	<b>122,278</b>	<b>2,515</b>	<b>29,659</b>	<b>12,510</b>	<b>3,407</b>	<b>264,560</b>

**Community Services Directorate**  
**Notes to and Forming Part of the Financial Statements**  
**For the Year Ended 30 June 2014**

**NOTE 24. PROPERTY, PLANT AND EQUIPMENT - Continued**

**Fair Value Hierarchy**

The Directorate is required to classify property, plant and equipment into a Fair Value Hierarchy that reflects the significance of the inputs used in determining their fair value. The Fair Value Hierarchy is made up of the following three levels:

Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities that the Directorate can access at the 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; and

Level 3 - inputs that are unobservable for particular assets or liabilities.

Details of the Directorate's property, plant and equipment at fair value and information about the Fair Value Hierarchy as at 30 June 2014 are as follows:

**2014**

	Classification According to Fair Value Hierarchy			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>Property, Plant and Equipment at Fair Value</b>				
Land	-	3,040	49,685	<b>52,725</b>
Buildings	-	5,955	126,071	<b>132,026</b>
Correctional Facility	-	-	41,108	<b>41,108</b>
Community and Heritage Assets	-	-	29,031	<b>29,031</b>
Works of Art	-	14,021	-	<b>14,021</b>
	-	<b>23,016</b>	<b>245,895</b>	<b>268,911</b>

The Directorate has not provided comparative information for periods before initial application of the standard as they need not be applied.

**Fair Value Hierarchy**

**Valuation Techniques, inputs and processes**

*Level 2 Valuation Techniques and Inputs*

Valuation Technique: The valuation technique used to value Land and Buildings associated with the Affordable Rental Office properties and Works of Art is the market approach which reflects recent transaction prices for similar properties (comparable in location and size) and Works of Art (in the art market).

Inputs: Prices and other relevant information generated by market transactions involving comparable land and buildings and market analysis for works of art were considered. Regard was taken of the Crown Lease terms and tenure, the Australian Capital Territory Plan and the National Capital Plan, where applicable, as well as current zoning and recent prices realised for works by the artist(s) through auction, retail gallery outlets and commissions.

*Level 3 Valuation Techniques and Inputs*

Valuation Technique: Land held where there is no active market or significant restrictions is valued through the market approach which values a selection of land with similar approximate utility.

Inputs: In determining the value of land with similar approximate utility significant adjustment to market based data was required.

Valuation Technique: Buildings, Correctional Facility, Community and Heritage Assets were considered specialised assets by the valuers and measured using the cost approach that reflects the cost to a market participant to construct assets of comparable utility adjusted for obsolescence. For Buildings, historical cost per square metre of floor area was also used in measuring fair value.

Inputs: In determining the value of Buildings, Correctional Facility, Community and Heritage Assets regard was given to the age and condition of the assets, their estimated replacement cost and current use. This required the use of data internal to the Directorate.

There has been no change to the above valuation techniques during the year.

Transfers in and out of a fair value level are recognised on the date of the event or change in circumstances that caused the transfer.

**Community Services Directorate**  
**Notes to and Forming Part of the Financial Statements**  
**For the Year Ended 30 June 2014**

**NOTE 24. PROPERTY, PLANT AND EQUIPMENT - Continued**

**Fair Value Measurements using Significant Unobservable Inputs (Level 3)**

	<b>Land</b>	<b>Buildings</b>	<b>Correctional Facility</b>	<b>Community and Heritage Assets</b>
<b>2014</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Fair Value at the beginning of the reporting period	49,330	116,400	42,039	29,659
Additions	-	14,169	-	1,085
Revaluation Increments /(Decrements) Recognised in Other Comprehensive Income	355	(349)	-	(1,059)
Depreciation	-	(4,149)	(931)	(654)
<b>Fair Value at the End of the Reporting Period</b>	<b>49,685</b>	<b>126,071</b>	<b>41,108</b>	<b>29,031</b>

**Community Services Directorate**  
**Notes to and Forming Part of the Financial Statements**  
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**NOTE 24. PROPERTY, PLANT AND EQUIPMENT - Continued**

**Information about significant unobservable inputs (Level 3) in fair value measurements**

Description and Fair Value as at 30 June 2014 \$'000	Valuation Technique(s)	Significant Unobservable inputs	Range of Unobservable Inputs (Weighted Average)	Relationship of Unobservable Inputs to Fair Value
Land	Market approach	Selection of land with similar approximate utility	\$9 - \$1,072 per m2 (\$259 per m2)	Higher value of similar land increases estimated fair value
\$49,685				
Buildings	Depreciated replacement value	Costs derived from quantity surveyor sourced material and from actual costs for recent capital works.	20% - 2% per year (5% per year)	Greater consumption of economic benefit or increased obsolescence lowers fair value.
		Historical cost per square metre	\$600 - \$4,750 per m2 (\$2,477 per m2)	Higher historical cost per m2 increases fair value
\$126,071				
Correctional Facility	Depreciated replacement value	Costs derived from quantity surveyor sourced material and from actual costs for recent capital works.	2% per year	Greater consumption of economic benefit or increased obsolescence lowers fair value.
		Historical Cost per square metre	\$6,021 per m2	Higher historical cost per m2 increases fair value
\$41,108				
Community and Heritage Assets	Depreciated replacement value	Costs derived from quantity surveyor sourced material and from actual costs for recent capital works.	10% - 4% per year (6% per year)	Greater consumption of economic benefit or increased obsolescence lowers fair value.
		Historical Cost per square metre	\$1,627 - \$5,000 per m2 (\$2,423 per m2)	Higher historical cost per m2 increases fair value
\$29,031				

**Community Services Directorate  
Notes to and Forming Part of the Financial Statements  
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**NOTE 25. INTANGIBLE ASSETS**

The Directorate has externally purchased IBM Cognos TM1 software, consisting of 20 licences and TRIM Context Software consisting of 80 licences and software relating to a Disability ACT client information system.

	<b>2014</b>	<b>2013</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Externally Purchased Software</b>		
Computer Software at Cost	1,000	1,000
Less: Accumulated Amortisation	<u>(748)</u>	<u>(583)</u>
<b>Total Externally Purchased Software</b>	<b><u>252</u></b>	<b><u>417</u></b>
<b>Total Intangible Assets</b>	<b><u>252</u></b>	<b><u>417</u></b>

**Reconciliation of Intangible Assets**

The following table shows the movement of Intangible Assets from the beginning to the end of 2013-14.

