

Financial statements





INDEPENDENT AUDIT REPORT

To the Attorney-General

Scope

The financial statements and Chief Executive's responsibility

The financial statements comprise:

- Statement by the Chief Executive and Chief Finance Officer;
- Statements of Financial Performance, Financial Position and Cash Flows;
- Schedules of Commitments and Contingencies;
- Schedule of Administered Items; and
- Notes to and forming part of the Financial Statements

of the Attorney-General's Department for the year ended 30 June 2005.

The Department's Chief Executive is responsible for preparing financial statements that give a true and fair presentation of the financial position and performance of the Attorney-General's Department, and that comply with accounting standards, other mandatory financial reporting requirements in Australia, and the Finance Minister's Orders made under the *Financial Management and Accountability Act 1997*. The Department's Chief Executive is also responsible for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial statements.

Audit approach

I have conducted an independent audit of the financial statements in order to express an opinion on them to you. My audit has been conducted in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing and Assurance Standards, in order to provide reasonable assurance as to whether the financial statements are free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal control, and the availability of persuasive, rather than conclusive, evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

While the effectiveness of management's internal controls over financial reporting was considered when determining the nature and extent of audit procedures, the audit was not designed to provide assurance on internal controls.

I have performed procedures to assess whether, in all material respects, the financial statements present fairly, in accordance with the Finance Minister's Orders made under the *Financial*

Management and Accountability Act 1997, accounting standards and other mandatory financial reporting requirements in Australia, a view which is consistent with my understanding of the Department's financial position, and of its performance as represented by the statements of financial performance and cash flows.

The audit opinion is formed on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial statements; and
- assessing the appropriateness of the accounting policies and disclosures used, and the reasonableness of significant accounting estimates made by the Chief Executive.

Independence

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

Audit 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*; and
- (b) give a true and fair view of the Attorney-General's Department's financial position as at 30 June 2005 and of its performance and cash flows for the year then ended, in accordance with:
 - (i) the matters required by the Finance Minister's Orders; and
 - (ii) applicable accounting standards and other mandatory financial reporting requirements in Australia.

Australian National Audit Office



Carla Jago
Executive Director

Delegate of the Auditor-General

Canberra
17 August 2005


**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 2005 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.....

Robert Cornall
Chief Executive

17 August 2005

Signed.....

Sue-Ellen Bickford
Chief Finance Officer

17 August 2005

**ATTORNEY-GENERAL'S DEPARTMENT
STATEMENT OF FINANCIAL PERFORMANCE**

for the year ended 30 June 2005

	Notes	2005 \$'000	2004 \$'000
Revenues from ordinary activities			
Revenues from Government	4A	175,451	152,391
Goods and services	4B	11,301	5,515
Revenue from sale of assets	4C	68	-
Reversal of previous asset write-downs	4D	43	75
Other revenues	4E	1,917	2,010
<i>Revenues from ordinary activities</i>		<u>188,780</u>	<u>159,991</u>
Expenses from ordinary activities (excluding borrowing costs expense)			
Employees	5A	78,260	67,602
Suppliers	5B	96,724	89,629
Depreciation and amortisation	5C	8,018	7,072
Write-down and impairment of assets	5D	-	937
Value of assets sold	4C	90	5,182
Other expenses	5E	-	20
<i>Expenses from ordinary activities (excluding borrowing costs expense)</i>		<u>183,092</u>	<u>170,442</u>
<i>Borrowing costs expense</i>	6	<u>79</u>	<u>82</u>
Net surplus / (deficit) from ordinary activities		<u>5,609</u>	<u>(10,533)</u>
Net credit to asset revaluation reserve	12A	-	4,470
Total revenues, expenses and valuation adjustments recognised directly in equity		<u>-</u>	<u>4,470</u>
Total changes in equity other than those resulting from transactions with the Australian Government as owner		<u>5,609</u>	<u>(6,063)</u>

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

**ATTORNEY-GENERAL'S DEPARTMENT
STATEMENT OF FINANCIAL POSITION**

as at 30 June 2005

	Notes	2005 \$'000	2004 \$'000
ASSETS			
Financial assets			
Cash	7A	2,368	4,151
Receivables	7B	83,583	47,561
Total financial assets		85,951	51,712
Non-financial assets			
Land and buildings	8A,C	10,475	10,437
Infrastructure, plant and equipment	8B,C	6,788	5,549
Intangibles	8D	4,593	6,159
Inventories	8E	137	100
Other non-financial assets	8F	708	763
Total non-financial assets		22,701	23,008
Total Assets		108,652	74,720
LIABILITIES			
Interest bearing liabilities			
Leases	9A	2,818	2,163
Other interest bearing liabilities	9B	349	69
Total interest bearing liabilities		3,167	2,232
Provisions			
Employees	10A	22,354	22,216
Total provisions		22,354	22,216
Payables			
Suppliers	11A	12,985	9,574
Other payables	11B	704	616
Total payables		13,689	10,190
Total Liabilities		39,210	34,638
NET ASSETS		69,442	40,082
EQUITY			
Contributed equity	12A	45,908	22,157
Reserves	12A	14,603	14,603
Retained surpluses / (Accumulated deficits)	12A	8,931	3,322
TOTAL EQUITY	12A	69,442	40,082
Current assets		86,796	52,575
Non-current assets		21,856	22,145
Current liabilities		21,036	19,867
Non-current liabilities		18,174	14,771

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

**ATTORNEY-GENERAL'S DEPARTMENT
STATEMENT OF CASH FLOWS**
for the year ended 30 June 2005

	Notes	2005 \$'000	2004 \$'000
OPERATING ACTIVITIES			
Cash received			
Goods and services		11,396	6,579
Appropriations		162,835	157,911
Net GST received from ATO		7,925	7,612
Other cash received		1,523	1,759
Total cash received		183,679	173,861
Cash used			
Employees		78,964	65,256
Suppliers		101,125	102,628
Borrowing costs		1,835	1,215
Other cash paid		-	20
Cash transferred to the OPA		-	-
Total cash used		181,924	169,119
Net cash from / (used by) operating activities	13	1,755	4,742
INVESTING ACTIVITIES			
Cash received			
Proceeds from sales of property, plant and equipment		68	-
Total cash received		68	-
Cash used			
Purchase of land and buildings		2,493	-
Purchase of infrastructure, plant and equipment		1,206	2,643
Purchase of intangibles		1,709	1,608
Total cash used		5,408	4,251
Net cash from / (used by) investing activities		(5,340)	(4,251)
FINANCING ACTIVITIES			
Cash received			
Appropriations - contributed equity		1,802	-
Total cash received		1,802	-
Cash used			
Return of contributed equity		-	-
Total cash used		-	-
Net cash from / (used by) financing activities		1,802	-
Net increase / (decrease) in cash held		(1,783)	491
Cash at the beginning of the reporting period		4,151	3,660
Cash at the end of the reporting period	7A	2,368	4,151

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

**ATTORNEY-GENERAL'S DEPARTMENT
SCHEDULE OF COMMITMENTS**
as at 30 June 2005

BY TYPE	2005	2004
	\$'000	\$'000
Capital commitments		
Infrastructure, plant and equipment ¹	1,833	464
Total capital commitments	1,833	464
Other Commitments		
Operating leases ²	35,814	36,670
Other commitments ³	3,468	31,230
Total other commitments	39,282	67,900
Commitments receivable	(3,435)	(6,060)
Net commitments by type	37,680	62,304
BY MATURITY		
Capital commitments		
One year or less	1,833	464
From one to five years	-	-
Over five years	-	-
Total capital commitments by maturity	1,833	464
Operating lease commitments		
One year or less	11,484	7,805
From one to five years	24,330	27,783
Over five years	-	1,082
Total operating lease commitments by maturity	35,814	36,670
Other commitments		
One year or less	3,332	30,898
From one to five years	136	332
Over five years	-	-
Total other commitments by maturity	3,468	31,230
Commitments receivable	(3,435)	(6,060)
Net commitments by maturity	37,680	62,304

NB: Commitments are GST inclusive where relevant.

¹ Infrastructure, plant & equipment commitments mainly consist of the Department's office fitouts and the contract for the purchase of armoured vehicles.

² Operating leases included are effectively non-cancellable and comprise:

<i>Nature of lease</i>	<i>General description of leasing arrangement</i>
Leases for office accommodation	* Each lease is individual and may be subject to the consumer price index, market or automatic percentage increases depending on the terms of the agreement. * The period of office accommodation leases are current and may be renewed subject to renegotiations.
Agreements for the provision of motor vehicles	* The current agreement includes vehicle leases ranging from 12 months to 36 months. *Renewals are renegotiated at the lease expiry.

³ Other commitments consist mainly of Memoranda of Understanding with the Australian Government Solicitor for the provision of services and agreements with organisations for program support.

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

**ATTORNEY-GENERAL'S DEPARTMENT
SCHEDULE OF CONTINGENCIES**

as at 30 June 2005

Contingent liabilities	Guarantees		Claims for damages / costs		Total	
	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000
Balance from previous period	-	-	650	507	650	507
New	-	-	-	50	-	50
Re-measurement	-	-	-	93	-	93
Liabilities	-	-	-	-	-	-
Obligations expired	-	-	(500)	-	(500)	-
Total contingent liabilities	-	-	150	650	150	650
Contingent assets	Guarantees		Claims for damages / costs		Total	
	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000
Balance from previous period	-	-	150	-	150	-
New	-	-	10	150	10	150
Re-measurement	-	-	-	-	-	-
Assets crystallised	-	-	-	-	-	-
Expired	-	-	-	-	-	-
Total contingent assets	-	-	160	150	160	150
Net contingencies	-	-	(10)	500	(10)	500

Details of each class of contingent liabilities, including those not included above because they cannot be quantified or because they are considered remote, are disclosed in Note 14: Contingent Liabilities and Assets.

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

**ATTORNEY-GENERAL'S DEPARTMENT
SCHEDULE OF ADMINISTERED ITEMS**

	Notes	2005 \$'000	2004 \$'000
Revenues Administered on Behalf of Government			
<i>for the year ended 30 June 2005</i>			
Non-taxation revenue			
Goods and services	19	-	-
Dividends	19	6,460	4,100
Revenue from sale of assets	19	2	1
Other sources of non-taxation revenue	19	9,899	9,222
Total Revenues Administered on Behalf of Government		16,361	13,323
Expenses Administered on Behalf of Government			
<i>for the year ended 30 June 2005</i>			
Grants	20	278,951	214,138
Subsidies	20	18,792	18,471
Personal benefits	20	52,772	35,955
Employees	20	304	4
Suppliers	20	2,448	1,818
Write-down and impairment of assets	20	359,313	989
Depreciation and amortisation	20	4	5
Value of assets sold	20	3	-
Handgun Buy Back Program	20	8,389	84,407
Other	20	2,566	2,494
Total Expenses Administered on Behalf of Government		723,542	358,281

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

**ATTORNEY-GENERAL'S DEPARTMENT
SCHEDULE OF ADMINISTERED ITEMS (continued)**

	Notes	2005 \$'000	2004 \$'000
Assets Administered on behalf of Government			
<i>as at 30 June 2005</i>			
Financial Assets			
Cash	21	54	5
Receivables	21	14,237	370,768
Investments	21	183,824	183,824
Total Financial Assets		198,115	554,597
Non-Financial Assets			
Infrastructure, plant and equipment	21	-	7
Inventories	21	92	93
Other non-financial assets	21	82	-
Total Non-Financial Assets		174	100
Total Assets Administered on Behalf of Government		198,289	554,697
Liabilities Administered on behalf of Government			
<i>as at 30 June 2005</i>			
Payables			
Employees	22	37	45
Suppliers	22	8,583	4,956
Personal benefits	22	394,200	359,183
Interest bearing liabilities	22	-	1,224
Other payables	22	151	97
Total Liabilities Administered on Behalf of Government		402,971	365,505
Net Assets Administered on Behalf of Government		(204,682)	189,192
Current Liabilities		27,472	22,810
Non-current Liabilities		375,499	342,695
Current Assets		14,465	28,858
Non-current Assets		183,824	525,839

