



Financial Statements

For the Year Ended 30 June 2021

Financial Statements

For the year ended 30 June 2021

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Statement of Comprehensive Income

For the year ended 30 June 2021

	Notes	2021 \$000	2020 \$000
Income from continuing operations			
Grants and other contributions	2	4,159	4,962
Other revenue		25	29
Total income from continuing operations		<u>4,184</u>	<u>4,991</u>
Expenses from continuing operations			
Employee expenses	3	2,827	2,454
Supplies and services	4	938	1,011
Depreciation and amortisation	5	19	17
Finance/borrowing costs	9	2	2
Other expenses	6	43	43
Total expenses from continuing operations		<u>3,829</u>	<u>3,527</u>
Operating result from continuing operations		355	1,464
Total other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive income		<u>355</u>	<u>1,464</u>

The accompanying notes form part of these statements.

Statement of Financial Position

As at 30 June 2021

	Notes	2021 \$000	2020 \$000
Current assets			
Cash and cash equivalents	7	3,541	3,112
Receivables		10	12
Other current assets		46	56
Total current assets		3,597	3,180
Non-current assets			
Plant and equipment	8	4	8
Right-of-use assets	9	39	17
Total non-current assets		43	25
Total assets		3,640	3,205
Current liabilities			
Payables	10	172	139
Accrued employee benefits	11	179	153
Lease liabilities	9	41	20
Total current liabilities		392	312
Total liabilities		392	312
Net assets		3,248	2,893
Equity			
Accumulated surplus		3,248	2,893
Total equity		3,248	2,893

The accompanying notes form part of these statements.

Statement of Changes in Equity

For the year ended 30 June 2021

	Accumulated surplus \$000
Balance as at 1 July 2019	1,429
Operating result from continuing operations	1,464
Total comprehensive income	<u>1,464</u>
Balance as at 30 June 2020	<u>2,893</u>
Balance as at 1 July 2020	2,893
Operating result from continuing operations	355
Total comprehensive income	<u>3,248</u>
Balance as at 30 June 2021	<u>3,248</u>

Statement of Cash Flows

For the year ended 30 June 2021

	Notes	2021 \$000	2020 \$000
Cash flows from operating activities			
<i>Inflows:</i>			
Grants and other contributions		4,159	4,962
Interest receipts		24	26
Other receipts		1	4
GST input tax credits from ATO		95	97
<i>Outflows:</i>			
Payments to suppliers and employees		(3,832)	(3,664)
Net cash provided by operating activities		<u>447</u>	<u>1,425</u>
 Cash flows from financing activities			
<i>Outflows:</i>			
Lease payments		(18)	(8)
Net cash used in financing activities		<u>(18)</u>	<u>(8)</u>
 Net increase in cash held		 429	 1,417
Cash at beginning of financial year		<u>3,112</u>	<u>1,695</u>
Cash at end of financial year	7	<u>3,541</u>	<u>3,112</u>

The accompanying notes form part of these statements.

Notes to the Financial Statements

For the year ended 30 June 2021

Note 1 – Basis of financial statement preparation

(a) General information about the reporting entity

The Commission is an independent statutory body established under the *Family Responsibilities Commission Act 2008*. The Commission does not have any controlled entities.

The head office and principal place of business of the Commission is:
Level 3, Commonwealth Building, 107 Lake Street
CAIRNS QLD 4870

(b) Authorisation of financial statements for issue

The financial statements are authorised for issue by the Commissioner and Executive Officer (Finance) at the date of signing the Management Certificate.

(c) Compliance with prescribed requirements

The Commission is a Statutory Body under the *Financial Accountability Act 2009* and the *Statutory Bodies Financial Arrangements Act 1982* and these financial statements have been prepared in accordance with section 39 of the *Financial and Performance Management Standard 2019*.

The Commission is a not-for-profit entity and these financial statements are general purpose financial statements prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and Interpretations applicable to not-for-profit entities.

