

Institute of Public Administration Australia (ACT) Limited

ABN 24656727375

Financial Statements

for the Year ended 30 June 2023

Contents to annual report

For the Year Ended 30 June 2023

	Pages
Directors' report	1-6
Financial statements	
Statement of profit or loss	7
Statement of financial position	8
Statement of changes in equity	9
Statement of cash flows	10
Notes to the financial statements	11-24
Directors' declaration	25
Independent auditor's report	26

Directors' Report

For the Year ended 30 June 2023

Your directors submit their report for the year ended 30 June 2023.

Directors

The names and details of the entity's directors in office during the financial year and until the date of this report are set out below. Directors were in office for this entire period unless otherwise stated.

Katherine Jones

Michael Manthorpe

David Hazlehurst

Barry Mewett

Cath Ingram

Cheryl-anne Moy Resigned: 31 December 2022

Letitia Hope Appointed: 30 December 2022

Katherine Grace Leigh Appointed: 30 December 2022

Summary

IPAA is the professional body focused on the promotion of excellence and professionalism in public administration. A non-profit and non-partisan organisation that works in partnership with the public sector, the private sector, academia and other institutions, to provide a platform for debate and discussion about improving and striving for excellence in public administration in Australia. IPAA ACT is a company limited by guarantee governed by a constitution.

Principal activities

During the year, the principal activities of the entity were to supply members with activities focused on the promotion of excellence and professionalism in public administration. Such activities included events, capability programs and digital products. There have been no significant changes in the nature of these activities during the year.

Short-term objectives

The entity's short-term objectives are to:

- advance the practice of public administration by:
 - (a) connecting a trusted public service
 - (b) promoting a spirit of service
 - (c) strengthening capability and professionalism

Long-term objectives

The entity's long-term objectives are to:

- extend reach and engagement - build partnerships across the public, private and academic sectors and with other IPAA divisions.
- strive for continuous improvement of offerings to maintain meaningful value for members.

Directors' Report

For the Year ended 30 June 2023 (continued)

Strategy for achieving short and long-term objectives

To achieve these objectives, the entity has adopted key initiatives including:

- the organisation of meetings for members devoted to the discussion of topical issues in the field of public administration;
- the organisation of public conferences and seminars;
- the bestowal of awards to public sector organisations for excellence in performance;
- the organisation of meetings for members devoted to the discussion of topical issues in the field of public administration;
- the bestowal of awards recognising individual contributions to the study and practice of public administration;
- the publication of a journal, newsletter and other works devoted to public administration.

How activities assisted in achieving the entity's objectives

These activities have achieved the objectives by:

- providing a platform for discussion, debate and collaboration on the challenges and opportunities facing public administration.
- promoting the importance, value and profession of contemporary public service.
- enhancing knowledge, skills and embed professionalism of the public sector.

Measuring performance

The entity measures its performance by:

- financial performance
- renewal and growth of membership numbers
- operational plan deliverables
- member survey results

Responsible Entities' meetings

The number of meetings of the board of directors held during the year and each director's attendance at those meetings.

Director	Number eligible to attend	Number attended
Katherine Jones	6	6
Michael Manthorpe	6	6
Barry Mewett	6	6
Cath Ingram	6	5
Cheryl-anne Moy	3	2
Letita Hope	3	2
Kathy Leigh	3	3

Directors' Report

For the Year ended 30 June 2023 (continued)

Contribution in winding up

The entity is incorporated under the Corporations Act 2001 and is a Company limited by guarantee. If the entity is wound up, the constitution states that each member is required to contribute a maximum \$10 each towards meeting any outstanding obligations of the entity. At 30 June 2023 the total amount that members of the entity are liable to contribute if the entity wound up is \$2,730.

Responsible Entities details

The following persons were Responsible Entities of IPAA ACT during or since the end of the financial year.

Katherine Jones PSM

President and Chair of IPAA ACT Board appointed 4/5/2022.