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

**ATTORNEY-GENERAL'S DEPARTMENT
SCHEDULE OF ADMINISTERED ITEMS (continued)**

	Notes	2005 \$'000	2004 \$'000
Administered Cash Flows			
<i>for the year ended 30 June 2005</i>			
Operating Activities			
Cash received			
Dividends		5,153	5,250
Other – GST received from ATO		5,656	4,910
– GST received from customers		74	168
– Other Administered cash received		9,463	9,579
Total cash received		<u>20,346</u>	<u>19,907</u>
Cash used			
Grant payments		279,033	214,089
Subsidies paid		18,794	18,466
Personal benefits		17,755	15,872
Suppliers		357	1,115
Interest payments		10	43
Other – GST paid to suppliers		6,767	4,928
– Handgun Buy Back Program		8,389	84,407
– Other Administered cash used		2,501	2,413
Total cash used		<u>333,606</u>	<u>341,333</u>
Net cash from / (used in) operating activities		<u>(313,260)</u>	<u>(321,426)</u>
Investing Activities			
Cash received			
Proceeds from sales of property, plant and equipment		2	1
Total cash received		<u>2</u>	<u>1</u>
Cash used			
Purchase of property, plant and equipment		-	-
Total cash used		<u>-</u>	<u>-</u>
Net cash from / (used in) investing activities		<u>2</u>	<u>1</u>
Financing Activities			
Cash received			
GST Appropriation		6,817	4,467
Total cash received		<u>6,817</u>	<u>4,467</u>
Cash used			
Return of GST Appropriations to the Official Public Account		5,656	4,910
Total cash used		<u>5,656</u>	<u>4,910</u>
Net cash from / (used in) financing activities		<u>1,161</u>	<u>(443)</u>
Net increase / (decrease) in cash held		<u>(312,097)</u>	<u>(321,868)</u>
Cash at the beginning of the reporting period		5	277
Cash from Official Public Account for Appropriation		327,237	335,060
Cash to Official Public Account for Appropriation		(15,091)	(13,464)
Cash at the end of the reporting period	21	<u>54</u>	<u>5</u>

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

**ATTORNEY-GENERAL'S DEPARTMENT
SCHEDULE OF ADMINISTERED ITEMS (continued)**

	Notes	2005 \$'000	2004 \$'000
Administered Commitments <i>as at 30 June 2005</i>			
BY TYPE			
Capital commitments		-	-
Other commitments			
Other - multi-year grant agreements ¹		751,631	672,163
Total other commitments		<u>751,631</u>	<u>672,163</u>
Commitments receivable		<u>(13,675)</u>	-
Net commitments by type		<u>737,956</u>	<u>672,163</u>
BY MATURITY			
Other Commitments			
One year or less		255,655	220,506
From one to five years		495,976	451,657
Over five years		-	-
Total other commitments		<u>751,631</u>	<u>672,163</u>
Commitments receivable		<u>(13,675)</u>	-
Net commitments by maturity		<u>737,956</u>	<u>672,163</u>

NB: Commitments are GST inclusive where relevant.

¹ Other commitments relate to grant amounts payable under agreements in respect of which the grantee has yet to provide the services required under the agreement. It comprises mainly grants for the provision of legal aid. The current agreements for legal aid were negotiated at various dates but all end on 31 December 2008.

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

**ATTORNEY-GENERAL'S DEPARTMENT
SCHEDULE OF ADMINISTERED ITEMS (continued)**

Contingent liabilities	Guarantees		Claims for damages / costs		Total	
	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000
Balance from previous period	-	-	-	-	-	-
New	-	-	-	-	-	-
Re-measurement	-	-	-	-	-	-
Liabilities crystallised	-	-	-	-	-	-
Obligations expired	-	-	-	-	-	-
Total contingent liabilities	-	-	-	-	-	-

The Department does not have any administered unquantifiable or remote contingencies - see Note 24: Administered Contingent Liabilities and Assets.

Statement of Activities Administered on Behalf of Government

The major administered activities of the Department are directed towards achieving the two outcomes described in Note 1 to the Financial Statements. The major financial activities in 2004-05 were the funding of legal aid, community legal services, family law legal services, Indigenous law and justice programs, the Family Court of WA operating expenses and the National Counter-Terrorism Committee. Details of planned activities for the year can be found in the Attorney-General's Department Portfolio Budget Statements and Portfolio Additional Estimates Statements for 2004-05 which have been tabled in the Parliament.

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

**ATTORNEY-GENERAL'S DEPARTMENT
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS***for the year ended 30 June 2005*

- Note 1: Summary of Significant Accounting Policies
- Note 2: Adoption of Australian Equivalents to International Financial Reporting Standards from 2005-2006
- Note 3: Events Occurring after Reporting Date
- Note 4: Operating Revenues
- Note 5: Operating Expenses
- Note 6: Borrowing Costs Expense
- Note 7: Financial Assets
- Note 8: Non-Financial Assets
- Note 9: Interest Bearing Liabilities
- Note 10: Provisions
- Note 11: Payables
- Note 12: Equity
- Note 13: Cash Flow Reconciliation
- Note 14: Contingent Liabilities and Assets
- Note 15: Executive Remuneration
- Note 16: Remuneration of Auditors
- Note 17: Average Staffing Levels
- Note 18: Financial Instruments
- Note 19: Revenues Administered on Behalf of Government
- Note 20: Expenses Administered on Behalf of Government
- Note 21: Assets Administered on Behalf of Government
- Note 22: Liabilities Administered on Behalf of Government
- Note 23: Administered Reconciliation Table
- Note 24: Administered Contingent Liabilities and Assets
- Note 25: Administered Investments
- Note 26: Restructuring
- Note 27: Administered Financial Instruments
- Note 28: Appropriations
- Note 29: Compensation and Debt Relief in Special Circumstances
- Note 30: Reporting of Outcomes

Notes to and forming part of the Financial Statements**Note 1: Summary of Significant Accounting Policies****1.1 Objectives of Attorney-General's Department**

The objective of the Attorney-General's Department is to serve the people of Australia by providing essential expert support to the Government in the maintenance and improvement of Australia's system of law and justice.

The Department is the central policy and coordinating element of the Attorney-General's portfolio, for which the Attorney-General and the Minister for Justice and Customs are responsible.

The Department is structured to meet two outcomes and thirteen outputs as follows:

Outcome 1: An equitable and accessible system of federal civil justice.

- | | |
|--------------------|---|
| Output 1.1: | Legal services and policy advice on courts and tribunals, alternative dispute resolution, administrative law, human rights, evidence and procedure. |
| Output 1.2: | Support for the Attorney-General as First Law Officer, advice on constitutional policy, and promotion of Australian legal services internationally. |
| Output 1.3: | Legal services and policy advice on family law and legal assistance and the administration of Government programs providing legal assistance and family law related services. |
| Output 1.4: | Legal services and policy advice on international law. |
| Output 1.5: | Drafting of legislative and other instruments, publication of legislative materials and provision of related legal services. |
| Output 1.6: | Legal services and policy advice on information law. |
| Output 1.7: | Legal services and policy advice on native title. |
| Output 1.8: | Legal services and policy advice on Indigenous law and justice issues, and the administration of Government Indigenous law and justice programs. |

Outcome 2: Coordinated federal criminal justice, security and emergency management activity, for a safer Australia.

- | | |
|--------------------|---|
| Output 2.1: | Policy advice on, and program administration and regulatory activities associated with, the Commonwealth's domestic and international responsibilities for criminal justice and crime prevention, and meeting Australia's obligations in relation to extradition and mutual assistance. |
| Output 2.2: | Legal services and policy advice on security law and critical infrastructure protection. |
| Output 2.3: | Provide national leadership in the development of emergency management measures to reduce risk to communities and manage the consequences of disasters. |
| Output 2.4: | Development and promotion of protective security policy, advice and common standards and practices, and the coordination of protective security services, including counter-terrorism and dignitary protection. |
| Output 2.5: | Management and coordination of the delivery of security and guarding services to meet diplomatic, consular and other Commonwealth responsibilities. |

The activities of the Department contributing toward these outcomes are classified as either departmental or administered. 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.

Notes to and forming part of the Financial Statements

1.2 Basis of Accounting

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

The statements have been prepared in accordance with:

- Finance Minister's Orders (or FMOs, being the Financial Management and Accountability Orders (Financial Statements for reporting periods ending on or after 30 June 2005))
- Australian Accounting Standards and Accounting Interpretations issued by the Australian Accounting Standards Board (AASB) and
- Consensus Views of the Urgent Issues Group (UIG).

The Statements of Financial Performance and Financial Position have been prepared on an accrual basis and are in accordance with historical cost convention, except for certain assets, which, as noted, are at valuation. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position.

Assets and liabilities are recognised in the Statement of Financial Position when and only when it is probable that future economic benefits will flow 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 which are unrecognised are reported in the Schedule of Commitments and the Schedule of Contingencies (other than unquantifiable or remote contingencies, which are reported at Note 14).

Revenues and expenses are recognised in the Statement of Financial Performance when and only when the flow or 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 1.19.

1.3 Changes in Accounting Policy

The accounting policies used in the preparation of these financial statements are consistent with those used in 2003-04 except in respect of presentation and disclosure of Administered receivables from the Official Public Account (refer Note 1.19).

Notes to and forming part of the Financial Statements

1.4 Revenue

Revenues from Government

Amounts appropriated for Departmental outputs for the year (less any current year savings and reductions) are recognised as revenue, except for certain amounts that 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.

Resources Received Free of Charge

Services received free of charge are recognised as revenue 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 revenue at their fair value when the asset qualifies for recognition, unless received from another government agency or authority as a consequence of a restructuring of administrative arrangements (Refer to Note 1.5).

Other Revenue

Revenue from the sale of goods is recognised upon the delivery of goods to customers.

Revenue from rendering of services is recognised by reference to the stage of completion of contracts or other agreements to provide services. The stage of completion is determined according to the proportion that costs incurred to date bear to the estimated total costs of the transaction.

Receivables for goods and services 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 judged to be less rather than more likely.

Interest revenue is recognised on a time proportionate basis that takes into account the effective yield on the relevant asset.

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

1.5 Transactions with the Government as Owner

Equity injections

Amounts appropriated which are designated as 'equity injections' for a year (less any savings offered up in Portfolio Additional Estimates Statements) are recognised directly in Contributed Equity in that year.

Restructuring of Administrative Arrangements

Net assets received from or relinquished to another 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.

Notes to and forming part of the Financial Statements

1.6 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 wages and salaries (including non-monetary benefits), annual leave and sick leave are measured at their nominal amounts. Other employee benefits expected to be settled within 12 months of the reporting date are also 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 as 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 the work of an actuary as at 30 June 2002. The estimate of the present value of the liability takes into account attrition rates and pay increases through promotion and inflation.

Superannuation

Staff of the Department are members of the Commonwealth Superannuation Scheme and the Public Sector Superannuation Scheme. The liability for their superannuation benefits is recognised in the financial statements of the Australian Government and is settled by the Government in due course.

The Department makes employer contributions to the Government 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 liability for superannuation recognised as at 30 June represents outstanding contributions for the final day of the year, and the superannuation on-costs for annual leave and long service leave provisions at 30 June 2005.

