



FINANCIAL STATEMENTS





INDEPENDENT AUDIT REPORT

To the Attorney-General

Scope

The financial statements comprise:

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

of the Attorney-General's Department for the year ended 30 June 2004.

The Department's Chief Executive is responsible for the preparation of the financial statements in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing and Assurance Standards, in order to provide reasonable assurance as to whether the financial statements are free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgment, selective testing, the inherent limitations of internal control, and the availability of persuasive, rather than conclusive, evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

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

I performed procedures to assess whether, in all material respects, the financial statements present fairly, in accordance with the Finance Minister's Orders made under the Financial Management and Accountability Act 1997, Accounting Standards and other mandatory financial reporting requirements in Australia, a view which is consistent with my understanding of the Department's financial position, and of its performance as represented by the statements of financial performance and cash flows.

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

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

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Independence

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

Audit Opinion

In my opinion, the financial statements:

- (i) have been prepared in accordance with the Finance Minister's Orders made under the *Financial Management and Accountability Act 1997* and applicable Accounting Standards; and
- (ii) give a true and fair view, of the matters required by applicable Accounting Standards and other mandatory professional reporting requirements in Australia, and the Finance Minister's Orders, of the financial position of the Attorney-General's Department as at 30 June 2004, and of its performance and cash flows for the year then ended.

Additional Statutory Disclosure

As disclosed in Note 1.20 to the financial statements, in prior years, the department did not maintain adequate accounts and records in respect of payments against the special appropriations made under the *National Firearms Implementation Act 1998*, the *Law Officers Act 1964* and the *High Court Justices (Long Leave Payments) Act 1979*.

The department has taken appropriate action to ensure that the

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Richard Rundle
Executive Director

Delegate of the Auditor-General

Canberra
17 August 2004



INDEPENDENT AUDIT REPORT

To the Attorney-General

Matters relating to the Electronic Presentation of the Audited Financial Statements

This audit report relates to the financial statements published in both the annual report and on the website of the Attorney-General's Department for the year ended 30 June 2004. The Department's Chief Executive is responsible for the integrity of both the annual report and its web site.

The audit report refers only to the financial statements, schedules and notes named below. It does not provide an opinion on any other information, which may have been hyperlinked to/from, the audited financial statements.

If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial statements in the Department's annual report.

Scope

- The financial statements:
 - Balance Sheet and Cash Flow;
 - Income Statement and Contingencies;
 - Statement of Administered Items; and
 - Notes to and forming part of the Financial Statements

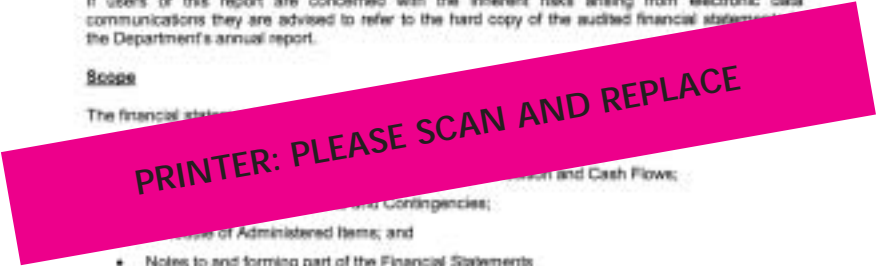
of the Attorney-General's Department for the year ended 30 June 2004.

The Department's Chief Executive is responsible for the preparation and true and fair presentation of the financial statements in accordance with the Finance Minister's Orders. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial statements.

Audit approach

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

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



I performed procedures to assess whether, in all material respects, the financial statements present fairly, in accordance with the Finance Minister's Orders made under the Financial Management and Accountability Act 1997, Accounting Standards and other mandatory financial reporting requirements in Australia, a view which is consistent with my understanding of the Department's financial position, and of its performance as represented by the statements of financial performance and cash flows.