Katherine serves as the Secretary of the Attorney-General's Department since August 2021. Previously, she was the Associate Secretary at the Department of Defence starting in June 2020. Her roles involved overseeing various aspects, including Chief Information Officer, Chief Finance Officer, and Defense enterprise planning. Katherine also held a senior position in the Department of Finance and received a Public Service Medal in 2017 for her contributions to national security. She has academic qualifications in arts and law and a background in educational publishing before joining the public service in 1999.

Michael Manthorpe PSM FIPPA

Deputy President of IPAA ACT appointed 18/3/2019.

Michael, a retired public servant with 37 years of experience, is now an independent consultant in public administration. He specializes in policy, strategy, and organizational review, focusing on complex policy and program design and delivery. He served as the Commonwealth Ombudsman from 2017-21, overseeing the APS and various entities, requiring excellent stakeholder engagement skills and integrity. Throughout his career, he led significant reforms in areas such as workplace relations, education, and immigration.

David Hazlehurst

Deputy President of IPAA ACT Board appointed 3/5/2021.

David Hazlehurst is a senior public servant in Australia who has been involved in various digital transformation and innovation initiatives. He is currently the Deputy Secretary of the program and service delivery group at the Department of Industry, Innovation and Science. He has also been the interim head of the Digital Transformation Office, the chair of the Australian Public Service Innovation Champions Group³, and the leader of the secretariate team for the myGov user audit panel. He has a 30-year career in the Australian Public Service and has worked in various departments such as Prime Minister and Cabinet, Agriculture, Fisheries and Forestry, and Finance. He is also the chief financial officer of LIC, a farmer-owned co-operative that provides genetics and information to dairy farmers.

Directors' Report

For the Year ended 30 June 2023 (continued)

Barry Mewett FIPPA FCPA

Director of IPAA ACT Board appointed 22/3/2019.

Barry is a Fellow of the CPA's and Fellow of IPAA. He has experience with the South Australian Government for some 25 years, with KPMG as a Partner for some 15 years and with the University of Canberra for some 12 years as a Council Member and Chair of a University owned Company providing transitional education.

He has Chaired the Audit and Risk Committee of the University and been a Member of the Finance Committee. He has been Treasurer of various not for profit organisations and sat on finance audit committees for sporting bodies, such as cricket and swimming. Barry is currently a member of the Ethical investments and Management Committee for the Uniting Church , NSW and ACT Synods.

Cath Ingram FIPPA

Director of IPAA ACT Board and Chair of the Finance Risk and Audit Committee appointed 20/10/2019.

Cath has a Bachelor of Arts in Accounting and is a Chartered Accountant with over 37 years' experience in the public and private sector, where she was a Registered Company Auditor for over 20 years. She was a Senior Partner and Office Chair of a national professional services firm, specialising in governance, risk, and assurance with a particular focus on complex program reform and complex IT implementation. Cath is a Chair and Independent member of several Australian Government Audit Committees, member of ANU Foundation and ACT CEW Chapter Chair.

Cheryl-anne Moy

Director of IPAA ACT from 12/10/2021 - 30/12/2022.

Cheryl-anne transitioned from a successful banking and finance career to public service. With Senior Executive roles in various government departments, she's managed diverse APS programs like Regional Processing and Ministerial Entitlements. As the former Chief Operating Officer of the Department of Home Affairs, she oversaw corporate functions and the Australian Border Force. Cheryl-anne holds a Master of Public Administration, is a Graduate of the Australian Institute of Company Directors, In her most recent position as Deputy Secretary, Immigration and Settlement Services, she managed immigration and refugee policy, service delivery, and transformation.

Letita Hope

Director of IPAA ACT appointed 30/12/2022.

Letitia is Deputy Secretary at the Department of Social Services where she leads the Families and Communities Stream. Prior to this she was the Deputy Chief Executive Officer for the Policy and Programs portfolio for the National Indigenous Australians Agency. Letitia has a wide and varied career with 30 years' experience working across Commonwealth and State governments where she has driven many key national service delivery response and strategic policy approaches including: 2019 Summer Bush Fires response, The National COVID-19 response, and The Voice co-design Process to name a few. Letitia is a council member of the APS Deputy Secretary Talent Council, an inaugural member of the Australian Public Service Academy Faculty and a board and council member of IPAA ACT.