	<b>Externally Purchased Software \$'000</b>	<b>Total \$'000</b>
<b>Carrying Amount at the Beginning of the Reporting Period</b>	<b>417</b>	<b>417</b>
Amortisation	<u>(165)</u>	<u>(165)</u>
<b>Carrying Amount at the End of the Reporting Period</b>	<b><u>252</u></b>	<b><u>252</u></b>

**Reconciliation of Intangible Assets**

The following table shows the movement of Intangible Assets from the beginning to the end of 2012-13.

	<b>Externally Purchased Software \$'000</b>	<b>Total \$'000</b>
<b>Carrying Amount at the Beginning of the Reporting Period</b>	<b>106</b>	<b>106</b>
Additions	448	448
Amortisation	<u>(137)</u>	<u>(137)</u>
<b>Carrying Amount at the End of the Reporting Period</b>	<b><u>417</u></b>	<b><u>417</u></b>



**Community Services Directorate**  
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**NOTE 26. CAPITAL WORKS IN PROGRESS**

Capital Works in Progress are assets being constructed over periods of time in excess of the present reporting period. These assets often require extensive installation work or integration with other assets, and contrast with simpler assets that are ready for use when acquired, such as motor vehicles and equipment. Capital Works in Progress are not depreciated as the Directorate is not currently deriving any economic benefits from them.

Assets, which are under construction, include buildings, land improvements and public works of art. Major capital works projects that are currently in progress include Belconnen Arts Centre (Stage 2), Gorman House Multi-Art Hub, Ainslie Music Hub, Holt Early Childhood Centre, More Men's Sheds (feasibility), replacement of Canberra Seniors Centre and the Trauma Recovery Centre.

	<b>2014</b>	<b>2013</b>
	<b>\$'000</b>	<b>\$'000</b>
Capital Works in Progress <sup>a</sup>	3,416	9,437
Software Works in Progress <sup>b</sup>	69	-
<b>Total Capital Works in Progress</b>	<b><u>3,485</u></b>	<b><u>9,437</u></b>

a) The decrease in Capital Works in Progress is due to the completion of projects during the year including Flynn Community Hub (Stage 2), Canberra Glassworks, Tuggeranong Arts Centre, Lanyon Community Centre and several Community Hubs and Centres and public works of art. This was partially offset by commencing and continuing projects in 2013-14 including the Cook Community Hub, the Holt Early Childhood Centre, the Trauma Recovery Centre, the replacement of Canberra Seniors Centre, the Gorman House Multi-Art Hub, the Ainslie Music Hub, the Megalo Print Studio and the Belconnen Arts Centre feasibility study.

b) Software Works in Progress in 2013-14 relates to the development of Workforce Central software for Disability ACT which will be used for scheduling the workforce relating to disability support services.

**Community Services Directorate  
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**NOTE 26. CAPITAL WORKS IN PROGRESS - Continued**

**Reconciliation of Capital Works in Progress**

The following shows the movement of Capital Works in Progress from the beginning to end of 2013-14.

	<b>2014 \$'000</b>	<b>2013 \$'000</b>
<b>Carrying Amount at the Beginning of the Reporting Period</b>	9,437	12,875
Additions	10,695	11,431
Transfer out of Capital Works in Progress from Administrative Arrangements (AAs) <sup>a</sup>	-	(4,180)
Capital Works in Progress Completed and Expensed	-	(17)
Capital Works in Progress Completed and Transferred to Property, Plant and Equipment <sup>b</sup>	(16,647)	(10,217)
Capital Works in Progress Completed and Transferred to Intangibles	-	(455)
<b>Carrying Amount at the End of the Reporting Period</b>	<b><u>3,485</u></b>	<b><u>9,437</u></b>

a) There were no Capital Works in Progress from Administrative Arrangements (AAs) in 2013-14. The Transfer of Capital Works in Progress from the Administrative Arrangements (AAs) in 2013 relates to projects transferred to the Education and Training Directorate (ETD) for childcare facility upgrades.

b) The balance transferred out of Capital Works in Progress in 2014 mainly relates to works finalised at various Community Hubs, the Griffin Centre, Lanyon Community Centre, Southside Community Centre, Civic Youth Centre, Youth Coalition of the ACT, Flynn Community Hub (Stage 2), Tuggeranong Arts Centre, Canberra Glassworks, Street Theatre Extension, Gorman House and various public works of art.

Community Services Directorate  
Notes to and Forming Part of the Financial Statements  
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**NOTE 26. CAPITAL WORKS IN PROGRESS - Continued**

**Reconciliation of Capital Works in Progress**

The following table shows the movement of Capital Works in Progress during 2013-14.

	Buildings and Land Improvements Capital Works in Progress \$'000	Heritage and Community Assets Capital Works in Progress \$'000	Works of Art Capital Works in Progress \$'000	Software Works in Progress \$'000	Total \$'000
Carrying Amount at the Beginning of the Reporting Period	7,392	864	1,181	-	9,437
Additions	10,169	235	222	69	10,695
Capital Works in Progress Completed and Transferred to Property, Plant and Equipment	(14,171)	(1,085)	(1,391)	-	(16,647)
<b>Carrying Amount at the End of the Reporting Period</b>	<b>3,390</b>	<b>14</b>	<b>12</b>	<b>69</b>	<b>3,485</b>

**Community Services Directorate**  
**Notes to and Forming Part of the Financial Statements**  
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**NOTE 26. CAPITAL WORKS IN PROGRESS - Continued**

**Reconciliation of Capital Works in Progress**

The following table shows the movement of Capital Works in Progress during 2012-13.

	Correction Facilities Capital Works in Progress \$'000	Buildings and Land Improvements Works in Progress \$'000	Heritage and Community Assets Capital Works in Progress \$'000	Works of Art Capital Works in Progress \$'000	Software Works in Progress \$'000	Total \$'000
Carrying Amount at the Beginning of the Reporting Period	1,197	7,805	31	3,370	472	12,874
Additions	344	8,875	2,015	197	-	11,431
Capital Works in Progress Transferred out as part of Administrative Arrangements	-	(4,180)	-	-	-	(4,180)
Capital Works in Progress Completed and Expensed	-	-	-	-	(17)	(17)
Capital Works in Progress Completed and Transferred to Property, Plant and Equipment	(1,541)	(5,108)	(1,182)	(2,386)	-	(10,217)
Capital Works in Progress Completed and Transferred to Intangibles	-	-	-	-	(455)	(455)
<b>Carrying Amount at the End of the Reporting Period</b>	<b>-</b>	<b>7,392</b>	<b>864</b>	<b>1,181</b>	<b>-</b>	<b>9,437</b>

**Community Services Directorate**  
**Notes to and Forming Part of the Financial Statements**  
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**NOTE 27. OTHER ASSETS**

	<b>2014</b>	<b>2013</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current Other Assets</b>		
Prepayments <sup>a</sup>	1,065	92
<b>Total Other Assets</b>	<b>1,065</b>	<b>92</b>

a) This year the prepayments relate to payments in advance for the grants and purchased services for Office for Children Youth and Family Support (OCYFS) Individual Support Packages and Disability ACT grants relating to the Enhanced Service Offers under the National Disability Insurance Scheme (NDIS).

