

PARTY

Financial statements



INDEPENDENT AUDITOR'S REPORT

To the Attorney-General

Scope

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

The Responsibility of the Chief Executive for the Financial Statements

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

Auditor's Responsibility

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

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

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

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

Independence

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

Auditor's Opinion

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

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

Australian National Audit Office



Simon Kidman
Executive Director

Delegate of the Auditor-General

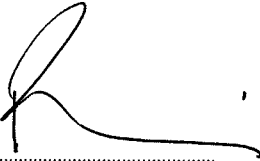
Canberra

28 August 2009

FINANCIAL STATEMENTS

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

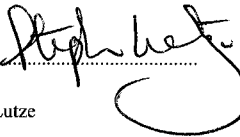
In our opinion, the attached financial statements for the year ended 30 June 2009 have been prepared based on properly maintained financial records and give a true and fair view of the matters required by the Finance Minister's Orders made under the *Financial Management and Accountability Act 1997*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

Signed.....

Roger Wilkins

Chief Executive

27 August 2009

Signed.....

Stephen Lutze

Chief Finance Officer

27 August 2009

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

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

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

FINANCIAL STATEMENTS

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

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

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

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

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

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

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

FINANCIAL STATEMENTS

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

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

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

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

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

NB: Commitments are GST inclusive where relevant.

¹ Outstanding contractual payments for fitout under construction.

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

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

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

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

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

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

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

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

SCHEDULE OF ADMINISTERED ITEMS for Attorney-General's Department

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

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

FINANCIAL STATEMENTS

SCHEDULE OF ADMINISTERED ITEMS for Attorney-General's Department

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

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

SCHEDULE OF ADMINISTERED ITEMS for Attorney-General's Department

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

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

FINANCIAL STATEMENTS

SCHEDULE OF ADMINISTERED ITEMS for Attorney-General's Department

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

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

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

Elements of these commitments are fully funded in forward estimates.

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

SCHEDULE OF ADMINISTERED ITEMS for Attorney-General's Department

Administered contingencies
as at 30 June 2009

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

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

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

FINANCIAL STATEMENTS

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

as at 30 June 2009

Note 1:	Summary of significant accounting policies
Note 2:	Events after the balance sheet date
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Note 4:	Expenses
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Note 26:	Compensation and debt relief in special circumstances
Note 27:	Reporting of outcomes

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

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

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

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

Contributions to Outcome 1

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

Contributions to Outcome 2

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

Contributions to Outcome 3

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

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

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

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

1.2 Basis of preparation of the financial report

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

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

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

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

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

FINANCIAL STATEMENTS

Note 1: Summary of Significant Accounting Policies

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

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

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

1.3 Significant accounting judgements and estimates

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

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

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

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

1.4 Statement of compliance

Adoption of new Australian Accounting Standard requirements

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

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

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

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

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

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

AASB 3 *Business Combinations*

AASB 8 *Operating Segments*

AASB 101 *Presentation of Financial Statements*

AASB 123 *Borrowing Costs*

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

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

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

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

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

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

1.5 Changes in accounting policy and correction of errors

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

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

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

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

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

FINANCIAL STATEMENTS

Note 1: Summary of Significant Accounting Policies

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

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

1.6 Transactions with the Government as owner

Equity injections

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

Restructuring of administrative arrangements

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

Other distributions to owners

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

1.7 Revenue

Revenue from Government

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

Appropriations receivable are recognised at their nominal amounts.

Other types of revenue

Revenue from the sale of goods is recognised when:

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

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

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

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

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

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

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

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

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

Sale of assets

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

1.9 Employee benefits

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

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

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

Leave

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

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

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

Separation and redundancy

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

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

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

Superannuation

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

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

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

FINANCIAL STATEMENTS

Note 1: Summary of Significant Accounting Policies

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

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

1.10 Leases

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

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

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

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

1.11 Borrowing costs

All borrowing costs are expensed as incurred.

1.12 Cash

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

1.13 Financial assets

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

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

Effective interest method

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

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

Loans and receivables

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

Interest is recognised by applying the effective interest rate.

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

Financial assets are assessed for impairment at each balance date.