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

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

Independence

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

Audit Opinion

In my opinion, the financial statements:

- (i) have been prepared in accordance with the Financial Management and Accountability Act 1997, Accounting Standards and other mandatory financial reporting requirements in Australia, and the Finance Minister's Orders, and
- (ii) present a true and fair view of the Department's financial position as at 30 June 2004, and of its performance for the year then ended.

Financial Statutory Disclosure

As disclosed in Note 1.20 to the financial statements, in prior years, the department did not maintain adequate accounts and records in respect of payments against the special appropriations made under the National Firearms Implementation Act 1998, the Law Officers Act 1984 and the High Court Justices (Long Leave Payments) Act 1979.

The department has taken appropriate action to ensure that these breaches will not recur.

Australian National Audit Office



Richard Rundle
Executive Director


Delegate of the Auditor-General
Canberra
17 August 2004



**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 2004 are 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*.

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Chief Executive

16 August 2004

Signed 
Chief Finance Officer

Chief Finance Officer

16 August 2004

ATTORNEY-GENERAL'S DEPARTMENT
STATEMENT OF FINANCIAL PERFORMANCE
for the year ended 30 June 2004

	Notes	2004 \$'000	2003 \$'000
Revenues from ordinary activities			
Revenues from Government	4A	152,642	143,888
Goods and services	4B	5,515	5,235
Interest	4C	-	1,017
Revenue from sale of assets	4D	-	2
Reversals of previous asset write-downs	4E	75	-
Other revenues	4F	1,759	1,486
<i>Revenues from ordinary activities</i>		159,991	151,628
Expenses from ordinary activities (excluding borrowing costs expense)			
Employees	5A	67,602	59,414
Suppliers	5B	89,629	96,761
Depreciation and amortisation	5C	7,072	6,427
Write-down of assets	5D	937	334
Value of assets disposed	4D	5,182	46
Other expenses	5E	20	24
<i>Expenses from ordinary activities (excluding borrowing costs expense)</i>		170,442	163,006
<i>Borrowing costs expense</i>	6	82	385
Net surplus/(deficit) from ordinary activities after income tax		(10,533)	(11,763)
Net credit to asset revaluation reserve	12A	4,470	-
Increase/(decrease) in accumulated results on initial application of fair value under accounting standard AASB 1041 Revaluation of Non-current Assets	12A	-	-
Total revenues, expenses and valuation adjustments recognised directly in equity		4,470	-
Total changes in equity other than those resulting from transactions with the Australian Government as owner		(6,063)	(11,763)

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

**ATTORNEY-GENERAL'S DEPARTMENT
STATEMENT OF FINANCIAL POSITION**
as at 30 June 2004

	Notes	2004 \$'000	2003 \$'000
ASSETS			
Financial assets			
Cash	7A	4,151	3,660
Receivables	7B	47,561	54,589
Total financial assets		51,712	58,249
Non-financial assets			
Land and buildings	8A,C	10,437	10,756
Infrastructure, plant and equipment	8B,C	5,549	7,759
Intangibles	8D	6,159	6,824
Inventories	8E	100	134
Other non-financial assets	8F	763	832
Total non-financial assets		23,008	26,305
Total Assets		74,720	84,554
LIABILITIES			
Interest bearing liabilities			
Leases	9A	2,163	2,021
Other interest bearing liabilities	9B	69	96
Total interest bearing liabilities		2,232	2,117
Provisions			
Capital use charge	10A	-	-
Employees	10B	22,216	19,876
Total provisions		22,216	19,876
Payables			
Suppliers	11A	9,574	16,348
Other payables	11B	616	68
Total payables		10,190	16,416
Total Liabilities		34,638	38,409
NET ASSETS		40,082	46,145
EQUITY			
Contributed equity	12A	22,157	22,157
Reserves	12A	14,603	10,133
Retained surpluses / (Accumulated deficits)	12A	3,322	13,855
TOTAL EQUITY	12A	40,082	46,145
Current assets		52,575	59,215
Non-current assets		22,145	25,339
Current liabilities		19,867	23,602
Non-current liabilities		14,771	14,807