**Community Services Directorate**  
**Notes to and Forming Part of the Financial Statements**  
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**NOTE 28. PAYABLES**

	<b>2014</b>	<b>2013</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current Payables</b>		
Trade Payables <sup>a</sup>	4,117	1,665
Other Payables <sup>b</sup>	1,650	1,572
Accrued Expenses <sup>c</sup>	3,638	6,544
<b>Total Current Payables</b>	<b>9,405</b>	<b>9,781</b>
<b>Total Payables</b>	<b>9,405</b>	<b>9,781</b>
<b>Payables are aged as follows:</b>		
Not Overdue	6,033	9,448
Overdue for 30 to 60 Days	3,372	286
Overdue for More than 60 Days	-	47
<b>Total Payables</b>	<b>9,405</b>	<b>9,781</b>
<b>Classification of ACT Government/Non-ACT Government Payables</b>		
<b>Payables with ACT Government Entities</b>		
Trade Payables	3,314	283
Other Payables	949	364
Accrued Expenses	359	786
<b>Total Payables with ACT Government Entities</b>	<b>4,622</b>	<b>1,433</b>
<b>Payables with Non-ACT Government Entities</b>		
Trade Payables	803	1,383
Other Payables	701	1,207
Accrued Expenses	3,279	5,758
<b>Total Payables with Non-ACT Government Entities</b>	<b>4,783</b>	<b>8,348</b>
<b>Total Payables</b>	<b>9,405</b>	<b>9,781</b>

a) Trade Payables as at 30 June 2014 relate to invoices received but were not paid to suppliers for services provided during the year. There were more large value invoices in 2013-14 compared to the previous year.

b) Other Payables largely relate to invoices from Shared Services relating to additional ICT costs following a final reconciliation of SLA costs for 2011-12 and 2012-13 received in late June 2014, Out of Home Care Grants, Office for Women grants and contractor and consulting fees relating to service packages for Non-Government Organisations (NGOs) under the Community Sector Reform initiatives.

c) Accrued Expenses largely relate to Disability ACT grants to NGOs, agency staff costs and repairs and maintenance costs for Community and artsACT facilities.

**Community Services Directorate**  
**Notes to and Forming Part of the Financial Statements**  
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**NOTE 29. FINANCE LEASES**

The Directorate currently holds 151 motor vehicle finance leases, all of which have been taken up as a finance lease liability and an asset under a finance lease. The interest rates implicit in these leases vary from 4.4% to 8.9% and the terms vary from 2 to 4 years. These leases allow for extensions, but have no terms of renewal or purchase options, nor escalation clauses.

	<b>2014</b>	<b>2013</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current Finance Lease Liabilities Secured</b>		
Finance Leases <sup>a</sup>	1,111	1,225
<b>Total Current Secured Finance Lease Liabilities</b>	<u><b>1,111</b></u>	<u><b>1,225</b></u>
<b>Non-Current Finance Lease Liabilities Secured</b>		
Finance Leases <sup>a</sup>	1,636	1,557
<b>Total Non-Current Secured Finance Lease Liabilities</b>	<u><b>1,636</b></u>	<u><b>1,557</b></u>
<b>Total Finance Lease Liabilities</b>	<u><u><b>2,747</b></u></u>	<u><u><b>2,782</b></u></u>

a) The overall decrease reflects a lower average cost per vehicle offset by the increase in non-current Finance Leases reflecting the renewal of 26 existing finance leases. The Directorate held 151 vehicles as at 30 June 2014 compared to 149 as at 30 June 2013.

**Community Services Directorate**  
**Notes to and Forming Part of the Financial Statements**  
**For the Year Ended 30 June 2014**

**NOTE 29. FINANCE LEASES - Continued**

**Secured Liability**

The Directorate's lease liabilities are effectively secured because if the Directorate defaults the leased assets revert to the lessor.

<b>Finance Leases</b>	<b>2014</b>	<b>2013</b>
	<b>\$'000</b>	<b>\$'000</b>

Finance Lease Commitments are payable as follows:

Within one year	1,255	1,374
Later than one year but not later than five years	1,750	1,679
<b>Minimum Lease Payments</b>	<b>3,005</b>	<b>3,053</b>
Less: Future Finance Lease Charges	(258)	(271)
<b>Amount Recognised as a Liability</b>	<b>2,747</b>	<b>2,782</b>
<b>Total Present Value of Minimum Lease Payments</b>	<b>2,747</b>	<b>2,782</b>

The present value of the minimum lease payments are as follows:

Within one year	1,111	1,225
Later than one year but not later than five years	1,636	1,557
<b>Total Present Value of Minimum Lease Payments</b>	<b>2,747</b>	<b>2,782</b>

**Classification on the Balance Sheet**

<b>Finance Leases</b>		
Current Finance Leases	1,111	1,225
Non-Current Finance Leases	1,636	1,557
<b>Total Finance Leases</b>	<b>2,747</b>	<b>2,782</b>

**Credit Facilities**

There are no formal credit facilities in place for the Directorate with the Territory's appointed transactional bank.

If the Directorate's account goes into overdraft throughout the year, the Directorate is not charged interest. However, the overdraft position is required to be rectified as soon as possible. The Directorate did not go into overdraft at any time during the financial year.



**Community Services Directorate**  
**Notes to and Forming Part of the Financial Statements**  
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**NOTE 30. EMPLOYEE BENEFITS**

	<b>2014</b>	<b>2013</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current Employee Benefits</b>		
Annual Leave <sup>a</sup>	8,331	8,292
Long Service Leave <sup>b</sup>	12,212	11,282
Accrued Salaries <sup>c</sup>	4,272	2,449
Other Benefits <sup>c</sup>	601	378
<b>Total Current Employee Benefits</b>	<b>25,416</b>	<b>22,401</b>
<b>Non-Current Employee Benefits</b>		
Long Service Leave <sup>b</sup>	1,807	1,997
<b>Total Non-Current Employee Benefits</b>	<b>1,807</b>	<b>1,997</b>
<b>Total Employee Benefits</b>	<b>27,223</b>	<b>24,398</b>
	<b>2014</b>	<b>2013</b>
	<b>\$'000</b>	<b>\$'000</b>
<i>For Disclosure Purposes Only</i>		
<b>Estimate of when Leave is Payable</b>		
<b>Estimated Amount Payable within 12 months</b>		
Annual Leave	4,124	3,789
Long Service Leave	1,050	1,018
Accrued Salaries	4,272	2,449
Other Benefits	601	378
<b>Total Employee Benefits Payable within 12 Months</b>	<b>10,047</b>	<b>7,634</b>
<b>Estimated Amount Payable after 12 Months</b>		
Annual Leave	4,207	4,503
Long Service Leave	12,969	12,261
<b>Total Employee Benefits Payable after 12 Months</b>	<b>17,176</b>	<b>16,764</b>
<b>Total Employee Benefits</b>	<b>27,223</b>	<b>24,398</b>