Directors' Report

For the Year ended 30 June 2023 (continued)

Katherine Grace Leigh

Director of IPAA ACT appointed 30/12/2022.

Kathy is the Director-General of the ACT Chief Minister, Treasury, and Economic Development Directorate, serving as Head of the ACT Public Service. She offers strategic counsel to the ACT Chief Minister and Cabinet while leading the Strategic Board of Directors-General. Prior to her current role, she was Director-General of the ACT Justice and Community Safety Directorate, advising the Attorney-General on various legal matters. Kathy also held positions in the Commonwealth Attorney-General's Department, working on justice access, human rights, and international law. She has a strong academic background, including a Bachelor of Arts and Laws with Honors from Australian National University, and a Master of International Law from the same institution.

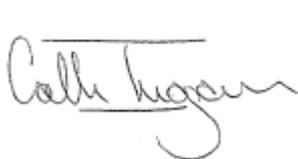
Auditor independence declaration

The lead auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001* for the year ended 30 June 2023 has been received and can be found immediately after the director's report.

Signed in accordance with a resolution of the board of directors.

A handwritten signature in black ink, appearing to be 'Katherine Jones', followed by the date '30/10/23' written in the same ink.

Katherine Jones
President and Chair of the Board

A handwritten signature in black ink, appearing to be 'Cath Ingram', followed by the date '30/10/23' written in the same ink.

Cath Ingram
Director the Finance, Risk and Audit Committee

Directors' Report
For the Year ended 30 June 2023 (continued)

Auditor independence declaration

{The Auditor's declaration will be provided by your Auditor.}

Institute of Public Administration Australia (ACT) Limited
Statement of profit or loss
For the Year Ended 30 June 2023

		2023	2022
		\$	\$
	Notes		
Revenue	3	3,095,912	2,353,271
Operating expenses		(802,068)	(525,494)
Employee benefit expense	4	(1,830,027)	(1,238,275)
Depreciation expense		(46,828)	(39,916)
Digital and ICT expenses		(100,732)	(125,792)
Administrative expenses		(217,093)	(161,401)
IPAA National Secretariat expenses		-	(17,972)
Property related expenses		(27,190)	(39,510)
Right of use asset expenses	10	(82,595)	(87,652)
Motor vehicle expenses		(1,835)	(2,042)
Interest expense		(1,371)	-
(Deficit)/surplus before income tax		(13,827)	115,217
Income tax benefit/(expense)		-	-
(Deficit)/surplus for the year		(13,827)	115,217
Other comprehensive income for the year		-	-
Total comprehensive (loss)/income for the year		(13,827)	115,217

The above statement of profit or loss should be read in conjunction with the accompanying notes.

Institute of Public Administration Australia (ACT) Limited
Statement of financial position
As at 30 June 2023

	Notes	2023 \$	2022 \$
Assets			
Current Assets			
Cash and cash equivalents	5	1,158,374	588,197
Financial assets	6	847,894	1,093,763
Trade and other receivables	7	292,053	42,959
Other assets	8	<u>46,898</u>	<u>31,533</u>
Total Current Assets		<u>2,345,219</u>	<u>1,756,452</u>
Non-current Assets			
Plant and equipment	9	28,883	72,231
Right of use assets	10	<u>6,620</u>	<u>86,112</u>
Total Non-current Assets		<u>35,503</u>	<u>158,343</u>
Total Assets		<u>2,380,722</u>	<u>1,914,795</u>
Liabilities			
Current Liabilities			
Trade and other payables	11	276,007	166,656
Employee benefits	12	49,569	26,246
Other Liabilities	13	1,202,199	764,785
Lease liabilities - Right of use assets	14	<u>7,788</u>	<u>90,335</u>
Total Current Liabilities		<u>1,535,563</u>	<u>1,048,022</u>
Non-current Liabilities			
Lease liabilities - Right of use assets	14	<u>-</u>	<u>7,787</u>
Total non-current Liabilities		<u>-</u>	<u>7,787</u>
Total Liabilities		<u>1,535,563</u>	<u>1,055,809</u>
Net Assets		<u>845,159</u>	<u>858,986</u>
Retained Earnings		<u>845,159</u>	<u>858,986</u>
Total Equity		<u>845,159</u>	<u>858,986</u>