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

ATTORNEY-GENERAL'S DEPARTMENT
STATEMENT OF CASH FLOWS
for the year ended 30 June 2004

	2004	2003
	Notes	
	<u>\$'000</u>	<u>\$'000</u>
OPERATING ACTIVITIES		
Cash received		
Goods and services	6,579	6,437
Appropriations	157,911	153,850
Interest	-	1,092
Net GST received from ATO	7,612	7,170
Other cash received	1,759	1,486
Total cash received	<u>173,861</u>	<u>170,035</u>
Cash used		
Employees	65,256	56,101
Suppliers	102,628	94,666
Borrowing costs	1,215	385
Other cash paid	20	-
Cash transferred to the OPA	-	34,000
Total cash used	<u>169,119</u>	<u>185,152</u>
Net cash from / (used by) operating activities	13 <u>4,742</u>	<u>(15,117)</u>
INVESTING ACTIVITIES		
Cash received		
Proceeds from sales of property, plant and equipment	-	-
Total cash received	<u>-</u>	<u>-</u>
Cash used		
Purchase of property, plant and equipment	2,643	4,800
Purchase of intangibles	1,608	1,057
Total cash used	<u>4,251</u>	<u>5,857</u>
Net cash from / (used by) investing activities	<u>(4,251)</u>	<u>(5,857)</u>
FINANCING ACTIVITIES		
Cash received		
Total cash received	<u>-</u>	<u>-</u>
Cash used		
Restructuring	-	(32)
Capital use charge paid	-	8,996
Return of contributed equity	-	4,672
Total cash used	<u>-</u>	<u>13,636</u>
Net cash from / (used by) financing activities	<u>-</u>	<u>(13,636)</u>
Net increase / (decrease) in cash held	<u>491</u>	<u>(34,610)</u>
Cash at the beginning of the reporting period	3,660	38,270
Cash at the end of the reporting period	7A <u>4,151</u>	<u>3,660</u>

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

**ATTORNEY-GENERAL'S DEPARTMENT
SCHEDULE OF COMMITMENTS**
as at 30 June 2004

	2004	2003
BY TYPE	\$'000	\$'000
Capital commitments		
Land and buildings	-	-
Infrastructure, plant and equipment ¹	464	701
Total capital commitments	464	701
Other Commitments		
Operating leases ³	36,670	28,384
Other commitments ²	31,230	23,245
Total other commitments	67,900	51,629
Commitments receivable	(6,060)	(4,629)
Net commitments	62,304	47,701
BY MATURITY		
Capital commitments		
One year or less	464	701
From one to five years	-	-
Over five years	-	-
Total capital commitments by maturity	464	701
Operating lease commitments		
One year or less	7,805	8,061
From one to five years	27,783	20,323
Over five years	1,082	-
Total operating lease commitments by maturity	36,670	28,384
Other commitments		
One year or less	30,898	22,214
From one to five years	332	1,031
Over five years	-	-
Total other commitments by maturity	31,230	23,245
Commitments receivable	(6,060)	(4,629)
Net commitments	62,304	47,701

NB: Commitments are GST inclusive where relevant.

1 Plant & equipment commitments mainly consist of the Department's Electronic Document Management System and fitout.

2 Other commitments consist mainly of Memoranda of Understanding with the Australian Protective Service and the Australian Government Solicitor for the provision of services.