As at 30 June 2014, the Directorate employed 989 full-time equivalent (FTE) staff. There were 978 staff as at 30 June 2013.

a) The increase in Annual Leave liability relates to the impact of the new Enterprise Bargaining Agreement (EBA) offset by a reduction in the total number of entitlement hours.

b) The increase in Long Service Leave liability is mainly due to the (EBA) increase, higher average years of service and an increase in average base salary, the application of a higher Government bond rate and an increase in total entitlement hours for new employees.

c) The increase in Accrued Salaries and Other Benefits directly relates to the higher number of FTE staff and an increase in base salaries as a result of the 2013-14 EBA.

**Community Services Directorate**  
**Notes to and Forming Part of the Financial Statements**  
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**NOTE 31. OTHER PROVISIONS**

	<b>2014</b>	<b>2013</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current Other Provisions</b>		
Provision for Make Good	-	36
<b>Total Current Other Provisions</b>	<b>-</b>	<b>36</b>
<b>Non-Current Other Provisions</b>		
Provision for Make Good	1,487	1,403
<b>Total Non-Current Other Provisions</b>	<b>1,487</b>	<b>1,403</b>
<b>Total Other Provisions</b>	<b>1,487</b>	<b>1,439</b>

**Provision for Make Good**

The Directorate has three property leases being 11 Moore St Canberra City, Swanson Plaza Belconnen and Nature Conservation House (NCH), Belconnen. There are clauses within the lease agreements which require the Directorate, upon cessation of the tenancy, to return the office space to the condition it was in before it was leased (this is referred to as 'make good'). The current tenancy agreement for 11 Moore St was signed in 2010 and expires in 2015.

The current lease agreement for Swanson Plaza, Belconnen was for 10 years, but was renegotiated in 2012-13 and now expires in 2017. The current tenancy agreement for NCH Belconnen has a 5 year option and expires in 2015.

The make good provision is based on an agreed rate per square metre of occupancy, being \$182 per sqm for 11 Moore St, \$203 per sqm for Swanson Plaza and \$40 per sqm for NCH.

As at 31 October 2015, the approximate cost for 11 Moore St Canberra City would be \$1,069,647 to meet the make good obligation. The present value of \$1,069,647, using the two year Government bond rate as at 30 June 2014 (2.62%), is approximately \$1,042,312.

	<b>2014</b>	<b>2013</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Reconciliation of the Provision for Make Good</b>		
Provision for Make Good at the Beginning of the Reporting Period	1,439	1,390
Increase in Provision due to unwinding of discount	48	49
<b>Provision for Make Good at the End of the Reporting Period</b>	<b>1,487</b>	<b>1,439</b>

**Community Services Directorate**  
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**NOTE 32. OTHER LIABILITIES**

	<b>2014</b>	<b>2013</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current Other Liabilities</b>		
Other Revenue Received in Advance <sup>a</sup>	4,632	917
ACT Government Borrowings <sup>b</sup>	202	264
<b>Total Current Other Liabilities</b>	<b>4,834</b>	<b>1,181</b>
<b>Non-Current Other Liabilities</b>		
ACT Government Borrowings <sup>b</sup>	206	407
<b>Total Non-Current Other Liabilities</b>	<b>206</b>	<b>407</b>
<b>Total Other Liabilities</b>	<b>5,040</b>	<b>1,588</b>

a) Other Revenue Received in Advance largely relates to funding from the Commonwealth for the National Disability Insurance Scheme (NDIS) Sector Development, the Australian Early Development Index (AEDI) programs, Youth Interact and Youth Week, funding from the Australian Council of Arts for the Artist in School program, ACT Government agencies contributions towards Kids in the Community Study and the remaining balance of funds are associated with contributions received from other jurisdictions relating to the Australia Juvenile Justice Administrator function undertaken by the Directorate.

b) ACT Government Borrowings as at 30 June 2014 relates to two loans received from the Environment and Planning Directorate (EPD) Resource Management Fund. The loan received in 2011-12 was for the purpose of energy efficient lighting, controls and mechanical upgrades in a variety of community facilities. The loan is an interest free loan with repayments over a four year term.

**Community Services Directorate**  
**Notes to and Forming Part of the Financial Statements**  
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**NOTE 33. EQUITY**

**Asset Revaluation Surplus**

The Asset Revaluation Surplus is used to record the increments and decrements in the value of each class of property, plant and equipment.

	<b>2014</b>	<b>2013</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Balance at the Beginning of the Reporting Period</b>	<b>56,838</b>	<b>63,156</b>
Increment in Land due to Revaluation <sup>a</sup>	355	8,606
(Decrement) in Buildings and Land Improvements due to Revaluation <sup>b</sup>	(349)	(2,972)
(Decrement) in Community and Heritage Assets due to Revaluation <sup>c</sup>	(1,059)	(1,438)
(Decrement) in Works of Art Assets due to Revaluation	-	(12)
<b>Total (Decrease) / Increase in the Asset Revaluation Surplus</b>	<b>(1,053)</b>	<b>4,184</b>
Transfer (from) Asset Revaluation Surplus <sup>d</sup>	-	(10,502)
<b>Balance at the End of the Reporting Period</b>	<b>55,785</b>	<b>56,838</b>

a) The increment in Land due to Revaluation relates to a disclosure correction of land revaluation included as land improvements in 2012-13 for the West Belconnen Child and Family Centre which was part of the revaluation undertaken in 2012-13. Comparative asset balances have not been amended as the movement is considered immaterial.

b) The decrement in Buildings and Land Improvements relates to a disclosure correction of land revaluation rather than land improvements for the West Belconnen Child and Family Centre which was part of the revaluation undertaken in 2012-13.

c) The decrement in Community and Heritage Assets relates to a decrement for Gorman House offset by an increase cost adjustment for Strathnairn Homestead relating to the revaluation of assets undertaken in 2012-13.

d) The Transfer from Asset Revaluation Surplus for 2012-13 relates to 28 childcare facilities transferred to the Education and Training Directorate (ETD) as part of the Administrative Arrangements (AAs) effective from 10 November 2012.