The financial statements are prepared on an accrual basis (with the exception of the statement of cash flows which is prepared on a cash basis).

(d) Underlying measurement basis

The financial statements are prepared using the historical cost convention.

(e) Presentation matters

Currency and rounding – Amounts included in the financial statements are in Australian dollars and have been rounded to the nearest \$1,000 or, where that amount is \$499 or less, to zero, unless disclosure of the full amount is specifically required.

Comparatives – Comparative Information reflects the audited 2019-20 financial statements.

Current / Non-current classification – Assets are classified as ‘current’ where their carrying amount is 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 Commission does not have an unconditional right to defer settlement to beyond 12 months after the reporting date. All other assets and liabilities are classified as non-current.

(f) Accounting estimates and judgements

The preparation of financial statements necessarily requires the determination and use of certain critical accounting estimates, assumptions, and management judgements that have the potential to cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year. Such estimates, judgements and underlying assumptions are reviewed on an ongoing basis.

Notes to the Financial Statements

For the year ended 30 June 2021

Note 1 – Basis of financial statement preparation (continued)

(f) Accounting estimates and judgements (continued)

Revisions to accounting estimates are recognised in the period in which the estimate is revised and in future periods as relevant.

Accruals for employee benefits is an area where some estimates and judgements are applied, further details are included in Note 11. Management is not aware of any further assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year.

(g) Taxation

The Commission is a State body as defined under the *Income Tax Assessment Act 1936* and is exempt from Australian Government taxation with the exception of Fringe Benefits Tax (FBT) and Goods and Services Tax (GST). The net amount of GST recoverable from the ATO or payable to the ATO is shown as an asset or liability respectively.

(h) Insurance

The Commission's risks are insured through the Queensland Government Insurance Fund, premiums being paid on a risk assessment basis. In addition, the Commission pays premiums to WorkCover Queensland in respect of its obligations for employee compensation.

(i) Economic dependency and going concern

The Commission is a not-for-profit entity and is reliant on government funding in order to continue its operations.

The Australian and Queensland Governments entered into a Memorandum of Understanding (MOU) during the 2019-20 year. This memorandum continued the operations of the Commission through to 30 June 2021 with funding to be provided by both parties.

The Commission's strategic partners in Welfare Reform, the Queensland Government, Australian Government and Cape York Institute, continue their discussions on the future of Welfare Reform and the Commission. Currently there is no agreement between the parties beyond 30 June 2021, however, there is no current stated intention to cease operations of the Commission. The Australian Government supports a period of three (3) years to 30 June 2024, whilst the Queensland Government has confirmed an extension of operations and funding of twelve (12) months to 30 June 2022 with a review to be undertaken during the period. Negotiations continue in regard to a new MOU establishing an operational term and funding parameters between the parties.

Funding for 2021-22 year has been confirmed by the Queensland Government at \$2.418 million with the Australian Government (subject to agreement between the parties) likely to provide \$1.8 million as per the previous Memorandum of Understanding.

Notes to the Financial Statements

For the year ended 30 June 2021

Note 1 – Basis of financial statement preparation (continued)

(i) Economic dependency and going concern (continued)

- (j) The statutory appointment of the Commissioner, Deputy Commissioner and Local Commissioners expired on 30 June 2021. Governor-in-Council approved the reappointments of the Commissioner, Deputy Commissioner and Local Commissioners on 29 June 2021 for the period 1 July 2021 through to 30 June 2022.

After consideration of all of the above factors, management have assessed that, while uncertainty exists in relation to the Commission's ability to continue all operations in their current form beyond 1 July 2022, should government funding beyond that time be significantly reduced or curtailed, it is appropriate to prepare the financial statements on a going concern basis, which contemplates continuity of a significant portion of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

The financial statements do not include adjustments relating to the recoverability and classification of recorded asset amounts, nor to the amounts and classification of liabilities that might be necessary should the entity not continue as a going concern.