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

Institute of Public Administration Australia (ACT) Limited
Statement of changes in equity
For the Year Ended 30 June 2023

2023

	Retained earnings \$	Total \$
Balance at 1 July 2022	858,986	858,986
Net surplus for the year	<u>(13,827)</u>	<u>(13,827)</u>
Balance at 30 June 2023	<u>845,159</u>	<u>845,159</u>

2022

	Retained earnings \$	Total \$
Balance at 1 July 2021	743,769	743,769
Net surplus for the year	<u>115,217</u>	<u>115,217</u>
Balance at 30 June 2022	<u>858,986</u>	<u>858,986</u>

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

Institute of Public Administration Australia (ACT) Limited
Statement of cash flows
For the Year Ended 30 June 2023

	2023 \$	2022 \$
Notes		
Operating activities		
Receipts from customers	3,275,121	1,895,392
Interest received	9,112	363
Interest paid	(1,371)	-
Finance costs - right of use assets	(3,347)	(8,164)
Payments to suppliers and employees	<u>(2,861,638)</u>	<u>(2,055,595)</u>
Net cash flows from/(used in) operating activities	<u>417,877</u>	<u>(168,004)</u>
Investing activities		
Withdrawal from term deposit	245,869	-
Revaluation adjustments	194	-
Proceeds from sale of property, plant and equipment	-	1,774
Purchase of property, plant and equipment	9 <u>(3,430)</u>	<u>(39,489)</u>
Net cash flows from/(used in) investing activities	<u>242,633</u>	<u>(37,715)</u>
Financing activities		
Payment of lease liabilities	<u>(90,334)</u>	<u>(82,571)</u>
Net cash flows used in financing activities	<u>(90,334)</u>	<u>(82,571)</u>
Net increase/(decrease) in cash and cash equivalents	570,176	(288,290)
Cash and cash equivalents at 1 July	<u>588,197</u>	<u>876,487</u>
Cash and cash equivalents at 30 June	<u>1,158,373</u>	<u>588,197</u>

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

Institute of Public Administration Australia (ACT) Limited

Notes to the financial statements

For the Year Ended 30 June 2023

Note 1. Significant accounting policies

1.1 Basis of preparation

The financial report covers Institute of Public Administration Australia (ACT) Limited as an individual entity. Institute of Public Administration Australia (ACT) Limited is a not-for-profit entity limited by guarantee, incorporated and domiciled in Australia.

The financial statements are presented in Australian dollars except when otherwise indicated.

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards - Simplified Disclosures of the Australian Accounting Standards Board and the *Corporations Act 2001*. The entity is a not-for-profit entity for financial reporting standards under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the Australian Accounting Standards Board has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of the financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for the cash flow information, have been prepared on an accrual basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements are in Australian Dollars and have been rounded to the nearest dollar.

1.2 Accounting Policies

a) Current versus non-current classification

The entity presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments does not affect its classification.

The entity classifies all other liabilities as non-current.

Institute of Public Administration Australia (ACT) Limited
Notes to the financial statements
For the Year Ended 30 June 2023

Note 1. Significant accounting policies (continued)

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

b) Taxes

Current income tax

The entity is exempt from income tax under Division 50 of the Income Tax Assessment Act 1997.

Goods and services tax (GST)

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

- When the GST incurred on a sale or purchase of assets or services is not payable to or recoverable from the taxation authority, in which case the GST is recognised as part of the revenue or the expense item or as part of the cost of acquisition of the asset, as applicable
- When receivables and payables are stated with the amount of GST included

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position. Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

Cash flows are included in the statement of cash flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority is classified as part of operating cash flows.

c) Cash and cash equivalents

Cash and short-term deposits in the statement of financial position comprise cash at banks and on hand and short-term highly liquid deposits with a maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

d) Accounts Receivable and Other Debtors

Accounts receivable and other debtors include amounts due from members as well as amounts receivable from donors. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Accounts receivable are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

Institute of Public Administration Australia (ACT) Limited

Notes to the financial statements

For the Year Ended 30 June 2023

Note 1. Significant accounting policies (continued)

e) Revenue and other Income

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the entity and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

Income from services

Revenue in relation to rendering of services is recognised depending on whether the outcome of the services can be estimated reliably. If the outcome can be estimated reliably then the stage of completion of the services is used to determine the appropriate level of revenue to be recognised in the period. If the outcome cannot be reliably estimated, then revenue is recognised to the extent of expenses recognised that are recoverable.