**Community Services Directorate**  
**Notes to and Forming Part of the Financial Statements**  
**For the Year Ended 30 June 2014**

**NOTE 34. DISAGGREGATED DISCLOSURE OF ASSETS AND LIABILITIES**

**Year Ended 30 June 2014**

	Output Class 1 \$'000	Output Class 2 \$'000	Output Class 3 \$'000	Output Class 4 \$'000	Unallocated \$'000	Total \$'000
<b>Current Assets</b>						
Cash and Cash Equivalents <sup>a</sup>	3,937	378	1,864	168	1,385	7,732
Receivables <sup>b</sup>	754	184	603	387	940	2,868
Assets Held for Sale	8	10	-	6	-	24
Other Assets	777	12	-	276	-	1,065
<b>Total Current Assets</b>	<b>5,476</b>	<b>584</b>	<b>2,467</b>	<b>837</b>	<b>2,325</b>	<b>11,689</b>
<b>Non-Current Assets</b>						
Receivables <sup>b</sup>	-	-	-	-	2,164	2,164
Property, Plant and Equipment	6,708	13,815	202,574	51,416	-	274,513
Intangible Assets	252	-	-	-	-	252
Capital Works in Progress	69	-	3,416	-	-	3,485
<b>Total Non-Current Assets</b>	<b>7,029</b>	<b>13,815</b>	<b>205,990</b>	<b>51,416</b>	<b>2,164</b>	<b>280,414</b>
<b>Total Assets</b>	<b>12,505</b>	<b>14,399</b>	<b>208,457</b>	<b>52,253</b>	<b>4,489</b>	<b>292,103</b>
<b>Current Liabilities</b>						
Payables <sup>c</sup>	5,613	576	983	2,068	165	9,405
Finance Leases	692	89	-	330	-	1,111
Employee Benefits	12,231	1,910	2,277	8,998	-	25,416
Other Liabilities	3,932	373	377	152	-	4,834
<b>Total Current Liabilities</b>	<b>22,468</b>	<b>2,948</b>	<b>3,637</b>	<b>11,548</b>	<b>165</b>	<b>40,766</b>
<b>Non-Current Liabilities</b>						
Finance Leases	509	310	-	817	-	1,636
Employee Benefits	631	176	146	854	-	1,807
Other Provisions	342	204	123	818	-	1,487
Other Liabilities	-	-	206	-	-	206
<b>Total Non-Current Liabilities</b>	<b>1,482</b>	<b>690</b>	<b>475</b>	<b>2,489</b>	<b>-</b>	<b>5,136</b>
<b>Total Liabilities</b>	<b>23,950</b>	<b>3,638</b>	<b>4,112</b>	<b>14,037</b>	<b>165</b>	<b>45,902</b>
<b>Net (Liabilities)/Assets</b>	<b>(11,445)</b>	<b>10,761</b>	<b>204,345</b>	<b>38,216</b>	<b>4,324</b>	<b>246,201</b>

**a) Unallocated Cash and Cash Equivalents**

A portion of cash and cash equivalents has been included in the 'Unallocated' column above, as this cannot be 'reliably attributed' to the Directorate's output classes. As the amount of cash and cash equivalents held by the Directorate is comprised of a number of disparate components, only the amounts held for a specific purpose were able to be 'reliably attributed' to an output class. Cash which is held for unforeseen operational expenditures cannot be reliably attributed and have been disclosed in the 'Unallocated' column above.

**b) Receivables**

A portion of current receivables has been included in the 'Unallocated' column above, as this amount relates to GST Receivable for the period which cannot be 'reliably attributed' to an output class. 'Unallocated' non-current receivables relates to a loan paid to Boundless for the development of an all abilities playground and cannot be 'reliably attributed' to an output class.

**c) Payables**

A portion of current payables has been included in the 'Unallocated' column above, as this amount relates to GST collected on goods and services for the period which cannot be 'reliably attributed' to an output class.

**Community Services Directorate**  
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**NOTE 34. DISAGGREGATED DISCLOSURE OF ASSETS AND LIABILITIES - Continued**

**Year Ended 30 June 2013**

	<b>Output Class 1 \$'000</b>	<b>Output Class 2 \$'000</b>	<b>Output Class 3 \$'000</b>	<b>Output Class 4 \$'000</b>	<b>Unallocated \$'000</b>	<b>Total \$'000</b>
<b>Current Assets</b>						
Cash and Cash Equivalents <sup>a</sup>	8	250	1,772	540	1,255	<b>3,825</b>
Receivables <sup>b</sup>	1,294	273	204	349	630	<b>2,750</b>
Assets Held for Sale	97	4	-	19	-	<b>120</b>
Other Assets	37	7	31	17	-	<b>92</b>
<b>Total Current Assets</b>	<b>1,436</b>	<b>534</b>	<b>2,007</b>	<b>925</b>	<b>1,885</b>	<b>6,787</b>
<b>Non-Current Assets</b>						
Receivables <sup>b</sup>	-	-	-	-	864	<b>864</b>
Property, Plant and Equipment	7,256	27,028	176,108	54,168	-	<b>264,560</b>
Intangible Assets	392	17	8	-	-	<b>417</b>
Capital Works in Progress	-	-	9,434	3	-	<b>9,437</b>
<b>Total Non-Current Assets</b>	<b>7,648</b>	<b>27,045</b>	<b>185,550</b>	<b>54,171</b>	<b>864</b>	<b>275,278</b>
<b>Total Assets</b>	<b>9,084</b>	<b>27,579</b>	<b>187,557</b>	<b>55,096</b>	<b>2,749</b>	<b>282,065</b>
<b>Current Liabilities</b>						
Payables <sup>c</sup>	6,654	238	1,802	1,013	74	<b>9,781</b>
Finance Leases	678	191	27	329	-	<b>1,225</b>
Employee Benefits	10,559	1,750	2,100	7,992	-	<b>22,401</b>
Other Provisions	-	-	36	-	-	<b>36</b>
Other Liabilities	-	263	538	380	-	<b>1,181</b>
<b>Total Current Liabilities</b>	<b>17,891</b>	<b>2,442</b>	<b>4,503</b>	<b>9,714</b>	<b>74</b>	<b>34,624</b>
<b>Non-Current Liabilities</b>						
Finance Leases	969	108	3	477	-	<b>1,557</b>
Employee Benefits	852	144	142	859	-	<b>1,997</b>
Other Provisions	308	157	111	827	-	<b>1,403</b>
Other Liabilities	-	-	407	-	-	<b>407</b>
<b>Total Non-Current Liabilities</b>	<b>2,129</b>	<b>409</b>	<b>663</b>	<b>2,163</b>	<b>-</b>	<b>5,364</b>
<b>Total Liabilities</b>	<b>20,020</b>	<b>2,851</b>	<b>5,166</b>	<b>11,877</b>	<b>74</b>	<b>39,988</b>
<b>Net (Liabilities)/Assets</b>	<b>(10,936)</b>	<b>24,728</b>	<b>182,391</b>	<b>43,219</b>	<b>2,675</b>	<b>242,077</b>

**a) Unallocated Cash and Cash Equivalents**

A portion of cash and cash equivalents has been included in the 'Unallocated' column above, as this cannot be 'reliably attributed' to the Directorate's output classes. As the amount of cash and cash equivalents held by the Directorate is comprised of a number of disparate components, only the amounts held for a specific purpose were able to be 'reliably attributed' to an output class. Cash which is held for unforeseen operational expenditures cannot be reliably attributed and have been disclosed in the 'Unallocated' column above.