(k) New and revised accounting standards

Changes in significant accounting policies

No new accounting standards applicable for the first time in 2020-21 had a material impact on the Commission.

Accounting Standards issued by not yet effective

AASB 1060 *General Purpose Financial Statements – Simplified Disclosure for For-Profit and Not-for-Profit Tier 2 Entities* will be effective for the reporting period beginning on or after 1 July 2021. This standard introduces the 'Simplified Disclosures' framework for Tier 2 entities that will replace the current 'Reduced Disclosure Requirements' (RDR) Framework.

In accordance with Queensland Treasury guidelines, the Commission prepares Tier 2 general purpose financial statements and will apply AASB 1060 from 2021-22 onward. Early adoption of the standard is not permitted under these guidelines.

As AASB 1060 does not contain transitional requirements for entities not early adopting Tier 2 Australian Accounting Standards – Simplified Disclosures, the Commission will prepare its 2021-22 financial statements under the new standard and where relevant provide comparative information for any new disclosures unless the standard specifically states that comparatives are not required for the disclosure.

The impact of the new standard has not yet been fully assessed by the Commission.

Other Accounting Standards changes

No accounting pronouncements were early adopted in the 2020-21 financial year.

No voluntary changes in accounting policies occurred during the 2020-21 financial year.

Notes to the Financial Statements

For the year ended 30 June 2021

Note 2 – Grants and other contributions

	2021	2020
	\$000	\$000
Other grants and contributions		
Queensland Government grants	1,706	1,636
Doomadgee funding - Queensland Government	653	626
Australian Government grants	1,800	2,700
Total	4,159	4,962

Accounting policy

Grants and contributions arise from transactions that are non-reciprocal in nature (i.e. do not require any goods or services to be provided in return).

Where a grant agreement is enforceable and contains sufficiently specific performance obligations for the Commission to transfer goods and services to a third-party on the grantor's behalf, the grant would be accounted for under AASB 15 *Revenue from Contracts with Customers*. In this case, revenue is initially deferred as unearned revenue (contract liability) and recognised as or when the performance obligations are satisfied.

Otherwise, the grant or contribution is accounted for under AASB 1058 *Income of Not-for-Profit Entities*, whereby revenue is recognised in the year in which the Commission obtains control over them.

Disclosure – Grants and other contributions

Australian and Queensland Government Grants – recognised upfront

The Commission received a total of \$4.159 million in respect of its operations for the 2020-21 year. This funding has been recognised as revenue on receipt under AASB 1058 as the Commission's obligations are not sufficiently specific. The grant funds received are to be used to fund the operations of the Commission. Specifically, the operations of the Commission are to support welfare reform community members to restore socially responsible standards of behaviour, local authority and wellbeing for themselves and their families. A welfare reform community is prescribed by regulation. The Commission has full discretion as to how and when it conducts these operations during the financial year.

Notes to the Financial Statements

For the year ended 30 June 2021

Note 3 – Employee expenses

	2021	2020
	\$000	\$000
Employee benefits		
Wages and salaries	2,167	1,867
Recreation leave expense	204	174
Employer superannuation contributions	262	228
Long service leave levy	49	30
Employee related expenses		
Workers' compensation premium	12	10
Payroll tax and fringe benefits tax	113	114
Other employee related expenses	20	31
Total	2,827	2,454

Disclosure – Employee numbers

The number of employees including both full-time employees and part-time employees measured on a full-time equivalent basis:

	2021	2020
Number of employees:	16	16

Accounting policies

Employer superannuation contributions and long service leave levies are regarded as employee benefits.

Payroll tax and workers' compensation insurance are a consequence of employing employees but are not counted in an employee's total remuneration package. They are not employee benefits and are recognised separately as employee related expenses.

Short-term employee benefits are disclosed in Note 11.