1.7 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 benefits incidental to ownership of leased non-current assets. 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 the present value of minimum lease payments at the beginning of the lease term and a liability 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 basis which is representative of the pattern of benefits derived from the leased assets. The net present value of future net outlays in respect of surplus space under non-cancelable lease agreements is expensed in the period in which the space becomes surplus.

Lease incentives taking the form of 'free' leasehold improvements and rent holidays are recognised as liabilities. These liabilities are reduced by allocating lease payments between rental expense and reduction of the liability.

Notes to and forming part of the Financial Statements

1.8 Borrowing Costs

All borrowing costs are expensed as incurred except to the extent that they are directly attributable to qualifying assets, in which case they are capitalised. The amount capitalised in a reporting period does not exceed the amounts of costs incurred in that period.

1.9 Cash

Cash means notes and coins held and any deposits held at call with a bank or financial institution. Cash is recognised at its nominal amount.

1.10 Other Financial Instruments

Trade Creditors

Trade creditors and accruals are recognised at their nominal amounts, being the amounts at which the liabilities will be settled. Liabilities are recognised to the extent that the goods or services have been received (and irrespective of having been invoiced).

Contingent Liabilities and Contingent Assets

Contingent Liabilities (Assets) are not recognised in the Statement of Financial Position but are discussed in the relevant schedules and notes. They may arise from uncertainty as to the existence of a liability (asset), or represent an existing liability (asset) in respect of which settlement is not probable or the amount cannot be reliably measured. Remote contingencies are part of this disclosure. Where settlement becomes probable, a liability (asset) is recognised. A liability (asset) is recognised when its existence is confirmed by a future event, settlement becomes probable or reliable measurement becomes possible.

1.11 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.

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.

1.12 Property, Plant and Equipment

Asset Recognition Threshold

Purchases of property, plant and equipment are recognised initially at cost in the Statement of Financial Position, 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).

Notes to and forming part of the Financial Statements

Revaluations

Basis

Land, buildings, plant and equipment are carried at valuation, being revalued with sufficient frequency such that the carrying amount of each asset class is not materially different, at reporting date, from its fair value. Valuations undertaken in each year are as at 30 June.

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

Asset class	Fair value measured at:
Land	Market selling price
Buildings	Market selling price
Leasehold improvements	Depreciated replacement cost
Plant & equipment	Market selling price

The financial effect of this change in policy relates to those assets recognised at fair value for the first time in the current period where the measurement basis for fair value is different to that previously used for deprival value. The financial effect of the change is given by the difference between the fair values obtained for these assets in the current period and the deprival-based values recognised at the end of the previous period. The financial effect by class is as follows:

Asset class	Increment / (decrement) to asset class		Contra Account
Land	2005: Nil	2004: \$120,000	Revaluation Reserve
Buildings	2005: Nil	2004: \$140,000	Revaluation Reserve
Leasehold improvements	2005: Nil	2004: \$4,347,000	Revaluation Reserve
Plant & equipment	2005: Nil	2004: (\$1,066,000)	Revaluation Reserve / Write Down of Assets

Frequency

Land, buildings, plant and equipment are independently revalued at least every three years, with annual review to ensure maintenance of fair values.

The FMOs require that all property plant and equipment assets be measured at up-to-date fair values from 30 June 2005 onwards. 2003-04 was therefore the last year in which the Department will undertake progressive revaluations.

Conduct

All valuations are conducted by an independent qualified valuer.

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 are heritage assets and are not depreciated.

Notes to and forming part of the Financial Statements

Depreciation rates (useful lives) 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 prices only when assets are revalued.

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

	<u>2005</u>	<u>2004</u>
Buildings on freehold land	25 to 50 years	25 to 50 years
Leasehold improvements	Lease term	Lease term
Plant and equipment	3 to 10 years	3 to 10 years

The aggregate amount of depreciation allocated for each class of asset during the reporting period is disclosed in Note 5C.

1.13 Impairment of Non-Current Assets

Non-current assets carried at up to date fair value at the reporting date are not subject to impairment testing.

The non-current assets carried at cost, which are not held to generate net cash inflows, have been assessed for indications of impairment. Where indications of impairment exist, the asset is written down to the higher of its net selling price and, if the entity would replace the asset's service potential, its depreciated replacement cost.

1.14 Intangibles

The Department's intangibles comprise internally developed software for internal use and purchased software. These assets are carried at cost.

Software is amortised on a straight-line basis over its anticipated useful life. The useful life of the Department's software is 3 to 5 years (2003-04: 3 to 5 years). During the 2004-05 financial year, the useful life of ScalePlus was changed from 5 years to 3 years and 7 months to reflect the expected full replacement of the asset by 31 December 2005.

1.15 Inventories

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

Inventories not held for resale are valued at cost, unless they are no longer required, in which case they are valued at net realisable value.

1.16 Taxation

The Department is exempt from all forms of taxation except fringe benefits tax 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 (ATO); and
- except for receivables and payables.

1.17 Foreign Currency

Transactions denominated in a foreign currency are converted at the exchange rate at the date of the transaction. Foreign currency receivables and payables are translated at the exchange rates current as at balance date. Associated currency gains and losses are not material.

1.18 Insurance

The Department has insured for risks through the Government's insurable risk managed fund, called 'Comcover'. Workers compensation is insured through the Government's Comcare Australia. The Department has also insured with a private company to cover professional indemnity insurance for its Australian Security Vetting Service.

Notes to and forming part of the Financial Statements

1.19 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 Accounting Standards, Accounting Interpretations and UIG Abstracts.

Administered appropriations received or receivable from the Official Public Account (OPA) are not reported as administered revenues or assets respectively. Similarly, administered receipts transferred or transferable to the OPA are not reported as administered expenses or payables. These transactions or balances are internal to the Administered entity. These transfers of cash are reported as administered (operating) cash flows and in the Administered Reconciliation Table in Note 23.

Administered Cash Transfers to and from 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 Administration. Conversely, cash is drawn down 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 the Administered Reconciliation Table in Note 23. Thus 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 core operating activities performed by the Department on behalf of the Commonwealth.

Administered fee revenue is recognised at its nominal amount due less any provision for bad or doubtful debts. Collectability of debts is reviewed at balance date. Provisions are made when collection of the debt is judged to be less rather than more likely.

Grants

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

Grant 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.

Administered Investments

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

Administered investments are measured on the cost basis, adjusted for any subsequent capital injections or withdrawals and for any impairment losses.

Notes to and forming part of the Financial Statements**Note 2: Adoption of Australian Equivalents to International Financial Reporting Standards from 2005-06**

The Australian Accounting Standards Board (AASB) has issued replacement Australian Accounting Standards to apply from 2005-06. The new standards are the Australian Equivalents to International Financial Reporting Standards (AEIFRS). The International Financial Reporting Standards are issued by the International Accounting Standards Board. The new standards cannot be adopted early. The standards being replaced are to be withdrawn with effect from 2005-06, but continue to apply in the meantime, including reporting periods ending on 30 June 2005.

The purpose of issuing AEIFRS is to enable Australian reporting entities reporting under the *Corporations Act 2001* to be able to more readily access overseas capital markets by preparing their financial reports according to accounting standards more widely used overseas.

For-profit entities complying with AEIFRS will be able to make an explicit and unreserved statement of compliance with International Financial Reporting Standards (IFRS) as well as a statement that the financial report has been prepared in accordance with Australian Accounting Standards.

AEIFRS contain certain additional provisions that will apply to not-for-profit entities, including Australian Government agencies. Some of these provisions are in conflict with IFRS, and therefore the Department will only be able to assert that the financial report has been prepared in accordance with Australian Accounting Standards.

AAS 29 Financial Reporting by Government Departments will continue to apply under AEIFRS.

Accounting Standard AASB 1047 Disclosing the Impacts of Adopting Australian Equivalents to International Financial Reporting Standards requires that the financial statements for 2004-05 disclose:

- an explanation of how the transition to AEIFRS is being managed
- narrative explanations of the key policy differences arising from the adoption of AEIFRS
- any known or reliably estimable information about the impacts on the financial report had it been prepared using AEIFRS, and
- if the impacts of the above are not known or reliably estimable, a statement to that effect.

Where an entity is not able to make a reliable estimate, or where quantitative information is not known, the entity should update the narrative disclosures of the key differences in accounting policies that are expected to arise from the adoption of AEIFRS.

The purpose of this Note is to make these disclosures.

Management of the transition to AEIFRS

The Department has taken the following steps for the preparation towards the implementation of AEIFRS:

The Department's Audit Committee is tasked with oversight of the transition to and implementation of AEIFRS. The Chief Finance Officer is formally responsible for the project and reports to the Audit Committee on progress against the formal plan approved by the Committee.

Notes to and forming part of the Financial Statements

The project plan requires the following key steps to be undertaken and sets deadlines for their achievement:

- All major accounting policy differences between current AASB standards and AEIFRS were identified by 30 June 2004
- A transitional balance sheet as at 1 July 2004 under AEIFRS was completed on 20 April 2005
- An AEIFRS compliant balance sheet as at 30 June 2005 was also prepared during the preparation of the 2004-05 statutory financial reports
- The 2004-05 balance sheet under AEIFRS will be reported to the Department of Finance and Administration in line with their reporting deadlines
- The plan also addresses the risks to successful achievement of the above objectives and includes strategies to keep implementation on track to meet deadlines, and
- External assistance was engaged where necessary to assist with each of the above steps.

Major changes in accounting policy

The Department believes that the first financial report prepared under AEIFRS at 30 June 2006 will be prepared on the basis that the Department will be a first time adopter under AASB 1 *First-time Adoption of Australian Equivalents to International Financial Reporting Standards*. Changes in accounting policies under AEIFRS are applied retrospectively as if the new policy had always applied except in relation to the exemptions available under AASB 1. This rule means that an AEIFRS compliant balance sheet had to be prepared as at 1 July 2004. This will enable the 2005-06 financial statements to report comparatives under AEIFRS.

Changes to major accounting policies are discussed in the following paragraphs.

Management's review of the quantitative impacts of AEIFRS represents the best estimates of the impacts of the changes as at reporting date. The actual effects of the impacts of AEIFRS may differ from these estimates due to:

- continuing review of the impacts of AEIFRS on the Department's operations
- potential amendments to the AEIFRS and AEIFRS Interpretations, and
- emerging interpretation as to the accepted practice in the application of AEIFRS and the AEIFRS Interpretations.

Property plant and equipment

It is expected that the 2005-06 FMOs will continue to require property plant and equipment assets to be valued at fair value in 2005-06.

Borrowing costs related to qualifying assets are currently capitalised. It is understood that the FMOs for 2005-06 will elect to expense all borrowing costs under the new AEIFRS standard.

Accordingly, borrowing costs capitalised as at 1 July 2004 will be derecognised. It is not expected that this will have a material effect.

Provisions made for makegood expected at the completion of building leases are currently expensed. Under AEIFRS, the cost of makegood will be capitalised as part of the cost of leasehold improvement assets. This will require adjustments to prior year expenses as well as the carrying amounts of some leasehold improvement assets. Under AEIFRS, the value of leasehold improvements would increase to \$9,769,080 (currently \$9,589,262).

Intangible Assets

The Department currently recognises internally-developed software assets on the cost basis. The carrying amounts include amounts that were originally measured at deprival valuation and subsequently deemed to be cost under transitional provisions available on the introduction of AAS 38 *Revaluation of Non-current Assets* in 2000-01 and AASB 1041 of the same title in 2001-02.

The AEIFRS on Intangibles does not permit intangibles to be measured at valuation unless there is an active market for the intangible. The Department's internally-developed software is specific to the needs of the Department and is not traded. Accordingly, the Department will derecognise the revaluation component of the carrying amount of these assets on adoption of AEIFRS.