A receivable will be recognised when the goods are delivered. The entity's right to consideration is deemed unconditional at this time as only the passage of time is required before payment of that consideration is due.

Interest income

Interest is recognised in the statement of comprehensive income using the effective interest method.

Other income

Other income is recognised on an accruals basis when the entity is entitled to it. All revenue is stated net of the amount of goods and services tax.

f) Financial instruments - initial recognition and subsequent measurement

Initial recognition and measurement

Financial instruments are initially measured at fair value, when contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Fair value represents the price that would be received to sell an asset in an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Classification and subsequent measurement

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Association's business model for managing them. All of the Association's other financial instruments are classified and subsequently measured at amortised cost. The Association applies a simplified approach to calculating expected credit losses (ECL's) for financial assets held at amortised cost by recognising a loss allowance based on lifetime ECL's at each reporting date.

Amortised cost is calculated as:

- the amount at which the financial asset or financial liability is measured at initial recognition
- less principal repayments

Institute of Public Administration Australia (ACT) Limited

Notes to the financial statements

For the Year Ended 30 June 2023

Note 1. Significant accounting policies (continued)

- plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the effective interest method less any reduction for impairment.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires, or the asset is transferred to another party whereby the Association no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expired. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed is recognised in profit or loss.

g) Property, plant and equipment

Construction in progress is stated at cost, net of accumulated impairment losses, if any. Plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the entity depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Property, plant and equipment transferred from customers are initially measured at fair value at the date on which control is obtained.

The depreciation rates used for each class of depreciable assets are:

• Office Furniture & Equipment	20 - 33%
• Building Improvement	25 - 30%
• ICT	33 - 50%
• Motor Vehicles	20%

The entity reviews the estimated residual values and expected useful lives of assets at least annually. In particular, the entity considers the impact of health, safety and environmental legislation in its assessment of expected useful lives and estimated residual values.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Institute of Public Administration Australia (ACT) Limited

Notes to the financial statements

For the Year Ended 30 June 2023

Note 1. Significant accounting policies (continued)

h) Impairment of Assets

At the end of each reporting period, the entity reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that an asset may be impaired. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and its value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised in profit or loss.

Where it is not possible to estimate the recoverable amount of an individual asset, the entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Where the future economic benefits of the asset are not primarily dependent upon the asset's ability to generate net cash inflows and when the entity would, if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the depreciated replacement cost of an asset.

Where an impairment loss on a revalued asset is identified, this is recognised against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that class of asset.

i) Leases

The entity assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The entity applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The entity recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(i) Right-of-use assets

The entity recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. The depreciation rate used for the right-of-use assets over the shorter of the lease term and the estimated useful lives of the assets, as follows:

- | | |
|--------------------------------------|----------|
| • Office Furniture & Equipment | 20 - 33% |
| • Motor vehicles and other equipment | 20% |

If ownership of the leased asset transfers to the entity at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section (s) Impairment of non-financial assets.

Institute of Public Administration Australia (ACT) Limited
Notes to the financial statements
For the Year Ended 30 June 2023

Note 1. Significant accounting policies (continued)

(ii) Lease liabilities

At the commencement date of the lease, the entity recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the entity and payments of penalties for terminating the lease, if the lease term reflects the entity exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the entity uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The entity's lease liabilities are included in Interest-bearing loans and borrowings.

j) Provisions

General

Provisions are recognised when the entity has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the entity expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Short-term employee benefits

Provision is made for the entity's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled. The entity's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as part of current accounts payable and other payables in the statement of financial position.