Other long-term employee benefits – long service leave

Under the Queensland Government's long service leave scheme, a levy is made on the Commission to cover the cost of employees' long service leave. The levies are expensed in the period in which they are payable. Amounts paid to employees for long service leave are claimed from the scheme quarterly in arrears.

No provision for long service leave is recognised in the Commission's financial statements, the liability being held on a whole-of-Government basis and reported in those financial statements pursuant to AASB 1049 *Whole of Government and General Government Sector Financial Reporting*.

Notes to the Financial Statements

For the year ended 30 June 2021

Note 3 – Employee expenses (continued)

Accounting policies (continued)

Superannuation – Local Commissioners

Obligations for contributions to defined contribution (accumulation) plans are recognised as a personnel expense in the periods during which services are rendered by employees. Contributions to a defined contribution (accumulation) plan that are due more than 12 months after the end of the period in which the employees render the service are discounted to their present value.

Superannuation – all other employees

Employer superannuation contributions are paid to QSuper, the superannuation scheme for Queensland Government employees, at rates determined by the Treasurer on the advice of the State Actuary. Contributions are expensed in the period in which they are paid or payable. The Commission's obligation is limited to its contribution to QSuper.

No liability is therefore recognised for accruing superannuation benefits in the Commission's financial statements, the liability being held on a whole-of-Government basis and reported in those financial statements pursuant to AASB 1049.

Note 4 – Supplies and services

	2021	2020
	\$000	\$000
Communications	14	13
Internet and IT	217	212
Materials and running costs	242	376
Fleet vehicle expenses	38	33
Office accommodation	120	115
Employee housing	8	8
Lease expenses	67	75
Staff travel	232	179
Total	938	1,011

Notes to the Financial Statements

For the year ended 30 June 2021

Note 4 – Supplies and services (continued)

Accounting policy – leases

Lease expenses include lease rentals for short-term leases and leases of low value assets. Short term and low value lease payments are representative of the pattern of benefits derived from the leased assets and are expensed in the periods in which they are incurred.

Short term and low value leases are entered into as a means of acquiring access to office and staff accommodation, storage facilities and motor vehicles. Current lease terms at year end range from 1 month to 1 year. On conclusion of the lease terms, the lease terms are renegotiated on an as needs basis having regard to the going concern uncertainty referred to in Note 1(i).

Lease payments are generally fixed but some agreements include annual escalation clauses for predetermined percentages or the Consumer Price Index (CPI) changes upon which future year rentals are determined.

Refer to Note 9 for breakdown of lease expenses and other lease disclosures.

Note 5 – Depreciation and amortisation

	Notes	2021 \$000	2020 \$000
Depreciation- plant and equipment	8	4	8
Depreciation – right-of-use assets	9	15	9
Total		19	17

Accounting policies

Depreciation

Plant and equipment is depreciated on a straight-line basis so as to allocate the net cost of each asset progressively over its estimated useful life to the Commission. The estimation of the useful lives of assets is based on historical experience with similar assets.

Reassessments of useful lives are undertaken annually by the Commission. Any consequential adjustments to remaining useful life estimates are implemented prospectively. Where the estimated useful life of the asset is greater than the estimated remaining funded life of the Commission, the lesser of the two has been deemed the useful life.

Amortisation

Intangible assets are amortised on the same basis as plant and equipment.

For each class of asset the following rates are used:

Plant and equipment	20 - 50%
Software	33.33 - 50%

Notes to the Financial Statements

For the year ended 30 June 2021

Note 6 – Other expenses

	2021	2020
	\$000	\$000
Queensland Audit Office – external audit fees ⁽¹⁾	30	30
Insurance premiums - QGIF	13	13
Total	43	43

⁽¹⁾ Total audit fees due to the Queensland Audit Office relating to the 2020-21 financial year are estimated to be \$29,500 (2019-20: \$29,500). There are no non-audit services included in this amount.

