

PARTY

Financial statements



INDEPENDENT AUDITOR'S REPORT

To the Attorney-General

Scope

I have audited the accompanying financial statements of Attorney-General's Department for the year ended 30 June 2009, which comprise: a Statement by the Secretary and Chief Financial Officer; Income Statement; Balance Sheet; Statement of Changes in Equity; Cash Flow Statement; Schedule of Commitments; Schedule of Contingencies; Schedule of Administered Items and Notes to and forming part of the Financial Statements, including a Summary of Significant Accounting Policies.

The Responsibility of the Chief Executive for the Financial Statements

The Department's Secretary is responsible for the preparation and fair presentation of the financial statements in accordance with the Finance Minister's Orders made under the *Financial Management and Accountability Act 1997*, including the Australian Accounting Standards (which include the Australian Accounting Interpretations). This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

My responsibility is to express an opinion on the financial statements based on my audit. I have conducted my audit in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards. These auditing standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Department's preparation and fair presentation of

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

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

Independence

In conducting the audit, I have followed the independence requirements of the Australian National Audit Office, which incorporate the requirements of the Australian accounting profession.

Auditor's Opinion

In my opinion, the financial statements of the Attorney-General's Department:

- (a) have been prepared in accordance with the Finance Minister's Orders made under the *Financial Management and Accountability Act 1997*, including the Australian Accounting Standards; and
- (b) give a true and fair view of the matters required by the Finance Minister's Orders including the Attorney-General's Department's financial position as at 30 June 2009 and its financial performance and cash flows for the year then ended.

Australian National Audit Office



Simon Kidman
Executive Director

Delegate of the Auditor-General

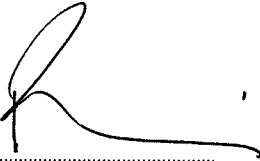
Canberra

28 August 2009

FINANCIAL STATEMENTS

ATTORNEY-GENERAL'S DEPARTMENT STATEMENT BY THE CHIEF EXECUTIVE AND CHIEF FINANCE OFFICER

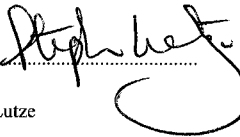
In our opinion, the attached financial statements for the year ended 30 June 2009 have been prepared based on properly maintained financial records and give a true and fair view of the matters required by the Finance Minister's Orders made under the *Financial Management and Accountability Act 1997* as amended.

Signed.....

Roger Wilkins

Chief Executive

27 August 2009

Signed.....

Stephen Lutze

Chief Finance Officer

27 August 2009

INCOME STATEMENT for Attorney-General's Department
for the period ended 30 June 2009

| | Notes | 2009 \$'000 | 2008 \$'000 |
|--|-------|----------------|-----------------|
| INCOME | | | |
| Revenue | | | |
| Revenue from Government | 3A | 233,507 | 216,933 |
| Sale of goods and rendering of services | 3B | 21,722 | 19,872 |
| Interest | 3C | 1 | 1 |
| Total revenue | | <u>255,230</u> | <u>236,806</u> |
| Gains | | | |
| Other gains | 3D | 347 | 415 |
| Total income | | <u>255,577</u> | <u>237,221</u> |
| EXPENSES | | | |
| Employee benefits | 4A | 154,671 | 139,972 |
| Suppliers | 4B | 85,220 | 91,624 |
| Depreciation and amortisation | 4C | 15,839 | 13,182 |
| Finance costs | 4D | 804 | 540 |
| Write-down and impairment of assets | 4E | 784 | 4,737 |
| Other expenses | 4F | 8 | 421 |
| Total expenses | | <u>257,326</u> | <u>250,476</u> |
| Deficit attributable to the Australian Government | | <u>(1,749)</u> | <u>(13,255)</u> |

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

FINANCIAL STATEMENTS

BALANCE SHEET for Attorney-General's Department as at 30 June 2009

| | Notes | 2009 \$'000 | 2008 \$'000 |
|---|-------|-----------------------|-----------------------|
| ASSETS | | | |
| Financial assets | | | |
| Cash and cash equivalents | 5A | 1,131 | 1,293 |
| Trade and other receivables | 5B | <u>148,604</u> | <u>158,985</u> |
| Total financial assets | | <u>149,735</u> | <u>160,278</u> |
| Non-financial assets | | | |
| Land and buildings | 6A | 60,249 | 31,150 |
| Property, plant and equipment | 6B,C | 23,979 | 19,777 |
| Intangibles | 6D | 11,387 | 5,877 |
| Inventories | 6E | 78 | 103 |
| Other non-financial assets | 6F | <u>924</u> | <u>1,269</u> |
| Total non-financial assets | | <u>96,617</u> | <u>58,176</u> |
| Total assets | | <u>246,352</u> | <u>218,454</u> |
| LIABILITIES | | | |
| Payables | | | |
| Suppliers | 7A | 17,670 | 16,160 |
| Other payables | 7B | <u>13,152</u> | <u>9,060</u> |
| Total payables | | <u>30,822</u> | <u>25,220</u> |
| Interest bearing liabilities | | | |
| Leases | 8A | 6,287 | 8,397 |
| Other interest bearing liabilities | 8B | <u>1,949</u> | <u>132</u> |
| Total interest bearing liabilities | | <u>8,236</u> | <u>8,529</u> |
| Provisions | | | |
| Employee provisions | 9A | 38,665 | 35,517 |
| Other provisions | 9B | <u>566</u> | <u>1,160</u> |
| Total provisions | | <u>39,231</u> | <u>36,677</u> |
| Total liabilities | | <u>78,289</u> | <u>70,426</u> |
| Net assets | | <u>168,063</u> | <u>148,028</u> |
| EQUITY | | | |
| Parent entity interest | | | |
| Contributed equity | | 129,274 | 110,991 |
| Reserves | | 19,124 | 16,077 |
| Retained surplus | | <u>19,665</u> | <u>20,960</u> |
| Total Equity | | <u>168,063</u> | <u>148,028</u> |
| Current assets | | 150,737 | 161,650 |
| Non-current assets | | 95,615 | 56,804 |
| Current liabilities | | 65,542 | 59,346 |
| Non-current liabilities | | 12,747 | 11,080 |

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

STATEMENT OF CHANGES IN EQUITY for Attorney-General's Department
as at 30 June 2009

| | Retained earnings | | Asset revaluation reserves | | Contributed equity/capital | | Total equity | |
|---|-------------------|-----------------|----------------------------|----------------|----------------------------|----------------|----------------|-----------------|
| | 2009 \$'000 | 2008 \$'000 | 2009 \$'000 | 2008 \$'000 | 2009 \$'000 | 2008 \$'000 | 2009 \$'000 | 2008 \$'000 |
| Opening balance | | | | | | | | |
| Balance carried forward from previous period | 20,960 | 40,454 | 16,077 | 16,077 | 110,991 | 72,678 | 148,028 | 129,209 |
| Adjustment in accordance with determination to amend reduction of appropriations upon request (No. 1 of 2008-2009) ¹ | 454 | - | - | - | - | - | 454 | - |
| Adjustment for POCA funding | - | (6,239) | - | - | - | - | - | (6,239) |
| Adjusted opening balance | 21,414 | 34,215 | 16,077 | 16,077 | 110,991 | 72,678 | 148,482 | 122,970 |
| Income and expenses | | | | | | | | |
| Revaluation adjustment | - | - | 3,047 | - | - | - | 3,047 | - |
| Deficit for the period | (1,749) | (13,255) | - | - | - | - | (1,749) | (13,255) |
| Total income and expenses | (1,749) | (13,255) | 3,047 | - | - | - | 1,298 | (13,255) |
| Transactions with owners | | | | | | | | |
| Appropriation - equity injection | - | - | - | - | 18,283 | 35,782 | 18,283 | 35,782 |
| Restructuring | - | - | - | - | - | 2,531 | - | 2,531 |
| Sub-total transactions with owners | - | - | - | - | 18,283 | 38,313 | 18,283 | 38,313 |
| Closing balance as at 30 June | 19,665 | 20,960 | 19,124 | 16,077 | 129,274 | 110,991 | 168,063 | 148,028 |

¹ In 2008-09, the Minister for Finance and Deregulation repealed the 2007-08 determination to reduce appropriation by \$1,251,000, and substituted the reduction with a smaller amount of \$797,000, resulting in a balance of \$454,000 being recognised in equity.

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

FINANCIAL STATEMENTS

CASH FLOW STATEMENT for Attorney-General's Department for the period ended 30 June 2009

| | 2009 | 2008 |
|---|------------------|-----------------|
| Notes | \$'000 | \$'000 |
| OPERATING ACTIVITIES | | |
| Cash received | | |
| Goods and services | 24,405 | 16,278 |
| Appropriations | 221,444 | 221,584 |
| Interest | 1 | 1 |
| Total cash received | 245,850 | 237,863 |
| Cash used | | |
| Employees | 151,524 | 133,299 |
| Suppliers | 77,316 | 89,622 |
| Borrowing costs | 804 | 540 |
| Net GST paid | 2,585 | 246 |
| Other cash used | - | 1 |
| Total cash used | 232,229 | 223,708 |
| Net cash from operating activities | 11 13,621 | 14,155 |
| INVESTING ACTIVITIES | | |
| Cash used | | |
| Purchase of land and buildings | 35,270 | 21,663 |
| Purchase of property, plant and equipment | 10,357 | 6,116 |
| Purchase of intangibles | 7,252 | 5,284 |
| Total cash used | 52,879 | 33,063 |
| Net cash used by investing activities | (52,879) | (33,063) |
| FINANCING ACTIVITIES | | |
| Cash received | | |
| Appropriations - contributed equity | 41,206 | 15,730 |
| Cash received - restructuring | - | 4,051 |
| Total cash received | 41,206 | 19,781 |
| Cash used | | |
| Repayment of borrowings | 2,110 | 3,173 |
| Total cash used | 2,110 | 3,173 |
| Net cash from financing activities | 39,096 | 16,608 |
| Net decrease in cash held | (162) | (2,300) |
| Cash and cash equivalents at the beginning of the reporting period | 1,293 | 3,593 |
| Cash and cash equivalents at the end of the reporting period | 5A 1,131 | 1,293 |

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

SCHEDULE OF COMMITMENTS for Attorney-General's Department
as at 30 June 2009

| | 2009 \$'000 | 2008 \$'000 |
|--|----------------|----------------|
| BY TYPE | | |
| COMMITMENTS PAYABLE | | |
| Capital commitments | | |
| Land and buildings ¹ | 4,388 | 25,930 |
| Infrastructure, plant and equipment ² | 9,405 | 10 |
| Total capital commitments | 13,793 | 25,940 |
| Other commitments | | |
| Operating leases ³ | 242,077 | 236,575 |
| Other commitments | 5,593 | 14,031 |
| Total other commitments | 247,670 | 250,606 |
| Less COMMITMENTS RECEIVABLE | | |
| GST recoverable on commitments | 25,033 | 25,084 |
| Total commitments receivable | 25,033 | 25,084 |
| Net commitments by type | 236,430 | 251,462 |
| BY MATURITY | | |
| COMMITMENTS PAYABLE | | |
| Capital commitments | | |
| One year or less | 13,090 | 25,940 |
| From one to five years | 703 | - |
| Total capital commitments | 13,793 | 25,940 |
| Operating lease commitments | | |
| One year or less | 20,493 | 17,019 |
| From one to five years | 71,493 | 66,870 |
| Over five years | 150,091 | 152,686 |
| Total operating lease commitments | 242,077 | 236,575 |
| Other Commitments | | |
| One year or less | 3,606 | 9,092 |
| From one to five years | 1,807 | 4,875 |
| Over five years | 180 | 64 |
| Total other commitments | 5,593 | 14,031 |
| Less COMMITMENTS RECEIVABLE | | |
| Other commitments receivable | | |
| One year or less | 3,326 | 4,675 |
| From one to five years | 6,728 | 6,523 |
| Over five years | 14,979 | 13,886 |
| Total other commitments receivable | 25,033 | 25,084 |
| Net commitments by maturity | 236,430 | 251,462 |

NB: Commitments are GST inclusive where relevant.

¹ Outstanding contractual payments for fitout under construction.

² Plant and equipment commitments are primarily contracts for the development of a personal property securities register.

³ Operating leases included are effectively non-cancellable and comprise:

| Nature of lease | General description of leasing arrangement |
|--|--|
| Leases for office accommodation. | Each lease is individual and may be subject to an automatic percentage increase depending on the terms of the agreement. The period of office accommodation leases are current and may be renewed subject to negotiation. |
| Agreements for the provision of motor vehicles to senior executive officers. | There are no renewal or purchase options available to the Department. |

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

SCHEDULE OF CONTINGENCIES for Attorney-General's Department
as at 30 June 2009

| Contingent Assets | Guarantees | | Indemnities | | Claims for damages or costs | | TOTAL | |
|--|------------|--------|-------------|--------|-----------------------------|--------|--------|--------|
| | 2009 | 2008 | 2009 | 2008 | 2009 | 2008 | 2009 | 2008 |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Balance from previous period | - | - | - | - | - | 150 | - | 150 |
| New | - | - | - | - | - | - | - | - |
| Re-measurement | - | - | - | - | - | (150) | - | (150) |
| Assets recognised | - | - | - | - | - | - | - | - |
| Expired | - | - | - | - | - | - | - | - |
| Total Contingent Assets | - | - | - | - | - | - | - | - |
| Contingent Liabilities | | | | | | | | |
| Contingent Liabilities | Guarantees | | Indemnities | | Claims for damages or costs | | TOTAL | |
| | 2009 | 2008 | 2009 | 2008 | 2009 | 2008 | 2009 | 2008 |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Balance from previous period | - | - | - | - | - | 17 | - | 17 |
| New | - | - | - | - | - | - | - | - |
| Re-measurement | - | - | - | - | - | - | - | - |
| Liabilities recognised | - | - | - | - | - | (17) | - | (17) |
| Obligations expired | - | - | - | - | - | - | - | - |
| Total Contingent Liabilities | - | - | - | - | - | - | - | - |
| Net Contingent Assets (Liabilities) | - | - | - | - | - | - | - | - |

Unquantifiable and material contingencies are disclosed in *Note 12: Contingent Assets and Liabilities*.

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

SCHEDULE OF ADMINISTERED ITEMS for Attorney-General's Department

| | Notes | 2009 \$'000 | 2008 \$'000 |
|--|-------|----------------|----------------|
| Income administered on behalf of Government | | | |
| <i>for the period ended 30 June 2009</i> | | | |
| Revenue | | | |
| Taxation revenue | | | |
| Indirect tax | 16J | 1,055 | 398 |
| Other tax | 16K | 1,316 | 598 |
| <i>Total taxation revenue</i> | | <u>2,371</u> | <u>996</u> |
| Non-taxation revenue | | | |
| Dividends | 16A | 2,473 | 5,686 |
| Competitive neutrality | 16B | 5,160 | 5,118 |
| Sale of goods and rendering of services | 16C | 16,809 | 13,656 |
| Fees and fines | 16D | 694 | 274 |
| Interest | 16E | 8,861 | 8,493 |
| Rental income | 16F | 3,230 | 1,585 |
| Royalties | 16G | 3,171 | 651 |
| Other revenue | 16H | 1,421 | 8,085 |
| <i>Total non-taxation revenue</i> | | <u>41,819</u> | <u>43,548</u> |
| Total revenues administered on behalf of Government | | <u>44,190</u> | <u>44,544</u> |
| Gains | | | |
| Other gains | 16I | 3,759 | 8,087 |
| Total income administered on behalf of Government | | <u>47,949</u> | <u>52,631</u> |
| Expenses administered on behalf of Government | | | |
| <i>for the period ended 30 June 2009</i> | | | |
| Employee benefits | 17A | 8,640 | 4,407 |
| Suppliers | 17B | 79,820 | 56,440 |
| Subsidies | 17C | 55,775 | 52,416 |
| Personal benefits | 17D | 55,949 | 56,550 |
| Grants | 17E | 610,835 | 623,768 |
| Write-down and impairment of assets | 17F | 1,307 | 4,035 |
| Depreciation and amortisation | 17G | 17,497 | 10,841 |
| Payments to CAC Act bodies | 17H | 10,856 | - |
| Other expenses | 17I | 6,394 | - |
| Total expenses administered on behalf of Government | | <u>847,073</u> | <u>808,457</u> |

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

FINANCIAL STATEMENTS

SCHEDULE OF ADMINISTERED ITEMS for Attorney-General's Department

| | Notes | 2009 \$'000 | 2008 \$'000 |
|---|-------|----------------|----------------|
| Assets administered on behalf of Government | | | |
| <i>as at 30 June 2009</i> | | | |
| Financial assets | | | |
| Cash and cash equivalents | 18A | 619 | 182 |
| Loans and receivables | 18B | 150,162 | 156,523 |
| Investments | 18C | 349,406 | 350,992 |
| Total financial assets | | 500,187 | 507,697 |
| Non-financial assets | | | |
| Land and buildings | 18D | 110,046 | 111,749 |
| Property, plant and equipment | 18E | 199,180 | 198,233 |
| Inventories | 18F | 2,124 | 2,001 |
| Intangibles | 18G | 1,590 | 1,618 |
| Other non-financial assets | 18H | 55 | 13 |
| Total non-financial assets | | 312,995 | 313,614 |
| Assets held for sale | 18I | - | 6,327 |
| Total assets administered on behalf of Government | | 813,182 | 827,638 |
| Liabilities administered on behalf of Government | | | |
| <i>as at 30 June 2009</i> | | | |
| Payables | | | |
| Suppliers | 19A | 19,241 | 14,621 |
| Personal benefits | 19B | 680,500 | 572,057 |
| Grants and subsidies | 19C | 12,399 | 24,894 |
| Other payables | 19D | 748 | 1,546 |
| Total payables | | 712,888 | 613,118 |
| Provisions | | | |
| Employee provisions | 19E | 1,680 | 1,482 |
| Asbestos removal provision | 19F | 10,230 | 7,162 |
| Phosphate mine rehabilitation provision | 19G | 2,784 | 2,914 |
| Total provisions | | 14,694 | 11,558 |
| Total liabilities administered on behalf of Government | | 727,582 | 624,676 |

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

SCHEDULE OF ADMINISTERED ITEMS for Attorney-General's Department

| | Notes | 2009 \$'000 | 2008 \$'000 |
|---|-------|------------------|------------------|
| Administered cash flows | | | |
| <i>for the period ended 30 June 2009</i> | | | |
| OPERATING ACTIVITIES | | | |
| Cash received | | | |
| Dividends | | 5,436 | 6,766 |
| Net GST received | | 839 | - |
| Competitive neutrality | | 5,160 | 5,200 |
| Sales of goods and rendering of services | | 17,608 | 14,673 |
| Levies, fees, taxes and fines | | 3,065 | 1,271 |
| Interest | | 8,861 | 6,066 |
| Rental income | | 3,230 | 1,585 |
| Royalties | | 3,171 | 651 |
| Other | | 1,666 | 6,611 |
| Total cash received | | 49,036 | 42,823 |
| Cash used | | | |
| Grant payments | | 621,865 | 612,684 |
| Subsidies paid | | 57,240 | 49,853 |
| Personal benefits | | 30,861 | 27,069 |
| Suppliers | | 74,634 | 46,731 |
| Net GST paid | | - | 143 |
| Employees | | 8,442 | 4,409 |
| Payments to CAC Act bodies | | 10,856 | - |
| Total cash used | | 803,898 | 740,889 |
| Net cash flows used by operating activities | | (754,862) | (698,066) |
| INVESTING ACTIVITIES | | | |
| Cash Received | | | |
| Repayments of advances and loans | | 4,145 | 5,367 |
| Proceeds from sale of property, plant and equipment | | 248 | 62 |
| Total cash received | | 4,393 | 5,429 |
| Cash used | | | |
| Purchase of land & buildings | | 1,952 | - |
| Purchase of property, plant and equipment | | 11,757 | 4,102 |
| Purchase of intangibles | | 147 | - |
| Advances and loans made | | 129 | - |
| Total cash used | | 13,985 | 4,102 |
| Net cash flows from (used by) investing activities | | (9,592) | 1,327 |
| FINANCING ACTIVITIES | | | |
| Cash received | | | |
| GST Appropriation cash from Official Public Account | | 21,950 | 26,819 |
| Total cash received | | 21,950 | 26,819 |
| Cash used | | | |
| Cash to Official Public Account | | 22,476 | 26,197 |
| Total cash used | | 22,476 | 26,197 |
| Net cash flows from (used by) financing activities | | (526) | 622 |
| Net decrease in cash held | | (764,980) | (696,117) |
| Cash and cash equivalents at the beginning of the reporting period | | 182 | 63 |
| Cash received - restructuring | | - | 25 |
| Cash from Official Public Account for: | | | |
| -Appropriations | | 805,923 | 745,226 |
| -Appropriations - capital | | 12,787 | 3,736 |
| -Special accounts | | 10,015 | 3,580 |
| -Revenue from CAC entities | | 10,856 | - |
| | | 839,581 | 752,542 |
| Cash to Official Public Account for: | | | |
| - Appropriations | | (67,963) | (51,164) |
| - Special accounts | | (6,201) | (5,167) |
| | | (74,164) | (56,331) |
| Cash and cash equivalents at the end of the reporting period | 18A | 619 | 182 |

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

FINANCIAL STATEMENTS

SCHEDULE OF ADMINISTERED ITEMS for Attorney-General's Department

| | 2009 | 2008 |
|--|-----------------------|-------------------------|
| | \$'000 | \$'000 |
| Administered commitments | | |
| <i>as at 30 June 2009</i> | | |
| BY TYPE | | |
| COMMITMENTS PAYABLE | | |
| Capital commitments | | |
| Infrastructure, plant and equipment ¹ | 31,310 | - |
| Total capital commitments | <u>31,310</u> | <u>-</u> |
| Other commitments ² | | |
| Grants - multi year agreements | 515,111 | 1,341,739 |
| Total other commitments | <u>515,111</u> | <u>1,341,739</u> |
| Less COMMITMENTS RECEIVABLE | | |
| GST recoverable on commitments | 13,107 | 9,875 |
| Total commitments receivable | <u>13,107</u> | <u>9,875</u> |
| Net commitments by type | <u><u>533,314</u></u> | <u><u>1,331,864</u></u> |
| BY MATURITY | | |
| COMMITMENTS PAYABLE | | |
| Capital commitments | | |
| One year or less | 31,250 | - |
| From one to five years | 60 | - |
| Total capital commitments | <u>31,310</u> | <u>-</u> |
| Other commitments | | |
| One year or less | 243,036 | 398,348 |
| From one to five years | 272,075 | 943,391 |
| Total other commitments | <u>515,111</u> | <u>1,341,739</u> |
| Less COMMITMENTS RECEIVABLE | | |
| Other commitments receivable | | |
| One year or less | 8,081 | 8,850 |
| From one to five years | 5,026 | 1,025 |
| Total other commitment receivables | <u>13,107</u> | <u>9,875</u> |
| Net commitments by maturity | <u><u>533,314</u></u> | <u><u>1,331,864</u></u> |

¹Infrastructure, plant and equipment commitments are primarily contracts for the upgrade of airport facilities in the Indian Ocean Territories.