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

1.14 Financial liabilities

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

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

Other financial liabilities

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

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

Supplier and other payables

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

1.15 Contingent assets and contingent liabilities

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

1.16 Acquisition of assets

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

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

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

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

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

FINANCIAL STATEMENTS

Note 1: Summary of Significant Accounting Policies

Revaluations

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

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

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

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

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

Depreciation

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

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

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

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

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

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

Impairment

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

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

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

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

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

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

1.19 Inventories

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

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

1.20 Taxation

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

Revenues, expenses and assets are recognised net of GST:

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

1.21 Reporting of Administered Activities

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

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

Administered cash transfers to and from the Official Public Account

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

Revenue

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

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

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

Competitive neutrality

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

FINANCIAL STATEMENTS

Note 1: Summary of Significant Accounting Policies

Loans and receivables

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

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

Administered investments

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

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

Personal benefits

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

Grants and subsidies

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

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

Payments to CAC Act bodies

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

Note 2: Events after the Balance Sheet Date

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

Note 3: Income

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

FINANCIAL STATEMENTS

Note 4: Expenses

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

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

Note 4B: Suppliers

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

Note 4C: Depreciation and amortisation

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

Note 4D: Finance costs

Finance leases	804	540
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Note 4: Expenses (continued)

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

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

Note 4F: Other expenses

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

FINANCIAL STATEMENTS

Note 5: Financial Assets

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

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

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

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

FINANCIAL STATEMENTS

Note 6: Non-Financial Assets

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

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

Note 6B: Property, plant and equipment

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

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

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

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

Note 6: Non-Financial Assets

Note 6C: Analysis of property, plant and equipment

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

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

Note 6: Non-Financial Assets (continued)

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

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

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

Note 6: Non-Financial Assets (continued)

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

No indicators of impairment were found for intangible assets.

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

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

FINANCIAL STATEMENTS

Note 6: Non-Financial Assets (continued)

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

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

2009	2008
\$'000	\$'000

Note 6E: Inventories

Inventories held for distribution	<u>78</u>	<u>103</u>
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During 2008-09, \$74,670 of inventory held for distribution was recognised as an expense (2007-08: \$29,791). No items of inventory were recognised at fair value less cost to sell.

All inventories are current assets.

Note 6F: Other non-financial assets

Prepayments	<u>924</u>	<u>1,269</u>
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All other non-financial assets are current assets.

Note 7: Payables

	2009	2008
	\$'000	\$'000

Note 7A: Suppliers

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

Supplier payables are represented by:

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

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

Note 7B: Other payables

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

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

All other payables are current liabilities.

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Note 8: Interest Bearing Liabilities

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

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

Note 8B: Other interest bearing liabilities

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

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

Note 9: Provisions

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

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

Note 9B: Other provisions

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

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

FINANCIAL STATEMENTS

Note 10: Restructuring

Note 10A: Departmental restructuring

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

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

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

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

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

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

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

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

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

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

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

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Note 10B: Administered restructuring

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

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

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

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

Note 11: Cash Flow Reconciliation

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

Note 12: Contingent Liabilities and Assets

Unquantifiable Contingencies

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

Note 13: Senior Executive Remuneration

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

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

<u><u>17,346,776</u></u>	<u><u>14,166,838</u></u>
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The aggregate amount of separation and redundancy/termination benefit payments during the year to executives shown above.

<u><u>-</u></u>	<u><u>-</u></u>
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The above includes cash and non-cash components of the remuneration packages.

Note 14: Remuneration of Auditors

	2009	2008
Financial statement audit services were provided free of charge to the Department.	\$	\$
The fair value of the services provided was:	<u><u>347,000</u></u>	<u><u>322,500</u></u>

No other services were provided by the Auditor-General.

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Note 15: Financial Instruments

	2009	2008
	\$'000	\$'000

Note 15A: Categories of financial instruments

Financial assets

Loans and receivables financial assets

Cash and cash equivalents

Loans and receivables

Carrying amount of financial assets

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

Financial liabilities

at cost

Finance leases

Other interest bearing liabilities

Trade creditors

Prepayments received/uneared income

Unspent POCA funding

Carrying amount of financial liabilities

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

Note 15B: Net income and expense from financial assets

Loans and receivables

Impairment

Net gain/(loss) loans and receivables

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

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

Note 15C: Net income and expense from financial liabilities

Financial liabilities - at cost

Interest expense

<u>804</u>	<u>540</u>
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The net expense from financial liabilities not at fair value from profit and loss is \$803,883 (2008: \$540,276).

Note 15: Financial Instruments - continued

Note 15D: Credit risk

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

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

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

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

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

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

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

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

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

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

The following list of assets have been individually assessed as impaired

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

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Note 15: Financial Instruments - continued

Note 15E: Liquidity risk

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

The following tables illustrates the maturities for financial liabilities:

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

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

Note 15F: Market risk

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

Interest rate risk

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

Note 16: Income Administered on Behalf of Government

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

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Note 17: Expenses Administered on Behalf of Government

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

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

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

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Note 18: Assets Administered on Behalf of Government

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

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

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

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

Reconciliation of the allowance for impairment:

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

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

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

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

This note should be read in conjunction with Note 22.