**b) Receivables**

A portion of current receivables has been included in the 'Unallocated' column above, as this amount relates to GST Receivable for the period which cannot be 'reliably attributed' to an output class. 'Unallocated' non-current receivables relates to a loan paid to Boundless for the development of an all abilities playground and cannot be 'reliably attributed' to an output class.

**c) Payables**

A portion of current payables has been included in the 'Unallocated' column above, as this amount relates to GST collected on goods and services for the period which cannot be 'reliably attributed' to an output class.

**Community Services Directorate  
Notes to and Forming Part of the Financial Statements  
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**NOTE 35. RESTRUCTURE OF ADMINISTRATIVE ARRANGEMENTS**

**Restructures of Administrative Arrangements 2013-14**

The Directorate did not have any restructuring requirements under the Administrative Arrangements (AA's) during the 2013-14 financial year.

**Restructures of Administrative Arrangements 2012-13**

On 10 November 2012, a restructuring of administrative arrangements occurred involving the transfer of Childcare Services and Regulation from the Directorate to the Education and Training Directorate (ETD). The Childcare Services and Regulation function is responsible for administering ACT Government legislation in relation to the licensing of children's services in the ACT including centre based children's services, school age care, family day care, independent preschools and playschools, and managing government owned childcare centres. The transfer of this function involved the transfer of 17 full time equivalent (FTE) staff from the Directorate.

The land and buildings for 28 childcare facilities were also transferred to the ETD.

**Assets and Liabilities**

The assets and liabilities transferred from the Directorate to ETD as part of the restructuring of administrative arrangements at the dates of transfer were as follows:

	<b>Transferred Amounts 2014 \$'000</b>	<b>Transferred Amounts 2013 \$'000</b>
<b>Assets</b>		
Property, Plant and Equipment	-	33,259
Capital Works in Progress	-	2,435
<b>Total Assets Transferred</b>	<b>-</b>	<b>35,694</b>
<b>Liabilities</b>		
Employee Benefits	-	306
<b>Total Liabilities Transferred</b>	<b>-</b>	<b>306</b>
<b>Total Net Assets Transferred</b>	<b>-</b>	<b>35,388</b>

The amendment to net assets transferred during the 2012-13 financial year to the Directorate from CMTD as part of the restructuring of administrative arrangements in 2010-11 were as follows:

<b>Assets</b>		
Cash and Cash Equivalents	-	364
<b>Total Assets Transferred</b>	<b>-</b>	<b>364</b>
<b>Total Combined Net Assets Transferred</b>	<b>-</b>	<b>35,024</b>

**Community Services Directorate  
Notes to and Forming Part of the Financial Statements  
For the Year Ended 30 June 2014**

**NOTE 36. FINANCIAL INSTRUMENTS**

Details of the significant policies and methods adopted, including the criteria for recognition, the basis of measurement, and the basis on which income and expenses are recognised, with respect to each class of financial asset and financial liability are disclosed in Note 2 Summary of Significant Accounting Policies.

**Interest Rate Risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Directorate is considered to have insignificant exposure to interest rate risk, as it holds only cash and cash equivalents with the Westpac Banking Corporation that generates minimal interest, and receivables are non-interest bearing. Interest on liabilities in relation to finance lease commitments for motor vehicles are at fixed interest rates. All ACT Government borrowings held by the Directorate are interest free loans.

There have been no changes in risk exposure or processes for managing risk since the last financial reporting period.

*Sensitivity Analysis*

A sensitivity analysis has not been undertaken as the Directorate has insignificant exposure to interest rate risk.

**Credit Risk**

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss.

Financial assets consist of cash and cash equivalents and receivables. The Directorate's credit risk is limited to the carrying amount of the financial assets it holds net of any allowance made for impairment.

Cash and cash equivalents are held with the Westpac Banking Corporation, a high credit, quality financial institution, in accordance with whole of ACT Government banking arrangements and the Directorate holds no investments.

A significant proportion of the Directorate's receivables are from ACT Government and Commonwealth Government agencies. The Directorate reviews outstanding debtors on a monthly basis and those unresolved are referred to the ACT Government Solicitor's Office for legal action.

Credit risk for the Directorate is therefore considered to be low.

There have been no changes in credit risk exposure since the last reporting period.



**Community Services Directorate  
Notes to and Forming Part of the Financial Statements  
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**NOTE 36. FINANCIAL INSTRUMENTS - Continued**

**Liquidity Risk**

Liquidity risk is the risk that the Directorate will be unable to meet its financial obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Directorate's main financial obligations relate to the purchase of supplies and services and payments for finance leases. Purchases of supplies and services are paid within 28 days of receiving the goods or services.

The main source of cash to pay these obligations is appropriation from the ACT Government which is paid on a fortnightly basis during the year. The Directorate manages its liquidity risk through forecasting appropriation drawdown requirements to enable payment of anticipated obligations.

The Directorate's exposure to liquidity risk has not changed since the previous reporting period.

**Price Risk**

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether these changes are caused by factors specific to the individual financial instrument or its issuer, or by factors affecting all similar financial instruments traded in the market.

The Directorate does not have any financial instruments that are subject to price risk. Accordingly a sensitivity analysis has not been undertaken.