²Other commitments is grant amounts payable under agreements in respect of which the grantee has yet to provide the services required under the agreement.

Elements of these commitments are fully funded in forward estimates.

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

SCHEDULE OF ADMINISTERED ITEMS for Attorney-General's Department

Administered contingencies
as at 30 June 2009

| Administered Contingent Assets | Guarantees | | Indemnities | | Claims for damages or costs | | APEC Assets | | TOTAL | |
|--|----------------|----------------|----------------|----------------|-----------------------------|----------------|----------------|----------------|----------------|----------------|
| | 2009 \$'000 | 2008 \$'000 | 2009 \$'000 | 2008 \$'000 | 2009 \$'000 | 2008 \$'000 | 2009 \$'000 | 2008 \$'000 | 2009 \$'000 | 2008 \$'000 |
| Balance from previous period | - | - | - | - | - | - | - | 10,623 | - | 10,623 |
| New | - | - | - | - | - | - | - | - | - | - |
| Assets held for sale at fair value | - | - | - | - | - | - | - | (8,025) | - | (8,025) |
| Plant and equipment expensed | - | - | - | - | - | - | - | (2,598) | - | (2,598) |
| Total Administered Contingent Assets | - | - | - | - | - | - | - | - | - | - |
| Administered Contingent Liabilities | | | | | | | | | | |
| Balance from previous period | - | - | - | - | - | - | - | - | - | - |
| New | - | - | - | - | - | - | - | - | - | - |
| Re-measurement | - | - | - | - | - | - | - | - | - | - |
| Liabilities recognised | - | - | - | - | - | - | - | - | - | - |
| Obligations expired | - | - | - | - | - | - | - | - | - | - |
| Total Administered Contingent Liabilities | - | - | - | - | - | - | - | - | - | - |
| Net Contingent Assets (Liabilities) | - | - | - | - | - | - | - | - | - | - |

Unquantifiable and material contingencies are disclosed in Note 21: Administered contingent assets and liabilities.

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

FINANCIAL STATEMENTS

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

as at 30 June 2009

| | |
|----------|---|
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Note 1: Summary of Significant Accounting Policies**1.1 Objectives of the Attorney-General's Department**

The Attorney-General's Department (the Department) is the central policy and coordinating element of the Attorney-General's portfolio.

The Department provides expert advice, policy development and program implementation services to the Attorney-General, the Minister for Home Affairs and the Australian Government more broadly under three outcomes:

- Outcome 1: An equitable and accessible system of federal civil justice;
- Outcome 2: Coordinated federal criminal justice, security and emergency management activity, for a safer Australia; and
- Outcome 3: Assisting regions to manage their own futures.

Contributions to Outcome 1

- Output Group 1.1: Family law, federal courts and tribunals, civil procedure and alternative dispute resolution
- Output Group 1.2: Support for the Attorney-General as First Law Officer, constitutional policy, personal insolvency, and international legal services
- Output Group 1.3: Classification, copyright and human rights
- Output Group 1.4: International law
- Output Group 1.5: Legislative instruments
- Output Group 1.6: Native title
- Output Group 1.7: Indigenous law and justice and legal assistance
- Output Group 1.8: Personal property securities

Contributions to Outcome 2

- Output Group 2.1: Criminal justice and crime prevention
- Output Group 2.2: International criminal justice cooperation
- Output Group 2.3: National security and critical infrastructure protection
- Output Group 2.4: National emergency management
- Output Group 2.5: Protective security and national security crises coordination
- Output Group 2.6: AusCheck

Contributions to Outcome 3

- Output Group 3.1: Services to territories
- Output Group 3.2: Natural disaster relief and mitigation

The activities of the Department contributing toward these outcomes are classified as either departmental or administered, with all Administered items and related notes being highlighted in grey.

Departmental activities involve the use of assets, liabilities, revenues and expenses controlled or incurred by the Department in its own right. Administered activities involve the management or oversight by the Department, on behalf of the Government, of items controlled or incurred by the Government.

The continued existence of the Department in its present form and with its present programs is dependent on Government policy and on continuing appropriations by Parliament for the Department's administration and programs.

1.2 Basis of preparation of the financial report

The financial statements are required by section 49 of the *Financial Management and Accountability Act 1997* and are a general purpose financial report.

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

- Finance Minister's Orders for Financial Reporting (FMOs) for reporting periods ending on or after 1 July 2008, and
- Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period including Interpretations issued by the AASB that apply for the reporting period.

The financial report has been prepared on an accrual basis and is in accordance with historical cost convention, except for certain assets at fair value. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position.

The financial report is presented in Australian dollars and values are rounded to the nearest thousand dollars unless otherwise specified.

FINANCIAL STATEMENTS

Note 1: Summary of Significant Accounting Policies

Unless an alternative treatment is specifically required by an Accounting Standard or the FMOs, assets and liabilities are recognised in the balance sheet when and only when it is probable that future economic benefits will flow to the Department, or a future sacrifice of economic benefits will be required, and the amounts of the assets or liabilities can be reliably measured. However, assets and liabilities arising under agreements equally proportionately unperformed are not recognised unless required by an Accounting Standard. Liabilities and assets that are unrealised are reported in the Schedule of Commitments and the Schedule of Contingencies (other than unquantifiable or remote contingencies, which are reported at Note 12).

Unless alternative treatment is specifically required by an Accounting Standard, income and expenses are recognised in the Income Statement when and only when the flow, consumption or loss of economic benefits has occurred and can be reliably measured.

Administered revenues, expenses, assets and liabilities and cash flows reported in the Schedule of Administered Items and related notes are accounted for on the same basis and using the same policies as for departmental items except where otherwise stated at Note 1.21.

1.3 Significant accounting judgements and estimates

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

- the fair value of land and buildings has been taken to be the market value of similar properties. In some instances, the Department's buildings are purpose built and may in fact realise more or less in the market, and
- the fair value of the Department's infrastructure, plant and equipment has been taken to be the market selling price.

- The fair value of land administered on behalf of the Australian Government has been taken to be the market value of similar properties. The fair value of individual land parcels has been considered representative of their existing use and the fundamental assumption that they could be sold on a freehold basis
- the fair value of artwork within the Nolan collection that is either owned or controlled by the Australian Government is determined using indicative market rates, and
- an actuarial assessment was made of the liability in relation to judges' pensions (personal benefits in the Schedule of Administered Items) in accordance with AASB 119.

No accounting assumptions or estimates have been identified that have a significant risk of causing a material adjustment to carrying amounts of assets and liabilities within the next accounting period.

1.4 Statement of compliance

Adoption of new Australian Accounting Standard requirements

No accounting standard has been adopted earlier than the application date as stated in the standard. The following new standards are applicable to the current reporting period:

- AASB 2007-9 *Amendments to Australian Accounting Standards arising from the Review of AASs 27, 29 and 31* relocated a number of paragraphs from AASs 27, 29 and 31 that were substantively unamended into the following existing standards AASB 3, 5, 8, 101, 114, 116, 127, 137.
- AASB1004 *Contributions* also received a number of substantively unamended paragraphs from AASs 27, 29 and 31 following their withdrawal.
- AASB1050 *Administered Items* and AASB1052 *Disaggregated Disclosures* were created and received a number of substantively unamended paragraphs from AASs 27 and 29.

It is not expected that the relocation of AASs 27, 29 and 31 will have a material financial impact but will affect the disclosures presented in future financial reports.

- AASB1051 *Land Under Roads* was created and replaces AASs 27, 29 and 31 in respect of land under roads. The new standard allows entities to recognise or not to recognise as an asset, land under roads acquired before the end of the first reporting period ending on or after 31 December 2007. Attorney-General's Department elects not to recognise land under roads as an asset. The standard also clarifies that the principles in other standards (including AASB 116 *Property, Plant and Equipment*) apply to land under roads, except to the extent that AASB 1051 requires or permits otherwise, including the requirement that land under roads acquired after the end of the first reporting period ending on or after 31 December 2007 is accounted for in accordance with AASB 116. It is not practicable to determine the financial impact this will have for the Department.

Note 1: Summary of Significant Accounting Policies***Future Australian Accounting Standard requirements***

The following new standards, amendments to standards or interpretations have been issued by the Australian Accounting Standards Board but are effective for future reporting periods. It is estimated that the impact of adopting these pronouncements when effective will have no material financial impact on future reporting periods.

AASB 3 *Business Combinations*

AASB 8 *Operating Segments*

AASB 101 *Presentation of Financial Statements*

AASB 123 *Borrowing Costs*

AASB 2007-3 *Amendments to Australian Accounting Standards arising from AASB 8*

AASB 2007-6 *Amendments to Australian Accounting Standards arising from AASB 123*

AASB 2007-8 *Amendments to Australian Accounting Standards arising from AASB 101*

AASB 2008-1 *Amendments to Australian Accounting Standard - Share-based Payments: Vesting Conditions and Cancellations*

AASB 2008-2 *Amendments to Australian Accounting Standards – Puttable Financial Instruments and Obligations arising on Liquidation*

AASB 2008-3 *Amendments to Australian Accounting Standards arising from AASB 3 and AASB 127*

1.5 Changes in accounting policy and correction of errors

In previous years, the Department recognised grant funding received from the Insolvency and Trustee Service Australia (ITSA) under the *Proceeds of Crime Act 2002* (POCA) for Non-Government Organisations (NGO) as Departmental revenue. Following a review of the Department's accounting policy in relation to POCA receipts, it was determined that these receipts are Administered in nature and should be recorded in the "Services on behalf of other Governments and non public bodies" Special Account. Accordingly, the Department has restated its comparatives in the Departmental and Administered financial statements in accordance with AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*.

During 2007-08, the Department received POCA receipts of \$4,000,000 and made related NGO grant payments of \$2,436,959. Respectively, these were recognised as revenue and expense in that financial year.

The Department also received POCA receipts and made payments to NGO in earlier financial years. The opening retained surplus as at 1 July 2007 was restated to reflect those transactions.

Adjustments to the Departmental financial statements for 2007-08 are as follows:

| | 2007-08 Financial statements | 2007-08 Adjustment | 2007-08 Financial statements comparative |
|---|---|-----------------------|---|
| | \$'000 | \$'000 | \$'000 |
| Income Statement | | | |
| • Sale of goods and rendering of services | 23,872 | (4,000) | 19,872 |
| • Suppliers | 94,061 | (2,437) | 91,624 |
| • (Deficit) | (11,692) | (1,563) | (13,255) |
| Balance Sheet | | | |
| • Opening retained surplus | (40,454) | 6,239 | (34,215) |
| • Other payables | 1,258 | 7,802 | 9,060 |
| • Closing retained surplus | (28,762) | 7,802 | (20,960) |
| Cash Flow Statement | | | |
| • Cash received from goods and services | 20,278 | (4,000) | (16,278) |
| • Cash used for suppliers | 93,622 | (4,000) | 89,622 |

FINANCIAL STATEMENTS

Note 1: Summary of Significant Accounting Policies

Adjustments to the Administered financial statements for 2007-08 are as follows:

| | 2007-08 Financial statements \$'000 | 2007-08 Adjustment \$'000 | 2007-08 Financial statements comparative \$'000 |
|--|--|---------------------------------|---|
| Assets administered on behalf of Government | | | |
| • Loans and receivables | 148,721 | 7,802 | 156,523 |

1.6 Transactions with the Government as owner

Equity injections

Amounts appropriated which are designated as 'appropriation - equity injection' for a year (less any formal reductions) are recognised directly in contributed equity in that year.

Restructuring of administrative arrangements

Net assets received from or relinquished to another Australian Government agency or authority under a restructuring of administrative arrangements are adjusted at their book value directly against contributed equity.

Other distributions to owners

The FMOs require that distributions to owners be debited to contributed equity unless in the nature of a dividend.

1.7 Revenue

Revenue from Government

Amounts appropriated for departmental outputs appropriations for the year (adjusted for any formal additions and reductions) are recognised as revenue when the Department gains control of the appropriation, except for appropriations which relate to activities that are reciprocal in nature, in which case revenue is recognised only when it has been earned.

Appropriations receivable are recognised at their nominal amounts.

Other types of revenue

Revenue from the sale of goods is recognised when:

- the risks and rewards of ownership have been transferred to the buyer
- the seller retains no managerial involvement nor effective control over the goods
- the revenue and transaction costs incurred can be reliably measured, and
- it is probable that the economic benefits associated with the transaction will flow to the Department.

Revenue from rendering of services is recognised by reference to the stage of completion of contracts at the reporting date. The revenue is recognised when:

- the amount of revenue, stage of completion and transaction costs incurred can be reliably measured, and
- the probable economic benefits associated with the transaction will flow to the Department.

The stage of completion of contracts at the reporting date is determined by reference to the proportion that costs incurred to date bear to the estimated total costs of the transaction.

Receivables for goods and services, which have 30 day terms, are recognised at the nominal amounts due less any provision for bad and doubtful debts. Collectability of debts is reviewed at balance date. Provisions are made when collectability of the debt is no longer probable.

Interest revenue is recognised using the effective interest method as set out in AASB 139 *Financial Instruments: Recognition and Measurement*.

Note 1: Summary of Significant Accounting Policies**1.8 Gains****Resources received free of charge**

Resources received free of charge are recognised as gains when and only when a fair value can be reliably determined and the services would have been purchased if they had not been donated. Use of those resources is recognised as an expense.

Contributions of assets at no cost of acquisition or for nominal consideration are recognised as gains at their fair value when the asset qualifies for recognition, unless received from another Australian Government agency or authority as a consequence of a restructuring of administrative arrangements (refer to Note 1.6).

Sale of assets

Gains from disposal of non-current assets are recognised when control of the asset has passed to the buyer.

1.9 Employee benefits

Liabilities for services rendered by employees are recognised at the reporting date to the extent that they have not been settled.

Liabilities for 'short-term employee benefits' (as defined in AASB 119) and termination benefits due within twelve months of balance date are measured at their nominal amounts. The nominal amount is calculated with regard to the rates expected to be paid on settlement of the liability.

All other employee benefit liabilities are measured at the present value of the estimated future cash outflows to be made in respect of services provided by employees up to the reporting date.

Leave

The liability for employee benefits includes provision for annual leave and long service leave. No provision has been made for sick leave as all sick leave is non-vesting and the average sick leave taken in future years by employees of the Department is estimated to be less than the annual entitlement for sick leave.

The leave liabilities are calculated on the basis of employees' remuneration, including the Department's employer superannuation contribution rates, to the extent that the leave is likely to be taken during service rather than paid out on termination.

The liability for long service leave has been determined by reference to actuarial advice. The estimate of the present value of the liability takes into account attrition rates and pay increases through promotion and inflation.

Separation and redundancy

The Department recognises a provision for termination when it is demonstrably committed to either:

- (a) terminate the employment of an employee or group of employees before the normal retirement date, or
- (b) provide termination benefits as a result of an offer made in order to encourage voluntary redundancy.

The Department is demonstrably committed when, and only when it has developed a detailed formal plan for the terminations and there is a valid expectation, with the affected employees, that the terminations will occur.

Superannuation

The majority of the staff of the Department are members of the Commonwealth Superannuation Scheme (CSS), the Public Sector Superannuation Scheme (PSS) or the PSS accumulation plan (PSSap). From 1 July 2005, new employees are only eligible to join the PSSap scheme.

The CSS and PSS are defined benefit schemes for the Australian Government. The PSSap is a defined contribution scheme.

The liability for defined benefits is recognised in the financial statements of the Australian Government and is settled by the Australian Government in due course. The liability is reported by the Department of Finance and Deregulation as an administered item.

FINANCIAL STATEMENTS

Note 1: Summary of Significant Accounting Policies

The Department makes employer contributions to the CSS and PSS employee superannuation scheme at rates determined by an actuary to be sufficient to meet the cost to the Government of the superannuation entitlements of the Department's employees. The Department accounts for the contributions as if they were contributions to defined contribution plans.

The liability for superannuation recognised as at 30 June represents outstanding contributions at year end.

1.10 Leases

A distinction is made between finance leases and operating leases. Finance leases effectively transfer from the lessor to the lessee substantially all the risks and rewards incidental to ownership of leased non-current assets. An operating lease is a lease that is not a finance lease. In operating leases the lessor effectively retains substantially all such risks and benefits.

Where a non-current asset is acquired by means of a finance lease, the asset is capitalised at either the fair value of the lease property or, if lower, the present value of minimum lease payments at the inception of the contract and a liability is recognised at the same time and for the same amount.

The discount rate used is the interest rate implicit in the lease. Leased assets are amortised over the period of the lease. Lease payments are allocated between the principal component and the interest expense.

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

1.11 Borrowing costs

All borrowing costs are expensed as incurred.

1.12 Cash

Cash and cash equivalents includes notes and coins held and any deposits in bank accounts with a bank or financial institution. Cash is recognised at its nominal amount.

1.13 Financial assets

The Department classifies its financial assets in the following categories: loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Financial assets are recognised and derecognised at 'trade date'.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, where appropriate, a shorter period.

Income is recognised on an effective interest rate basis except for financial assets 'at fair value through profit or loss'.

Loans and receivables

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. They are included in current assets, except for maturities greater than 12 months after the Balance Sheet date, which are classified as non current assets. Loans and receivables are measured at amortised cost using the effective interest method less impairment.

Interest is recognised by applying the effective interest rate.

Note 1: Summary of Significant Accounting Policies**Impairment of financial assets**

Financial assets are assessed for impairment at each balance date.

Financial assets held at amortised cost - if there is objective evidence that an impairment loss has been incurred for loans and receivables held at amortised cost, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate. The carrying amount is reduced by way of an allowance account. The loss is recognised in the Income Statement.