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

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

No indicators of impairment were found for land and buildings.

Note 18E: Property, plant and equipment

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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Note 19: Liabilities administered on behalf of Government

	2009	2008
	\$'000	\$'000

Payables

Note 19A: Suppliers

Trade creditors	<u>19,241</u>	<u>14,621</u>
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Supplier payables are represented by:

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

Note 19B: Personal benefits

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

Present value of unfunded obligations	<u>680,500</u>	<u>572,057</u>
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Changes in the value of the defined benefit obligation are as follows:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Note 19D: Other payables

Prepayments received/unearned income	748	1,546
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Note 19E: Employee provisions

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

Employee provisions are represented by:

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

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

Note 19F: Asbestos removal provision

Asbestos removal provision	10,230	7,162
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Note 19G: Phosphate mine rehabilitation provision

Phosphate mine rehabilitation provision	2,784	2,914
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Note 20: Administered Reconciliation Table

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

Note 21: Administered Contingent Assets and Liabilities

Unquantifiable Administered Contingencies

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

The Department does not have any unquantifiable administered contingencies.

Note 22: Administered Investments

The Australian Government owns 100% of the following entities:

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

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

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

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

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Note 23: Administered Financial Instruments

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

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

Note 23: Administered Financial Instruments (continued)

Note 23C: Credit risk

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

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

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

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

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

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

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

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

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

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

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

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

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Note 23: Administered Financial Instruments (continued)

Note 23D: Liquidity risk

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

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

The following tables illustrates the maturities for financial liabilities:

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

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

Note 23E: Market risk

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

Interest rate risk

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

FINANCIAL STATEMENTS

Note 24: Appropriations (continued)

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

Particulars	Operating				Non-operating						Total			
	Outcome 1		Outcome 3		Payments to CAC Act bodies		Equity		Previous Year's Outputs		Admin assets and liabilities		Total	
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
Balance brought forward from previous period (Appropriation Acts)														
Appropriation Act:														
Appropriation Act (No.4) 2008-09	160,225	41,028	163,402				88,324	30,236	2,105		143,923		284,413	41,236
Appropriation Act (No.6) 2008-09	8		2,446				18,144	34,472		2,105	2,100	5,000	362,769	77,605
Other annual appropriation acts							139	1,310					6,658	6,310
Administered appropriations reduced (non CAC) Appropriation Act s12.13	(37)	(11,000)	(88,682)										(88,719)	(11,000)
Departmental appropriations reduced (Appropriation Act section 13)														
CAC Act body payment items reduced (Appropriation Act section 14)														
Advance to the Finance Minister (Appropriation Act section 15)														
Refunds credited (FMA section 30)														
Appropriations to take account of recoverable GST (FMA section 30A)	3,451	1,557	2,834	1,698							373	139	6,658	3,392
Adjustment of appropriations on change of entity function (FMA section 32)														
- Australian Commission for Law Enforcement Integrity														(264)
- Administration of the National Classification Scheme														833
- Services to territories and advice on their administration														89,138
- Natural disaster relief and mitigation														71,072
Total appropriations available for payments	163,754	43,418	168,324	135,566			88,307	68,754	2,105		165,296	147,798	567,786	394,641
Cash payments made during the year (GST inclusive)	121,817	43,381	100,055	47,242			41,206	15,730			13,160	3,875	276,238	110,238
Appropriations credited to Special Accounts (GST exclusive)														
Balance of Authority to Draw Cash from the Consolidated Revenue Fund for Other Than Ordinary Annual Services Appropriations and as represented by:	41,937	37	68,269	88,324			27,101	50,024	2,105		152,136	143,923	291,548	284,413
Cash at bank and on hand														
Departmental appropriations receivable														
Unfunded, unapplied administered appropriations	41,937	37	68,269	88,324			27,101	50,024	4,333	2,105	152,136	143,923	262,342	232,236
Adjustments under s10.13 of the Finance Minister's Orders not reflected above									(2,228)				291,548	284,413
Total	41,937	37	68,269	88,324			27,101	50,024	2,105		152,136	143,923	291,548	284,413

Particulars	Operating				Non-operating						Total			
	Outcome 1		Outcome 3		Payments to CAC Act bodies		Equity		Previous Year's Outputs		Admin assets and liabilities		Total	
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
Reduction in administered items														
Total administered items appropriated	160,303,000	41,861,000	165,848,000	133,870,114									356,151,000	175,731,114
Less administered items required by the Agency per Appropriation Act section 12														
Appropriation Act (No.2) 2008-09	122,993,163	41,823,795	99,251,971	45,188,000									221,645,134	87,011,795
Appropriation Act (No.4) 2008-09														
Appropriation Act (No.6) 2008-09														
Other annual appropriation acts														
Total administered items required by the Agency	122,993,163	41,823,795	99,251,971	45,188,000									221,645,134	87,011,795
Total reduction in administered items - effective 2008-2010	37,909,837	37,205	66,596,929	88,682,114									104,505,866	88,719,319