Note 7 – Cash and cash equivalents

	2021	2020
	\$000	\$000
Imprest accounts	-	1
Cash at bank	3,541	3,111
Total	3,541	3,112

Interest earned on cash held with the Commonwealth Bank was between 0.10% to 0.75% in 2020-21 (between 0.25% to 1.75% in 2019-20).

Accounting policy

For the purposes of the Statement of Financial Position and the Statement of Cash Flows, cash assets include all cash and cheques received but not banked at 30 June as well as deposits at call with financial institutions and other short-term, highly liquid investments with original maturities of three months or less.

Note 8 – Plant and equipment

	2021	2020
	\$000	\$000
Gross	46	46
Less: Accumulated depreciation	(42)	(38)
Carrying amount at 30 June	4	8
<i>Represented by movements in carrying amount:</i>		
Carrying amount at 1 July	8	16
Acquisitions	-	-
Depreciation	(4)	(8)
Carrying amount at 30 June	4	8

Notes to the Financial Statements

For the year ended 30 June 2021

Note 8 – Plant and Equipment (continued)

Accounting policy

Actual cost is used for the initial recording of all non-current physical asset acquisitions. Cost is determined as the fair value given as consideration plus costs incidental to the acquisition, including all other costs incurred in getting the assets ready for use. However, any training costs are expensed as incurred.

Items of plant and equipment with a cost equal to or in excess of the following thresholds are recognised for financial reporting purposes in the year of acquisition in the following classes.

Plant and equipment - computer and other technology equipment \$5,000

Items with a lesser value are expensed in the year of acquisition.

Expenditure is only capitalised if it increases the service potential or useful life of the existing asset. Maintenance expenditure that merely restores original service potential (arising from ordinary wear and tear etc) is expensed.

Assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset.

Plant and equipment is measured at depreciated cost in accordance with the non-current asset policies. The carrying amounts for plant and equipment approximate their fair value.

Note 9 – Right-of-use assets and lease liabilities

	Buildings \$000	Plant and equipment \$000	Total \$000
Right-of-use assets			
Opening balance at 1 July 2020	10	7	17
Additions	37	-	37
Depreciation charge	(12)	(3)	(15)
Closing balance at 30 June 2021	35	4	39

	Buildings \$000	Plant and equipment \$000	Total \$000
Right-of-use assets			
Opening balance at 1 July 2019	-	-	-
Additions	16	10	26
Depreciation charge	(6)	(3)	(9)
Closing balance at 30 June 2020	10	7	17

Notes to the Financial Statements

For the year ended 30 June 2021

Note 9 – Right-of-use assets and lease liabilities (continued)

	2021	2020
	\$000	\$000
Lease liabilities		
Current	41	20
Total	<u>41</u>	<u>20</u>

Accounting policy - Leases

Right-of-use assets are measured at cost on initial recognition and measured at cost subsequently.

The Commission has elected not to recognise right-of-use assets and lease liabilities from short-term leases and leases of low value assets (<\$10,000 when new). The lease payments are recognised as expenses on a straight-line basis over the lease term. Refer to Note 4 for disclosure of these expenses.

Lease liabilities are initially recognised at the present value of lease payments over the lease term that are not yet paid. The lease term includes any extension or renewal options that the Commission is reasonably certain to exercise. The future lease payments included in the calculation of the lease liability are only comprised of fixed payments that would be payable during the lease term.

The Commission uses its incremental borrowing rate as the discount rate where the interest rate implicit in the lease cannot be readily determined. To determine the incremental borrowing rate, the Commission uses loan rates provided by Queensland Treasury Corporation that correspond to the commencement date and lease term.