1.14 Financial liabilities

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities.

Financial liabilities are recognised and derecognised upon 'trade date'.

Other financial liabilities

Other financial liabilities including borrowings, are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments throughout the expected life of the financial liability, or where appropriate, a shorter period.

Supplier and other payables

Supplier and other payables are recognised at amortised cost. Liabilities are recognised to the extent that the goods or services have been received (irrespective of having been invoiced).

1.15 Contingent assets and contingent liabilities

Contingent assets and contingent liabilities are not recognised in the Balance Sheet but are reported in the relevant schedules and notes. They may arise from uncertainty as to the existence of an asset or liability, or represent an existing asset or liability in respect of which settlement is not probable or the amount cannot be reliably measured. Remote contingencies are part of this disclosure. Contingent assets are disclosed when settlement is probable, and contingent liabilities are recognised when settlement is greater than remote.

1.16 Acquisition of assets

Assets are recorded at cost on acquisition except as stated below. The cost of acquisition includes the fair value of assets transferred in exchange and liabilities undertaken. Financial assets are initially measured at their fair value plus transaction costs where appropriate.

Assets acquired at no cost, or for nominal consideration, are initially recognised as assets and revenues at their fair value at the date of acquisition, unless acquired as a consequence of restructuring of administrative arrangements. In the latter case, assets are initially recognised as contributions by owners at the amounts at which they were recognised in the transferor agency's accounts immediately prior to the restructuring.

1.17 Property, plant and equipment**Asset recognition threshold**

Purchases of property, plant and equipment are recognised initially at cost in the Balance Sheet, except for purchases costing less than \$2,000 which are expensed in the year of acquisition (other than where they form part of a group of similar items which are significant in total).

The initial cost of an asset includes an estimate of the 'makegood' cost of dismantling and removing the item and restoring the site on which it is located. This is particularly relevant in property leases taken up by the Department where there exists an obligation to restore the property to its original condition. These costs are included in the value of leasehold improvements with a corresponding provision for the 'makegood' taken up.

FINANCIAL STATEMENTS

Note 1: Summary of Significant Accounting Policies

Revaluations

Fair values for each class of asset are determined as shown below:

| Asset class: | Fair value |
|------------------------------|------------------------------|
| Land | Market selling price |
| Buildings | Market selling price |
| Leasehold improvements | Depreciated replacement cost |
| Property, plant & equipment | Market selling price |
| Heritage and cultural assets | Active liquid market |

Following initial recognition at cost, property, plant and equipment are carried at fair value less accumulated depreciation and accumulated impairment losses. Valuations are conducted with sufficient frequency to ensure that the carrying amounts of assets do not differ materially from the assets' fair values as at the reporting date. The regularity of independent valuations depends upon the volatility of movements in market values for the relevant assets, but usually occurs every three years.

Revaluation adjustments are made on a class basis. Any revaluation increment is credited to equity under the heading of asset revaluation reserve except to the extent that it reverses a previous revaluation decrement of the same asset class that was previously recognised through the income statement. Revaluation decrements for a class of assets are recognised directly through the income statement except to the extent that they reverse a previous revaluation increment for that class.

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the asset restated to the revalued amount.

Depreciation

Depreciable property, plant and equipment assets are written-off to their estimated residual values over their estimated useful lives to the Department using, in all cases, the straight-line method of depreciation. Leasehold improvements are depreciated on a straight-line basis over the lesser of the estimated useful life of the improvements or the unexpired period of the lease. The library assets which have been recognised as heritage assets are not depreciated, and all other library acquisitions are expensed in the year of acquisition.

Depreciation rates (useful lives), residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate. Residual values are re-estimated for a change in price only when assets are revalued.

Depreciation rates applying to each class of depreciable Departmental asset are based on the following useful lives:

| | 2009 | 2008 |
|-------------------------------------|----------------------|---------------|
| Buildings on freehold land | 25-50 years | 25-50 years |
| Leasehold improvements | Lease term | Lease term |
| Infrastructure, plant and equipment | 3 to 10 years | 3 to 10 years |

Depreciation rates applying to each class of depreciable Administered asset are based on the following useful lives:

| | 2009 | 2008 |
|--|------------------------|-----------------|
| Buildings on freehold land | 25-50 years | 25-50 years |
| Leasehold improvements | Lease term | Lease term |
| Infrastructure, plant and equipment | up to 100 years | up to 100 years |
| Heritage and cultural (where applicable) | up to 200 years | up to 200 years |

Impairment

All assets were assessed for impairment at 30 June 2009. Where indications of impairment exist, the asset's recoverable amount is estimated and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount.

The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset's ability to generate future cash flows, and the asset would be replaced if the Department were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

Note 1: Summary of Significant Accounting Policies**1.18 Intangibles**

The Department's intangibles comprise internally developed software and purchased software for internal use. These assets are carried at cost and are amortised on a straight-line basis over its anticipated useful life.

The useful life of Departmental intangibles is 3 to 5 years (2007-08: 3 to 5 years).

In addition to internally developed and purchased software the Administered intangibles also include the phosphate mining lease. The useful life of Administered intangibles is 3 to 15 years (2007-08: 3 to 15 years).

1.19 Inventories

Inventories held for sale are valued at the lower of cost and net realisable value.

Inventories held for distribution are valued at cost, adjusted for any loss of service potential.

1.20 Taxation

The Department is exempt from all forms of taxation except fringe benefits tax (FBT) and the goods and services tax (GST).

Revenues, expenses and assets are recognised net of GST:

- except where the amount of GST incurred is not recoverable from the Australian Taxation Office, and
- except for receivables and payables.

1.21 Reporting of Administered Activities

Administered revenues, expenses, assets, liabilities and cash flows are disclosed in the Schedule of Administered Items and related notes.

Except where otherwise stated below, administered items are accounted for on the same basis and using the same policies as for departmental items, including the application of Australian Accounting Standards.

Administered cash transfers to and from the Official Public Account

Revenue collected by the Department for use by the Government rather than the Department is Administered Revenue. Collections are transferred to the Official Public Account (OPA) maintained by the Department of Finance and Deregulation. Conversely, cash is drawn from the OPA to make payments under Parliamentary appropriation on behalf of Government. These transfers to and from the OPA are adjustments to the administered cash held by the Department on behalf of the Government and reported as such in the Statement of Cash Flows in the Schedule of Administered Items and in Note 20: Administered Reconciliation Table. The schedule of administered items largely reflects the Government's transactions, through the Department, with parties outside the Government.

Revenue

All administered revenues are revenues relating to the course of ordinary activities performed by the Department on behalf of the Government.

Revenue from levies, fees and fines is recognised when it is probable that the economic benefit comprising the consideration will flow to the Australian Government.

Dividend revenue represents dividends received from entities, which mainly relate to administered investments of the Department and is recognised when the dividend has been declared and the right to receive the dividend has been established.

Competitive neutrality

The Australian Government Solicitor (AGS) is a portfolio related entity and operates on a for profit basis. As an agency within the Australian Government it is not subject to taxation other than GST and FBT. However, under competitive neutrality arrangements, the AGS is required to make payroll tax, income tax, and practicing certificates equivalent payments to the Government.

FINANCIAL STATEMENTS

Note 1: Summary of Significant Accounting Policies

Loans and receivables

Where receivables are not subject to concessional treatment, they are carried at amortised cost using the effective interest method. Gains and losses due to impairment, derecognition and amortisation are recognised through surplus and deficit.

Concessional loans are initially recognised at their fair value. If the rate of interest charged is lower than the government bond rate (for government/public sector loans) or the counterparty's borrowing rate (for non government loans) the difference between the amortised cost and the fair value of the loan is treated as an expense.

Administered investments

Administered investments in controlled entities are not consolidated because their consolidation is relevant only at the whole of Government level.

Administered investments other than those held for sale are measured at their fair value as at 30 June 2009. Fair value has been taken to be the net assets of the entities as at balance date.

Personal benefits

Personal benefits are measured at the present value of the estimated future cash outflows to be made in respect of service provided up to the reporting date. The current year figure is calculated with reference to AASB 119.

Grants and subsidies

The Department administers a number of grant and subsidy schemes on behalf of the Government.

Grant and subsidy liabilities are recognised to the extent that (i) the services required to be performed by the grantee have been performed or (ii) the grant eligibility criteria have been satisfied, but payments due have not been made. A commitment is recorded when the Government enters into an agreement to make these grants but services have not been performed or criteria satisfied.

Payments to CAC Act bodies

From 2008-09, payments to CAC Act bodies from amounts appropriated for that purpose are classified as administered expenses of the relevant portfolio department. The appropriation to the department is disclosed in Tables A of Note 24.

Note 2: Events after the Balance Sheet Date

There are no known events after the Balance Sheet date which will have a material impact on the Department.

Note 3: Income

| | 2009 | 2008 |
|--|----------------|----------------|
| | \$'000 | \$'000 |
| <u>Note 3A: Revenue from Government</u> | | |
| Appropriations: | | |
| Departmental outputs | <u>233,507</u> | <u>216,933</u> |
| <u>Note 3B: Sale of goods and rendering of services</u> | | |
| Sale of goods - related entities | - | 31 |
| Sale of goods - external entities | <u>636</u> | <u>324</u> |
| <i>Total sale of goods</i> | <u>636</u> | <u>355</u> |
| Rendering of services - related entities | 11,327 | 8,007 |
| Rendering of services - external entities | <u>9,759</u> | <u>11,510</u> |
| <i>Total rendering of services</i> | <u>21,086</u> | <u>19,517</u> |
| <i>Total sale of goods and rendering of services</i> | <u>21,722</u> | <u>19,872</u> |
| <u>Note 3C: Interest revenue</u> | | |
| Interest on bank accounts | <u>1</u> | <u>1</u> |
| <u>Note 3D: Other gains</u> | | |
| Resources received free of charge | <u>347</u> | <u>415</u> |

FINANCIAL STATEMENTS

Note 4: Expenses

| | 2009 | 2008 |
|--|----------------|----------------|
| | \$'000 | \$'000 |
| Note 4A: Employee benefits | | |
| Wages and salaries | 115,429 | 102,203 |
| Superannuation: | | |
| Defined benefit plans | 14,228 | 15,588 |
| Defined contribution plans | 6,816 | 3,680 |
| Leave and other entitlements | 14,024 | 14,100 |
| Separation and redundancies ¹ | (90) | 215 |
| Other employee expenses | 4,264 | 4,186 |
| Total employee benefits | 154,671 | 139,972 |

¹ Separation and redundancies of \$89,559 were accrued in 2007-2008 in respect of two employees, however no separation and redundancy payments were made in 2008-2009. The 2008-2009 reported amount shows the accrual reversal only.

Note 4B: Suppliers

| | | |
|--|---------------|---------------|
| Provision of goods – related entities | 9,205 | 9,367 |
| Provision of goods – external entities | 29,500 | 37,482 |
| Rendering of services – related entities | 9,153 | 10,084 |
| Rendering of services – external entities | 20,147 | 20,695 |
| Operating lease rentals - external entities: | | |
| Minimum lease payments | 16,807 | 13,468 |
| Contingent rentals | - | 4 |
| Workers compensation premiums | 408 | 524 |
| Total supplier expenses | 85,220 | 91,624 |

Note 4C: Depreciation and amortisation

| | | |
|--|---------------|---------------|
| Depreciation: | | |
| Buildings and leasehold improvements | 6,896 | 5,411 |
| Property, plant and equipment | 3,097 | 3,011 |
| Total depreciation | 9,993 | 8,422 |
| Amortisation: | | |
| Assets held under finance leases | 4,347 | 3,534 |
| Intangibles: computer software | 1,499 | 1,226 |
| Total amortisation | 5,846 | 4,760 |
| Total depreciation and amortisation | 15,839 | 13,182 |

Note 4D: Finance costs

| | | |
|----------------|-----|-----|
| Finance leases | 804 | 540 |
|----------------|-----|-----|

Note 4: Expenses (continued)

| | 2009 | 2008 |
|--|-------------------|---------------------|
| | \$'000 | \$'000 |
| <u>Note 4E: Write-down and impairment of assets</u> | | |
| Inventory | - | 30 |
| Write down of non-financial assets | | |
| Infrastructure, plant and equipment | 241 | 71 |
| Heritage and cultural | 557 | - |
| Intangibles | 111 | - |
| Impairment of non-financial assets | | |
| Intangibles | - | 4,595 |
| Impairment of financial assets | | |
| Bad and doubtful debts expense ¹ | (125) | 41 |
| <i>Total write-down and impairment of assets</i> | <u>784</u> | <u>4,737</u> |

¹Bad and doubtful debts expense shows a negative of \$124,895 in 2008-09 as a result of an invoice written off in a prior year and subsequently recovered.

Note 4F: Other expenses

| | | |
|--|-----------------|-------------------|
| Defective administration scheme payments | - | 66 |
| Goods provided free of charge | - | 355 |
| Unwinding of makegood expense | 8 | - |
| <i>Total other expenses</i> | <u>8</u> | <u>421</u> |

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Note 5: Financial Assets

| | 2009 \$'000 | 2008 \$'000 |
|--|-----------------------|-----------------------|
| <u>Note 5A: Cash and cash equivalents</u> | | |
| Cash on hand | 14 | 14 |
| Cash at bank | <u>1,117</u> | <u>1,279</u> |
| Total cash and cash equivalents | <u>1,131</u> | <u>1,293</u> |
| <u>Note 5B: Trade and other receivables</u> | | |
| Goods and services - related entities | 3,408 | 4,375 |
| Goods and services - external entities | <u>1,686</u> | <u>2,548</u> |
| Total receivables for goods and services | <u>5,094</u> | <u>6,923</u> |
| Appropriations receivable: | | |
| for existing outputs | 137,236 | 149,870 |
| for additional outputs | 2,228 | - |
| Other receivables: | | |
| GST receivable from the Australian Taxation Office | 3,871 | 1,286 |
| Other | <u>293</u> | <u>1,239</u> |
| Total other receivables | <u>143,628</u> | <u>152,395</u> |
| Total trade and other receivables (gross) | 148,722 | 159,318 |
| Less: impairment allowance: | | |
| Goods and services | <u>(118)</u> | <u>(333)</u> |
| Total trade and other receivables (net) | <u>148,604</u> | <u>158,985</u> |
| Receivables are represented by: | | |
| Current | <u>148,604</u> | <u>158,985</u> |
| Receivables are aged as follows: | | |
| Not overdue | 147,824 | 157,884 |
| Overdue by: | | |
| Less than 30 days | 498 | 377 |
| 30 to 60 days | 127 | 269 |
| 61 to 90 days | 29 | 112 |
| More than 90 days | <u>244</u> | <u>676</u> |
| Total receivables (gross) | <u>148,722</u> | <u>159,318</u> |
| The impairment allowance is aged as follows: | | |
| Overdue by: | | |
| More than 90 days | <u>(118)</u> | <u>(333)</u> |

Note 5: Financial Assets (continued)**Reconciliation of the allowance impairment:**

Movements in relation to 2009 (\$215,288) (2008: \$18,501)

| | Goods and services 2009 \$'000 | Goods and services 2008 \$'000 |
|--------------------------------|---|---|
| Opening balance | 333 | 314 |
| Amounts written off | 24 | (10) |
| Amounts recovered and reversed | (239) | 29 |
| Closing balance | 118 | 333 |

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Note 6: Non-Financial Assets

| | 2009 \$'000 | 2008 \$'000 |
|---|----------------------|----------------------|
| Note 6A: Land and buildings | | |
| Freehold land at fair value | <u>865</u> | <u>650</u> |
| Buildings on freehold land: | | |
| Fair value | 335 | 600 |
| Accumulated depreciation | <u>-</u> | <u>(40)</u> |
| Total buildings on freehold land | <u>335</u> | <u>560</u> |
| Leasehold improvements: | | |
| Fair value | 59,705 | 32,715 |
| Accumulated depreciation | (876) | (8,831) |
| Work in progress (at cost) | <u>220</u> | <u>6,056</u> |
| Total leasehold improvements | <u>59,049</u> | <u>29,940</u> |
| Total land and buildings (non-current) | <u>60,249</u> | <u>31,150</u> |

No indicators of impairment were found for land, buildings and leasehold improvements.

Note 6B: Property, plant and equipment

| | | |
|--|----------------------|----------------------|
| Infrastructure, plant and equipment: | | |
| Fair value | 33,590 | 28,689 |
| Accumulated depreciation | (11,426) | (11,284) |
| Total infrastructure, plant and equipment | <u>22,164</u> | <u>17,405</u> |
| Heritage and cultural: | | |
| Library fair value | <u>1,815</u> | <u>2,372</u> |
| Total heritage and cultural | <u>1,815</u> | <u>2,372</u> |
| Total property, plant and equipment (non-current) | <u>23,979</u> | <u>19,777</u> |

Property, plant and equipment under finance leases are subject to revaluation. The carrying amount is included in the valuation figures above and is separately disclosed in Table A.

All revaluations were undertaken in accordance with the revaluation policy stated at Note 1.17. In 2008-09, revaluations were undertaken by the Australian Valuation Office.

No indicators of impairment were found for property, plant and equipment.

Note 6: Non-Financial Assets

Note 6C: Analysis of property, plant and equipment

TABLE A – Reconciliation of the opening and closing balances of property, plant and equipment (2008-09)

| | Land \$'000 | Buildings \$'000 | Leasehold improvements \$'000 | Buildings total \$'000 | Total land and buildings \$'000 | Other property, plant and equipment \$'000 | Heritage and cultural \$'000 | Total \$'000 |
|--|----------------|---------------------|-------------------------------------|------------------------------|--|---|---------------------------------------|-----------------|
| As at 1 July 2008 | | | | | | | | |
| Gross book value | 650 | 600 | 38,771 | 39,371 | 40,021 | 28,689 | 2,372 | 71,082 |
| Accumulated depreciation/amortisation and impairment | - | (40) | (8,831) | (8,871) | (8,871) | (11,284) | - | (20,155) |
| Net book value 1 July 2008 | 650 | 560 | 29,940 | 30,500 | 31,150 | 17,405 | 2,372 | 50,927 |
| Additions: | | | | | | | | |
| by purchase | - | - | 35,270 | 35,270 | 35,270 | 10,357 | - | 45,627 |
| Revaluations and impairments through equity | 215 | (205) | 1,290 | 1,085 | 1,300 | 1,747 | - | 3,047 |
| Revaluations recognised in the operating result | - | - | - | - | - | - | (557) | (557) |
| Reclassification | - | - | - | - | - | 132 | - | 132 |
| Depreciation/amortisation expense | - | (20) | (6,876) | (6,896) | (6,896) | (7,444) | - | (14,340) |
| Disposals: | | | | | | | | |
| other disposals | - | - | (575) | (575) | (575) | (33) | - | (608) |
| Net book value 30 June 2009 | 865 | 335 | 59,049 | 59,384 | 60,249 | 22,164 | 1,815 | 84,228 |
| Net book value as of 30 June 2009 represented by: | | | | | | | | |
| Gross book value | 865 | 335 | 59,925 | 60,260 | 61,125 | 33,590 | 1,815 | 96,530 |
| Accumulated depreciation/amortisation and impairment | - | - | (876) | (876) | (876) | (11,426) | - | (12,302) |
| | 865 | 335 | 59,049 | 59,384 | 60,249 | 22,164 | 1,815 | 84,228 |

Note 6: Non-Financial Assets (continued)

Note 6C: Analysis of property, plant and equipment - continued

TABLE A – Reconciliation of the opening and closing balances of property, plant and equipment (2007-08)

| | Land \$'000 | Buildings \$'000 | Leasehold improvements \$'000 | Buildings total \$'000 | Total land and buildings \$'000 | Other property, plant and equipment \$'000 | Heritage and cultural \$'000 | Total \$'000 |
|--|----------------|---------------------|-------------------------------------|------------------------------|--|---|---------------------------------------|-----------------|
| As at 1 July 2007 | | | | | | | | |
| Gross book value | 650 | 600 | 15,004 | 15,604 | 16,254 | 20,087 | 2,372 | 38,713 |
| Accumulated depreciation/amortisation and impairment | - | (20) | (3,555) | (3,575) | (3,575) | (6,381) | - | (9,956) |
| Net book value 1 July 2007 | 650 | 580 | 11,449 | 12,029 | 12,679 | 13,706 | 2,372 | 28,757 |
| Additions: | | | | | | | | |
| by purchase | - | - | 22,513 | 22,513 | 22,513 | 4,417 | - | 26,930 |
| by finance lease | - | - | - | - | - | 6,134 | - | 6,134 |
| from acquisition of entities or operations (including restructuring) | - | - | 1,837 | 1,837 | 1,837 | 176 | - | 2,013 |
| Depreciation/amortisation expense | - | (20) | (5,391) | (5,411) | (5,411) | (6,545) | - | (11,956) |
| Disposals: | | | | | | | | |
| from disposal of entities or operations (including restructuring) | - | - | (468) | (468) | (468) | (58) | - | (526) |
| other disposals | - | - | - | - | - | (425) | - | (425) |
| Net book value 30 June 2008 | 650 | 560 | 29,940 | 30,500 | 31,150 | 17,405 | 2,372 | 50,927 |
| Net book value as of 30 June 2008 represented by: | | | | | | | | |
| Gross book value | 650 | 600 | 38,771 | 39,371 | 40,021 | 28,689 | 2,372 | 71,082 |
| Accumulated depreciation/amortisation and impairment | - | (40) | (8,831) | (8,871) | (8,871) | (11,284) | - | (20,155) |
| | 650 | 560 | 29,940 | 30,500 | 31,150 | 17,405 | 2,372 | 50,927 |

Note 6: Non-Financial Assets (continued)

| | 2009 | 2008 |
|--|----------------------|---------------------|
| | \$'000 | \$'000 |
| Note 6D: Intangibles | | |
| Computer software at cost: | | |
| Purchased computer software | 5,685 | 5,615 |
| Internally developed – in progress | 5,412 | 2,986 |
| Internally developed – in use | 13,351 | 8,855 |
| Accumulated amortisation | <u>(13,061)</u> | <u>(11,579)</u> |
| Total intangibles (non-current) | <u>11,387</u> | <u>5,877</u> |

No indicators of impairment were found for intangible assets.