**Community Services Directorate**  
**Notes to and Forming Part of the Financial Statements**  
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**NOTE 36. FINANCIAL INSTRUMENTS - Continued**

**Fair Value of Financial Assets and Liabilities**

The carrying amounts and fair values of financial assets and liabilities at the end of the reporting period are:

	<b>Carrying Amount 2014 \$'000</b>	<b>Fair Value 2014 \$'000</b>	<b>Carrying Amount 2013 \$'000</b>	<b>Fair Value 2013 \$'000</b>
<b>Financial Assets</b>				
Cash and Cash Equivalents	7,732	7,732	3,825	3,825
Receivables	1,836	1,836	1,889	1,889
Loans Receivable	2,164	2,164	864	864
<b>Total Financial Assets</b>	<b><u>11,731</u></b>	<b><u>11,731</u></b>	<b><u>6,578</u></b>	<b><u>6,578</u></b>
<b>Financial Liabilities</b>				
Payables	9,405	9,405	9,781	9,781
Borrowings	408	408	671	671
Finance Leases	2,747	2,747	2,782	2,782
<b>Total Financial Liabilities</b>	<b><u>12,560</u></b>	<b><u>12,560</u></b>	<b><u>13,234</u></b>	<b><u>13,234</u></b>

**Fair Value Hierarchy**

The Directorate's financial assets and liabilities are measured, subsequent to initial recognition, at amortised cost and as such are not subject to the Fair Value Hierarchy.

**Community Services Directorate**  
**Notes to and Forming Part of the Financial Statements**  
**For the Year Ended 30 June 2014**

**NOTE 36. FINANCIAL INSTRUMENTS - Continued**

The following table sets out the Directorate's maturity analysis for financial assets and liabilities as well as the exposure to interest rates, including the weighted average interest rates by maturity period as at 30 June 2014. Except for non-current payables, financial assets and liabilities which have a floating interest rate or are non-interest bearing will mature in 1 year or less. All amounts appearing in the following maturity analysis are shown on an undiscounted cash flow basis.

2014	Note No.	Weighted Average Interest Rate	Floating Interest Rate	Fixed Interest Maturing in:				Non-Interest Bearing	Total \$'000
				Over 1 Year or Less	to 5 Years	More than 5 Years			
			\$'000	\$'000	\$'000	\$'000		\$'000	
<b>Financial Assets</b>									
Cash and Cash Equivalents	21		-	-	-	-	7,732	7,732	7,732
Trade Receivables	22		-	-	-	-	1,836	1,836	1,836
Loans Receivable	22		-	-	-	-	2,164	2,164	2,164
<b>Total Financial Assets</b>			-	-	-	-	<b>11,731</b>	<b>11,731</b>	<b>11,731</b>
<b>Financial Liabilities</b>									
Payables	28		-	-	-	-	9,405	9,405	9,405
Borrowings	32		-	-	-	-	408	408	408
Finance Leases	29	5.93%	-	1,255	1,750	-	-	-	3,005
<b>Total Financial Liabilities</b>			-	<b>1,255</b>	<b>1,750</b>	-	<b>9,813</b>	<b>12,818</b>	<b>12,818</b>
<b>Net Financial (Liabilities)/Assets</b>			-	<b>(1,255)</b>	<b>(1,750)</b>	-	<b>1,919</b>	<b>(1,087)</b>	<b>(1,087)</b>

**Community Services Directorate**  
**Notes to and Forming Part of the Financial Statements**  
**For the Year Ended 30 June 2014**

**NOTE 36. FINANCIAL INSTRUMENTS - Continued**

The following table sets out the Directorate's maturity analysis for financial assets and liabilities as well as the exposure to interest rates, including the weighted average interest rates by maturity period as at 30 June 2013. Except for non-current payables, financial assets and liabilities which have a floating interest rate or are non-interest bearing will mature in 1 year or less. All amounts appearing in the following maturity analysis are shown on an undiscounted cash flow basis.

2013	Note No.	Weighted Average Interest Rate	Floating Interest Rate \$'000	Fixed Interest Maturing in:			Non-Interest Bearing \$'000	Total \$'000
				1 Year or Less \$'000	Over 1 to 5 Years \$'000	More than 5 Years \$'000		
Financial Assets								
	21		-	-	-	-	3,825	3,825
	22		-	-	-	-	2,750	2,750
	22		-	-	-	-	864	864
Total Financial Assets			-	-	-	-	7,439	7,439
Financial Liabilities								
	28		-	-	-	-	9,781	9,781
	32		-	-	-	-	671	671
	29	6.47%	-	-	1,374	1,679	-	3,053
Total Financial Liabilities			-	-	1,374	1,679	10,452	13,505
Net Financial (Liabilities)			-	-	(1,374)	(1,679)	(3,013)	(6,066)

**Community Services Directorate**  
**Notes to and Forming Part of the Financial Statements**  
**For the Year Ended 30 June 2014**

**NOTE 36. FINANCIAL INSTRUMENTS - Continued**

	<b>2014</b>	<b>2013</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Carrying Amount of Each Category of Financial Asset and Financial Liability</b>		
<b>Financial Assets</b>		
Loans and Receivables Measured at Amortised Cost	4,088	3,614
<b>Financial Liabilities</b>		
Financial Liabilities Measured at Amortised Cost	12,560	13,234

The Directorate does not have any financial assets in the 'Financial Assets at Fair Value through Profit and Loss' category, 'Available for Sale' category or the 'Held to Maturity' category and as such these categories are not included above. The Directorate also does not have any financial liabilities in the 'Financial Liabilities at Fair Value through Profit and Loss' category and, as such, this category is not included above.

**Community Services Directorate**  
**Notes to and Forming Part of the Financial Statements**  
**For the Year Ended 30 June 2014**

**NOTE 37. COMMITMENTS**

	<b>2014</b>	<b>2013</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Capital Commitments</b>		
Capital commitments contracted at reporting date mainly relate to the upgrade of various community facilities and youth facilities, a new respite property, the Gorman House Multi Art Hub, the Ainslie Music Hub, various works of art and Community Energy Efficiency Program (CEEP) works and other minor upgrade projects that have not been recognised as liabilities, payables:		
Within One Year	10,737	13,626
Later than One Year but not later than Five Years	<u>52</u>	<u>600</u>
<b>Total Capital Commitments<sup>a</sup></b>	<b><u>10,789</u></b>	<b><u>14,226</u></b>

a) The decrease in Capital Commitments mainly relates to the completion of some major capital projects including the Street Theatre Extension, Megalo Print Studio project, Tuggeranong Arts Centre, Holt Early Childhood Centre, Canberra Glassworks, Gorman House and various works of art.

**Other Commitments**

Other commitments contracted at reporting date that mainly relate to grants to Non-Government Organisations and the Service Partnership Agreement with Shared Services for Finance, Human Resources, Information Technology and Procurement Services that have not been recognised as liabilities, payable:

Within One Year	110,849	95,253
Later than One Year but not later than Five Years	<u>58,120</u>	<u>150,726</u>
<b>Total Other Commitments<sup>b</sup></b>	<b><u>168,969</u></b>	<b><u>245,979</u></b>

b) The decrease in Other Commitments largely relates to contracts for grants to Non-Government Organisations ceasing within one year and delays in the renewal of some contracts partially offset by the increase in commitments for later than five years relating to the new Service Partnership Agreement with Shared Services which is an on-going commitment.