Institute of Public Administration Australia (ACT) Limited

Notes to the financial statements

For the Year Ended 30 June 2023

Note 1. Significant accounting policies (continued)

Other long-term employee benefits

Provision is made for employees' annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures, and are discounted at rates determined by reference to market yields at the end of the reporting period on high quality corporate bonds that have maturity dates that approximate the terms of the obligations. Any remeasurements of obligations for other long-term employee benefits for changes in assumptions are recognised in profit or loss in the periods in which the changes occur.

The entity's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the entity does not have an unconditional right to defer settlement for at least 12 months after the reporting period, in which case the obligations are presented as current provisions.

k) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

l) Key Estimates

The entity assesses impairment at the end of each reporting period by evaluation of conditions and events specific to the entity that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

Note 2. Significant accounting judgements, estimates and assumptions

Judgements

In the process of applying the entity's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

Employee benefits

For the purpose of measurement, AASB 119: Employee Benefits defines obligations for short-term employee benefits as obligations expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service. As the entity expects that all of its employees would use all of their annual leave entitlements earned during a reporting period before 12 months after the end of the reporting period, the entity believes that obligations for annual leave entitlements satisfy the definition of short-term employee benefits and, therefore, can be measured at the (undiscounted) amounts expected to be paid to employees when the obligations are settled.

Performance obligations under AASB 15

To identify a performance obligation under AASB 15, the promise must be sufficiently specific to be able to determine when the obligation is satisfied. Management exercises judgement to determine whether the promise is sufficiently specific by considering any conditions specified in the arrangement, explicit or implicit, regarding the promised goods or services. In making this assessment, management includes the nature/ type, cost/ value, quantity and the period of transfer related to the goods or services promised.

Institute of Public Administration Australia (ACT) Limited
Notes to the financial statements
For the Year Ended 30 June 2023

Note 2. Significant accounting judgements, estimates and assumptions (continued)

Judgements (continued)

Lease term and Option to Extend under AASB 16

The entity determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The options that are reasonably going to be exercised is a key management judgement that the entity will make. The entity determines the likeliness to exercise the options on a lease-by-lease basis looking at various factors such as which assets are strategic, and which are key to future strategy of the entity.

Institute of Public Administration Australia (ACT) Limited
Notes to the financial statements
For the Year Ended 30 June 2023

Note 3.Revenue from contracts with customers

	2023	2022
	\$	\$
Corporate Membership Fees	1,147,656	890,623
Individual Membership Fees	26,962	24,061
Sponsorship	310,334	218,640
Corporate Partnerships	6,819	-
Publications	4,518	3,502
Interest income	9,112	363
Professional development Programs	513,457	483,241
Conference Attendance Fees	239,198	314,179
Other income	609,184	270,112
	<u>228,672</u>	<u>148,550</u>
Total Revenue and Other Income	<u>3,095,912</u>	<u>2,353,271</u>

Note 4.Key Management Personnel Remuneration

	2023	2022
	\$	\$
Key management personnel compensation	<u>274,020</u>	<u>218,003</u>
Total compensation paid to key management personnel	<u>274,020</u>	<u>218,003</u>

Note 5.Cash and Cash Equivalents

	2023	2022
	\$	\$
Cash and cash equivalents	15 <u>1,158,374</u>	<u>588,197</u>

Note 6.Financial Assets

	2023	2022
	\$	\$
Financial assets	15 <u>847,894</u>	<u>1,093,763</u>

Note 7.Trade and Other Receivables

	2023	2022
	\$	\$
Trade receivables	15 <u>292,053</u>	<u>42,959</u>

Institute of Public Administration Australia (ACT) Limited
Notes to the financial statements
For the Year Ended 30 June 2023