Table B: Reconciliation of the opening and closing balances of intangibles (2008-2009)

| | Computer software internally developed \$'000 | Computer software purchased \$'000 | Total \$'000 |
|--|---|---|----------------------|
| As at 1 July 2008 | | | |
| Gross book value | 11,841 | 5,615 | 17,456 |
| Accumulated depreciation/amortisation and impairment | <u>(6,246)</u> | <u>(5,333)</u> | <u>(11,579)</u> |
| Net book value 1 July 2008 | <u>5,595</u> | <u>282</u> | <u>5,877</u> |
| Additions: | | | |
| By purchase or internally developed | 7,119 | 133 | 7,252 |
| Reclassifications | (132) | - | (132) |
| Amortisation | (1,416) | (83) | (1,499) |
| Disposals | (95) | (16) | (111) |
| Net book value 30 June 2009 | <u>11,071</u> | <u>316</u> | <u>11,387</u> |
| Net book value as of 30 June 2009 represented by: | | | |
| Gross book value | 18,763 | 5,685 | 24,448 |
| Accumulated depreciation/amortisation and impairment | <u>(7,692)</u> | <u>(5,369)</u> | <u>(13,061)</u> |
| | <u>11,071</u> | <u>316</u> | <u>11,387</u> |

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Note 6: Non-Financial Assets (continued)

Table B: Reconciliation of the opening and closing balances of intangibles (2007-2008)

| | Computer software internally developed \$'000 | Computer software purchased \$'000 | Total \$'000 |
|--|---|---|-----------------|
| As at 1 July 2007 | | | |
| Gross book value | 11,410 | 5,360 | 16,770 |
| Accumulated depreciation/amortisation and impairment | (5,177) | (5,208) | (10,385) |
| Net book value 1 July 2007 | 6,233 | 152 | 6,385 |
| Additions: | | | |
| By purchase or internally developed | 5,026 | 258 | 5,284 |
| By acquisition of entities or operations | - | 29 | 29 |
| Amortisation | (1,069) | (157) | (1,226) |
| Impairment | (4,595) | - | (4,595) |
| Net book value 30 June 2008 | 5,595 | 282 | 5,877 |
| Net book value as of 30 June 2008 represented by: | | | |
| Gross book value | 11,841 | 5,615 | 17,456 |
| Accumulated depreciation/amortisation and impairment | (6,246) | (5,333) | (11,579) |
| | <u>5,595</u> | <u>282</u> | <u>5,877</u> |

| | |
|---------------|--------|
| 2009 | 2008 |
| \$'000 | \$'000 |

Note 6E: Inventories

| | | |
|-----------------------------------|------------------|------------|
| Inventories held for distribution | <u>78</u> | <u>103</u> |
|-----------------------------------|------------------|------------|

During 2008-09, \$74,670 of inventory held for distribution was recognised as an expense (2007-08: \$29,791). No items of inventory were recognised at fair value less cost to sell.

All inventories are current assets.

Note 6F: Other non-financial assets

| | | |
|-------------|-------------------|--------------|
| Prepayments | <u>924</u> | <u>1,269</u> |
|-------------|-------------------|--------------|

All other non-financial assets are current assets.

Note 7: Payables

| | 2009 | 2008 |
|--|--------|--------|
| | \$'000 | \$'000 |

Note 7A: Suppliers

| | | |
|--------------------------------|----------------------|----------------------|
| Trade creditors | 16,304 | 15,915 |
| Operating lease rentals | <u>1,366</u> | <u>245</u> |
| Total supplier payables | <u>17,670</u> | <u>16,160</u> |

Supplier payables are represented by:

| | | |
|--------------------------------|----------------------|----------------------|
| Related | 6,226 | 3,629 |
| External | <u>11,444</u> | <u>12,531</u> |
| Total supplier payables | <u>17,670</u> | <u>16,160</u> |

Supplier payables are current liabilities. Settlement is usually made net 30 days.

Note 7B: Other payables

| | | |
|--------------------------------------|----------------------|---------------------|
| Prepayments received/unearned income | 1,043 | 883 |
| Fringe benefits tax payable | 351 | 375 |
| Unspent POCA funding ¹ | <u>11,758</u> | <u>7,802</u> |
| Total Other Payables | <u>13,152</u> | <u>9,060</u> |

¹ See also Note 1.5 changes in accounting policy and correction of errors

All other payables are current liabilities.

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Note 8: Interest Bearing Liabilities

| | 2009 \$'000 | 2008 \$'000 |
|---|----------------|----------------|
| Note 8A: Leases | | |
| Finance leases | <u>6,287</u> | <u>8,397</u> |
| Payable: | | |
| Within one year: | | |
| Minimum lease payments | 3,754 | 4,335 |
| Deduct: future finance charges | (449) | (636) |
| In one to five years: | | |
| Minimum lease payments | 3,209 | 5,223 |
| Deduct: future finance charges | (227) | (525) |
| <i>Finance leases recognised on the balance sheet</i> | <u>6,287</u> | <u>8,397</u> |

Finance leases exist in relation to certain computer and office equipment assets. The leases are non-cancellable and for fixed terms of varying periods depending on the type of the equipment leased. The lease assets secure the lease liabilities. There are no contingent rentals for finance leases.

Note 8B: Other interest bearing liabilities

| | | |
|--|--------------|------------|
| Lease incentives | <u>1,949</u> | <u>132</u> |
| Other interest bearing liabilities are represented by: | | |
| Current | 170 | 52 |
| Non-current | <u>1,779</u> | <u>80</u> |
| | <u>1,949</u> | <u>132</u> |

The Department has received incentives in the form of cash and rent free periods on entering into property operating leases.

Note 9: Provisions

| | 2009 \$'000 | 2008 \$'000 |
|--|----------------------|----------------------|
| <u>Note 9A: Employee provisions</u> | | |
| Salaries and wages | 1,786 | 1,251 |
| Leave | 32,770 | 29,684 |
| Superannuation | 4,109 | 4,365 |
| Separation and redundancies | - | 176 |
| Other | - | 41 |
| Total employee provisions | <u>38,665</u> | <u>35,517</u> |
| Employee provisions are represented by: | | |
| Current | 31,245 | 30,375 |
| Non-current | 7,420 | 5,142 |
| Total employee provisions | <u>38,665</u> | <u>35,517</u> |

The classification of current includes amounts for which there is a present obligation. In the case of employee provisions the above classification does not equal the amount expected to be settled within one year of reporting date. Employee provisions expected to be settled in one year \$12,869,376 (2008: \$10,866,194), in excess of one year \$25,794,762 (2008: \$24,651,115).

Note 9B: Other provisions

| | | |
|-------------------------------------|-------------------|---------------------|
| Provision for makegood: non-current | <u>566</u> | <u>1,160</u> |
|-------------------------------------|-------------------|---------------------|

| | |
|--|--|
| | Provision for makegood \$'000 |
| Carrying amount 1 July 2008 | <u>1,160</u> |
| Additional provisions made | 590 |
| Amounts reversed | (1,192) |
| Unwinding of discount or change in discount rate | 8 |
| Closing balance 2009 | <u>566</u> |

The Department currently has seven agreements for the leasing of premises which have provisions requiring the Department to restore the premises to their original condition at the conclusion of the lease. The Department has made a provision to reflect the present value of this obligation.

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Note 10: Restructuring

Note 10A: Departmental restructuring

As a result of a restructuring of administrative arrangements during the 2007-08 financial year, the Department assumed responsibility for the following functions:

- Administration of the National Classification Scheme
- Service to territories and advice on their administration, and
- Natural disaster relief and mitigation

As a result of a restructuring of administrative arrangements, the Department relinquished responsibility for the following functions:

- Privacy and freedom of information
- Australian Commission for Law Enforcement Integrity

In respect of functions assumed, the net book values of assets and liabilities transferred to the Agency for no consideration and recognised as at the date of transfer were:

| | 2009 | 2008 |
|---|---------------|--------------|
| | \$'000 | \$'000 |
| Administration of the National Classification Scheme | | |
| Assets recognised | - | 6,688 |
| Liabilities recognised | - | (1,386) |
| | <u>-</u> | <u>5,302</u> |
| Service to territories and advice on their administration, and natural disaster relief and mitigation | | |
| Assets recognised | - | 2,459 |
| Liabilities recognised | - | (1,561) |
| | <u>-</u> | <u>898</u> |
| Total assets recognised | - | 9,147 |
| Total liabilities recognised | - | (2,947) |
| Net assets assumed | <u>-</u> | <u>6,200</u> |
| Privacy and freedom of information | | |
| Assets relinquished | - | 515 |
| Liabilities relinquished | - | (466) |
| | <u>-</u> | <u>49</u> |
| Australian Commission for Law Enforcement Integrity | | |
| Assets relinquished | - | 3,928 |
| Liabilities relinquished | - | (308) |
| | <u>-</u> | <u>3,620</u> |
| Total assets relinquished | - | 4,443 |
| Total liabilities relinquished | - | (774) |
| Net assets relinquished | <u>-</u> | <u>3,669</u> |
| Net increase in assets during the year | <u>-</u> | <u>2,531</u> |

Note 10: Restructuring (continued)**Note 10A: Departmental restructuring (continued)**

| | 2009 \$'000 | 2008 \$'000 |
|--|----------------|----------------|
| Administration of the National Classification Scheme | | |
| <i>Revenues</i> | | |
| Recognised by the Department | - | 7,534 |
| Total Revenues | - | 7,534 |
| <i>Expenses</i> | | |
| Recognised by the Department | - | 7,184 |
| Total Expenses | - | 7,184 |

The transfer took effect on 1 July 2007 therefore no revenue or expenses were recognised by the former Office of Film and Literature Classification.

Service to territories and advice on their administration, and natural disaster relief and mitigation

| | | |
|--|----------|--------------|
| <i>Revenues</i> | | |
| Recognised by the Department of Infrastructure, Transport, Regional Development and Local Government | - | 4,218 |
| Recognised by the Department | - | 5,152 |
| Total Revenues | - | 9,370 |
| <i>Expenses</i> | | |
| Recognised by the Department of Infrastructure, Transport, Regional Development and Local Government | - | 4,218 |
| Recognised by the Department | - | 3,557 |
| Total Expenses | - | 7,775 |

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Note 10B: Administered restructuring

As a result of a restructuring of administrative arrangements during the 2007-08 financial year, the Department assumed responsibility for the following functions:

- Administration of the National Classification Scheme
- Service to territories and advice on their administration, and
- Natural disaster relief and mitigation

In respect of functions assumed, the net book values of assets and liabilities transferred to the Agency for no consideration and recognised as at the date of transfer were:

| | 2009 | 2008 |
|--|---------------|----------------|
| | \$'000 | \$'000 |
| Administration of the National Classification Scheme | | |
| Assets recognised | - | 27 |
| Liabilities recognised | - | (529) |
| | <u>-</u> | <u>(502)</u> |
| Service to territories and advice on their administration, and natural disaster relief and mitigation | | |
| Assets recognised | - | 449,243 |
| Liabilities recognised | - | (11,654) |
| | <u>-</u> | <u>437,589</u> |
| Total assets recognised | - | 449,270 |
| Total liabilities recognised | - | (12,183) |
| Net assets assumed | <u>-</u> | <u>437,087</u> |
| Net increase in assets during the year | <u>-</u> | <u>437,087</u> |
| Administration of the National Classification Scheme | | |
| Revenues | | |
| Recognised by the Department | - | 7,311 |
| Total Revenues | <u>-</u> | <u>7,311</u> |
| Expenses | | |
| Recognised by the Department | - | 796 |
| Total Expenses | <u>-</u> | <u>796</u> |
| The transfer took effect on 1 July 2007 therefore no revenue or expenses were recognised by the former Office of Film and Literature Classification. | | |
| Service to territories and advice on their administration, and natural disaster relief and mitigation | | |
| Revenues | | |
| Recognised by the Department of Infrastructure, Transport, Regional Development and Local Government | - | 8,658 |
| Recognised by the Department | - | 16,549 |
| Total Revenues | <u>-</u> | <u>25,207</u> |
| Expenses | | |
| Recognised by the Department of Infrastructure, Transport, Regional Development and Local Government | - | 88,683 |
| Recognised by the Department | - | 102,372 |
| Total Expenses | <u>-</u> | <u>191,055</u> |

Note 11: Cash Flow Reconciliation

| | 2009 \$'000 | 2008 \$'000 |
|--|----------------|----------------|
| Reconciliation of cash and cash equivalents as per Balance Sheet to cash flow statement | | |
| Report cash and cash equivalents as per: | | |
| Cash flow statement | 1,131 | 1,293 |
| Balance Sheet | <u>1,131</u> | <u>1,293</u> |
| <i>Difference</i> | <u>-</u> | <u>-</u> |
| Reconciliation of operating result to net cash from operating | | |
| Operating deficit | (1,749) | (13,255) |
| Depreciation /amortisation | 15,839 | 13,182 |
| Goods provided free of charge | - | 355 |
| Net write down of non-financial assets | (125) | 41 |
| Impairment of non-financial assets | - | 4,595 |
| Loss on revaluation of assets | 557 | - |
| Loss on disposal of assets | 352 | 71 |
| Net operating items from restructure | - | (3,079) |
| (Increase) / decrease in net receivables | (11,964) | 1,171 |
| (Increase) / decrease in inventories | 26 | 9 |
| (Increase) / decrease in prepayments | 346 | 230 |
| Increase / (decrease) in employee provisions | 3,147 | 8,639 |
| Increase / (decrease) in supplier payables | 1,876 | 1,309 |
| Increase / (decrease) in lease incentives | 1,816 | (61) |
| Increase / (decrease) in other provisions | (594) | 355 |
| Increase / (decrease) in other liabilities | <u>4,094</u> | <u>593</u> |
| <i>Net cash from operating activities</i> | <u>13,621</u> | <u>14,155</u> |

Note 12: Contingent Liabilities and Assets

Unquantifiable Contingencies

At 30 June 2009, the Department was involved in a number of legal matters for which it is not possible to estimate the amounts of any eventual payments that may be required in relation to these claims.

Note 13: Senior Executive Remuneration

| | 2009 | 2008 |
|--|------------------|------------------|
| The number of senior executives who received or were due to receive total remuneration of \$130,000 or more: | | |
| \$130 000 to \$144 999 | 6 | 2 |
| \$145 000 to \$159 999 | 3 | 3 |
| \$160 000 to \$174 999 | 6 | 5 |
| \$175 000 to \$189 999 | 6 | 9 |
| \$190 000 to \$204 999 | 10 | 14 |
| \$205 000 to \$219 999 | 13 | 8 |
| \$220 000 to \$234 999 | 8 | 8 |
| \$235 000 to \$249 999 | 7 | 9 |
| \$250 000 to \$264 999 | 4 | 1 |
| \$265 000 to \$279 999 | 9 | 4 |
| \$280 000 to \$294 999 | 3 | 1 |
| \$295 000 to \$309 999 | 1 | - |
| \$310 000 to \$324 999 | 1 | - |
| \$325 000 to \$339 999 | 1 | 1 |
| \$400 000 to \$414 999 | 1 | - |
| \$490 000 to \$504 999 | - | 1 |
| Total | <u><u>79</u></u> | <u><u>66</u></u> |

The aggregate amount of total remuneration of senior executives shown above.

| | |
|--------------------------|--------------------------|
| <u><u>17,346,776</u></u> | <u><u>14,166,838</u></u> |
|--------------------------|--------------------------|

The aggregate amount of separation and redundancy/termination benefit payments during the year to executives shown above.

| | |
|-----------------|-----------------|
| <u><u>-</u></u> | <u><u>-</u></u> |
|-----------------|-----------------|

The above includes cash and non-cash components of the remuneration packages.

Note 14: Remuneration of Auditors

| | 2009 | 2008 |
|--|-----------------------|-----------------------|
| | \$ | \$ |
| Financial statement audit services were provided free of charge to the Department. | | |
| The fair value of the services provided was: | <u><u>347,000</u></u> | <u><u>322,500</u></u> |
| No other services were provided by the Auditor-General. | | |

FINANCIAL STATEMENTS

Note 15: Financial Instruments

| | 2009 | 2008 |
|--|--------|--------|
| | \$'000 | \$'000 |

Note 15A: Categories of financial instruments

Financial assets

Loans and receivables financial assets

Cash and cash equivalents

Loans and receivables

Carrying amount of financial assets

| | |
|---------------------|---------------------|
| 1,131 | 1,293 |
| <u>5,094</u> | <u>6,923</u> |
| <u>6,225</u> | <u>8,216</u> |

Financial liabilities

at cost

Finance leases

Other interest bearing liabilities

Trade creditors

Prepayments received/uneared income

Unspent POCA funding

Carrying amount of financial liabilities

| | |
|----------------------|----------------------|
| 6,287 | 8,397 |
| 1,949 | 132 |
| 17,670 | 16,160 |
| 1,043 | 883 |
| <u>11,758</u> | <u>7,802</u> |
| <u>38,707</u> | <u>33,374</u> |

Note 15B: Net income and expense from financial assets

Loans and receivables

Impairment

Net gain/(loss) loans and receivables

| | |
|-------------------|--------------------|
| <u>125</u> | <u>(41)</u> |
| <u>125</u> | <u>(41)</u> |

The net income (expense) from financial assets not at fair value from profit and loss is \$124,895 (2008: (\$41,068)).

Note 15C: Net income and expense from financial liabilities

Financial liabilities - at cost

Interest expense

| | |
|-------------------|-------------------|
| <u>804</u> | <u>540</u> |
|-------------------|-------------------|

The net expense from financial liabilities not at fair value from profit and loss is \$803,883 (2008: \$540,276).

Note 15: Financial Instruments - continued

Note 15D: Credit risk

The Department is exposed to minimal credit risk as loans and receivables are cash equivalents and trade receivables. The maximum exposure to credit risk is the risk that arises from potential default of a debtor. This amount is equal to the total amount of receivables \$5,094,216 (2008: \$6,923,433). The Department has assessed the risk of default on payment and has allocated \$117,522 (2008: \$332,809) to an impairment allowance account. This amount has been determined following an assessment of invoices greater than 60 days past due.

The Department has policies and procedures that guide employees on debt recovery techniques.