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

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

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

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

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

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

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

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

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

Note 24: Appropriations (continued)

Table E: Disclosure by agent in relation to Special Appropriations

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

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

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

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

Note 25: Special Accounts

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

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

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

Northern Territory Flexible Funding Pool Special Account

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

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

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

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Note 26: Compensation and Debt Relief in Special Circumstances

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

Note 27: Reporting of Outcomes

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

Note 27A: Net Cost of Outcome Delivery

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

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

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

Note 27: Reporting of Outcomes (continued)

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

Outcome 1	Output Group 1.1		Output Group 1.2		Output Group 1.3		Output Group 1.4		Output Group 1.5		Output Group 1.6		Output Group 1.7		Output Group 1.8		Outcome 1 Total	
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
Departmental expenses	\$700	\$700	\$700	\$700	\$700	\$700	\$700	\$700	\$700	\$700	\$700	\$700	\$700	\$700	\$700	\$700	\$700	\$700
Employees	18,797	17,147	7,003	5,004	11,919	11,405	4,715	4,257	8,561	8,005	3,464	2,455	12,006	12,006	4,074	1,879	70,558	62,758
Suppliers	7,567	7,345	2,439	5,941	4,336	3,331	1,577	1,683	2,175	2,235	3,096	2,804	4,134	5,274	4,525	2,092	29,849	30,705
Depreciation and amortisation	1,569	1,168	466	1,019	1,350	698	373	259	710	591	277	138	990	914	424	111	6,175	4,898
Other expenses	171	74	49	62	208	22	41	20	85	43	34	8	107	55	60	7	755	287
Total departmental expenses	28,124	25,730	9,957	12,026	17,813	15,456	6,706	6,219	11,531	10,824	6,871	5,405	17,254	18,249	9,081	4,089	107,337	98,648
Funded by:																		
Revenues from government	24,495	25,570	8,690	6,045	14,888	16,445	5,800	6,016	10,048	7,971	6,470	5,557	15,203	18,327	10,142	4,717	95,726	90,648
Sale of goods and services	739	258	48	119	1,456	1,431	233	219	2,803	3,209	49	12	176	84	102	10	5,606	5,342
Other income	42	37	12	32	26	10	10	8	18	19	7	4	26	28	16	4	151	144
Total departmental income	25,276	25,865	8,740	6,196	16,370	17,888	6,043	6,243	12,869	11,199	6,526	5,573	15,405	18,439	10,254	4,731	101,483	96,134

Outcome 2	Output Group 2.1		Output Group 2.2		Output Group 2.3		Output Group 2.4		Output Group 2.5		Output Group 2.6		Outcome 2 Total	
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
Departmental expenses	\$700	\$700	\$700	\$700	\$700	\$700	\$700	\$700	\$700	\$700	\$700	\$700	\$700	\$700
Employees	12,533	15,173	11,364	7,700	10,084	11,929	12,844	13,645	25,348	6,095	2,835	74,939	73,984	
Suppliers	6,213	13,778	4,186	4,505	15,078	8,828	5,766	15,799	10,256	13,514	5,286	5,111	46,785	61,535
Depreciation and amortisation	1,552	1,139	860	610	1,979	704	2,326	976	1,455	4,177	1,056	393	9,029	7,999
Other expenses	161	53	100	36	212	41	29	54	177	536	96	4,609	775	5,329
Total departmental expenses	20,260	30,143	16,510	12,851	36,642	19,657	20,050	29,673	25,533	43,575	12,533	12,948	131,528	148,847
Funded by:														
Revenues from government	21,157	23,609	15,327	10,086	30,148	16,583	17,636	29,771	26,474	40,667	12,767	421	128,509	121,137
Sale of goods and services	1,010	6,075	2,670	57	424	63	159	513	3,092	4,082	8,551	7,712	15,915	18,502
Other income	35	32	22	19	51	22	22	29	35	153	16	7	181	262
Total departmental income	22,202	29,716	18,028	10,162	30,623	16,668	17,817	30,313	29,601	44,902	21,334	8,140	139,605	139,901

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

Note 27: Reporting of Outcomes

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

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

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

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

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Note 27: Reporting of Outcomes

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

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

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

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