Note 8. Other Assets

	2023	2022
	\$	\$
Prepayments	<u>46,898</u>	<u>31,533</u>

Note 9. Property, plant and equipment

	2023	2022
	\$	\$
Office Equipment		
At cost	64,072	60,592
Less: Accumulated Depreciation	<u>(60,409)</u>	<u>(48,519)</u>
Total Office Equipment	<u>3,663</u>	<u>12,073</u>
Leasehold Improvements		
Building Improvements	129,344	129,344
Less: Accumulated Depreciation	<u>(129,217)</u>	<u>(124,347)</u>
Total Leasehold Improvements	<u>127</u>	<u>4,997</u>
Motor Vehicles		
At cost	29,109	29,109
Less: Accumulated Depreciation	<u>(19,794)</u>	<u>(13,972)</u>
Total Motor Vehicles	<u>9,315</u>	<u>15,137</u>
Information and Communications Technology (ICT)		
At cost	67,243	67,243
Less: Accumulated Depreciation	<u>(51,465)</u>	<u>(27,219)</u>
Total ICT	<u>15,778</u>	<u>40,024</u>
Total Plant and Equipment	<u><u>28,883</u></u>	<u><u>72,231</u></u>

(a) Movements in Carrying Amounts

Movement in the carrying amounts for each class of plant and equipment between the beginning and the end of the current financial year.

	Office Furniture & Equipment \$	ICT \$	Motor Vehicles \$	Leasehold Improvements \$	Total \$
Year ended 30 June 2022					
Balance at the beginning of the year	12,073	40,024	15,137	4,997	72,231
Additions	3,480	-	-	-	3,480
Depreciation	<u>(11,890)</u>	<u>(24,246)</u>	<u>(5,822)</u>	<u>(4,870)</u>	<u>(46,828)</u>
At 30 June 2023	<u><u>3,663</u></u>	<u><u>15,778</u></u>	<u><u>9,315</u></u>	<u><u>127</u></u>	<u><u>28,883</u></u>

Institute of Public Administration Australia (ACT) Limited
Notes to the financial statements
For the Year Ended 30 June 2023

Note 10. Right of Use Assets

The entity's lease portfolio includes leasehold buildings. This lease has a lease term of 5 years to 19 August 2023.

After 19 August 2023, the lease then transitions to a month-to-month lease. A new lease on the same building is due to commence from 22 November 2023 with a lease term of 2 years.

The option to extend or terminate are contained in the property leases of the entity. These clauses provide the entity opportunities to manage leases in order to align with its strategies. All of the extension or termination options are only exercisable by the entity. The extension options or termination options which were probable to be exercised have been included in the calculation of the Right of use asset.

This lease is measured at cost in accordance with the entity's accounting policy as outlined in Note 1.

AASB 16 related amounts recognised in balance sheet

	2023	2022
	\$	\$
Right of Use Assets		
Leased Premises	324,386	324,575
Less: Accumulated Depreciation	<u>(317,766)</u>	<u>(238,463)</u>
Total Right of Use Asset	<u>6,620</u>	<u>86,112</u>
Opening Net Carrying Amount	86,112	165,600
Revaluation adjustment	(51)	-
Depreciation Expense	<u>(79,441)</u>	<u>(79,488)</u>
Net Carrying Amount	<u>6,620</u>	<u>86,112</u>

AASB 16 related amounts recognised in the statement of profit or loss

	2023	2022
	\$	\$
Revaluation adjustment	(194)	-
Finance costs	3,347	8,164
Depreciation - right of use assets	<u>79,442</u>	<u>79,488</u>
	<u>82,595</u>	<u>87,652</u>

Note 11. Trade and Other Payables

	2023	2022
	\$	\$
Trade creditors	37,654	31,771
Accrued liabilities	10,000	8,699
Payroll liabilities	72,993	72,894
GST payable	<u>155,360</u>	<u>53,292</u>
	<u>276,007</u>	<u>166,656</u>

Institute of Public Administration Australia (ACT) Limited
Notes to the financial statements
For the Year Ended 30 June 2023

Note 11. Trade and Other Payables (continued)

Financial liabilities at amortised cost classified as trade and other payables

	Notes	2023 \$	2022 \$
Financial liabilities as trade and other payables	15	<u>37,654</u>	<u>31,771</u>

Note 12. Employee Benefits

	2023 \$	2022 \$
CURRENT		
Provision for Annual Leave	<u>49,569</u>	<u>26,246</u>

Employee provisions represent amounts accrued for annual leave and long service leave.

The current portion for this provision includes the total amount accrued for annual leave entitlements and the amounts accrued for long service leave entitlements that have vested due to employees having completed the required period of service. Based on past experience, the entity does not expect the full amount of annual leave or long service leave balances classified as current liabilities to be settled within the next 12 months. However, these amounts must be classified as current liabilities since the entity does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement.