The following table illustrates the Departments gross exposure to credit risk. The Department holds no collateral to mitigate credit risk.

| | 2009 \$'000 | 2008 \$'000 |
|------------------------------|----------------|----------------|
| Loans and receivables | | |
| Trade receivables | 5,094 | 6,923 |
| Total | 5,094 | 6,923 |

Credit quality of financial instruments not past due or individually determined as impaired

| | Not past due nor impaired 2009 \$'000 | Not past due nor impaired 2008 \$'000 | Past due or impaired 2009 \$'000 | Past due or impaired 2008 \$'000 |
|------------------------------|--|--|---|---|
| Loans and receivables | | | | |
| Trade receivables | 4,078 | 5,156 | 1,016 | 1,767 |
| Total | 4,078 | 5,156 | 1,016 | 1,767 |

Ageing of financial assets that are past due but not impaired for 2009:

| | 0 to 30 days \$'000 | 31 to 60 days \$'000 | 61 to 90 days \$'000 | 90+ days \$'000 | Total \$'000 |
|------------------------------|---------------------------|----------------------------|----------------------------|-----------------------|-----------------|
| Loans and receivables | | | | | |
| Trade receivables | 498 | 127 | 29 | 126 | 780 |
| Total | 498 | 127 | 29 | 126 | 780 |

Ageing of financial assets that are past due but not impaired for 2008:

| | 0 to 30 days \$'000 | 31 to 60 days \$'000 | 61 to 90 days \$'000 | 90+ days \$'000 | Total \$'000 |
|------------------------------|---------------------------|----------------------------|----------------------------|-----------------------|-----------------|
| Loans and receivables | | | | | |
| Trade receivables | 377 | 269 | 112 | 343 | 1,101 |
| Total | 377 | 269 | 112 | 343 | 1,101 |

The following list of assets have been individually assessed as impaired

Trade receivables have been individually assessed for impairment by departmental officers. Recovery of the debt has been considered based on communication with the debtor, and if a debt is determined to be unrecoverable, an allowance for impairment is recognised.

FINANCIAL STATEMENTS

Note 15: Financial Instruments - continued

Note 15E: Liquidity risk

The Department's financial liabilities are payables, finance leases and other interest bearing liabilities. The exposure to liquidity risk is based on the notion that the Department will encounter difficulty in meeting its obligations associated with financial liabilities. This is highly unlikely due to appropriation funding and other funding mechanisms available to the Department (e.g. Advance to the Finance Minister) and internal policies and procedures in place to ensure there are appropriate resources to meet financial obligations as and when they fall due. In addition, the Department has no past history of default.

The following tables illustrates the maturities for financial liabilities:

| | On demand 2009 \$'000 | within 1 year 2009 \$'000 | 1 to 5 years 2009 \$'000 | > 5 years 2009 \$'000 | Total 2009 \$'000 |
|--------------------------------------|-----------------------------|------------------------------------|-----------------------------------|--------------------------------|-------------------------|
| Liabilities at cost | | | | | |
| Finance leases | - | 3,305 | 2,982 | - | 6,287 |
| Other interest bearing liabilities | - | 170 | 1,779 | - | 1,949 |
| Trade creditors | - | 17,670 | - | - | 17,670 |
| Prepayments received/unearned income | - | 1,043 | - | - | 1,043 |
| Other payables | - | 11,758 | - | - | 11,758 |
| Total | - | 33,946 | 4,761 | - | 38,707 |

| | On demand 2008 \$'000 | within 1 year 2008 \$'000 | 1 to 5 years 2008 \$'000 | > 5 years 2008 \$'000 | Total 2008 \$'000 |
|--------------------------------------|-----------------------------|------------------------------------|-----------------------------------|--------------------------------|-------------------------|
| Liabilities at cost | | | | | |
| Finance leases | - | 3,699 | 4,698 | - | 8,397 |
| Other interest bearing liabilities | - | 52 | 80 | - | 132 |
| Trade creditors | - | 16,160 | - | - | 16,160 |
| Prepayments received/unearned income | - | 883 | - | - | 883 |
| Other payables | - | 7,802 | - | - | 7,802 |
| Total | - | 28,596 | 4,778 | - | 33,374 |

Note 15F: Market risk

The Department holds basic financial instruments that do not expose it to market risks. The Department is not exposed to 'currency risk' or 'other price risk'.

Interest rate risk

The only interest-bearing items on the Balance Sheet are finance leases and other interest bearing liabilities. All bear interest at a fixed interest rate and will not fluctuate due to changes in the market interest rate.

Note 16: Income Administered on Behalf of Government

| | 2009 \$'000 | 2008 \$'000 |
|--|----------------|----------------|
| <u>Revenue</u> | | |
| Non-taxation revenue | | |
| <u>Note 16A: Dividends</u> | | |
| Australian government entities - Australian Government Solicitor | 2,473 | 5,686 |
| <u>Note 16B: Competitive Neutrality</u> | | |
| Australian government entities - Australian Government Solicitor | 5,160 | 5,118 |
| <u>Note 16C: Sale of goods and rendering of services</u> | | |
| Sale of goods – external entities | 409 | 189 |
| Rendering of services – related entities | 1,605 | 1,366 |
| Rendering of services – external entities | 14,795 | 12,101 |
| Total rendering of services | 16,400 | 13,467 |
| Total sale of goods and rendering services | 16,809 | 13,656 |
| <u>Note 16D: Fees and fines</u> | | |
| Fees | 688 | 272 |
| Fines | 6 | 2 |
| Total fees and fines | 694 | 274 |
| <u>Note 16E: Interest</u> | | |
| Loans - State and Territory governments | 8,333 | 7,974 |
| Other Loans | 528 | 519 |
| Total interest | 8,861 | 8,493 |
| <u>Note 16F: Rental income</u> | | |
| Rent | 3,230 | 1,585 |
| <u>Note 16G: Royalties</u> | | |
| Mining royalties | 3,171 | 651 |
| <u>Note 16H: Other revenue</u> | | |
| Refund of grant monies paid | 1,416 | 8,082 |
| Other | 5 | 3 |
| Total other revenue | 1,421 | 8,085 |
| <u>Note 16I: Gains</u> | | |
| Sale of land | - | 62 |
| Sale of property, plant and equipment | 245 | - |
| Recognition of asset held for sale | - | 8,025 |
| Assets first recognised | 3,514 | - |
| Total gains | 3,759 | 8,087 |
| Taxation revenue | | |
| <u>Note 16J: Indirect tax</u> | | |
| Payroll tax | 881 | 256 |
| Other | 174 | 142 |
| Total indirect tax | 1,055 | 398 |
| <u>Note 16K: Other tax</u> | | |
| Levies | 1,316 | 598 |

FINANCIAL STATEMENTS

Note 17: Expenses Administered on Behalf of Government

| | 2009 | 2008 |
|---|----------------|----------------|
| | \$'000 | \$'000 |
| <u>Expenses</u> | | |
| <u>Note 17A: Employee benefits</u> | | |
| Wages and salaries | 5,807 | 2,998 |
| Superannuation | | |
| Defined benefit plans | 37 | 26 |
| Defined contribution plans | 815 | 467 |
| Leave and other entitlements | 726 | 72 |
| Other employee expenses | 1,255 | 844 |
| Total employee benefits expense | 8,640 | 4,407 |
| <u>Note 17B: Suppliers</u> | | |
| Provision of goods – related entities | 126 | 645 |
| Provision of goods – external entities | 26,087 | 22,816 |
| Rendering of services – related entities | 4,623 | 3,821 |
| Rendering of services – external entities | 48,674 | 28,788 |
| Operating lease rentals: | | |
| Minimum lease payments | 310 | 370 |
| Total suppliers | 79,820 | 56,440 |
| <u>Note 17C: Subsidies</u> | | |
| Payable to related entities: | | |
| National Counter-Terrorism Committee | 14,432 | 16,597 |
| Payable to external entities: | | |
| Law Courts Limited | 39,954 | 35,037 |
| Services to Indian Ocean Territories | 1,389 | 782 |
| Total subsidies | 55,775 | 52,416 |
| <u>Note 17D: Personal benefits</u> | | |
| <i>Judges' Pensions Act 1968</i> | | |
| Current service cost | 16,900 | 20,600 |
| Interest on obligation | 37,300 | 35,000 |
| <i>High Court Justices (Long Leave Payments) Act 1979</i> | 827 | 326 |
| <i>Federal Magistrates Act 1999</i> | | |
| Current service cost | 893 | 609 |
| Interest on obligation | 29 | 15 |
| <i>Former Solicitors-General</i> | - | - |
| Total personal benefits | 55,949 | 56,550 |
| <u>Note 17E: Grants</u> | | |
| Public sector: | | |
| Australian government entities (related entities) | 151,457 | 110,036 |
| State and Territory governments | 81,205 | 336,591 |
| Local governments | 16,655 | 20,447 |
| Private sector: | | |
| Non-profit organisations | 231,452 | 144,096 |
| Other | 2,257 | 89 |
| Overseas | 3,315 | 4,269 |
| Other | 124,494 | 8,240 |
| Total grants | 610,835 | 623,768 |

Note 17: Expenses Administered on Behalf of Government (continued)

| | 2009 | 2008 |
|--|---------------|---------------|
| | \$'000 | \$'000 |
| Note 17F: Write down and impairment of assets | | |
| Inventory | - | 32 |
| Bad debts written off | 82 | 119 |
| Write-down of non-financial assets | | |
| Land and buildings | - | 2,024 |
| Infrastructure, plant and equipment | 920 | 99 |
| Heritage and cultural | 305 | 63 |
| Assets held for sale | - | 1,698 |
| Total write down and impairment of assets | 1,307 | 4,035 |
| Note 17G: Depreciation and amortisation | | |
| Depreciation: | | |
| Buildings and leasehold improvements | 2,518 | 2,180 |
| Infrastructure, plant and equipment | 14,243 | 8,344 |
| Heritage and cultural assets | 561 | 250 |
| Total depreciation | 17,322 | 10,774 |
| Amortisation: | | |
| Intangibles: Phosphate mine lease | 151 | 67 |
| Intangibles: Software | 24 | - |
| Total amortisation | 175 | 67 |
| Total depreciation and amortisation | 17,497 | 10,841 |
| Note 17H: Payments to CAC Act bodies | | |
| Australian Institute of Criminology | 7,166 | - |
| Criminology Research Council | 330 | - |
| Australian Law Reform Commission | 3,360 | - |
| Total payments to CAC Act bodies | 10,856 | - |
| Note 17I: Other expenses | | |
| Resources provided free of charge | 6,327 | - |
| Losses on sale of assets | 67 | - |
| Total other expenses | 6,394 | - |

FINANCIAL STATEMENTS

Note 18: Assets Administered on Behalf of Government

| | 2009 \$'000 | 2008 \$'000 |
|---|----------------|----------------|
| <u>Financial Assets</u> | | |
| <u>Note 18A: Cash and cash equivalents</u> | | |
| Administered bank accounts | <u>619</u> | <u>182</u> |
| | | |
| <u>Note 18B: Loans and receivables</u> | | |
| Goods and services - related entities | 441 | 1,088 |
| Goods and services - external entities | 4,412 | 4,495 |
| Advances and loans: | | |
| State and Territory governments | 118,437 | 122,314 |
| Other loans and advances | 9,656 | 9,796 |
| Other receivables: | | |
| Dividends receivable | 1,473 | 4,436 |
| Other receivables | 661 | 2,360 |
| Unspent POCA funding ¹ | 11,758 | 7,802 |
| GST receivable from ATO | 3,532 | 4,372 |
| Total receivables | <u>150,370</u> | <u>156,663</u> |
| Less: impairment allowance: | | |
| Goods and services | (208) | (140) |
| Total receivables (net) | <u>150,162</u> | <u>156,523</u> |
| | | |
| Receivables are aged as follows: | | |
| Not overdue | 147,383 | 153,905 |
| Overdue by: | | |
| Less than 30 days | 231 | 379 |
| 30 to 60 days | 90 | 131 |
| 61 to 90 days | 21 | 107 |
| More than 90 days | 2,437 | 2,001 |
| Total receivables (net) | <u>150,162</u> | <u>156,523</u> |

The credit terms of goods and services receivable are net 30 days (2008: 30 days).

Loans are made to State and Territory Governments for periods up to 100 years. No security is required. Principal will be repaid in full by maturity. Interest rates are either fixed or variable. Interest payments are made annually.

¹ See also Note 1.5 changes in accounting policy and correction of errors.

Reconciliation of the allowance for impairment:

Movements in relation to 2009 \$68,480 (2008: \$139,716)

| | Goods and services receivables 2009 \$'000 | Goods and services receivables 2008 \$'000 |
|---|---|---|
| Opening balance | 140 | - |
| Allowance acquired through restructure | - | 21 |
| Increase/decrease recognised in net surplus | 208 | 119 |
| Amounts recovered and reversed | (140) | - |
| Closing balance | 208 | 140 |

Note 18: Assets Administered on Behalf of Government (Continued)

| | 2009 \$'000 | 2008 \$'000 |
|---------------------------------------|----------------|----------------|
| <u>Note 18C: Investments</u> | | |
| Associated entities | | |
| - Law Courts Limited | 118,596 | 119,990 |
| Controlled entities | | |
| - Australian Institute of Criminology | 1,831 | 2,388 |
| - Criminology Research Council | 628 | - |
| - Australian Law Reform Commission | 1,173 | 1,152 |
| - High Court of Australia | 190,815 | 193,638 |
| - Australian Government Solicitor | 36,363 | 33,824 |
| Total investments | 349,406 | 350,992 |

This note should be read in conjunction with Note 22.

Non-financial Assets**Note 18D: Land and buildings**

| | | |
|---|----------------|----------------|
| Freehold land (at fair value) | 47,541 | 47,541 |
| Buildings on freehold land: | | |
| - fair value | 67,203 | 66,388 |
| - accumulated depreciation | (4,698) | (2,180) |
| | 62,505 | 64,208 |
| Total land and buildings (non-current) | 110,046 | 111,749 |

No indicators of impairment were found for land and buildings.

Note 18E: Property, plant and equipment

| | | |
|--|----------------|----------------|
| Infrastructure, plant and equipment: | | |
| - fair value | 166,965 | 152,274 |
| - accumulated depreciation/amortisation | (19,987) | (8,340) |
| Total infrastructure, plant and equipment | 146,978 | 143,934 |
| Heritage and cultural: | | |
| - fair value | 53,002 | 54,537 |
| - accumulated depreciation | (800) | (238) |
| Total heritage and cultural | 52,202 | 54,299 |
| Total property, plant and equipment (non-current) | 199,180 | 198,233 |

No indicators of impairment were found for property, plant and equipment.

Note 18: Assets Administered on Behalf of Government (Continued)

Table A – Reconciliation of the opening and closing balances of infrastructure, plant and equipment (2008-09)

| | Land \$'000 | Buildings \$'000 | Land and buildings total \$'000 | Other property, plant and equipment \$'000 | Heritage and cultural \$'000 | Total \$'000 |
|--|----------------|---------------------|---------------------------------------|---|------------------------------------|-----------------|
| As at 1 July 2008 | | | | | | |
| Gross book value | 47,541 | 66,388 | 113,929 | 152,274 | 54,537 | 320,740 |
| Accumulated depreciation/amortisation and impairment | - | (2,180) | (2,180) | (8,340) | (238) | (10,758) |
| Net book value 1 July 2008 | 47,541 | 64,208 | 111,749 | 143,934 | 54,299 | 309,982 |
| Additions: | | | | | | |
| by purchase | - | 1,952 | 1,952 | 11,757 | - | 13,709 |
| Revaluations and impairments through equity | - | - | - | 1,920 | (1,285) | 635 |
| Revaluations recognised in the operating result | - | - | - | - | (305) | (305) |
| Depreciation/amortisation expense | - | (2,518) | (2,518) | (14,243) | (561) | (17,322) |
| Reclassifications | - | (1,137) | (1,137) | 1,083 | 54 | - |
| Other movements | - | - | - | 3,514 | - | 3,514 |
| Recognition of unrecorded assets identified | - | - | - | - | - | - |
| Disposals: | | | | | | |
| Other disposals | - | - | - | (987) | - | (987) |
| Net book value 30 June 2009 | 47,541 | 62,505 | 110,046 | 146,978 | 52,202 | 309,226 |
| Net book value as of 30 June 2009 represented by: | | | | | | |
| Gross book value | 47,541 | 67,203 | 114,744 | 166,965 | 53,002 | 334,711 |
| Accumulated depreciation/amortisation and impairment | - | (4,698) | (4,698) | (19,987) | (800) | (25,485) |
| | 47,541 | 62,505 | 110,046 | 146,978 | 52,202 | 309,226 |

Note 18: Assets Administered on Behalf of Government (Continued)
Table A – Reconciliation of the opening and closing balances of infrastructure, plant and equipment (2007-08)

| | Land \$'000 | Buildings \$'000 | Land and buildings total \$'000 | Other property, plant and equipment \$'000 | Heritage and cultural \$'000 | Total \$'000 |
|--|----------------|---------------------|---------------------------------------|---|------------------------------------|-----------------|
| As at 1 July 2007 | | | | | | |
| Gross book value | - | - | - | - | - | - |
| Accumulated depreciation/amortisation and impairment | - | - | - | - | - | - |
| Net book value 1 July 2007 | - | - | - | - | - | - |
| Additions: | | | | | | |
| by purchase | - | 1,086 | 1,086 | 9,766 | 1,285 | 12,137 |
| from acquisition of entities or operations (including restructuring) | 49,565 | 65,302 | 114,867 | 142,611 | 53,327 | 310,805 |
| Depreciation/amortisation expense | - | (2,180) | (2,180) | (8,344) | (250) | (10,774) |
| Disposals: | | | | | | |
| Other disposals | (2,024) | - | (2,024) | (99) | (63) | (2,186) |
| Net book value 30 June 2008 | 47,541 | 64,208 | 111,749 | 143,934 | 54,299 | 309,982 |
| Net book value as of 30 June 2008 represented by: | | | | | | |
| Gross book value | 47,541 | 66,388 | 113,929 | 152,274 | 54,537 | 320,740 |
| Accumulated depreciation/amortisation and impairment | - | (2,180) | (2,180) | (8,340) | (238) | (10,758) |
| | 47,541 | 64,208 | 111,749 | 143,934 | 54,299 | 309,982 |

FINANCIAL STATEMENTS

Note 18: Assets Administered on Behalf of Government (Continued)

| | | |
|---|--------------|--------------|
| | 2009 | 2008 |
| | \$'000 | \$'000 |
| Note 18F: Inventories | | |
| Inventories held for distribution | <u>2,124</u> | <u>2,001</u> |
| Note 18G: Intangibles | | |
| Computer software at cost | | |
| Internally generated | 35 | - |
| Purchased | 112 | - |
| Accumulated amortisation | (24) | - |
| Phosphate mine lease at cost | 1,685 | 1,685 |
| Accumulated amortisation - phosphate mine lease | (218) | (67) |
| Total intangibles (non-current) | <u>1,590</u> | <u>1,618</u> |

Table B: Reconciliation of the opening and closing balances of intangibles (2008-09)

| | Purchased software \$'000 | Internally generated software \$'000 | Phosphate mine lease \$'000 | Total \$'000 |
|--|---------------------------------|---|-----------------------------------|-----------------|
| As at 1 July 2008 | | | | |
| Gross book value | - | - | 1,685 | 1,685 |
| Accumulated depreciation/amortisation and impairment | - | - | (67) | (67) |
| Net book value 1 July 2008 | - | - | 1,618 | 1,618 |
| Additions: | | | | |
| by purchase | 112 | 35 | - | 147 |
| Amortisation | (23) | (1) | (151) | (175) |
| Net book value 30 June 2009 | <u>89</u> | <u>34</u> | <u>1,467</u> | <u>1,590</u> |
| Net book value as of 30 June 2009 represented by: | | | | |
| Gross book value | 112 | 35 | 1,685 | 1,832 |
| Accumulated depreciation/amortisation and impairment | (23) | (1) | (218) | (242) |
| | <u>89</u> | <u>34</u> | <u>1,467</u> | <u>1,590</u> |