Disclosures - Leases	2021	2020
	\$000	\$000
<i>(i) Amounts recognised in profit and loss</i>		
Interest expense on lease liabilities	2	2
Breakdown of 'lease expenses' included in Note 4		
- Expenses relating to short-term leases	67	75
 <i>(ii) Total cash outflows for leases</i>	 18	 8

Notes to the Financial Statements

For the year ended 30 June 2021

(iii) Details of leasing arrangements

Buildings

The Commission has various leases for both office accommodation and employee housing accommodation. Several of these leases are considered to be short-term leases. During the year, the Commission renegotiated three office accommodation leases. Two of these leases were previously considered short term whilst one was previously recognised as a right-of-use asset and corresponding lease liability. On execution of the two previously short-term leases, the Commission assessed each as having a term of thirteen (13) months and accordingly recognised the right-of use assets and corresponding lease liabilities. The third lease was remeasured with adjustments made to the right-of-use asset and lease liability as required.

Plant and Equipment

The Commission also leases plant and equipment under an agreement of 3 years.

(iv) Office accommodation, employee housing and motor vehicles

The Department of Energy and Public Works (DEPW) provides the Commission with access to office accommodation, employee housing and motor vehicles under government-wide frameworks. These arrangements are categorised as procurement of services rather than leases because DEPW has substantive substitution rights over the assets. The related service expenses are included in Note 4.

Note 10 – Payables

	2021	2020
	\$000	\$000
Payables		
Trade creditors	57	47
Accruals	115	92
	<hr/>	<hr/>
Total	172	139
	<hr/>	<hr/>

Accounting policy

Trade creditors are recognised upon receipt of the goods or services ordered and are measured at the agreed purchase/contract price, net of applicable trade and other discounts. Amounts owing are unsecured and are generally settled on 30 day terms.

Note 11 – Accrued employee benefits

	2021	2020
	\$000	\$000
Salary and wage related	14	12
Recreation leave	165	141
	<hr/>	<hr/>
Total	179	153
	<hr/>	<hr/>

Notes to the Financial Statements

For the year ended 30 June 2021

Note 11 – Accrued employee benefits (continued)

Accounting policies

Short-term employee benefits – wages, salaries, recreation leave and sick leave

Wages, salaries and recreation leave due but unpaid at reporting date are recognised in current liabilities at the current salary rates.

For unpaid entitlements expected to be paid within 12 months, the liabilities are recognised at their undiscounted values. Entitlements not expected to be paid within 12 months are recognised at their present value, calculated using yields on Fixed Rate Australian Government bonds of similar maturity, after projecting the remuneration rates expected to apply at the time of likely settlement.

Prior history indicates that on average, sick leave taken in each reporting period is less than the entitlement accrued. This is expected to continue in future periods. Accordingly, it is unlikely that existing accumulated entitlements will be used by employees and no liability for unused sick leave entitlements is recognised.

As sick leave is non-vesting, an expense is recognised for this leave as it is taken.

Note 12 – Commitments

There are no commitments known to the Commission as at 30 June 2021 which would give rise to the disclosure of any commitments.

Note 13 – Contingencies

There are no significant matters known to the Commission as at 30 June 2021 which would give rise to the recognition of a contingent asset or liability.

Note 14 – Events occurring after balance date

There were no significant events occurring after balance date.

Notes to the Financial Statements

For the year ended 30 June 2021

Note 15 – Financial instruments

Accounting policy

Financial assets and financial liabilities are recognised in the Statement of Financial Position when the Commission becomes a party to the contractual provisions of the financial instrument.

Financial instruments are classified under Accounting Standard AASB 9 as follows:

	Notes	2021 \$000	2020 \$000
Financial assets			
Cash and cash equivalents	7	3,541	3,111
Receivables and other current assets at amortised cost (excluding prepayments)		14	14
Total		3,555	3,125
Financial liabilities			
Payables	10	172	139
Total		172	139

Note 16 – Key management personnel

The following details for key management personnel include those positions that had authority and responsibility for planning, directing and controlling the activities of the Commission during 2020-21 and 2019-20.