Notes to and forming part of the Financial Statements

An assessment of the Intangible Assets has been completed with adjustments to original cost reversed along with the differences in amortisation in using deemed rather than original cost. Accordingly, Note 8D under AEIFRS would read:

Computer software:	\$'000
Internally developed – in use (non-current)	5,343
Accumulated Amortisation	(2,809)
Total Intangibles	2,534

This change would have the effect of reducing the net book value of Intangible Assets as well as Retained Earnings by \$1,226,938.

Impairment of Non-Current Assets

The Department's policy on impairment of non-current assets is at Note 1.13.

Under AEIFRS these assets will be subject to assessment for impairment and, if there are indications of impairment, an assessment of the degree of impairment. (Impairment measurement must also be done, irrespective of any indications of impairment, for intangible assets not yet available for use). The impairment test is that the carrying amount of an asset must not exceed the greater of (a) its fair value less costs to sell and (b) its value in use. 'Value in use' is the net present value of net cash inflows for for-profit assets of the Department and depreciated replacement cost for other assets which would be replaced if the Department were deprived of them.

The most significant changes are that, for the Department's for-profit assets, the recoverable amount is only generally to be measured where there is an indication of impairment. Previously all assets' recoverable amount was tested.

However, an impairment assessment of the Department's assets indicated that no adjustments will be required.

Inventory

The Department recognises inventory not held for sale at cost, except where no longer required, in which case net realisable value is applied.

AEIFRS will require inventory held for distribution for no consideration or at a nominal amount to be carried at the lower of cost or current replacement cost.

An assessment was made and it was found that in all instances the current replacement cost of inventory was equal or greater than the original cost. Therefore no adjustment is required.

Employee Benefits

The provision for long service leave is measured at the present value of estimated future cash outflows using market yields as at the reporting date on national government bonds.

The 2003-04 financial statements noted that the AEIFRS standards may require the market yield on corporate bonds to be used. The AASB has decided that a deep market in high quality corporate bonds does not exist and therefore national government bonds will be referenced.

AEIFRS require that annual leave that is not expected to be taken within 12 months of balance date is to be discounted. An assessment of provisions for leave has been completed resulting in the identification of adjustments to non-current provisions required under AEIFRS. Accordingly, the provision for leave in Note 10A would decrease by \$134,875 to \$19,200,523 and the provision for superannuation would decrease by \$94,006 to \$2,699,947.

Administered Items

Assessment of the administered assets and liabilities of the Department indicates that there are no adjustments due to the transition to AEIFRS.

Notes to and forming part of the Financial Statements*Reconciliation of Impacts – Australian Generally Accepted Accounting Principles (AGAAP) to AEIFRS*

	30 June 2005*	30 June 2004
	\$'000	\$'000
Reconciliation of Departmental Equity		
Total Departmental Equity under AGAAP	69,442	40,082
Adjustments to accumulated results	(818)	(2,846)
Adjustments to other reserves	-	-
Total Equity under AEIFRS	68,624	37,236
Reconciliation of Departmental Accumulated Results		
Total Departmental Accumulated Results under AGAAP	8,931	3,322
Adjustments:		
Intangible Assets – carrying value	(1,227)	(3,219)
Employee Provisions	229	176
Leasehold Improvements – carrying value	180	197
Total Accumulated Results under AEIFRS	8,113	476
Reconciliation of Departmental Reserves		
Total Departmental Reserves under AGAAP	14,603	14,603
Adjustments	-	-
Total Departmental Reserves under AEIFRS	14,603	14,603
Reconciliation of Departmental Contributed Equity		
Total Departmental Contributed Equity under AGAAP	45,908	22,157
Adjustments	-	-
Total Contributed Equity under AEIFRS	45,908	22,157
Reconciliation of Net surplus / (deficit) from ordinary activities for year ending 30 June 2005		
Total Net surplus / (deficit) from ordinary activities for year ending 30 June 2005	5,609	(10,533)
Adjustments	-	-
Net surplus / deficit from ordinary activities under AEIFRS	5,609	(10,533)

* 30 June 2005 total represents the accumulated impacts of AEIFRS from the date of transition.

Notes to and forming part of the Financial Statements

Note 3: Events Occurring after Reporting Date

There were no after balance date events.

Notes to and forming part of the Financial Statements

	2005 \$'000	2004 \$'000
Note 4: Operating Revenues		
<u>Note 4A: Revenues from Government</u>		
Appropriations for outputs	175,451	152,391
Total revenues from government	175,451	152,391
<u>Note 4B: Goods and Services</u>		
Goods	297	313
Services	11,004	5,202
Total sales of goods and services	11,301	5,515
Provision of goods to:		
Related entities	-	31
External entities	297	282
Total sales of goods	297	313
Rendering of services to:		
Related entities	9,759	2,393
External entities	1,245	2,809
Total rendering of services	11,004	5,202
<u>Note 4C: Net Gains from Sale of Assets</u>		
Land and Buildings		
Proceeds from disposal	-	-
Net book value of assets disposed	-	4,523
Net (loss) from disposal of land and buildings	-	(4,523)
Infrastructure, plant and equipment:		
Proceeds from disposal	68	-
Net book value of assets disposed	90	588
Net (loss) from disposal of infrastructure, plant and equipment	(22)	(588)
Intangibles		
Proceeds from disposal	-	-
Net book value of assets disposed	-	71
Net (loss) from disposal of intangibles	-	(71)
Total proceeds from disposals	68	-
Total value of assets disposed	90	5,182
Total loss from disposal of assets	(22)	(5,182)

Notes to and forming part of the Financial Statements

	<u>2005</u> <u>\$'000</u>	<u>2004</u> <u>\$'000</u>
Note 4D: Reversals of Previous Asset Write-Downs		
Financial Assets:		
Doubtful debts received - receivables	43	75
<i>Total reversals of previous asset write-downs</i>	<u>43</u>	<u>75</u>
Note 4E: Other Revenues		
Gazettal revenue	874	768
Resources received free of charge	271	251
Other	772	991
<i>Total other operating revenue</i>	<u>1,917</u>	<u>2,010</u>

Notes to and forming part of the Financial Statements

	2005 \$'000	2004 \$'000
Note 5: Operating Expenses		
<u>Note 5A: Employee Expenses</u>		
Wages and Salary	55,171	48,965
Superannuation	12,235	9,825
Leave and other entitlements	6,909	6,145
Separation and redundancies	688	-
Other employee expenses	1,994	1,840
Total employee benefits expense	76,997	66,775
Worker compensation premiums	1,263	827
Total employee expenses	78,260	67,602
<u>Note 5B: Supplier Expenses</u>		
Goods from external entities	443	623
Services from related entities	28,292	26,838
Services from external entities	60,693	55,950
Operating lease rentals*	7,296	6,218
Total supplier expenses	96,724	89,629
* These comprise minimum lease payments only.		
<u>Note 5C: Depreciation and Amortisation</u>		
<i>(i) Depreciation</i>		
Other infrastructure, plant and equipment	2,289	1,731
Buildings	2,455	3,139
Total depreciation	4,744	4,870
<i>(ii) Amortisation</i>		
Intangibles – Computer Software	3,274	2,202
Total depreciation and amortisation	8,018	7,072

The aggregate amounts of depreciation or amortisation expensed during the reporting period for each class of depreciable asset are as follows:

Buildings on Freehold Land	14	108
Leasehold improvements	2,441	3,031
Plant and equipment	2,289	1,731
Computer Software	3,274	2,202
Total depreciation and amortisation	8,018	7,072

No depreciation or amortisation was allocated to the carrying amounts of other assets.

Notes to and forming part of the Financial Statements

	2005 \$'000	2004 \$'000
Note 5D: Write Down of Assets		
Non Financial assets		
Inventory	-	8
Plant and equipment - revaluation decrement	-	929
<i>Total write-down of assets</i>	<u>-</u>	<u>937</u>
Note 5E: Other Expenses		
Refunds - Section 31 revenue	-	5
Refunds - Appropriation former years	-	15
<i>Total other expenses</i>	<u>-</u>	<u>20</u>
Note 6: Borrowing Costs Expense		
Leases	<u>79</u>	<u>82</u>
<i>Total borrowing costs expense</i>	<u>79</u>	<u>82</u>

Notes to and forming part of the Financial Statements

	2005 \$'000	2004 \$'000
Note 7: Financial Assets		
Note 7A: Cash		
Departmental	2,368	4,151
Total cash	2,368	4,151
Note 7B: Receivables		
Goods and services	1,784	1,074
Less: Provision for doubtful debts	(74)	(117)
	1,710	957
GST receivable from the Australian Taxation Office	1,008	1,229
Appropriations receivable - undrawn	80,319	44,952
Other receivables	546	423
Total receivables (net)	83,583	47,561

All receivables are current.

Receivables are with entities external to and internal to the Commonwealth. Credit terms are net 30 days (2004: 30 days).

Appropriations receivable undrawn are appropriations controlled by the Department but held in the Official Public Account under the Government's just-in-time drawdown arrangements.

Receivables (gross) are aged as follows:

Current	82,907	47,272
Overdue by:		
Less than 30 days	221	58
30 to 60 days	112	59
61 to 90 days	121	49
More than 90 days	296	240
	750	406
Total receivables (gross)	83,657	47,678

The provision for doubtful debts is aged as follows:

Current	-	-
Overdue by:		
Less than 30 days	-	-
30 to 60 days	-	-
61 to 90 days	-	-
More than 90 days	74	117
Total provision for doubtful debts	74	117

Notes to and forming part of the Financial Statements

	2005 \$'000	2004 \$'000
Note 8: Non-Financial Assets		
<u>Note 8A: Land and Buildings</u>		
<i>Freehold land</i>		
– at fair value	560	560
Total freehold land	560	560
<i>Buildings on freehold land</i>		
– at fair value	340	340
– Accumulated depreciation	(14)	-
Total buildings on freehold land	326	340
<i>Leasehold improvements</i>		
– at fair value	12,093	9,648
– Accumulated amortisation	(2,552)	(111)
	9,541	9,537
- work in progress - at cost	48	-
Total leasehold improvements	9,589	9,537
Total land and buildings (non-current)	10,475	10,437
<u>Note 8B: Infrastructure, Plant and Equipment</u>		
<i>Plant and equipment</i>		
– at fair value	7,997	4,967
– Accumulated depreciation	(3,408)	(1,617)
	4,589	3,350
– Library fair value	2,199	2,199
Total infrastructure, plant and equipment (non-current)	6,788	5,549

Plant and equipment under finance leases is subject to revaluation. The carrying amount is included in the valuation figures above and is separately disclosed in Table C below.

All revaluations are independent and are conducted in accordance with the revaluation policy stated at Note 1.