Table B: Reconciliation of the opening and closing balances of intangibles (2007-08)

| | Purchased software \$'000 | Internally generated software \$'000 | Phosphate mine lease \$'000 | Total \$'000 |
|--|---------------------------------|---|-----------------------------------|-----------------|
| As at 1 July 2007 | | | | |
| Gross book value | - | - | - | - |
| Accumulated depreciation/amortisation and impairment | - | - | - | - |
| Net book value 1 July 2007 | - | - | - | - |
| Additions: | | | | |
| from acquisition of entities or operations (including restructuring) | - | - | 1,685 | 1,685 |
| Revaluations and impairments through equity | - | - | - | - |
| Amortisation | - | - | (67) | (67) |
| Disposals: | | | | |
| other disposals | - | - | - | - |
| Net book value 30 June 2008 | - | - | 1,618 | 1,618 |
| Net book value as of 30 June 2008 represented by: | | | | |
| Gross book value | - | - | 1,685 | 1,685 |
| Accumulated depreciation/amortisation and impairment | - | - | (67) | (67) |
| | <u>-</u> | <u>-</u> | <u>1,618</u> | <u>1,618</u> |

Note 18: Assets Administered on Behalf of Government (Continued)

| | 2009 \$'000 | 2008 \$'000 |
|--|-----------------|---------------------|
| <u>Note 18H: Other non-financial assets</u> | | |
| Prepayments | <u>55</u> | <u>13</u> |
| <u>Note 18I: Assets held for sale</u> | | |
| Plant and equipment | - | 6,262 |
| Software | <u>-</u> | <u>65</u> |
| <i>Total assets held for sale</i> | <u>-</u> | <u>6,327</u> |

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Note 19: Liabilities administered on behalf of Government

| | 2009 | 2008 |
|--|--------|--------|
| | \$'000 | \$'000 |

Payables

Note 19A: Suppliers

| | | |
|-----------------|---------------|---------------|
| Trade creditors | <u>19,241</u> | <u>14,621</u> |
|-----------------|---------------|---------------|

Supplier payables are represented by:

| | | |
|--------------------------------|---------------|---------------|
| Related | 1,322 | 440 |
| External | <u>17,919</u> | <u>14,181</u> |
| <i>Total supplier payables</i> | <u>19,241</u> | <u>14,621</u> |

Note 19B: Personal benefits

The Judges' Pension Scheme is a defined benefit scheme. It provides a pension benefit of 60% of salary to those judges with more than 10 years of service on retirement on or after age 60. The scheme is unfunded. Members do not contribute towards the cost of benefits.

| | | |
|---------------------------------------|----------------|----------------|
| Present value of unfunded obligations | <u>680,500</u> | <u>572,057</u> |
|---------------------------------------|----------------|----------------|

Changes in the value of the defined benefit obligation are as follows:

| | | |
|--------------------------|-----------------|-----------------|
| Net liability at 1 July | 572,057 | 550,400 |
| Service cost | 16,900 | 20,600 |
| Interest cost | 37,300 | 35,000 |
| Actuarial losses/(gains) | 84,400 | (7,200) |
| Benefits paid | <u>(30,157)</u> | <u>(26,743)</u> |
| Net liability at 30 June | <u>680,500</u> | <u>572,057</u> |

Changes in the fair value of scheme assets are as follows:

| | | |
|-------------------------------------|-----------------|-----------------|
| Opening fair value of scheme assets | - | - |
| Contributions by employer | 30,157 | 26,743 |
| Benefits paid | <u>(30,157)</u> | <u>(26,743)</u> |
| Closing value of scheme assets | <u>-</u> | <u>-</u> |

Principal actuarial assumptions at the reporting date (expressed as weighted averages):

| | | |
|----------------------------------|------|------|
| Discount rate at 30 June | 5.6% | 6.6% |
| Future expected salary increases | 4.0% | 4.0% |
| Future pension increases | 4.0% | 4.0% |

The demographic assumptions used as at 30 June 2008 are those used for the preparation of the Long Term Cost Report for the Judges' Pension Scheme as at 30 June 2005. The demographic assumptions used as at 30 June 2009 are those used for the preparation of the Long Term Cost Report for the Judges' Pension Scheme as at 30 June 2008.

Benefits payable (including payments of surcharge debt) under the Judges' Pensions Act 1968 and the Superannuation (Productivity Benefit) Act 1988 are paid from Consolidated Revenue on an emerging (or pay as you go) basis. Thus, contributions made equal benefits paid for the Judges' Pension Scheme.

The expected employer contributions in respect of 2009-10 are \$31,000,000.

Note 19: Liabilities administered on behalf of Government (continued)**Note 19B: Personal benefits (continued)**

The cumulative actuarial losses and gains recognised in equity are as follows:

| | \$'000 |
|------------------------------------|----------|
| Opening balance as at 30 June 2004 | - |
| 2004-05 loss | 78,400 |
| 30 June 2005 cumulative loss | 78,400 |
| 2005-06 (gain) | (50,700) |
| 30 June 2006 cumulative loss | 27,700 |
| 2006-07 (gain) | (35,100) |
| 30 June 2007 cumulative (gain) | (7,400) |
| 2007-08 (gain) | (7,200) |
| 30 June 2008 cumulative (gain) | (14,600) |
| 2008-09 (gain) | 84,400 |
| 30 June 2009 cumulative (gain) | 69,800 |

The *Federal Magistrates Act 1999* was amended so as to allow for the provision of lump sum death benefits and invalidity pensions to Federal Magistrates with effect from September 2007. The scheme is unfunded and financed solely by the employer (the Australian Government).

| | 2009 \$'000 | 2008 \$'000 |
|--|----------------|----------------|
| Present value of unfunded obligations | - | - |
| Net liability Administered on behalf of the Government | - | - |

Changes in the value of the defined benefit obligation are as follows:

| | | |
|--------------------------|-------|-------|
| Net liability at 1 July | - | - |
| Service cost | 893 | 609 |
| Interest cost | 29 | 15 |
| Actuarial losses/(gains) | (922) | (624) |
| Benefits paid | - | - |
| Net liability at 30 June | - | - |

Changes in the fair value of scheme assets are as follows:

| | | |
|-------------------------------------|---|---|
| Opening fair value of scheme assets | - | - |
| Contributions by employer | - | - |
| Benefits paid | - | - |
| Closing value of scheme assets | - | - |

Principal actuarial assumptions at the reporting date (expressed as weighted averages):

| | | |
|----------------------------------|------|------|
| Discount rate at 30 June | 5.6% | 6.6% |
| Future expected salary increases | 4.0% | 4.0% |
| Future pension increases | 4.0% | 4.0% |

Benefits payable are paid from Consolidated Revenue on an emerging (or pay as go) basis. Thus contributions made equal benefits paid.

The expected employer contributions in respect of 2009-10 are \$0 which is the expected amount of benefit payments.

The cumulative actuarial losses and gains recognised in equity are as follows:

| | \$'000 |
|------------------------------------|---------|
| Opening balance as at 30 June 2007 | - |
| 2007-08 (gain) | (624) |
| 30 June 2008 cumulative (gain) | (624) |
| 2008-09 (gain) | (922) |
| 30 June 2009 cumulative (gain) | (1,546) |

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Note 19: Liabilities administered on behalf of Government (continued)

| | 2009 \$'000 | 2008 \$'000 |
|---|----------------|----------------|
| Note 19C: Grants and subsidies | | |
| Public sector: | | |
| Australian Government entities (related entities) | 864 | 5,930 |
| State and Territory governments | 5,317 | 10,872 |
| Local governments | 1,644 | 1,369 |
| Private sector: | | |
| Non-profit organisations | 1,590 | 1,365 |
| Other | 2,984 | 3,483 |
| Other | - | 1,875 |
| Total grants and subsidies | 12,399 | 24,894 |

Settlement is usually made according to the terms and conditions of each grant. This is usually within 30 days of performance or eligibility.

Note 19D: Other payables

| | | |
|--------------------------------------|-----|-------|
| Prepayments received/unearned income | 748 | 1,546 |
|--------------------------------------|-----|-------|

Note 19E: Employee provisions

| | | |
|----------------------------------|--------------|--------------|
| Salaries and wages | 82 | 51 |
| Leave | 1,582 | 1,254 |
| Superannuation | 15 | 177 |
| Other | 1 | - |
| Total employee provisions | 1,680 | 1,482 |

Employee provisions are represented by:

| | | |
|----------------------------------|--------------|--------------|
| Current | 1,495 | 1,239 |
| Non-current | 185 | 243 |
| Total employee provisions | 1,680 | 1,482 |

The classification of current includes amounts for which there is a present obligation. In the case of employee provisions the above classification does not equal the amount expected to be settled within one year of reporting date. Employee provisions expected to be settled in one year \$580,483 (2008: \$453,530), in excess of one year \$1,099,399 (2008: \$1,028,022).

Note 19F: Asbestos removal provision

| | | |
|----------------------------|--------|-------|
| Asbestos removal provision | 10,230 | 7,162 |
|----------------------------|--------|-------|

Note 19G: Phosphate mine rehabilitation provision

| | | |
|---|-------|-------|
| Phosphate mine rehabilitation provision | 2,784 | 2,914 |
|---|-------|-------|

Note 20: Administered Reconciliation Table

| | 2009 | 2008 |
|--|----------------------|----------------|
| | \$'000 | \$'000 |
| <i>Opening administered assets less administered liabilities as at 1 July</i> | 202,962 | (225,191) |
| <i>Adjusted opening administered assets less administered liabilities</i> | | |
| Plus: Administered income | 47,949 | 52,631 |
| Less: Administered expenses (non CAC) | (836,217) | (808,457) |
| Payments to CAC Act bodies | (10,856) | - |
| Administered transfers to/from Australian Government: | | |
| Appropriation transfers from OPA: | | |
| Annual appropriations for administered expenses (non CAC) | 791,072 | 742,067 |
| Annual appropriations capital items | 12,787 | 3,736 |
| Annual appropriations for payment to CAC Act bodies | 10,856 | - |
| Special appropriations (unlimited) (non CAC) | 37,399 | 29,865 |
| Transfers to OPA | (86,045) | (77,599) |
| Restructuring | - | 437,087 |
| Administered revaluations taken to/from reserves | (951) | 33,197 |
| Actuarial Gain - Judges' Pension Scheme taken to equity | (84,278) | 7,200 |
| Actuarial Gain - Federal Magistrates Scheme taken to equity | 922 | 624 |
| Adjustment for POCA funding receipts | - | 7,802 |
| <i>Closing administered assets less administered liabilities as at 30 June</i> | <u>85,600</u> | <u>202,962</u> |

Note 21: Administered Contingent Assets and Liabilities

Unquantifiable Administered Contingencies

Administered contingencies that are not remote and can be reliably measured are disclosed in the Schedule of Administered Items as quantifiable administered contingencies.

The Department does not have any unquantifiable administered contingencies.

Note 22: Administered Investments

The Australian Government owns 100% of the following entities:

- * Australian Institute of Criminology - s5(2)(a) of the *Criminology Research Act 1971*
- * Criminology Research Council - s34(2)(a) of the *Criminology Research Act 1971*
- * Australian Law Reform Commission - s5(2)(a) of the *Australian Law Reform Commission Act 1996*
- * High Court of Australia - s17 of the *High Court of Australia Act 1996*
- * Australian Government Solicitor - s55M of the *Judiciary Act 1903*

Law Courts Ltd is a company limited by guarantee and jointly controlled by the Australian and NSW Governments. The primary purpose of the company is to provide a courts facility being the joint Sydney Law Courts Building. The building is currently undergoing a major refurbishment program. The investment taken up by the Australian Government is based on the net assets of Law Courts Ltd, adjusted by the accumulated capital contributions made by the Australian Government to the company up to 30 June 2009.

The principal activities of each of the Department's administered investments are:

- * Law Courts Limited is a jointly controlled Australian Government/New South Wales company limited by guarantee established to manage the Sydney Law Courts Building
- * The Australian Institute of Criminology has an objective and independent national focus in studying crime and criminal justice and disseminating criminal justice information
- * The Criminology Research Council provides a forum for Attorneys-General and their representatives around Australia to assess needs in the field of criminological research and to fund specific research projects in universities, government agencies and elsewhere
- * The Australian Law Reform Commission conducts independent references (inquiries) into areas of federal law reform at the request of the Attorney-General
- * The High Court, as the highest court in the Australian judicial system, interprets and applies the law of Australia, decides cases of special Commonwealth significance including challenges to the constitutional validity of laws, and hears appeals from Federal, State and Territory Courts
- * The Australian Government Solicitor is a Commonwealth Authority providing national legal services to the Government and its agencies in a contestable environment.

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Note 23: Administered Financial Instruments

| | 2009 | 2008 |
|--|----------------|----------------|
| | \$'000 | \$'000 |
| <u>Note 23A: Categories of financial instruments</u> | | |
| Financial assets | | |
| Loans and receivables financial assets | | |
| Cash and cash equivalents | 619 | 182 |
| Trade receivables | 4,853 | 5,583 |
| Loans | 128,093 | 132,110 |
| Other receivables | 11,758 | 7,802 |
| Carrying amount of financial assets | 145,323 | 145,677 |
| Financial liabilities | | |
| at amortised cost | | |
| Trade creditors | 19,241 | 14,621 |
| Grants and subsidies payable | 12,399 | 24,894 |
| Prepayments received/unearned income | 721 | 1,546 |
| Carrying amount of financial liabilities | 32,361 | 41,061 |
| <u>Note 23B: Net income and expense from financial assets</u> | | |
| Loans and receivables | | |
| Interest | 8,861 | 8,493 |
| Impairment | (82) | (119) |
| Net gain/(loss) loans and receivables | 8,779 | 8,374 |

The net income/expense from financial assets is \$8,777,718 (2008: \$8,374,773).

Note 23: Administered Financial Instruments (continued)

Note 23C: Credit risk

The Administered activities of the Department are exposed to minimal credit risk as the majority of financial assets are trade receivables, advances and loans to state and territory governments, and shares in associated and government controlled entities. The maximum exposure to credit risk is the risk that arises from potential default of a debtor. This amount is equal to the total amount of receivables \$129,838,521 (2008: \$137,692,684). The Department has assessed the risk of default on payment and has allocated \$208,197 (2008: \$139,716) to an impairment allowance account.

The Department has policies and procedures that guide employees on debt recovery techniques that are to be applied.

The following table illustrates the Department's gross exposure to credit risk. The Department holds no collateral to mitigate credit risk.

| | 2009 \$'000 | 2008 \$'000 |
|------------------------------|----------------|----------------|
| Loans and receivables | | |
| Trade receivables | 4,853 | 5,583 |
| Loans | 128,093 | 132,110 |
| Total | 132,946 | 137,693 |

Credit quality of financial instruments not past due or individually determined as impaired

| | Not past due nor impaired 2009 \$'000 | Not past due nor impaired 2008 \$'000 | Past due or impaired 2009 \$'000 | Past due or impaired 2008 \$'000 |
|------------------------------|--|--|---|---|
| Loans and receivables | | | | |
| Trade receivables | 1,866 | 2,825 | 2,987 | 2,758 |
| Loans | 128,093 | 132,110 | - | - |
| Total | 129,959 | 134,935 | 2,987 | 2,758 |

Ageing of financial assets that are past due but not impaired for 2009

| | 0 to 30 days \$'000 | 31 to 60 days \$'000 | 61 to 90 days \$'000 | 90+ days \$'000 | Total \$'000 |
|------------------------------|---------------------------|----------------------------|----------------------------|-----------------------|-----------------|
| Loans and receivables | | | | | |
| Trade receivables | 231 | 90 | 21 | 2,437 | 2,779 |
| Total | 231 | 90 | 21 | 2,437 | 2,779 |

Ageing of financial assets that are past due but not impaired for 2008

| | 0 to 30 days \$'000 | 31 to 60 days \$'000 | 61 to 90 days \$'000 | 90+ days \$'000 | Total \$'000 |
|------------------------------|---------------------------|----------------------------|----------------------------|-----------------------|-----------------|
| Loans and receivables | | | | | |
| Trade receivables | 379 | 131 | 107 | 2,001 | 2,618 |
| Total | 379 | 131 | 107 | 2,001 | 2,618 |

The following list of assets have been individually assessed as impaired:

Trade receivables have been individually assessed for impairment by departmental officers. Recovery of the debt has been considered based on communication with the debtor, and where determined to be unrecoverable an allowance was recognised.

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Note 23: Administered Financial Instruments (continued)

Note 23D: Liquidity risk

The Department's financial liabilities are payables, finance leases and other interest bearing liabilities. The exposure to liquidity risk is based on the notion that the Department will encounter difficulty in meeting its obligations associated with financial liabilities. This is highly unlikely due to appropriation funding and mechanisms available to the Department (e.g. Advance to the Finance Minister) and internal policies and procedures in place to ensure there are appropriate resources to meet financial obligations

The Department receives appropriations and manages its funds to ensure it is able to meet its payments as they fall due. In addition, the Department has policies in place to ensure timely payments are made and has no past history of default.

The following tables illustrates the maturities for financial liabilities:

| | On demand 2009 \$'000 | Within 1 year 2009 \$'000 | 1 to 5 years 2009 \$'000 | > 5 years 2009 \$'000 | Total 2009 \$'000 |
|--------------------------------------|-----------------------------|---------------------------------|--------------------------------|-----------------------------|-------------------------|
| Liabilities at amortised cost | | | | | |
| Trade creditors | - | 19,241 | - | - | 19,241 |
| Grants and subsidies payable | - | 12,399 | - | - | 12,399 |
| Prepayments received/unearned income | - | 721 | - | - | 721 |
| Total | - | 32,361 | - | - | 32,361 |

| | On demand 2008 \$'000 | Within 1 year 2008 \$'000 | 1 to 5 years 2008 \$'000 | > 5 years 2008 \$'000 | Total 2008 \$'000 |
|--------------------------------------|-----------------------------|---------------------------------|--------------------------------|-----------------------------|-------------------------|
| Liabilities at amortised cost | | | | | |
| Trade creditors | - | 14,621 | - | - | 14,621 |
| Grants and subsidies payable | - | 24,894 | - | - | 24,894 |
| Prepayments received/unearned income | - | 1,546 | - | - | 1,546 |
| Total | - | 41,061 | - | - | 41,061 |

Note 23E: Market risk

The Department holds basic financial instruments that do not expose the Department to market risks. The Department is not exposed to 'currency risk' or 'other price risk'.

Interest rate risk

The only interest-bearing items on the balance sheet are loans made to state and territory governments. All those bearing interest at a fixed interest do not fluctuate due to changes in the market interest rate. Those with variable interest rates are significantly concessional so that any movement in the market rate will not have a material impact on the carrying amount of the receivable.