Position	Responsibilities	Contract classification and appointment authority	Appointment Details
Commissioner	The Commissioner is responsible for ensuring the efficient and quick discharge of the Commission's business, ensuring the Local Commissioners and the staff of the registry receive regular and appropriate training, preparing the annual report, making the Commission guidelines and carrying out the activities the Commissioner reasonably considers necessary to achieve the objects, as per the <i>Family Responsibilities Commission Act 2008</i> .	Commissioner, Governor in Council under the <i>Family Responsibilities Commission Act 2008</i>	2 September 2019 Current appointment term expires 30 June 2022

Notes to the Financial Statements

For the year ended 30 June 2021

Note 16 – Key management personnel (continued)

Remuneration

The Commissioner's remuneration is set by the Governor in Council as provided for under the *Family Responsibilities Commission Act 2008*.

Due to Queensland Government COVID-19 austerity measures, no increase was applicable to the remuneration for the Commissioner in the 2020-21 year. There was a 2.0% increase in remuneration for the Commissioner in the 2019-20 year (effective from 1 July 2019).

Remuneration packages for key management personnel comprise the following components:

- Short term employee benefits which include base salary, allowances and leave entitlements paid and provided for the entire year or for that part of the year during which the employee occupied the specified position. Amounts disclosed equal the amount expensed in the statement of comprehensive income.
- Long term employee benefits include long service leave accrued.
- Post employment benefits include superannuation contributions.
- Termination benefits include payments in lieu of notice on termination and other lump sum separation entitlements (excluding annual and long service leave entitlements) payable on termination of employment.
- Redundancy payments are not provided for within individual contracts of employment. Contracts of employment provide only for notice periods or payment in lieu of notice on termination, regardless of the reason for termination.

Total fixed remuneration is calculated on a 'total cost' basis and includes the base and non-monetary benefits, long term employee benefits and post employment benefits.

2020-21

Position	Short term employee expenses	Long term employee expenses	Post employment expenses	Termination benefits	Total expenses
	\$000	\$000	\$000	\$000	\$000
Commissioner	397	9	35	-	441

2019-20

Position	Short term employee expenses	Long term employee expenses	Post employment expenses	Termination benefits	Total expenses
	\$000	\$000	\$000	\$000	\$000
Commissioner (from 2 September 2019)	336	8	30	-	374
Commissioner (to 1 September 2019)	343	4	6	-	353

Performance payments

No performance payments are available or made to any key management personnel.

Notes to the Financial Statements

For the year ended 30 June 2021

Note 17 – Related party transactions

The Commission did not transact with any people or entities related to its key management personnel during the year.

Note 18 – Impact of COVID-19 on the Commission

During the previous financial year, 2019-20, the novel coronavirus (COVID-19) pandemic caused significant volatility and disruption to the Australian and Queensland economies and the ability of organisations to operate.

During the 2020-21 year, the Commission continued to balance its business continuity with community needs whilst adhering to all bio-security restrictions and public health directives issued by the Australian and Queensland Governments. The easing of these restrictions during the September 2020 quarter allowed the Commission to resume travel to our communities with the permission of the relevant Councils and Local Commissioners, whilst recommended hygiene practices and appropriate distancing measures were complied with.

The Commission regularly monitored restrictions during the year and when required suspended travel to the relevant locations. Where travel was suspended, the Commission maintained its focus on ensuring that operations continued in our communities in order to meet our obligations to the children and vulnerable people residing there. In this situation, conferencing was conducted by the Cairns Registry through the use of remote technology linking Local Commissioners sitting in conference with members of the Cairns Registry team and the Commissioner or Deputy Commissioner. For the most part, travel to the Commission's communities was possible during the year. Measures implemented in the prior year in all registry offices to support social distancing including working from home (where considered necessary) and enhanced hygiene have continued throughout the 2020-21 year. Staff were instructed to undergo COVID testing when experiencing COVID related symptoms, and not return to the workplace prior to receiving a negative result.

Whilst the COVID-19 pandemic continues to challenge our operating model, with some logistical changes we have been able to continue to meet our obligations. Additional expenses have been incurred in relation to the Commission's COVID-19 response however these are somewhat offset by reduced expenditure in other areas. Overall, the Commission's financial result has not been significantly impacted by COVID-19.