Note 8C: Analysis of Property, Plant and Equipment

TABLE A – Reconciliation of the opening and closing balances of property, plant and equipment

Item	Land	Buildings on Freehold Land	Buildings - Leasehold Improvements	Buildings - Total	Land and Buildings Total	Library	Other Infrastructure Plant & Equipment
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
As at 1 July 2004							
Gross book value	560	340	9,648	9,988	10,548	2,199	4,967
Accumulated depreciation/amortisation	-	-	(111)	(111)	(111)	-	(1,617)
Opening net book value	560	340	9,537	9,877	10,437	2,199	3,350
Additions							
by purchase	-	-	2,493	2,493	2,493	-	3,616
from acquisition of operations	-	-	-	-	-	-	-
Change in accounting policy	-	-	-	-	-	-	-
Net revaluation increment/(decrement)	-	-	-	-	-	-	-
Depreciation/amortisation expense	-	(14)	(2,441)	(2,455)	(2,455)	-	(2,289)
Adjustment to Opening Balances	-	-	-	-	-	-	-
Disposals							
From disposal of operations	-	-	-	-	-	-	-
Other disposals	-	-	-	-	-	-	(90)
As at 30 June 2005							
Gross book value	560	340	12,141	12,481	13,041	2,199	7,997
Accumulated depreciation/amortisation	-	(14)	(2,552)	(2,566)	(2,566)	-	(3,408)
Closing net book value	560	326	9,589	9,915	10,475	2,199	4,589

Notes to and forming part of the Financial Statements

Note 8C: Analysis of Property, Plant, Equipment

TABLE D – Assets under construction

Item	Land \$'000	Buildings on Freehold Land \$'000	Buildings - Leasehold Improvements \$'000	Buildings - Total \$'000	Library \$'000	Other Infrastructure Plant & Equipment \$'000
As at 30 June 2005						
Gross value	-	-	48	-	-	-
Accumulated depreciation/amortisation	-	-	-	-	-	-
Net book value	-	-	48	-	-	-
As at 30 June 2004						
Gross value	-	-	-	-	-	-
Accumulated depreciation/amortisation	-	-	-	-	-	-
Net book value	-	-	-	-	-	-

Notes to and forming part of the Financial Statements

	2005 \$'000	2004 \$'000
<u>Note 8D: Intangibles</u>		
Computer Software:		
Purchased computer software (non-current)	5,326	5,908
Accumulated amortisation	<u>(4,754)</u>	<u>(5,039)</u>
	572	869
Internally Developed - in progress (non-current)	<u>260</u>	<u>275</u>
Internally Developed - in use (non-current)	11,200	9,785
Accumulated amortisation	<u>(7,439)</u>	<u>(4,770)</u>
	3,761	5,015
Total intangibles	<u><u>4,593</u></u>	<u><u>6,159</u></u>

TABLE A - Reconciliation of the opening and closing balances of intangibles

Item	Computer Software \$'000
As at 1 July 2004	
Gross book value	15,968
Accumulated depreciation/amortisation	(9,809)
Net book value	6,159
Additions	
by purchase	1,709
from acquisition of operations	-
Change in accounting policy	-
Net revaluation increment/(decrement)	-
Depreciation/amortisation expense	(3,274)
Recoverable amount write-downs	-
Disposals	
From disposal of operations	-
Other disposals	-
As at 30 June 2005	
Gross book value	16,786
Accumulated depreciation/amortisation	(12,193)
Net book value	4,593

Notes to and forming part of the Financial Statements

	2005	2004
	<u>\$'000</u>	<u>\$'000</u>
Note 8E: Inventories		
Inventories held for sale	-	-
Inventories not held for sale (at cost)	<u>137</u>	<u>100</u>
Total inventories	<u><u>137</u></u>	<u><u>100</u></u>

All departmental inventories are current assets.

	2005	2004
	<u>\$'000</u>	<u>\$'000</u>
Note 8F: Other Non-Financial Assets		
Prepayments	<u>708</u>	<u>763</u>
Total other non-financial assets	<u><u>708</u></u>	<u><u>763</u></u>

All other non-financial assets are current assets.

Note 9: Interest Bearing Liabilities**Note 9A: Leases**

Finance lease commitments:

Payable:

Within one year	1,533	1,375
In one to five years	1,414	845
In more than five years	<u>-</u>	<u>-</u>
Minimum lease payments	<u>2,947</u>	<u>2,220</u>
Deduct: future finance charges	<u>(129)</u>	<u>(57)</u>
Net lease liability	<u><u>2,818</u></u>	<u><u>2,163</u></u>

Lease liability is represented by:

Current	1,446	1,330
Non-current	<u>1,372</u>	<u>833</u>
Net lease liability	<u><u>2,818</u></u>	<u><u>2,163</u></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 equipment leased. The lease assets secure the lease liabilities. There are no contingent rentals.

Note 9B: Other Interest Bearing Liabilities

Lease incentives	<u>349</u>	<u>69</u>
Other interest bearing liabilities are represented by:		
Current	87	29
Non-current	<u>262</u>	<u>40</u>
Total other interest bearing liabilities	<u><u>349</u></u>	<u><u>69</u></u>

Notes to and forming part of the Financial Statements

	2005 \$'000	2004 \$'000
Note 10: Provisions		
<u>Note 10A: Employee Provisions</u>		
Salaries and wages	229	2,086
Leave	19,334	17,235
Superannuation	2,795	2,898
Separations and redundancies	-	-
Other	(4)	(3)
<i>Aggregate employee entitlement liability</i>	<u>22,354</u>	<u>22,216</u>
Current	5,814	8,318
Non-current	16,540	13,898
Note 11: Payables		
<u>Note 11A: Supplier Payables</u>		
Trade creditors	12,985	9,574
<i>Total supplier payables</i>	<u>12,985</u>	<u>9,574</u>
Supplier payables are current liabilities. Settlement is usually made net 30 days.		
<u>Note 11B: Other Payables</u>		
Other	97	84
Provision for makegood	607	532
<i>Total other payables</i>	<u>704</u>	<u>616</u>
All other payables are current liabilities.		

Notes to and forming part of the Financial Statements

Note 12: Equity

Note 12A: Analysis of Equity

Item	Accumulated Results		Asset Revaluation		Contributed Equity		TOTAL EQUITY	
	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000
Opening balance as at 1 July	3,322	13,855	14,603	10,133	22,157	22,157	40,082	46,145
Net surplus/deficit	5,609	(10,533)	-	-	-	-	5,609	(10,533)
Net revaluation increment/(decrement)	-	-	-	4,470	-	-	-	4,470
Transactions with owner:								
Distributions to owner:								
Returns on Capital								
Assets Transferred	-	-	-	-	-	-	-	-
Returns of contributed equity	-	-	-	-	-	-	-	-
Contributions by owner:								
Appropriations (equity injections)	-	-	-	-	24,553	-	24,553	-
Restructuring (Note 12 B)	-	-	-	-	(802)	-	(802)	-
Transfers to/(from)/between reserves	-	-	-	-	-	-	-	-
Closing balance as at 30 June	8,931	3,322	14,603	14,603	45,908	22,157	69,442	40,082

Notes to and forming part of the Financial Statements

	2005	2004
	\$'000	\$'000

Note 12B: Restructuring

As a result of revised administrative arrangements, on 1 July 2004 the Department assumed responsibility for ATSI's Indigenous law and justice programs.

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

Total assets recognised	-	-
Total liabilities recognised	(748)	-
Net assets recognised	(748)	-
Net contribution by Government as owner during the year	(748)	-

The Department also assumed responsibility, on 1 March 2005 for the Copyright function transferred from the Department of Communications, Information Technology and the Arts.

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

Total assets recognised	40	-
Total liabilities recognised	(94)	-
Net assets recognised	(54)	-
Net contribution by Government as owner during the year	(54)	-

Departmental revenues and expenses, for the full year, for the functions assumed are as follows:

Revenues

Recognised by Attorney-General's Department	307	-
Recognised by Department of Communications, Information Technology and the Arts	325	-
Total revenues	632	-

Expenses

Recognised by Attorney-General's Department	82	-
Recognised by Department of Communications, Information Technology and the Arts	150	-
Total expenses	232	-

Notes to and forming part of the Financial Statements

	2005	2004
	\$'000	\$'000
Note 13: Cash Flow Reconciliation		
Reconciliation of cash per Statement of Financial Position to Statement of Cash Flows		
Cash at year end per Statement of Cash Flows	2,368	4,151
Statement of Financial Position items comprising above cash: 'Financial Asset – Cash'	2,368	4,151
Reconciliation of net surplus to net cash from operating activities:		
Net surplus (deficit)	5,609	(10,533)
Depreciation /amortisation	8,018	7,072
Loss on disposal of assets	22	5,182
Provision for doubtful debts	(43)	-
Net write down of non-financial assets	-	937
Purchase of leased assets	(2,411)	(1,275)
(Increase) / decrease in net receivables	(13,188)	7,027
(Increase) / decrease in inventories	(37)	34
(Increase) / decrease in prepayments	55	69
Increase / (decrease) in employee provisions	(704)	2,341
Increase / (decrease) in supplier payables	3,411	(6,775)
Increase / (decrease) in debt	-	-
Increase / (decrease) in leases	655	142
Increase / (decrease) in other liabilities	368	521
Net cash from / (used by) operating activities	1,755	4,742

Notes to and forming part of the Financial Statements

Note 14: Contingent Liabilities and Assets***Quantifiable Contingencies***

The Schedule of Contingencies reports contingent liabilities in respect of claims for damages/costs of \$150,000 (2004: \$650,000). The amount represents an estimate of the potential liability based on precedent cases.

The Schedule also reports contingent assets in respect of claims for damages/costs of \$160,000 (2004: \$150,000). The Department is expecting to succeed in these claims, although cases are continuing. The estimate is based on precedent in such cases.

Unquantifiable Contingencies

At 30 June 2005, 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.

Remote Contingencies

At 30 June 2005, the Department was involved in a number of legal matters where there was a remote possibility of potential losses. It is not possible to provide a reliable estimate of any eventual payments that may be required in relation to the claims.

Notes to and forming part of the Financial Statements

Note 15: Executive Remuneration	2005	2004
The number of executives who received or were due to receive total remuneration of \$100,000 or more:		
\$110 000 to \$119 999	2	2
\$120 000 to \$129 999	2	-
\$130 000 to \$139 999	1	-
\$140 000 to \$149 999	3	2
\$150 000 to \$159 999	5	3
\$160 000 to \$169 999	4	5
\$170 000 to \$179 999	7	5
\$180 000 to \$189 999	4	9
\$190 000 to \$199 999	5	9
\$200 000 to \$209 999	6	2
\$210 000 to \$219 999	4	2
\$220 000 to \$229 999	1	4
\$230 000 to \$239 999	4	3
\$240 000 to \$249 999	4	-
\$250 000 to \$259 999	1	1
\$260 000 to \$269 999	1	-
\$280 000 to \$289 999	-	1
\$290 000 to \$299 999	1	-
\$420 000 to \$429 999	1	-
\$430 000 to \$439 999	-	1
The aggregate amount of total remuneration of executives shown above.	<u>10,914,497</u>	<u>9,531,050</u>
The aggregate amount of separation and redundancy/termination benefit payments during the year to executives shown above.	<u>-</u>	<u>109,190</u>
Note 16: Remuneration of Auditors	2005	2004
	\$	\$
Financial statement audit services are provided free of charge to the department.		
The fair value of the services provided was:	<u>271,000</u>	<u>251,000</u>
In addition to the amounts disclosed above, there is an additional amount of auditor remuneration totalling \$10,000 relating to the 2005-06 financial statements audit, arising from work done on the opening balance sheet to be prepared under Australian Equivalents to International Financial Reporting Standards. No other services were provided by the Auditor-General.		
Note 17: Average Staffing Levels	2005	2004
The average staffing levels for the Department during the year were:	<u>882</u>	<u>764</u>

Notes to and forming part of the Financial Statements

Note 18: Financial Instruments

Note 18A: Interest Rate Risk

Financial Instrument	Notes	Floating Interest Rate		Fixed Interest Rate Maturing In						Non-Interest Bearing		Total		Weighted Average Effective Interest Rate		
		Rate		1 Year or Less		1 to 5 Years		> 5 Years		Bearing		Total		Interest Rate		
		2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000	2005 %	2004 %	
Financial Assets																
Cash at bank	7A	-	-	-	-	-	-	-	-	2,368	4,151	2,368	4,151	n/a	n/a	n/a
Receivables for goods and services (gross)	7B	-	-	-	-	-	-	-	-	1,784	1,074	1,784	1,074	n/a	n/a	n/a
Appropriations receivable	7B	-	-	-	-	-	-	-	-	80,319	44,952	80,319	44,952	n/a	n/a	n/a
Total		-	-	-	-	-	-	-	-	84,471	50,177	84,471	50,177	-	-	-
Total Assets												108,652	74,720			

Financial Liabilities																	
Finance lease liabilities (Net)	9A	-	1,446	1,330	1,372	833	-	-	-	-	-	-	-	2,818	2,163	4.2	4.4
Other lease liabilities	9B	-	-	-	-	-	-	-	-	349	69	349	69	-	-	-	-
Trade creditors	11A	-	-	-	-	-	-	-	-	12,985	9,574	12,985	9,574	n/a	n/a	n/a	n/a
Total		-	1,446	1,330	1,372	833	-	-	-	13,334	9,643	16,152	11,806	-	-	-	-
Total Liabilities												39,210	34,638				

Notes to and forming part of the Financial Statements

Note 18B: Net Fair Values of Financial Assets and Liabilities

	Notes	2005		2004	
		Total Carrying Amount	Aggregate Net Fair Value	Total Carrying Amount	Aggregate Net Fair Value
		\$'000	\$'000	\$'000	\$'000
Departmental Financial Assets					
Cash at bank	7A	2,368	2,368	4,151	4,151
Receivables for goods and services (net)	7B	1,710	1,710	957	957
Appropriations receivable	7B	80,319	80,319	44,952	44,952
Total Financial Assets		84,397	84,397	50,060	50,060
Financial Liabilities (Recognised)					
Finance lease liabilities	9A	2,818	2,818	2,163	2,163
Other lease liabilities	9B	349	349	69	69
Trade creditors	11A	12,985	12,985	9,574	9,574
Total Financial Liabilities (Recognised)		16,152	16,152	11,806	11,806

The net fair values of cash and non-interest-bearing monetary financial assets approximate their carrying amounts.