Note 24: Appropriations

Table A: Authority to Draw Cash from the Consolidated Revenue Fund for Ordinary Annual Services Appropriations

| Particulars | Administered Expenses | | | | | | Departmental Outputs | | Total |
|---|-----------------------|----------|-----------|----------|-----------|---------|----------------------------|---------|-----------|
| | Outcome 1 | | Outcome 2 | | Outcome 3 | | Payments to CAC Act bodies | | |
| | 2009 | 2008 | 2009 | 2008 | 2009 | 2008 | 2009 | 2008 | |
| Balance brought forward from previous period | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Adjustment to opening balance | 18,865 | 56,065 | 58,275 | 78,547 | 89,981 | - | 99,703 | 108,866 | 2,434,778 |
| Appropriation Act: | | | | | | | | | |
| Appropriation Act (No.1) 2008-09 | 384,548 | 446,838 | 64,053 | 116,916 | 111,716 | - | 230,136 | 207,158 | 801,309 |
| Appropriation Act (No.3) 2008-09 | 4,966 | 17,452 | 11,447 | 47,458 | 14,937 | - | 2,077 | 2,077 | 33,427 |
| Appropriation Act (No.5) 2008-09 | - | 8,218 | - | - | - | - | - | - | 8,218 |
| Appropriation Act (Northern Territory National Emergency Response) | - | 10,701 | - | - | - | - | - | - | 207 |
| Administrative appropriations reduced from CAC (Appropriations Acts 11) | (12,886) | (46,546) | (34,408) | (71,329) | (15,689) | - | - | - | (64,983) |
| Adjustment in accordance with determination to amend regulations of appropriations upon request (No. 1 of 2008-2009) ¹ | - | - | - | - | - | - | (797) | (797) | (797) |
| Departmental appropriations reduced (Appropriation Act section 10) ² | - | - | - | - | - | - | 1,251 | (1,251) | 1,251 |
| CAC Act body payment items reduced (Appropriation Act section 12) | - | - | - | - | - | - | - | - | - |
| Advance to the Finance Minister (Appropriation Act section 14) | - | - | - | - | - | - | - | - | - |
| Flexible Funding pool receipts (Appropriation Act section 15) | 3,209 | - | - | - | - | - | - | - | 3,209 |
| FMA Act: | | | | | | | | | |
| Refunds credited (FMA section 30) | 15,14 | 3,364 | 2,468 | 666 | 1,069 | 64 | - | - | 5,231 |
| Appropriations to take account of recoverable GST (FMA section 30A) | 10,812 | 17,651 | 1,521 | 4,273 | 2,960 | 1,560 | 13,375 | 9,939 | 28,668 |
| Relevant Agency receipts (FMA section 31) | - | - | - | - | - | - | 35,196 | 20,278 | 35,196 |
| Adjustment of appropriations on change of entity function (FMA section 32) | - | - | - | - | - | - | - | - | - |
| - Privacy and Freedom of Information | - | - | - | - | - | - | - | - | - |
| - Australian Commission for Law Enforcement Integrity | - | - | - | - | - | - | - | - | - |
| - Administration of the National Classification Scheme | - | - | - | - | - | - | - | - | - |
| - Services to territories and advice on their administration | - | - | - | - | - | - | - | - | - |
| - Natural disaster relief and mitigation | - | - | - | - | - | - | - | - | - |
| Total appropriations available for payments | 411,028 | 513,803 | 101,536 | 176,531 | 204,974 | 127,836 | 380,941 | 353,804 | 1,109,235 |
| Cash payments made during the year (GST inclusive) | 391,083 | 494,938 | 59,676 | 118,256 | 116,168 | 37,855 | 266,975 | 254,101 | 844,758 |
| Appropriations credited to Special Accounts (excluding GST) | - | - | - | - | - | - | - | - | - |
| Balance of Authority to Draw Cash from the Consolidated Revenue Fund for Ordinary Annual Services Appropriations and as represented by: | 19,945 | 18,865 | 41,860 | 58,275 | 88,806 | 89,981 | 113,966 | 99,703 | 264,577 |
| Cash at bank and on hand | 619 | 132 | - | - | - | - | 1,131 | 1,293 | 1,750 |
| Departmental appropriations receivable | - | - | - | - | - | - | 108,030 | 97,741 | 108,030 |
| Receivables - GST | - | - | - | - | - | - | 3,871 | 669 | 3,871 |
| Appropriation reduction approved by the Finance Minister but not registered under Appropriation Act Section 10 | - | - | - | - | - | - | - | - | 609 |
| Downward adjusted administered appropriations | 19,326 | 18,693 | 41,860 | 58,275 | 88,806 | 89,981 | 934 | 934 | 934 |
| Total | 19,945 | 18,865 | 41,860 | 58,275 | 88,806 | 89,981 | 113,966 | 99,703 | 264,577 |
| | | | | | | | | | 266,824 |

| Particulars | Administered Expenses | | | | | | Departmental Outputs | | Total |
|---|-----------------------|-------------|------------|-------------|-------------|------------|----------------------------|------|-------------|
| | Outcome 1 | | Outcome 2 | | Outcome 3 | | Payments to CAC Act bodies | | |
| | 2009 | 2008 | 2009 | 2008 | 2009 | 2008 | 2009 | 2008 | |
| Reduction in administered items | 393,533,827 | 483,269,000 | 75,500,000 | 164,374,000 | 126,653,000 | 82,263,532 | - | - | 595,686,287 |
| Total administered items appropriated | 370,637,445 | 499,704,778 | 55,243,052 | 113,059,905 | 111,716,000 | 35,361,552 | - | - | 577,596,500 |
| Less administered items required by the Agency per Appropriation Act section 11 | 3,966,997 | 12,215,500 | 3,221,804 | 14,915,606 | 11,681,445 | 3,123,136 | - | - | 18,610,026 |
| Appropriation Act (No.1) 2008-09 | - | 2,707,500 | - | - | - | - | - | - | 2,707,500 |
| Appropriation Act (No.3) 2008-09 | - | 10,761,609 | - | - | - | - | - | - | 10,761,609 |
| Appropriation Act (Northern Territory National Emergency Response) | 374,344,232 | 476,382,778 | 58,464,859 | 123,965,625 | 133,197,445 | 66,574,736 | - | - | 556,916,524 |
| Total administered items required by the Agency | 19,189,596 | 12,886,222 | 17,685,141 | 56,648,325 | 3,555,555 | 15,686,296 | - | - | 394,889,201 |
| Total reduction in administered items - effective 2009-2010 | | | | | | | | | 64,983,292 |

¹ In 2008-09, the Minister for Finance and Deregulation repealed the 2007-08 determination to reduce appropriation by \$1,251,000, and substituted the reduction with a smaller amount of \$797,000, resulting in a balance of \$454,000 being recognised in the Statement of Changes in Equity.

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Note 24: Appropriations (continued)

Table B: *Appropriation of authority to Draw Cash from the Consolidated Revenue Fund for Other than Ordinary Annual Services Appropriations*

| Particulars | Operating | | | | Non-operating | | | | | | Total | | | |
|--|---------------|-----------|---------------|---------------|----------------------------|------|---------------|---------------|-------------------------|-------|------------------------------|----------------|----------------|----------------|
| | Outcome 1 | | Outcome 3 | | Payments to CAC Act bodies | | Equity | | Previous Years' Outlays | | Admin assets and liabilities | | Total | |
| | 2009 | 2008 | 2009 | 2008 | 2009 | 2008 | 2009 | 2008 | 2009 | 2008 | 2009 | 2008 | 2009 | 2008 |
| Balance brought forward from previous period (Appropriation Acts) | | | | | | | | | | | | | | |
| Appropriation Act: | | | | | | | | | | | | | | |
| Appropriation Act (No.4) 2008-09 | 160,225 | 41,028 | 163,402 | | | | 80,024 | 30,236 | 2,105 | | 143,923 | | 284,413 | 41,236 |
| Appropriation Act (No.6) 2008-09 | 8 | | 2,446 | | | | 18,144 | 34,472 | | 2,105 | 2,100 | 5,000 | 362,769 | 77,605 |
| Other annual appropriations acts | | | | | | | 139 | 1,310 | | | | | 6,658 | 6,310 |
| Administered appropriations reduced (non CAC) Appropriation Act s12.13 | (37) | (11,000) | (88,682) | | | | | | | | | | (88,719) | (11,000) |
| Departmental appropriations reduced (Appropriation Act section 13) | | | | | | | | | | | | | | |
| CAC Act body payment items reduced (Appropriation Act section 14) | | | | | | | | | | | | | | |
| Advance to the Finance Minister (Appropriation Act section 15) | | | | | | | | | | | | | | |
| Refunds credited (FMA section 30) | | | | | | | | | | | | | | |
| Appropriations to take account of recoverable GST (FMA section 30A) | 3,451 | 1,557 | 2,834 | 1,698 | | | | | | | 373 | 139 | 6,658 | 3,392 |
| Adjustment of appropriations on change of entity function (FMA section 32) | | | | | | | | | | | | | | |
| - Australian Commission for Law Enforcement Integrity | | | | | | | | | | | | | | (264) |
| - Administration of the National Classification Scheme | | | | 833 | | | | | | | | | | 833 |
| - Services to territories and advice on their administration | | | | 18,086 | | | | | | | | | | 89,138 |
| - Natural disaster relief and mitigation | | | | 11,578 | | | | | | | | | | 187,371 |
| Total appropriations available for payments | 163,754 | 43,418 | 168,324 | 135,566 | | | 98,307 | 68,754 | 2,105 | | 165,296 | 147,798 | 597,786 | 394,641 |
| Cash payments made during the year (GST inclusive) | 121,817 | 43,381 | 100,055 | 47,242 | | | 41,206 | 15,730 | | | 13,160 | 3,875 | 276,238 | 110,238 |
| Appropriations credited to Special Accounts (GST exclusive) | | | | | | | | | | | | | | |
| Balance of Authority to Draw Cash from the Consolidated Revenue Fund for Other Than Ordinary Annual Services Appropriations and as represented by: | 41,937 | 37 | 68,269 | 88,324 | | | 27,101 | 50,024 | 2,105 | | 152,136 | 143,923 | 291,548 | 284,413 |
| Cash at bank and on hand | | | | | | | | | | | | | | |
| Departmental appropriations receivable | | | | | | | | | | | | | | |
| Unfunded, unapplied administered appropriations | 41,937 | 37 | 68,269 | 88,324 | | | 27,101 | 50,024 | 4,333 | 2,105 | 152,136 | 143,923 | 262,342 | 232,236 |
| Adjustments under s10.13 of the Finance Minister's Orders not reflected above | | | | | | | | | (2,228) | | | | | |
| Total | 41,937 | 37 | 68,269 | 88,324 | | | 27,101 | 50,024 | 2,105 | | 152,136 | 143,923 | 291,548 | 284,413 |

| Particulars | Operating | | | | Non-operating | | | | | | Total | | | |
|---|-------------------|---------------|-------------------|-------------------|----------------------------|------|--------|------|-------------------------|------|------------------------------|------|--------------------|-------------------|
| | Outcome 1 | | Outcome 3 | | Payments to CAC Act bodies | | Equity | | Previous Years' Outlays | | Admin assets and liabilities | | Total | |
| | 2009 | 2008 | 2009 | 2008 | 2009 | 2008 | 2009 | 2008 | 2009 | 2008 | 2009 | 2008 | 2009 | 2008 |
| Reduction in administered items | | | | | | | | | | | | | | |
| Total administered items appropriated | 160,303,000 | 41,861,000 | 165,848,000 | 133,870,114 | | | | | | | | | 356,151,000 | 175,731,114 |
| Less administered items required by the Agency per Appropriation Act section 12 | | | | | | | | | | | | | | |
| Appropriation Act (No.2) 2008-09 | 122,993,163 | 41,823,795 | 99,251,971 | 45,188,000 | | | | | | | | | 221,645,134 | 87,011,795 |
| Appropriation Act (No.4) 2008-09 | | | | | | | | | | | | | | |
| Appropriation Act (No.6) 2008-09 | | | | | | | | | | | | | | |
| Other annual appropriations acts | | | | | | | | | | | | | | |
| Total administered items required by the Agency | 122,993,163 | 41,823,795 | 99,251,971 | 45,188,000 | | | | | | | | | 221,645,134 | 87,011,795 |
| Total reduction in administered items - effective 2005-2010 | 37,909,837 | 37,205 | 66,596,029 | 88,682,114 | | | | | | | | | 104,505,866 | 88,719,319 |

Departmental and non-operating appropriations do not lapse at financial year end. However, the responsible Minister may decide that part or all of a departmental or non-operating appropriation is not required and request the Finance Minister to reduce that appropriation. The reduction in the appropriation is effected by the Finance Minister's determination and is disallowable by Parliament. The Finance Minister has not determined a reduction in departmental outputs appropriations in 2008-09 (2007-08: \$1,251,000).

Note 24: Appropriations (continued)**Table C: Acquittal of authority to draw cash from the Consolidated Revenue Fund - Special Appropriations (Unlimited Amount)**

| Legislation: <i>National Handgun Buyback 2003</i> | 2009 | 2008 |
|--|---------------|---------------|
| Purpose: To provide for financial assistance for qualifying payments made by States and other expenditure in connection with the implementation of the handgun buyback, and for related purposes. All transactions under this Act are recognised as Administered items. | \$'000 | \$'000 |
| Cash payments made during the year | 2,051 | 3,695 |
| Repayments to the Commonwealth (FMA Act section 30) | 1,013 | 12 |
| Total charged to appropriation | 3,064 | 3,707 |
| <i>Estimated actual</i> | 2,500 | 6,457 |

| Legislation: <i>Judges' Pensions Act 1968</i> | 2009 | 2008 |
|--|---------------|---------------|
| Purpose: To make provisions for pensions for judges and their families. All transactions under this Act are recognised as Administered items. | \$'000 | \$'000 |
| Cash payments made during the year - federal court justices | 26,128 | 22,526 |
| Cash payments made during the year - former Presidential Members of the Australian Industrial Relations Commission. | - | 3,267 |
| Repayments to the Commonwealth (FMA Act section 30) | 73 | 45 |
| Total charged to appropriation | 26,201 | 25,838 |
| <i>Estimated actual</i> | 26,300 | 28,368 |

| Legislation: <i>Law Officers Act 1964</i> | 2009 | 2008 |
|--|---------------|---------------|
| Purpose: To make provisions for pensions of the Solicitors General. All transactions under this Act are recognised as Administered items. | \$'000 | \$'000 |
| Cash payments made during the year | 342 | 321 |
| Total charged to appropriation | 342 | 321 |
| <i>Estimated actual</i> | 450 | 450 |

| Legislation: <i>High Court Justices (Long Leave Payments) Act 1979</i> | 2009 | 2008 |
|--|---------------|---------------|
| Purpose: To make provisions for long leave payments for Justices of the High Court. | \$'000 | \$'000 |
| Cash payments made during the year | 827 | 326 |
| Total charged to appropriation | 827 | 326 |
| <i>Estimated actual</i> | 416 | 326 |

| Legislation: <i>National Firearms Program Implementation Act 1996</i> | 2009 | 2008 |
|---|---------------|---------------|
| Purpose: To provide for financial assistance and other expenditure in connection with the implementation of the national firearms program. | \$'000 | \$'000 |
| Cash payments made during the year | 54 | - |
| Total charged to appropriation | 54 | - |
| <i>Estimated actual</i> | - | - |

Table D: Acquittal of authority to draw cash from the Consolidated Revenue Fund - Special Appropriations (Refund Provisions)

| Legislation: <i>Financial Management and Accountability Act 1997</i> | 2009 | 2008 |
|--|---------------|---------------|
| Purpose: To provide for payments under Section 28 of the FMA Act. All transactions under this Act are recognised as Administered items. | \$'000 | \$'000 |
| Cash payments made during the year | 13 | 8 |
| Total charged to special appropriation | 13 | 8 |
| <i>Estimated actual</i> | 15 | 8 |

Note 24: Appropriations (continued)

Table E: Disclosure by agent in relation to Special Appropriations

| | Department of Education, Employment and Workplace Relations | | | | | | Total | | | |
|--|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | Departmental | | Administered | | Departmental | | Administered | | Administered | |
| | 2009 \$'000 | 2008 \$'000 | 2009 \$'000 | 2008 \$'000 | 2009 \$'000 | 2008 \$'000 | 2009 \$'000 | 2008 \$'000 | 2009 \$'000 | 2008 \$'000 |
| Remuneration Tribunal Act 1973 | - | - | - | - | - | - | - | - | - | - |
| Total receipts | - | - | 3,140 | 2,926 | - | - | 3,140 | 2,926 | 3,140 | 2,926 |
| Total payments | - | - | 3,140 | 2,926 | - | - | 3,140 | 2,926 | 3,140 | 2,926 |
| Balance of receipts and payments for departmental, and for administered, for each responsible Agency | - | - | - | - | - | - | - | - | - | - |

| | Department of Finance and Deregulation | | | | Total | | | | |
|--|--|----------------|----------------|----------------|----------------|----------------|----------------|----------------|---|
| | Departmental | | Administered | | Departmental | | Administered | | |
| | 2009 \$'000 | 2008 \$'000 | 2009 \$'000 | 2008 \$'000 | 2009 \$'000 | 2008 \$'000 | 2009 \$'000 | 2008 \$'000 | |
| Parliamentary Entitlements Act 1990 | - | - | - | - | - | - | - | - | - |
| Total receipts | - | - | 155 | 7 | - | - | 155 | 7 | - |
| Total payments | - | - | 155 | 7 | - | - | 155 | 7 | - |
| Balance of receipts and payments for departmental, and for administered, for each responsible Agency | - | - | - | - | - | - | - | - | - |

Other Special Appropriations that had nil balances at the end of the 2008-09 financial year and where there were no transactions debited or credited to them during the 2008-09 financial year are:

- *Native Title Act 1993* Purpose: Payment of successful Native Title compensation claims
- *National Firearms Program Implementation Act 1998* Purpose: Payment of compensation for firearms surrendered in 3 External Territories
- *National Firearms Program Implementation Act 1997* Purpose: Payment of compensation for surrendered firearms not covered by the 1996 legislation (certain automatic weapons)
- *National Crime Authority (Status and Rights of former Chairman) Act 1984* Purpose: Payments of remuneration and allowances
- *High Court of Australia Act 1979* Purpose: Salary and Allowances of Judges
- *Judges (Long Leave Payments) Act 1979* Purpose: To make provision for long leave payments for judges
- *Federal Court of Australia Act 1976* Purpose: Salary and allowances of judges
- *Family Law Act 1975* Purpose: Salary and allowances of judges
- *Crimes (Superannuation Benefits) Act 1989* Purpose: Superannuation benefits paid or payable to or in respect of certain persons convicted of corruption offences
- *Commonwealth Places (Application of Laws) Act 1970* Purpose: Application and administration of laws in places acquired by the Commonwealth for public purposes
- *Classification (Publications, Films and Computer Games) Act 1995* Purpose: Payments to the States regarding costs of administering the scheme
- *Appropriation (Dr Carmen Lawrence's Legal Costs) Act 1999-2000* Purpose: Payment of legal cost relating to the case of Vass & Ors v The Commonwealth of Australia
- *Federal Magistrates Act 1999* Purpose: To make provision for death or invalidity benefits for judges

Note 25: Special Accounts

| Christmas Island Phosphate Mining Rehabilitation (Administered) | 2009 | 2008 |
|--|---------------|---------------|
| | \$'000 | \$'000 |
| Legal Authority: <i>Financial Management and Accountability Act 1997: s20</i> | | |
| <i>Purpose:</i> To manage the funding provided for the rehabilitation of phosphate mine sites on Christmas Island in accordance with the requirements of the lease between Phosphate Resources Limited and the Australian Government | | |
| This account is non-interest bearing | | |
| Balance carried from previous period | 2,914 | 598 |
| Receipts | 1,109 | - |
| Other receipts: | | |
| Transfer of balance from Department of Infrastructure, Transport, Regional Development and Local Government | - | 3,034 |
| Total credits | 1,109 | 3,034 |
| Available for payments | 4,023 | 3,632 |
| Payments made to suppliers | (1,327) | (718) |
| Balance carried to next year | 2,696 | 2,914 |
| Represented by: | | |
| Cash - transferred to the Official Public Account | 2,696 | 2,914 |
| Total balance carried to the next period | 2,696 | 2,914 |

| Services on behalf of other Governments and non public bodies (Administered) | 2009 | 2008 |
|---|---------------|---------------|
| | \$'000 | \$'000 |
| Legal Authority: <i>Financial Management and Accountability Act 1997: s20</i> | | |
| <i>Purpose:</i> For expenditure in connection with services performed on behalf of other Governments and bodies that are not Agencies under the FMA Act | | |
| This account is non-interest bearing | | |
| Balance carried from previous period | 2,290 | 1,786 |
| Other receipts: | | |
| Transfer from Insolvency Trustee Services Australia (ITSA) | 11,758 | - |
| Costs recovered | 1,435 | 2,188 |
| Available for payments | 15,483 | 3,974 |
| Payments made to suppliers | (1,606) | (1,684) |
| Balance carried to next year | 13,877 | 2,290 |
| Represented by: | | |
| Cash - transferred to the Official Public Account | 13,877 | 2,290 |
| Total balance carried to the next period | 13,877 | 2,290 |

| Other Trust moneys (Administered) | 2009 | 2008 |
|---|---------------|---------------|
| | \$'000 | \$'000 |
| Legal Authority: <i>Financial Management and Accountability Act 1997: s20</i> | | |
| <i>Purpose:</i> For expenditure of moneys temporarily held on trust or otherwise for the benefit of a person other than the Australian Government | | |
| This account is non-interest bearing | | |
| Balance carried from previous period | 1,665 | 456 |
| Other receipts | 1,498 | 2,387 |
| Available for payments | 3,163 | 2,843 |
| Payments made to suppliers | (1,237) | (1,178) |
| Balance carried to next period | 1,926 | 1,665 |
| Represented by: | | |
| Cash - transferred to the Official Public Account | 1,926 | 1,659 |
| Cash - held by agency | - | 6 |
| Total balance carried to the next period | 1,926 | 1,665 |

Northern Territory Flexible Funding Pool Special Account

The Department of Families, Housing, Community Services and Indigenous Affairs (FaHCSIA) made the following payments out of the Northern Territory Flexible Funding Pool (NTFFP) Special Account:

Administered: \$3,209,127 (2007-08: \$1,474,000)

Note: In 2007-08 FaHCSIA made payments out of the NTFFP Special Account directly to third parties on behalf of the Attorney-General's Department. Subsequent arrangements in 2008-09 involved payments from FaHCSIA to the Attorney-General's Department for payments to third parties.