Management Certificate of the Family Responsibilities Commission

These general purpose financial statements have been prepared pursuant to section 62(1) of the *Financial Accountability Act 2009* (the Act), section 39 of the *Financial and Performance Management Standard 2019* and other prescribed requirements. In accordance with section 62 (1) (b) of the Act we certify that in our opinion:

- (a) the prescribed requirements for establishing and keeping the accounts have been complied with in all material respects; and
- (b) the financial statements have been drawn up to present a true and fair view, in accordance with prescribed accounting standards, of the transactions of the Family Responsibilities Commission for the financial year ended 30 June 2021 and of the financial position of the Commission at the end of that year.

We acknowledge responsibility under s.7 and s.11 of the *Financial and Performance Management Standard 2019* for the establishment and maintenance, in all material respects, of an appropriate and effective system of internal controls and risk management processes with respect to financial reporting throughout the reporting period.



Tammy Naomi Williams
Commissioner
Family Responsibilities Commission



Tracey Leigh Paterson CA
Executive Officer (Finance)
Family Responsibilities Commission

Date: 17 August 2021

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INDEPENDENT AUDITOR'S REPORT

To the Commissioner of Family Responsibilities Commission

Report on the audit of the financial report

Opinion

I have audited the accompanying financial report of Family Responsibilities Commission.

In my opinion, the financial report:

- a) gives a true and fair view of the entity's financial position as at 30 June 2021, and its financial performance and cash flows for the year then ended; and
- b) complies with the *Financial Accountability Act 2009*, the Financial and Performance Management Standard 2019 and Australian Accounting Standards – Reduced Disclosure Requirements.

The financial report comprises the statement of financial position as at 30 June 2021, the statement of comprehensive income, statement of changes in equity, statement of cash flows for the year then ended, notes to the financial statements including summaries of significant accounting policies and other explanatory information, and the management certificate.

Basis for opinion

I conducted my audit in accordance with the *Auditor-General Auditing Standards*, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report.

I am independent of the entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code and the *Auditor-General Auditing Standards*.

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

Emphasis of matter - Material uncertainty related to going concern

I draw attention to Note 1(i) of the financial report, which indicates that funding for the Commission beyond 30 June 2022 and later years is uncertain. These circumstances, along with other matters as set forth in Note 1(i), indicate that a material uncertainty exists that may cast significant doubt on the Commission's ability to continue as a going concern. My opinion is not modified in respect of this matter.

Responsibilities of the entity for the financial report

The Commissioner is responsible for the preparation of the financial report that gives a true and fair view in accordance with the *Financial Accountability Act 2009*, the Financial and Performance Management Standard 2019 and Australian Accounting Standards – Reduced Disclosure Requirements, and for such internal control as the Commissioner determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

The Commissioner is also responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless it is intended to abolish the entity or to otherwise cease operations.

Auditor's responsibilities for the audit of the financial report

My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. This is not done for the purpose of expressing an opinion on the effectiveness of the entity's internal controls, but allows me to express an opinion on compliance with prescribed requirements.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the entity.
- Conclude on the appropriateness of the entity's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. I base my conclusions on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Commissioner regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Statement

In accordance with s.40 of the *Auditor-General Act 2009*, for the year ended 30 June 2021:

- a) I received all the information and explanations I required.
- b) I consider that, the prescribed requirements in relation to the establishment and keeping of accounts were complied with in all material respects.

Prescribed requirements scope

The prescribed requirements for the establishment and keeping of accounts are contained in the *Financial Accountability Act 2009*, any other Act and the Financial and Performance Management Standard 2019. The applicable requirements include those for keeping financial records that correctly record and explain the entity's transactions and account balances to enable the preparation of a true and fair financial report.



Carolyn Dougherty
as delegate of the Auditor-General

19 August 2021

Queensland Audit Office
Brisbane