The net fair values of the finance lease and trade creditors approximate their carrying amounts.

Note 18C: Credit Risk Exposures

The Department's maximum exposures to credit risk at reporting date in relation to each class of recognised financial asset is the carrying amount of those assets as indicated in the Statement of Financial Position.

The Department has no significant exposures to any concentrations of credit risk.

All figures for credit risk referred to do not take into account the value of any collateral or other security.

Notes to and forming part of the Financial Statements

	2005	2004
	\$'000	\$'000
Note 19: Revenues Administered on Behalf of Government		
Goods and services		
Rendering of services – external entities (access fees)	-	-
Dividends		
Commonwealth entities	6,460	4,100
Revenue from sales of assets		
Infrastructure, plant and equipment	2	1
Other revenue		
Competitive Neutrality	8,806	7,252
Other Administered Revenue	1,093	1,970
	<u>9,899</u>	<u>9,222</u>
Total Revenues Administered on Behalf of Government	<u>16,361</u>	<u>13,323</u>
Note 20: Expenses Administered on Behalf of Government		
Grants		
State and Territory governments	42,307	73,276
Other sectors in the Commonwealth	117,907	66,782
Private sector - Non-profit entities	114,431	70,548
Overseas	4,306	3,533
Total Grants	<u>278,951</u>	<u>214,139</u>
The nature of grants are as follows:		
Australian organisations	1,230	1,212
International bodies	4,306	3,533
Financial assistance towards legal costs and related expenses	6,391	8,955
Publication of Acts and Statutory Rules	946	1,306
Grants to family relationship support organisations	37,098	28,894
Reimbursements or payments under the Family Law Act	2,956	3,398
Family Court of WA - operating expenses	11,785	10,729
Diversionary programs for juveniles in the Northern Territory	5,070	4,882
Community legal services	23,195	23,208
Payments for the provision of legal aid	39,490	73,275
Commonwealth legal aid program	105,176	54,747
Indigenous law and justice programs	36,466	-
National Community Crime Prevention Programme	2,025	-
Tsunami	2,817	-
Total Grants	<u>278,951</u>	<u>214,139</u>
Subsidies		
National Counter-Terrorism Committee	14,738	16,718
Law Courts Ltd	4,054	1,753
Total Subsidies	<u>18,792</u>	<u>18,471</u>
Personal benefits		
Judges' pensions	52,772	35,955

Notes to and forming part of the Financial Statements

	2005	2004
	<u>\$'000</u>	<u>\$'000</u>
Note 20: Expenses Administered on Behalf of Government (continued)		
Royal Commissions		
Employees		
Wages and salaries	289	(1)
Superannuation	15	(1)
Leave and other entitlements	-	6
Other	-	-
Total employee benefits expense	<u>304</u>	<u>4</u>
Worker compensation premiums	-	-
Total employees	<u>304</u>	<u>4</u>
Suppliers		
Rendering of services – external entities	1,337	182
Operating lease rentals	225	1,571
Contractors	806	-
IT support	-	60
Other	80	5
Total Suppliers	<u>2,448</u>	<u>1,818</u>
Write-down and impairment of assets		
Write-off of Appropriation Receivable (Judges Pensions)	359,183	-
Financial assets - receivables	130	989
	<u>359,313</u>	<u>989</u>
Depreciation and Amortisation		
Infrastructure, plant and equipment	4	5
Value of assets sold		
Infrastructure, plant and equipment	3	-
Handgun Buy Back Program		
Handgun Buy Back Program	8,389	84,407
Other		
Other	2,566	2,494
Total Expenses Administered on Behalf of Government	<u><u>723,542</u></u>	<u><u>358,282</u></u>

Notes to and forming part of the Financial Statements

	2005	2004
	<u>\$'000</u>	<u>\$'000</u>

Note 21: Assets Administered on Behalf of Government**Financial Assets****Cash**

Administered bank account	<u>54</u>	<u>5</u>
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Receivables

Goods and services receivable	3,453	4,680
Less: Provision for doubtful debts	<u>(120)</u>	<u>(34)</u>

	3,333	4,646
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Recoveries of benefit payments	-	359,183
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Dividends	4,357	3,050
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Other receivables	5,300	3,679
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GST receivable from ATO	<u>1,247</u>	<u>210</u>
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Total receivables (net)	<u>14,237</u>	<u>370,768</u>
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Receivables (gross) are aged as follows:

Not overdue	10,952	366,181
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Overdue by:

Less than 30 days	-	6
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30 to 60 days	-	120
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61 to 90 days	-	-
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More than 90 days	<u>3,405</u>	<u>4,495</u>
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Total receivables (gross)	<u>14,357</u>	<u>370,802</u>
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The provision for doubtful debts is aged as follows:

Not overdue	-	-
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Overdue by:

Less than 30 days	-	-
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30 to 60 days	-	-
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61 to 90 days	-	-
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More than 90 days	<u>120</u>	<u>34</u>
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Total provision for doubtful debts	<u>120</u>	<u>34</u>
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Notes to and forming part of the Financial Statements

	2005	2004
	<u>\$'000</u>	<u>\$'000</u>
Note 21: Assets Administered on Behalf of Government (continued)		
Investments		
Associated entities		
Law Courts Ltd	19,303	19,303
Controlled entities		
Australian Institute of Criminology	422	422
Australian Law Reform Commission	380	380
Criminology Research Council	311	311
High Court of Australia	138,273	138,273
Special accounts		
Australian Government Solicitor	25,135	25,135
Total investments	<u>183,824</u>	<u>183,824</u>
Non-Financial Assets		
Infrastructure, Plant and Equipment		
Infrastructure, Plant and Equipment		
- at cost	-	18
- accumulated depreciation	-	(11)
	<u>-</u>	<u>7</u>
Inventories		
Inventories for sale	<u>92</u>	<u>93</u>
Other non-financial assets		
Prepayments	<u>82</u>	<u>-</u>
Total Assets Administered on Behalf of Government	<u>198,289</u>	<u>554,697</u>

Notes to and forming part of the Financial Statements

	2005	2004
	<u>\$'000</u>	<u>\$'000</u>
Note 22: Liabilities Administered on Behalf of Government		
Provisions		
Employees		
Salaries and wages	-	-
Leave	34	40
Superannuation	3	5
Other	-	-
Total Employees	<u>37</u>	<u>45</u>
Payables		
Suppliers - trade creditors	<u>8,583</u>	<u>4,956</u>
Personal Benefits	<u>394,200</u>	<u>359,183</u>
Interest Bearing Liabilities		
Leases	<u>-</u>	<u>1,224</u>
Other Payables	<u>151</u>	<u>97</u>
Total Liabilities Administered on Behalf of Government	<u><u>402,971</u></u>	<u><u>365,505</u></u>

All liabilities are expected to be settled within 12 months of balance date.

Notes to and forming part of the Financial Statements

	2005	2004
	\$'000	\$'000
Note 23: Administered Reconciliation Table		
<i>Opening administered assets less administered liabilities as at 1 July 2004</i>	189,193	196,786
<i>Plus Administered revenues</i>	16,361	13,323
<i>Less Administered expenses</i>	(723,542)	(358,281)
Administered transfers to/from Australian Government		
Appropriation transfers from OPA	334,054	359,611
Transfers to OPA	(20,747)	(18,374)
Administered Transfer to Australian Government (Restructuring)	-	(3,872)
<i>Closing administered assets less administered liabilities</i>	<u>(204,681)</u>	<u>189,193</u>

Note 24: Administered Contingent Liabilities and Assets

The department had no administered contingent liabilities or assets as at 30 June 2005 and 30 June 2004.

Note 25: Administered Investments

The Commonwealth has 47.5% ownership of Law Courts Ltd and has control of the following:

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

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

- * Law Court Ltd is an Australian Government/New South Wales investment established to manage the Law Courts Building in Sydney
- * The Australian Institute of Criminology has an objective and independent national focus in studying crime and criminal justice and disseminating criminal justice information
- * The Australian Law Reform Commission conducts independent references (inquiries) into areas of federal law reform at the request of the Attorney-General
- * The Criminology Research Council, with representatives from the Commonwealth, State and Northern Territory Governments, provides research grants to fund criminological research
- * The High Court, as the highest court in the Australian judicial system, interprets and applies the law of Australia, decides cases of special federal 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 contested environment

Notes to and forming part of the Financial Statements

	2005	2004
	<u>\$'000</u>	<u>\$'000</u>

Note 26: Restructuring

The Department of Finance and Administration, pursuant to the powers granted by the *Financial Management and Accountability Orders 1997*, Order 6.2.1, revoked with effect from 30 June 2003 the determination that the activities of the Australian Protective Service be treated as a business operation of the Australian Federal Police. As a result the Department is no longer required to report an administered investment in the Australian Protective Service Account.