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Note 26: Compensation and Debt Relief in Special Circumstances

| | 2009 | 2008 |
|---|------|------|
| | \$ | \$ |
| Administered | | |
| No 'Act of Grace' expenses were incurred during the reporting period. (2008: No expenses) | - | - |
| No waivers of amounts owing to the Australian Government were made pursuant to subsection 34(1) of the Financial Management and Accountability Act 1997. (2008: No waivers) | - | - |
| No payments were made under the 'Defective Administration Scheme' during the reporting period. (2008: No payments) | - | - |
| No payments were made under s73 of the Public Service Act 1999 during the reporting period. (2008: No payments) | - | - |
| No ex-gratia payments were provided for during the reporting period. (2008: No payments) | - | - |
| Departmental | | |
| No 'Act of Grace' expenses were incurred during the reporting period. (2008: No expenses). | - | - |
| No waivers of amounts owing to the Australian Government were made pursuant to subsection 34(1) of the Financial Management and Accountability Act 1997. (2008: No waivers) | - | - |
| No payments were made under the 'Defective Administration Scheme' during the reporting period. (2008: 2 payments) | - | 597 |
| No payments were made under s73 of the Public Service Act 1999 during the reporting period. (2008: No payments) | - | - |
| No ex-gratia payments were provided for during the reporting period. (2008: No payments) | - | - |

Note 27: Reporting of Outcomes

The Department uses budgeted average staffing levels to determine the attribution of its shared items. The basis of attribution in the Table is consistent with the basis used for the 2008-09 Budget.

Note 27A: Net Cost of Outcome Delivery

| | Outcome 1 | | Outcome 2 | | Outcome 3 | | Payments to CAC Act bodies* | | Total | |
|--|----------------|----------------|----------------|----------------|----------------|----------------|-----------------------------|----------------|------------------|------------------|
| | 2009 \$'000 | 2008 \$'000 | 2009 \$'000 | 2008 \$'000 | 2009 \$'000 | 2008 \$'000 | 2009 \$'000 | 2008 \$'000 | 2009 \$'000 | 2008 \$'000 |
| Expenses | | | | | | | | | | |
| Administered | 552,612 | 570,668 | 59,362 | 135,417 | 224,243 | 102,372 | 10,856 | - | 847,073 | 808,457 |
| Departmental | 107,337 | 98,648 | 131,528 | 148,847 | 18,461 | 5,418 | - | - | 257,326 | 252,913 |
| Total expenses | 659,949 | 669,316 | 190,890 | 284,264 | 242,704 | 107,790 | 10,856 | - | 1,104,399 | 1,061,370 |
| Costs recovered from provision of goods and services to the non government sector | | | | | | | | | | |
| Administered | 6,888 | 7,311 | 2,041 | 9,882 | 23,730 | 14,628 | - | - | 32,659 | 31,821 |
| Departmental | 5,606 | 5,342 | 15,915 | 18,502 | 201 | 28 | - | - | 21,722 | 23,872 |
| Total costs recovered | 12,494 | 12,653 | 17,956 | 28,384 | 23,931 | 14,656 | - | - | 54,381 | 55,693 |
| Other external income | | | | | | | | | | |
| Administered | 8,268 | 17,892 | 144 | 997 | 6,878 | 1,921 | - | - | 15,290 | 20,810 |
| Departmental | 151 | 144 | 181 | 262 | 16 | 10 | - | - | 348 | 416 |
| Total other external income | 8,419 | 18,036 | 325 | 1,259 | 6,894 | 1,931 | - | - | 15,638 | 21,226 |
| Net cost/(contribution) of outcome | 639,036 | 638,627 | 172,609 | 254,621 | 211,879 | 91,203 | 10,856 | - | 1,034,380 | 984,451 |

Outcomes 1, 2 and 3 are described in Note 1.1. Net costs shown include intra-government costs that are eliminated in calculating the actual Budget Outcome. Refer to Outcome 1 Resourcing Table, Outcome 2 Resourcing Table and Outcome 3 Resourcing Table of this Annual Report.

* Payments to CAC Act bodies are not related to outcomes. They are included here so the total can agree to the resourcing table.

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Note 27: Reporting of Outcomes (continued)

Note 27B: Major Classes of Departmental Income and Expenses by Output Groups and Outputs

| Outcome 1 | Output Group 1.1 | | Output Group 1.2 | | Output Group 1.3 | | Output Group 1.4 | | Output Group 1.5 | | Output Group 1.6 | | Output Group 1.7 | | Output Group 1.8 | | Outcome 1 Total | |
|------------------------------------|------------------|---------------|------------------|---------------|------------------|---------------|------------------|--------------|------------------|---------------|------------------|--------------|------------------|---------------|------------------|--------------|-----------------|---------------|
| | 2009 | 2008 | 2009 | 2008 | 2009 | 2008 | 2009 | 2008 | 2009 | 2008 | 2009 | 2008 | 2009 | 2008 | 2009 | 2008 | 2009 | 2008 |
| Departmental expenses | \$700 | \$700 | \$700 | \$700 | \$700 | \$700 | \$700 | \$700 | \$700 | \$700 | \$700 | \$700 | \$700 | \$700 | \$700 | \$700 | \$700 | \$700 |
| Employees | 18,797 | 17,147 | 7,003 | 5,004 | 11,919 | 11,405 | 4,715 | 4,257 | 8,561 | 8,005 | 3,464 | 2,455 | 12,006 | 4,074 | 1,879 | 70,558 | 62,758 | 30,705 |
| Suppliers | 7,567 | 7,345 | 2,439 | 5,941 | 4,336 | 3,331 | 1,577 | 1,683 | 2,175 | 2,235 | 3,096 | 2,804 | 4,134 | 5,274 | 4,525 | 29,849 | 29,849 | 30,705 |
| Depreciation and amortisation | 1,569 | 1,168 | 466 | 1,019 | 1,350 | 698 | 373 | 259 | 710 | 591 | 277 | 138 | 990 | 914 | 424 | 111 | 6,175 | 4,898 |
| Other expenses | 171 | 74 | 49 | 62 | 208 | 22 | 41 | 20 | 85 | 43 | 34 | 8 | 107 | 55 | 60 | 7 | 755 | 287 |
| Total departmental expenses | 28,124 | 25,730 | 9,957 | 12,026 | 17,813 | 15,456 | 6,706 | 6,219 | 11,531 | 10,824 | 6,871 | 5,405 | 17,254 | 18,249 | 9,081 | 4,089 | 107,337 | 98,648 |
| Funded by: | | | | | | | | | | | | | | | | | | |
| Revenues from government | 24,495 | 25,570 | 8,690 | 6,045 | 14,888 | 16,445 | 5,800 | 6,016 | 10,048 | 7,971 | 6,470 | 5,557 | 15,203 | 18,327 | 10,142 | 4,717 | 95,726 | 90,648 |
| Sale of goods and services | 739 | 258 | 48 | 119 | 1,456 | 1,431 | 233 | 219 | 2,803 | 3,209 | 49 | 12 | 176 | 84 | 102 | 10 | 5,606 | 5,342 |
| Other income | 42 | 37 | 12 | 32 | 26 | 10 | 10 | 8 | 18 | 19 | 7 | 4 | 26 | 28 | 16 | 4 | 151 | 144 |
| Total departmental income | 25,276 | 25,865 | 8,740 | 6,196 | 16,370 | 17,888 | 6,043 | 6,243 | 12,869 | 11,199 | 6,526 | 5,573 | 15,405 | 18,439 | 10,254 | 4,731 | 101,483 | 96,134 |

| Outcome 2 | Output Group 2.1 | | Output Group 2.2 | | Output Group 2.3 | | Output Group 2.4 | | Output Group 2.5 | | Output Group 2.6 | | Outcome 2 Total | |
|------------------------------------|------------------|---------------|------------------|---------------|------------------|---------------|------------------|---------------|------------------|---------------|------------------|---------------|-----------------|----------------|
| | 2009 | 2008 | 2009 | 2008 | 2009 | 2008 | 2009 | 2008 | 2009 | 2008 | 2009 | 2008 | 2009 | 2008 |
| Departmental expenses | \$700 | \$700 | \$700 | \$700 | \$700 | \$700 | \$700 | \$700 | \$700 | \$700 | \$700 | \$700 | \$700 | \$700 |
| Employees | 12,533 | 15,173 | 11,364 | 7,700 | 10,084 | 11,929 | 12,844 | 13,645 | 25,348 | 6,095 | 2,835 | 74,939 | 73,984 | 73,984 |
| Suppliers | 6,213 | 13,778 | 4,186 | 4,595 | 15,078 | 8,828 | 5,766 | 15,799 | 10,256 | 13,514 | 5,286 | 5,111 | 46,785 | 61,535 |
| Depreciation and amortisation | 1,552 | 1,139 | 860 | 610 | 1,979 | 704 | 2,326 | 976 | 1,455 | 4,177 | 1,056 | 393 | 9,029 | 7,999 |
| Other expenses | 161 | 53 | 100 | 36 | 212 | 41 | 29 | 54 | 177 | 536 | 96 | 4,609 | 775 | 5,329 |
| Total departmental expenses | 20,260 | 30,143 | 16,510 | 12,851 | 36,642 | 19,657 | 20,050 | 29,673 | 25,533 | 43,575 | 12,533 | 12,948 | 131,528 | 148,847 |
| Funded by: | | | | | | | | | | | | | | |
| Revenues from government | 21,157 | 23,609 | 15,327 | 10,086 | 30,148 | 16,583 | 17,636 | 29,771 | 26,474 | 40,667 | 12,767 | 421 | 128,509 | 121,137 |
| Sale of goods and services | 1,010 | 6,075 | 2,670 | 57 | 424 | 63 | 159 | 513 | 3,092 | 4,082 | 8,551 | 7,712 | 15,915 | 18,502 |
| Other income | 35 | 32 | 22 | 19 | 51 | 22 | 22 | 29 | 35 | 153 | 16 | 7 | 181 | 262 |
| Total departmental income | 22,202 | 29,716 | 18,028 | 10,162 | 30,623 | 16,668 | 17,817 | 30,313 | 29,601 | 44,902 | 21,334 | 8,140 | 139,605 | 139,901 |

| Outcome 3 | Output Group 3.1 | | Output Group 3.2 | | Outcome 3 Total | |
|------------------------------------|------------------|--------------|------------------|--------------|-----------------|--------------|
| | 2009 | 2008 | 2009 | 2008 | 2009 | 2008 |
| Departmental expenses | \$700 | \$700 | \$700 | \$700 | \$700 | \$700 |
| Employees | 5,917 | 2,851 | 3,257 | 379 | 9,174 | 3,230 |
| Suppliers | 1,473 | 1,412 | 7,113 | 409 | 8,586 | 1,821 |
| Depreciation and amortisation | 385 | 244 | 250 | 41 | 635 | 285 |
| Other expenses | 36 | 80 | 30 | 2 | 66 | 82 |
| Total departmental expenses | 7,811 | 4,587 | 10,650 | 831 | 18,461 | 5,418 |
| Funded by: | | | | | | |
| Revenues from government | 7,650 | 4,041 | 6,622 | 1,107 | 14,272 | 5,148 |
| Sale of goods and services | 77 | 24 | 124 | 4 | 201 | 28 |
| Other income | 10 | 9 | 6 | 1 | 16 | 10 |
| Total departmental income | 7,737 | 4,074 | 6,752 | 1,112 | 14,489 | 5,186 |

Note 27: Reporting of Outcomes

Note 27C: Major Classes of Departmental Assets and Liabilities by Outcomes

| | Outcome 1 | | Outcome 2 | | Outcome 3 | | Payments to CAC Act bodies | | Not attributed* | | Total | |
|---------------------------------------|----------------|---------------|----------------|----------------|---------------|---------------|----------------------------|----------|-----------------|----------|----------------|----------------|
| | 2009 | 2008 | 2009 | 2008 | 2009 | 2008 | 2009 | 2008 | 2009 | 2008 | 2009 | 2008 |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Departmental assets | | | | | | | | | | | | |
| Cash and Cash Equivalents | 491 | 537 | 590 | 677 | 50 | 79 | - | - | - | - | 1,131 | 1,293 |
| Trade and Other Receivables | 63,035 | 64,997 | 79,328 | 83,168 | 6,241 | 10,820 | - | - | - | - | 148,604 | 158,985 |
| Land and Buildings | 25,632 | 12,424 | 32,022 | 16,889 | 2,595 | 1,837 | - | - | - | - | 60,249 | 31,150 |
| Infrastructure, Plant and Equipment | 7,174 | 5,618 | 15,962 | 13,310 | 843 | 849 | - | - | - | - | 23,979 | 19,777 |
| Intangibles | 4,485 | 1,834 | 6,548 | 3,772 | 354 | 271 | - | - | - | - | 11,387 | 5,877 |
| Inventories | 34 | 43 | 41 | 54 | 3 | 6 | - | - | - | - | 78 | 103 |
| Other Non-Financial Assets | 426 | 450 | 437 | 765 | 61 | 54 | - | - | - | - | 924 | 1,269 |
| Total departmental assets | 101,277 | 85,903 | 134,928 | 118,655 | 10,147 | 13,916 | - | - | - | - | 246,352 | 218,454 |
| Departmental liabilities | | | | | | | | | | | | |
| Suppliers | 790 | 1,386 | 15,761 | 569 | 1,119 | 14,205 | - | - | - | - | 17,670 | 16,160 |
| Other Payables | 767 | 5,243 | 12,371 | 3,517 | 14 | 300 | - | - | - | - | 13,152 | 9,060 |
| Leases | 2,729 | 3,484 | 3,282 | 4,398 | 276 | 515 | - | - | - | - | 6,287 | 8,397 |
| Other Interest Bearing Liabilities | 846 | 55 | 1,017 | 69 | 86 | 8 | - | - | - | - | 1,949 | 132 |
| Employee Provisions | 17,402 | 16,176 | 17,974 | 16,322 | 3,289 | 3,019 | - | - | - | - | 38,665 | 35,517 |
| Other Provisions | 245 | 481 | 296 | 608 | 25 | 71 | - | - | - | - | 566 | 1,160 |
| Total departmental liabilities | 22,779 | 26,825 | 50,701 | 25,483 | 4,809 | 18,118 | - | - | - | - | 78,289 | 70,426 |

* Assets and liabilities that can not be reliably attributed to outcomes.

Outcomes 1, 2 and 3 are described in Note 1.1.

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Note 27: Reporting of Outcomes

Note 27D: Major Classes of Administered Income, Expenses, Assets and Liabilities by Outcomes*

| | Outcome 1 | | Outcome 2 | | Outcome 3 | | Payments to CAC Act bodies | | Total | |
|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------------------|----------------|----------------|----------------|
| | 2009 \$'000 | 2008 \$'000 | 2009 \$'000 | 2008 \$'000 | 2009 \$'000 | 2008 \$'000 | 2009 \$'000 | 2008 \$'000 | 2009 \$'000 | 2008 \$'000 |
| Administered income | | | | | | | | | | |
| Dividends | 2,473 | 5,686 | - | - | - | - | - | - | 2,473 | 5,686 |
| Competitive Neutrality | 5,160 | 5,118 | - | - | - | - | - | - | 5,160 | 5,118 |
| Sale of goods and rendering of services | 6,888 | 7,311 | 438 | 1,857 | 9,483 | 4,488 | - | - | 16,809 | 13,656 |
| Fees and fines | - | - | - | - | 694 | 274 | - | - | 694 | 274 |
| Interest | - | - | 8,861 | 8,493 | - | - | - | - | 8,861 | 8,493 |
| Rental income | - | - | 3,230 | 1,585 | 3,230 | 3,230 | - | - | 3,230 | 1,585 |
| Royalties | - | - | 3,171 | 651 | 651 | - | - | - | 3,171 | 651 |
| Other revenue | 635 | 7,088 | 144 | 997 | 642 | - | - | - | 1,421 | 8,085 |
| Other gains | - | - | 1,603 | 8,025 | 62 | - | - | - | 3,759 | 8,087 |
| Indirect tax | - | - | 1,055 | 398 | 1,055 | 398 | - | - | 1,055 | 398 |
| Other tax | - | - | 1,316 | 598 | 1,316 | 598 | - | - | 1,316 | 598 |
| Total Administered income | 15,156 | 25,203 | 2,185 | 10,879 | 30,608 | 16,549 | | | 47,949 | 52,623 |
| Administered expenses | | | | | | | | | | |
| Employee benefits | 296 | 884 | - | 217 | 8,344 | 3,304 | - | - | 8,640 | 4,407 |
| Suppliers | 3,431 | 14,286 | 6,355 | 9,400 | 70,034 | 32,754 | - | - | 79,820 | 56,440 |
| Subsidies | 39,954 | 35,037 | 14,426 | 16,597 | 1,395 | 782 | - | - | 55,775 | 52,416 |
| Personal benefits | 55,949 | 56,551 | - | - | - | - | - | - | 55,949 | 56,551 |
| Grants | 452,959 | 463,872 | 30,203 | 105,849 | 127,673 | 54,047 | - | - | 610,835 | 623,768 |
| Write-down and impairment of assets | (3) | 35 | 913 | 1,705 | 397 | 2,295 | - | - | 1,307 | 4,032 |
| Depreciation and Amortisation | 26 | - | 11,137 | 1,649 | 16,334 | 9,188 | - | - | 17,497 | 10,841 |
| CAC Act body payment items | - | - | - | - | - | - | 10,856 | - | 10,856 | - |
| Other Expenses | - | - | 6,328 | - | 64 | - | - | - | 6,394 | - |
| Total Administered expenses | 552,612 | 570,668 | 59,462 | 135,417 | 224,243 | 102,372 | 10,856 | | 847,073 | 808,457 |
| Administered assets | | | | | | | | | | |
| Cash and cash equivalents | - | - | - | 619 | 619 | 182 | - | - | 619 | 182 |
| Loans and Receivables | 554 | 1,514 | 13,021 | 4,812 | 136,597 | 150,197 | - | - | 150,162 | 156,522 |
| Investments | 346,947 | 348,604 | 2,459 | 2,388 | - | - | - | - | 349,406 | 350,992 |
| Land and Buildings | - | - | - | - | 110,046 | 111,249 | - | - | 110,046 | 111,249 |
| Property, Plant and Equipment | 2,600 | 2,375 | 9,083 | 7,544 | 187,499 | 188,313 | - | - | 199,186 | 198,223 |
| Inventories | - | - | - | 18 | 2,124 | 2,001 | - | - | 2,124 | 2,001 |
| Intangibles | 33 | - | 18 | 1,539 | 1,539 | 1,618 | - | - | 1,590 | 1,618 |
| Other non-financial assets | 48 | 13 | - | 7 | - | - | - | - | 55 | 13 |
| Assets held for sale | - | 76 | - | 241 | - | 6,011 | - | - | - | 6,327 |
| Total administered assets | 350,182 | 352,582 | 24,579 | 14,987 | 438,421 | 460,066 | | | 813,182 | 827,638 |
| Administered liabilities | | | | | | | | | | |
| Suppliers | 1,703 | 1,392 | 4,871 | 3,538 | 12,607 | 9,691 | - | - | 19,241 | 14,621 |
| Personal benefits | 680,500 | 572,057 | - | - | - | - | - | - | 680,500 | 572,057 |
| Grants and subsidies | 5,333 | 6,513 | 6,438 | 16,554 | 638 | 1,827 | - | - | 12,399 | 24,894 |
| Other payables | 324 | 641 | 391 | 810 | 33 | 95 | - | - | 748 | 1,546 |
| Employee provisions | - | - | - | - | 1,680 | 1,449 | - | - | 1,680 | 1,482 |
| Asbestos removal provision | - | - | - | - | 10,230 | 7,162 | - | - | 10,230 | 7,162 |
| Phosphate mine rehabilitation provision | - | - | - | - | 2,784 | 2,914 | - | - | 2,784 | 2,914 |
| Total administered liabilities | 687,860 | 580,636 | 11,700 | 20,902 | 28,022 | 23,138 | | | 727,582 | 624,676 |

* Assets and liabilities that can not be reliably attributed to outcomes.

Outcomes 1, 2 and 3 are described in Note 1.1.