**Community Services Directorate**  
**Notes to and Forming Part of the Financial Statements**  
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**NOTE 37. COMMITMENTS - Continued**

**Operating Lease Commitments**

The Directorate has three non-cancellable operating leases for buildings. One of the leases expires within three years, two expire within two years. The leases have varying terms, escalation clauses and renewal rights. There are conditions in the lease agreements requiring the Directorate to restore sites which the leased buildings are situated on. These amounts have been included in make good liabilities (see Note 31 Other Provisions). The operating lease agreements give the Directorate the right to renew the leases. Renegotiations of the lease terms occur on renewal of the leases.

Contingent rental payments have not been included in the commitments below. Total non-cancellable operating lease commitments that are also included relate to ICT Shared Services and the Territory and Municipal Services Directorate (TAMSD) leases which are payable as follows:

	<b>2014</b>	<b>2013</b>
	<b>\$'000</b>	<b>\$'000</b>
Within One Year	7,596	10,672
Later than One Year but not later than Five Years	4,561	14,110
<b>Total Operating Lease Commitments <sup>c</sup></b>	<b><u>12,157</u></b>	<b><u>24,782</u></b>

c) The decrease in Operating Leases is largely a result of property contracts a year closer to completion and the majority of equipment leases expiring on 30 June 2014.

All amounts shown in the commitment note are inclusive of GST.

**Community Services Directorate  
Notes to and Forming Part of the Financial Statements  
For the Year Ended 30 June 2014**

**NOTE 38. CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

The contingent liabilities reflect several individual contingent claims against the Directorate where the final financial ramifications are unclear pending legal settlement. The ACT Government Solicitor's Office has estimated 22 contingent claims at 30 June 2014 at \$2,470,000 (23 claims estimated at \$952,000 at 30 June 2013).

The Directorate's contingent liabilities largely relate to personal injury claims.

The Directorate had no contingent assets as at 30 June 2014.



**Community Services Directorate**  
**Notes to and Forming Part of the Financial Statements**  
**For the Year Ended 30 June 2014**

**NOTE 39. CASH FLOW RECONCILIATION**

**a) Reconciliation of the Cash and Cash Equivalents at the end of the Reporting Period in the Cash Flow Statement to the equivalent items in the Balance Sheet.**

	<b>2014</b>	<b>2013</b>
	<b>\$'000</b>	<b>\$'000</b>
Total Cash and Cash Equivalents Recorded in the Balance Sheet	7,732	3,825
<b>Cash and Cash Equivalents at the End of the Reporting Period as Recorded in the Cash Flow Statement</b>	<b>7,732</b>	<b>3,825</b>

**b) Reconciliation of Net Cash Inflows from Operating Activities to the Operating (Deficit)**

Operating (Deficit)	(5,497)	(9,614)
<b>Add/(Less) Non-Cash Items</b>		
Depreciation and Amortisation	7,190	7,403
Net Assets Transferred or Contributed	(447)	(956)
Forgiveness of Liabilities	125	141
Net Increase in Assets due to Administrative Restructure	-	306
Nominal Interest on Borrowings	293	209
Donated Assets	(122)	(26)
<b>Add Items Classified as Investing or Financing</b>		
Net (Gain)/Loss on Disposal of Non-Current Assets	(24)	16
Unrealised (Gain) on Borrowings	(26)	-
Finance Lease Borrowing Costs	198	213
<b>Cash Before Changes in Operating Assets and Liabilities</b>	<b>1,690</b>	<b>(2,308)</b>
<b>Changes in Operating Assets and Liabilities</b>		
(Increase) in Receivables	(239)	(740)
(Increase)/Decrease in Other Assets	(973)	42
(Decrease)/Increase in Payables	(607)	2,925
Increase in Employee Benefits	2,825	754
Increase in Other Liabilities	3,714	390
<b>Net Changes in Operating Assets and Liabilities</b>	<b>4,720</b>	<b>3,371</b>
<b>Net Cash Inflows from Operating Activities</b>	<b>6,410</b>	<b>1,063</b>

**Community Services Directorate  
Notes to and Forming Part of the Financial Statements  
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**NOTE 39. CASH FLOW RECONCILIATION - Continued**

**Non-Cash Financing and Investing Activities**

All motor vehicle leases entered into by the Directorate are under a finance lease arrangement.

	<b>2014</b>	<b>2013</b>
	<b>\$'000</b>	<b>\$'000</b>
Acquisition of Motor Vehicles by means of Finance Lease	<u><u>1,626</u></u>	<u><u>1,762</u></u>

**Community Services Directorate**  
**Notes to and Forming Part of the Financial Statements**  
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**NOTE 40. EVENTS OCCURRING AFTER BALANCE DATE**

- a) From 1 July 2014, a number of programs that support victims of domestic violence will transfer from Housing ACT to the Directorate. The transfer involves a budget of \$1.808m.
- b) Under the Bi-lateral Agreement with the Commonwealth, the transition to the National Disability Insurance Scheme (NDIS) in the ACT will commence on 1 July 2014 and will be completed by 2016–17. During this period, disability and therapy services will progressively transfer from the Directorate to the Commonwealth's National Disability Insurance Authority. The total net contribution to the NDIS over the 3 year trial period is estimated at \$146m.
- c) From 1 July 2014, funding of \$0.716m for the Child, Youth and Family Gateway will transfer from the Directorate to Housing ACT. The transfer is part of an initiative to bring together existing gateway services into a single Human Services Gateway to be administered by Housing ACT.
- d) From 1 July 2014, responsibility for the administration of the Concessions Program will transfer from the Directorate to the Chief Minister, Treasury and Economic Development Directorate. The transfer involves four staff at a cost of \$0.301m.
- e) Under changes to Administrative Arrangements announced on 4 July 2014, artsACT will transfer from the Directorate to the Chief Minister, Treasury and Economic Development Directorate, effective from 7 July 2014. The transfer involves a budget of \$12.4 million and 13.6 full time equivalent (FTE) staff. Land and buildings for 13 arts facilities and various public artworks will also transfer (book value \$65.4m) as will several capital works projects in progress (\$1.7m).
- f) Under changes to Administrative Arrangements announced on 4 July 2014, community facilities including community centres, regional community hubs, neighbourhood halls, and youth centres will transfer to the Chief Minister, Treasury and Economic Development Directorate from 7 July 2014. An operating budget of \$1.36m, associated staff, 65 facilities valued at \$133m and capital works projects in progress of \$12m will transfer from the Directorate.

There were no other events that occurred after balance date that would affect the Financial Statements in the current or future reporting periods.