In respect of function relinquished, the following assets were transferred by the Department:

Total assets relinquished	-	<u>(3,872)</u>
<i>Net Assets relinquished</i>	-	<u>(3,872)</u>
<i>Net (decrease) in administered net assets during the year</i>	-	<u><u>(3,872)</u></u>

Notes to and forming part of the Financial Statements

Note 27: Administered Financial Instruments

Administered Interest Rate Risk

Financial Instrument	Notes	Floating Interest Rate		Fixed Interest Rate Maturing In						Non- Interest Bearing		Total		Weighted Average Effective Interest Rate		
		Rate		1 Year or Less		1 to 5 Years		> 5 Years		Bearing		Total		Effective Interest Rate		
		2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000	2005 \$'000	2004 %	2005 %		
Financial Assets																
Cash at bank	21	-	-	-	-	-	-	-	-	54	5	54	5	n/a	n/a	n/a
Receivables for goods and services (gross)	21	-	-	-	-	-	-	-	-	3,453	4,680	3,453	4,680	n/a	n/a	n/a
Total		-	-	-	-	-	-	-	-	3,507	4,685	3,507	4,685	-	-	-
Total Assets												198,289	554,697			

Financial Liabilities																
Trade creditors	22	-	-	-	-	-	-	-	-	8,583	4,956	8,583	4,956	n/a	n/a	n/a
Personal Benefits	22	-	-	-	-	-	-	-	-	394,200	359,183	394,200	359,183	n/a	n/a	n/a
Interest Bearing Liabilities	22	-	1,224	-	-	-	-	-	-	-	-	-	1,224	-	-	-
Total		-	1,224	-	-	-	-	-	-	402,783	364,139	402,783	365,363	-	-	-
Total Liabilities												402,971	365,505			

Notes to and forming part of the Financial Statements

Note 28: Appropriations

Note 28A: Acquittal of Authority to Draw Cash from the Consolidated Revenue Fund (Appropriations) from Acts 1 and 3

	Administered expenses		Departmental Outputs	Total
	Outcome 1	Outcome 2		
	\$	\$	\$	\$
Year ended 30 June 2005				
Balance carried from previous year	6,111,240	7,004,013	50,357,431	63,472,684
Prior Year Adjustment	6,721,958	(795,273)	-	5,926,685
Reductions of appropriations (prior years)	(7,516,948)	(2,327,238)	-	-
Adjusted balance carried forward for previous period	5,316,250	3,881,502	50,357,431	69,399,369
Appropriation Act (No.1) 2004-2005	151,781,000	23,232,000	156,627,000	331,640,000
Appropriation Act (No.3) 2004-2005	18,792,000	18,509,000	12,627,000	49,928,000
Appropriation Act (No.5) 2004-2005	35,091,000	-	-	35,091,000
Appropriation Act (Tsunami Financial Assistance) 2004-05	-	-	20,000	20,000
Departmental Adjustments by the Finance Minister	-	-	-	-
Comcover receipts (Appropriation Act s13)	-	-	-	-
Advance to the Finance Minister	-	-	-	-
Adjustments of appropriation on change on entity function (FMAA s32)	36,168,000	-	6,177,000	42,345,000
Refunds credited (FMAA s30)	-	-	-	-
Appropriations reduced by section 9 determinations (current year)	-	-	-	-
Sub-total 2004-05 Annual Appropriation	247,148,250	45,622,502	225,808,431	518,579,183
Appropriations to take account of recoverable GST (FMAA s30A)	5,200,899	1,334,272	8,266,045	14,801,216
Annotations to 'net appropriations' (FMAA s31)	-	-	13,454,302	13,454,302
Total Appropriations available for payments	252,349,149	46,956,774	247,528,778	546,834,701
Cash Payments made during the year (GST inclusive)	236,461,427	26,766,088	187,331,996	450,559,511
Appropriations credited to Special Accounts (excluding GST)	-	-	-	-
Balance of Authority to Draw Cash from the CAF for Ordinary Annual Services Appropriations	15,887,722	20,190,686	60,196,783	96,275,191
<i>Represented by:</i>				
Cash at bank and on hand	54,017	-	2,368,358	2,422,375
Receivables - Departmental Appropriations	-	-	57,567,743	57,567,743
Receivables - GST from Customers	-	-	153,810	153,810
Receivables - GST Receivable from the ATO	1,247,210	-	1,008,777	2,255,987
Receivables - Departmental appropriations - drawing rights withheld by the Finance Minister (FMAA s27(4))	-	-	-	-
Payables - GST payable	-	-	(901,905)	(901,905)
Undrawn, unexpired administered appropriations	14,586,495	20,190,686	-	34,777,181
Total	15,887,722	20,190,686	60,196,783	96,275,191

Notes to and forming part of the Financial Statements

Note 28A: Acquittal of Authority to Draw Cash from the Consolidated Revenue Fund (Appropriations) from Acts 1 and 3 (Continued)

	Administered expenses		Departmental Outputs	Total
	Outcome 1	Outcome 2		
	\$	\$	\$	\$
Year ended 30 June 2004				
Balance carried from previous year	-	-	50,236,343	50,236,343
Retained funding determined by the Finance Minister	8,151,239	476,579	-	8,627,818
Adjusted balance carried forward for previous period	8,151,239	476,579	-	8,627,818
Appropriation Act (No.1) 2003-2004 - basic appropriation	141,274,000	26,154,000	151,272,000	318,700,000
Appropriation Act (No.3) 2003-2004 - basic appropriation	4,368,000	1,585,000	1,446,000	7,399,000
Departmental Adjustments by the Finance Minister	-	-	-	-
Advance to the Finance Minister	-	-	-	-
Refunds credited (FMAA s30)	-	-	-	-
Appropriations to take account of recoverable GST (FMAA s30A)	4,439,408	395,361	7,611,613	12,446,382
Annotations to 'net appropriations' (FMAA s31)	-	-	8,337,716	8,337,716
Adjustments of appropriation on change on entity function (FMAA s32)	-	(62,000)	(328,000)	(390,000)
Appropriation lapsed or reduced	-	-	-	-
Total Appropriations available for payments	158,232,647	28,548,940	218,575,672	405,357,259
Payments made (GST inclusive)	152,121,407	21,544,927	168,218,241	341,884,575
Appropriations credited to Special Accounts	-	-	-	-
Balance carried to next year	6,111,240	7,004,013	50,357,431	63,472,684

Notes to and forming part of the Financial Statements

Note 28B: Acquittal of Authority to Draw Cash from the Consolidated Revenue Fund (CRF) for Other than Ordinary Annual Services Appropriations

	Administered				Non-operating				Total
	Outcome 1		Outcome 2		Equity	Loans	Previous Years' Outputs	Admin Assets and liabilities	
	Specific Purpose Payments	New	Specific Purpose Payments	New					
Year ended 30 June 2005	\$	\$	\$	\$	\$	\$	\$	\$	\$
Balance carried from previous year	13,585,801	-	-	-	15,251,000	-	-	-	28,836,801
Reduction of appropriations (prior years)	(13,585,801)	-	-	-	-	-	-	-	(13,585,801)
Adjusted balance carried from previous period	-	-	-	-	15,251,000	-	-	-	15,251,000
Appropriation Act (No.2) 2004-2005	93,745,000	-	-	-	5,390,000	-	-	-	99,135,000
Appropriation Act (No.4) 2004-2005	1,428,000	-	-	-	3,912,000	-	-	-	5,340,000
Appropriation Act (No.6) 2004-2005	-	-	4,000,000	-	-	-	-	-	4,000,000
Adjustments determined by the Finance Minister	-	-	-	-	-	-	-	-	-
Advance to the Finance Minister	-	-	-	-	-	-	-	-	-
Adjustment of appropriations on change of entity function (FMAA s32)	-	-	-	-	-	-	-	-	-
Refunds credited (net) (FMAA s30)	-	-	-	-	-	-	-	-	-
Appropriation reduced by a section 11 determination (current year)	-	-	-	-	-	-	-	-	-
Sub-total 2004-05 Annual Appropriation	95,173,000	-	4,000,000	-	24,553,000	-	-	-	123,726,000
Appropriations to take account of recoverable GST (FMAA s30A)	-	-	281,679	-	-	-	-	-	281,679
Total appropriations available for payments	95,173,000	-	4,281,679	-	24,553,000	-	-	-	124,007,679
Cash payments made during the year (GST inclusive)	39,490,215	-	3,098,474	-	1,802,095	-	-	-	44,390,784
Appropriations credited to Special Accounts (GST exclusive)	-	-	-	-	-	-	-	-	-
Balance of Authority to Draw Cash from the CRF for Other Than Ordinary Annual Services Appropriations	55,682,785	-	1,183,205	-	22,750,905	-	-	-	79,616,895
<i>Represented by:</i>									
Cash at bank and on hand	-	-	-	-	-	-	-	-	-
Departmental Appropriation Receivable	-	-	-	-	22,750,905	-	-	-	22,750,905
Undrawn, unapplied administered appropriations	55,682,785	-	1,183,205	-	-	-	-	-	56,865,990
Total	55,682,785	-	1,183,205	-	22,750,905	-	-	-	79,616,895

Note 28B: Acquittal of Authority to Draw Cash from the Consolidated Revenue Fund (CRF) for Other than Ordinary Annual Services Appropriations

	Administered				Non-operating				Total
	Outcome 1		Outcome 2		Equity	Loans	Previous Years' Outputs	Admin Assets and liabilities	
	Specific Purpose Payments	New	Specific Purpose Payments	New					
Year ended 30 June 2004 (Comparative Period)	\$ -	\$ -	\$ -	\$ -	\$ 15,000,000	\$ -	\$ -	\$ -	\$ 15,000,000
Balance carried from previous year									
Appropriation Act (No.2) 2003-2004	85,444,000	-	-	-	15,000,000	-	5,151,000	-	90,595,000
Appropriation Act (No.4) 2003-2004	1,418,000	-	-	-	251,000	-	-	-	1,669,000
Adjustments determined by the Finance Minister	-	-	-	-	-	-	-	-	-
Advance to the Finance Minister	-	-	-	-	-	-	-	-	-
Refunds credited (FMAA s30)	-	-	-	-	-	-	-	-	-
Appropriations to take account of recoverable GST (FMAA s90A)	-	-	-	-	-	-	-	-	-
Annotations to 'net appropriations' (FMAA, s31)	-	-	-	-	-	-	-	-	-
Other Cash Adjustments	-	-	-	-	-	-	-	-	-
Adjustment of appropriations on change of entity function (FMAA s32)	-	-	-	-	-	-	-	-	-
Appropriation lapsed	-	-	-	-	-	-	-	-	-
Total Appropriation available for payments	86,862,000	-	-	-	15,251,000	-	5,151,000	-	107,264,000
Cash payments made during the year (GST inclusive)	73,276,199	-	-	-	-	-	5,151,000	-	78,427,199
Appropriations credited to Special Accounts	-	-	-	-	-	-	-	-	-
Balance carried to next year	13,585,801	-	-	-	15,251,000	-	-	-	28,836,801

Notes to and forming part of the Financial Statements

Note 28C: Acquittal of Authority to Draw Cash from the Consolidated Revenue Fund - Special Appropriations (Unlimited Amount)

<i>Legislation: National Handgun Buyback Act 2003</i>	2005	2004
	Outcome 2	
	\$	\$
<i>Purpose</i> : 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		
Budget estimate	12,086,000	82,473,000
Payments made	7,480,238	81,040,226
Appropriations credited to Special Accounts	-	-
Refunds credited (FMAA s30)	-	-

<i>Legislation: Remuneration Tribunal Act 1973 - Justices of the High Court</i>	2005	2004
	Outcome 1	
	\$	\$
<i>Purpose</i> : To provide for remuneration and allowances for Justices of the High Court. All transactions under this Act are recognised as administered items		
Budget estimate	2,554,000	2,403,000
Payments made	2,542,177	2,389,323
Appropriations credited to Special Accounts	-	-
Refunds credited (FMAA s30)	-	-

<i>Legislation: Judges Pensions Act 1968</i>	2005	2004
	Outcome 1	
	\$	\$
<i>Purpose</i> : To make provision for pensions for judges and their families. All transactions under this Act are recognised as administered items		
Budget estimate*	38,073,000	30,488,000
Payments made	17,470,762	15,612,237
Appropriations credited to Special Accounts	-	-
Refunds credited (FMAA s30)	-	-

*Accrual budget estimate as included in the 2004-05 Portfolio Additional Estimates Statements

<i>Legislation: Law Officers Act 1964</i>	2005	2004
	Outcome 1	
	\$	\$
<i>Purpose:</i> To make provision for pensions of Solicitor Generals. All transactions under this Act are recognised as administered items		
Budget estimate	283,000	-
Payments made	283,170	259,561
Appropriations credited to Special Accounts	-	-
Refunds credited (FMAA s30)	-	-

<i>Parliamentary Entitlements Act 1990</i>	2005	2004
	Outcome 1	
	\$	\$
<i>Purpose:</i> To fund the provision of legal assistance to Ministers. All transactions under this Act are recognised as administered items		
Budget estimate	13,703	-
Payments made	13,703	-
Appropriations credited to Special Accounts	-	-
Refunds credited (FMAA s30)	-	-

<i>Financial Management and Accountability Act 1997</i>	2005	2004
	Outcome 1	
	\$	\$
<i>Purpose:</i> To provide for payments under Section 28 of the FMA Act. All transactions under this Act are recognised as administered items		
Budget estimate	232,515	7,075
Payments made	232,515	7,075
Appropriations credited to Special Accounts	-	-
Refunds credited (FMAA s30)	-	-

Totals for unlimited special appropriations	2005	2004
	\$	\$
Budget estimate	53,242,218	115,371,075
Payments made	28,022,565	99,308,422
Appropriations credited to Special Accounts	-	-
Refunds credited (FMAA s30)	-	-
The Department's Administered Payments Bank Account balance represents amounts to cover unrepresented cheques and Administered Receipts.	60,935	-

Other Special Appropriations that had nil balances at the end of the year and there were no transactions debited or credited to them 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 Firearms Program Implementation Act 1996 Purpose: To provide for financial assistance and other expenditure in connection with the implementation of the national firearms program.