Note 13. Other Liabilities

	2023 \$	2022 \$
Income received in advance	166,050	52,773
Memberships in advance	886,749	712,012
Sponsorships in advance	35,000	-
Partnerships in Advance	<u>114,400</u>	<u>-</u>
	<u>1,202,199</u>	<u>764,785</u>

Note 14. Lease Liabilities

	2023 \$	2022 \$
CURRENT		
Lease liability - Right of use asset	<u>7,788</u>	<u>90,335</u>
NON-CURRENT		
Lease liability - Right of use asset	<u>-</u>	<u>7,787</u>

Institute of Public Administration Australia (ACT) Limited

Notes to the financial statements

For the Year Ended 30 June 2023

Note 15. Capital management

The entity's financial instruments consist mainly of deposits with banks, short-term and long-term investments, accounts receivable and payable and lease liabilities.

The totals for each category of financial instruments, measured in accordance with AASB 9: Financial Instruments as detailed in the accounting policies to these financial statements, are as follows:

	Notes	2023 \$	2022 \$
Financial assets			
Cash and cash equivalents	5	1,158,374	588,197
Term deposit	6	847,894	1,093,763
Trade receivables	7	<u>292,053</u>	<u>42,959</u>
Total financial assets		<u>2,298,321</u>	<u>1,724,919</u>
Financial liabilities			
Trade payables	11	<u>37,654</u>	<u>31,771</u>
Total financial liabilities		<u>37,654</u>	<u>31,771</u>

Note 16. Auditor Remuneration

	2023 \$	2022 \$
Auditing the financial statements	<u>10,000</u>	<u>9,570</u>
Total Auditor Remuneration	<u>10,000</u>	<u>9,570</u>

Note 17. Related party disclosures

The entity's related parties include members from the Institute of Public Administration Australia - National Council.

Members of National Council

Members of National Council provide their services in a voluntary capacity. They receive no remuneration or retirement benefits. They are reimbursed for their out of pocket travel and related expenses.

Other related parties include family members of key management personnel. Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

During the year, the partner of a key management personnel was engaged for two IPAA ACT programs for a total of \$5,456.

Note 18. Events after the reporting period

The directors are not aware of any significant events since the end of the reporting period ending 30 June 2023.

Institute of Public Administration Australia (ACT) Limited
Notes to the financial statements
For the Year Ended 30 June 2023

Note 19. Statutory Information

The registered office and principal place of business of the entity is:
Institute of Public Administration Australia (ACT) Limited
Unit 4A, 16 National Circuit
Barton ACT 2600

Note 20. Member's guarantee

The entity is incorporated under the Corporations Act 2001 and is a Company limited by guarantee. If the entity is wound up, the constitution states that each member is required to contribute a maximum \$10 each towards meeting any outstanding obligations of the entity. At 30 June 2023 the total amount that members of the entity are liable to contribute if the entity wound up is \$2,730.

Directors' declaration

In accordance with a resolution of the directors of Institute of Public Administration Australia (ACT) Limited, we state that:

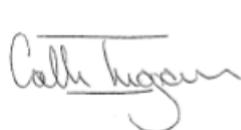
1. In the opinion of the directors:
 - (a) the financial statements and notes of Institute of Public Administration Australia (ACT) Limited for the financial year ended 30 June 2023 are in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2023 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards - Simplified Disclosure Requirements and the *Corporations Regulations 2001*;
 - (b) there are reasonable grounds to believe that the entity will be able to pay its debts as and when they become due and payable.
2. This declaration has been made after receiving the declarations required to be made to the directors by the chief executive officer and chief financial officer in accordance with section 295A of the *Corporations Act 2001* for the financial year ended 30 June 2023.

On behalf of the board



30/10/23

Katherine Jones
President and Chair of the Board



30/10/23

Cath Ingram
Director the Finance, Risk and Audit Committee

Independent auditor's report to the members of Institute of Public Administration Australia (ACT) Limited

{The Auditor's report will be provided by your Auditor.}