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

High Court Justices (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

Notes to and forming part of the Financial Statements

Note 28D: Special Accounts

	2005	2004
	\$	\$
Services on behalf of other Governments and non public bodies (Administered)		
<i>Legal Authority: Section 20 FMA Act</i>		
<i>Purpose: For expenditure in connection with services performed on behalf of other Governments and bodies that are not Agencies under the FMA Act.</i>		
Balance carried from previous year	492,633	(7,650)
Appropriations for reporting period	-	-
Costs recovered from non-government sector	1,285,080	4,180,939
Other receipts – Transfer from the Departmental Operating account	-	-
GST credits (FMAA s30A)	-	-
Available for payments	1,777,713	4,173,289
Payments made to suppliers	(845,792)	(3,680,656)
Repayment to the OPA	-	-
Balance carried to next year	931,921	492,633
<i>Represented by:</i>		
Cash on call held in the OPA	931,921	492,633
GST payable to the OPA	-	-
Total	931,921	492,633

Other Trust moneys (Administered)		
<i>Legal Authority: Section 20 FMA Act</i>		
<i>Purpose: For expenditure of moneys temporarily held on trust or otherwise for the benefit of a person other than the Australian Government.</i>		
Balance carried from previous year	452,019	481,413
Appropriations for reporting period	-	-
Costs recovered from non-government sector	581,921	442,975
Other receipts – Industry contributions	-	-
GST credits (FMAA s30A)	-	-
Available for payments	1,033,940	924,388
Payments made to suppliers	(36,658)	(472,369)
Balance carried to next year	997,282	452,019
<i>Represented by:</i>		
Cash on call held in the OPA	997,282	452,019
GST payable to the OPA	-	-
Total	997,282	452,019

Notes to and forming part of the Financial Statements

Note 28D: Special Accounts (Continued)

	2005	2004
	\$	\$
Legal Practice (Departmental)		
<i>Legal Authority: Section 21 FMA Act</i>		
<i>Purpose: For the receipt of all moneys and the payment of all expenditure related to the operation of the Attorney-General's Legal Practice (this relates to the former legal practice). This account was closed on 3 May 2005.</i>		
Balance carried from previous year	-	-
Appropriations Act (No. 2) 2003-2004	-	-
Appropriations Act (No. 1) 2004-2005	-	-
Costs recovered from non-government sector	-	-
Other receipts -Industry contributions	-	-
GST credits (FMAA s30A)	-	-
Available for payments	-	-
Payments made to suppliers	-	-
Balance carried to next year	-	-
<i>Represented by:</i>		
Cash on call held in OPA	-	-
GST payable to the OPA	-	-
Total	-	-

Law Enforcements Project Account		
<i>Legal Authority: Section 20 FMA Act</i>		
<i>Purpose: For expenditure of moneys on law enforcement projects for the purpose of section 34D, Proceeds of Crime Act 1987. This account was closed on 29 June 2005.</i>		
Balance carried from previous year	-	-
Appropriations Act (No. 2) 2003-2004	-	-
Appropriations Act (No. 1) 2004-2005	-	-
Costs recovered from non-government sector	-	-
Other receipts -Industry contributions	-	-
GST credits (FMAA s30A)	-	-
Available for payments	-	-
Payments made to suppliers	-	-
Balance carried to next year	-	-
<i>Represented by:</i>		
Cash on call held in OPA	-	-
GST payable to the OPA	-	-
Total	-	-

Notes to and forming part of the Financial Statements

Note 29: Compensation and Debt Relief in Special Circumstances	2005	2004
	\$	\$
<i>Administered</i>		
No 'Act of Grace' expenses were incurred during the reporting period. (2004: no expenses).	-	-
No waivers of amounts owing to the Commonwealth were made pursuant to subsection 34(1) of the <i>Financial Management and Accountability Act 1997</i> . (2004: No waivers)	-	-
No payments were made under the 'Defective Administration Scheme' during the reporting period. (2004: No payments made)	-	-
No ex-gratia payments were provided for during the reporting period. (2004: No payments)	-	-
No payments were made under s73 of the <i>Public Service Act 1999</i> during the reporting period. (2004: No payments made)	-	-
<i>Departmental</i>		
No 'Act of Grace' expenses were incurred during the reporting period. (2004: no expenses).	-	-
No waivers of amounts owing to the Commonwealth were made pursuant to subsection 34(1) of the <i>Financial Management and Accountability Act 1997</i> . (2004: 1 waiver)	-	9,935
No payments were made under the 'Defective Administration Scheme' during the reporting period. (2004: No payments made)	-	-
No ex-gratia payments were provided for during the reporting period. (2004: No payments)	-	-
No payments were made under s73 of the <i>Public Service Act 1999</i> during the reporting period. (2004: No payments made)	-	-

Notes to and forming part of the Financial Statements**Note 30: Reporting of Outcomes**

The Department uses budgeted average staffing levels to determine the attribution of its shared items. The attribution is based on the number of staff that can be directly costed to an operational function. The basis of attribution in the table is consistent with the basis used for the 2004-05 Budget.

Note 30A: Net Cost of Outcome Delivery

	Outcome 1		Outcome 2		Total	
	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000
Administered expenses	686,405	248,892	37,137	109,390	723,542	358,282
Departmental expenses	57,494	57,887	125,677	112,637	183,171	170,524
Total expenses	743,899	306,779	162,814	222,027	906,713	528,806
<i>Costs recovered from provision of goods and services to the non-government sector</i>						
Administered	-	-	-	-	-	-
Departmental	2,345	1,778	8,956	3,737	11,301	5,515
Total costs recovered	2,345	1,778	8,956	3,737	11,301	5,515
<i>Other external revenues</i>						
Administered						
Dividends from Commonwealth Companies	6,460	4,100	-	-	6,460	4,100
Other	9,808	9,079	93	144	9,901	9,223
Total Administered	16,268	13,179	93	144	16,361	13,323
Departmental						
Revenue from disposal of assets	30	-	38	-	68	-
Other	1,060	1,131	900	703	1,960	1,834
Total Departmental	1,090	1,131	938	703	2,028	1,834
Total other external revenues	17,358	14,310	1,031	847	18,389	15,157
Net cost/(contribution) of outcome	724,196	290,691	152,827	217,443	877,023	508,134

Outcomes 1 and 2 are described in Note 1.1. Net costs shown include intra-government costs that are eliminated in calculating the actual Budget outcome.

Notes to and forming part of the Financial Statements

Note 30B: Major Classes of Departmental Revenues and Expenses by Output Groups and Outputs

	Output 1.1		Output 1.2		Output 1.3		Output 1.4		Output 1.5		Output 1.6		Output 1.7		Output 1.8		Outcome 1 Total			
	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004	2005	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Outcome 1																				
Departmental expenses																				
Employees	4,997	7,052	2,382	2,380	9,259	8,520	2,674	3,022	6,225	5,120	3,318	5,003	2,049	2,214	5,596	-	36,500	33,311		
Suppliers	2,512	3,030	838	3,284	4,196	4,885	1,077	1,493	2,026	1,934	1,366	2,295	2,934	3,532	2,474	-	17,443	20,453		
Depreciation and amortisation	568	647	213	265	800	929	223	343	648	490	299	440	203	208	558	-	5,512	3,322		
Other expenses	6	110	3	17	9	224	3	23	7	208	3	184	2	35	6	-	39	801		
Total departmental expenses	8,083	10,839	3,436	5,946	14,264	14,558	3,977	4,881	8,906	7,752	5,006	7,922	5,188	5,989	8,634	-	57,494	57,887		
Funded by:																				
Revenues from government	9,274	8,590	3,349	5,361	13,541	11,461	3,661	3,354	7,615	5,882	4,918	6,286	5,458	5,775	8,755	-	56,571	46,709		
Sale of goods and services	23	102	98	213	124	121	336	135	987	732	636	466	119	9	22	-	2,345	1,778		
Other non-taxation revenues	27	131	11	24	76	82	11	29	906	815	15	32	10	18	34	-	1,090	1,131		
Total departmental revenues	9,324	8,823	3,458	5,598	13,741	11,664	4,008	3,518	9,508	7,429	5,569	6,784	5,587	5,802	8,811	-	60,006	49,618		

	Output 2.1		Output 2.2		Output 2.3		Output 2.4		Output 2.5		Outcome 2 Total	
	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Outcome 2												
Departmental expenses												
Employees	11,830	11,049	5,066	1,447	7,886	6,580	16,978	15,215	-	-	41,760	34,291
Suppliers	21,599	17,558	3,020	1,149	14,491	19,597	16,793	9,935	23,457	21,019	79,360	69,258
Depreciation and amortisation	1,137	1,130	560	225	870	842	1,939	1,553	-	-	4,506	3,750
Other expenses	13	233	6	15	11	4,848	33	242	-	-	51	5,338
Total departmental expenses	34,579	29,970	8,640	2,836	23,258	31,867	35,743	26,945	23,457	21,019	125,677	112,637
Funded by:												
Revenues from government	20,384	18,281	12,369	1,683	24,718	25,887	35,209	39,063	26,200	21,019	118,880	105,933
Sale of goods and services	5,549	398	522	223	385	324	2,500	2,792	-	-	8,956	3,737
Other non-taxation revenues	109	194	26	1	55	8	748	500	-	-	938	703
Total departmental revenues	26,042	18,873	12,917	1,907	25,158	26,219	38,457	42,355	26,200	21,019	128,774	110,373

Outcomes 1 and 2 are described in Note 1.1. Net costs shown include intra-government costs that are eliminated in calculating the actual Budget outcome.

Notes to and forming part of the Financial StatementsNote 30C: Major Classes of Administered Revenues and Expenses by Outcomes

	Outcome 1		Outcome 2		Total	
	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000
Administered Revenue						
Other non-taxation revenues	16,268	13,180	93	143	16,361	13,323
Total Administered Revenues	16,268	13,180	93	143	16,361	13,323
Administered Expenses						
Grants	264,987	205,969	13,964	8,170	278,951	214,139
Subsidies	4,054	1,753	14,738	16,718	18,792	18,471
Personal benefits	52,772	38,344	-	-	52,772	38,344
Handgun Buy Back Program	-	-	8,389	84,407	8,389	84,407
Other	364,592	2,826	46	95	364,638	2,921
Total Administered Expenses	686,405	248,892	37,137	109,390	723,542	358,282

Outcomes 1 and 2 are described in Note 1.1.

Net costs shown include intra-government costs that are eliminated in calculating the actual Budget outcome.