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

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

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

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

as at 30 June 2004

	2004	2003
	\$'000	\$'000
Contingent liabilities		
Claims for damages/costs	<u>650</u>	<u>507</u>
<i>Total Contingent Liabilities</i>	<u><u>650</u></u>	<u><u>507</u></u>
Contingent assets		
Claims for damages/costs	<u>150</u>	<u>-</u>
<i>Total contingent assets</i>	<u><u>150</u></u>	<u><u>-</u></u>

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

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

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

	Notes	2004 \$'000	2003 \$'000
Revenues Administered on Behalf of Government			
<i>for the year ended 30 June 2004</i>			
Non-taxation revenue			
Goods and services	20	-	3
Dividends	20	4,100	9,250
Revenue from sale of assets	20	1	1,203
Other sources of non-taxation revenue	20	9,222	17,749
Total Revenues Administered on Behalf of Government		<u>13,323</u>	<u>28,205</u>
Expenses Administered on Behalf of Government			
<i>for the year ended 30 June 2004</i>			
Grants	21	214,139	209,308
Subsidies	21	18,471	11,309
Personal benefits	21	35,955	70,791
Employees	21	4	3,400
Suppliers	21	1,818	39,052
Write-down and impairment of assets	21	989	2,853
Depreciation and amortisation	21	5	2,838
Value of assets sold	21	-	3,282
Handgun Buy Back Program	21	84,407	224
Other	21	2,494	3,023
Total Expenses Administered on Behalf of Government		<u>358,282</u>	<u>346,080</u>

This schedule should be read in conjunction with the accompanying notes

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

	Notes	2004 \$'000	2003 \$'000
Assets Administered on behalf of Government			
<i>as at 30 June 2004</i>			
Financial Assets			
Cash	22	5	277
Receivables	22	370,768	354,916
Investments	22	183,824	187,696
Total Financial Assets		<u>554,597</u>	<u>542,889</u>
Non-Financial Assets			
Infrastructure, plant and equipment	23A,D	7	12
Inventories	23C	93	131
Other non-financial assets	23B	-	49
Total Non-Financial Assets		<u>100</u>	<u>192</u>
Total Assets Administered on Behalf of Government		<u><u>554,697</u></u>	<u><u>543,081</u></u>
Liabilities Administered on behalf of Government			
<i>as at 30 June 2004</i>			
Payables			
Employees	24	45	51
Suppliers	24	4,956	3,447
Personal benefits	24	359,183	339,100
Interest bearing liabilities	24	1,224	3,629
Other payables	24	97	68
Total Liabilities Administered on Behalf of Government		<u>365,505</u>	<u>346,295</u>
Net Assets Administered on Behalf of Government		<u>189,192</u>	<u>196,786</u>
Current Liabilities		22,810	19,030
Non-current Liabilities		342,695	327,265
Current Assets		28,858	30,653
Non-current Assets		525,839	512,428

This schedule should be read in conjunction with the accompanying notes

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

	2004	2003
Notes	\$'000	\$'000
Administered Cash Flows		
<i>for the year ended 30 June 2004</i>		
Operating Activities		
Cash received		
Dividends	5,250	8,500
Other—GST received from ATO	4,910	6,470
—GST received from Customers	168	433
—Other Administered cash received	9,579	12,560
Total cash received	<u>19,907</u>	<u>27,963</u>
Cash used		
Grant payments	214,089	206,819
Subsidies paid	18,466	10,583
Personal benefits	15,872	14,378
Suppliers	1,115	48,339
Interest Payments	43	130
Other—GST paid to suppliers	4,928	7,101
—Handgun Buy Back Program	84,407	-
—Other Administered cash used	2,413	3,098
Total cash used	<u>341,333</u>	<u>290,448</u>
Net cash from / (used in) operating activities	<u>(321,426)</u>	<u>(262,485)</u>
Investing Activities		
Cash received		
Proceeds from sales of property, plant and equipment	1	1,256
Total cash received	<u>1</u>	<u>1,256</u>
Cash used		
Purchase of property, plant and equipment	-	664
Total cash used	<u>-</u>	<u>664</u>
Net cash from / (used in) investing activities	<u>1</u>	<u>592</u>
Financing Activities		
Cash received		
Cash from Official Public Account—Retention	8,151	-
GST Appropriation	4,467	7,101
Total cash received	<u>12,618</u>	<u>7,101</u>
Cash used		
Return of GST appropriations to the Official Public Account	4,910	6,903
Total cash used	<u>4,910</u>	<u>6,903</u>
Net cash from / (used in) financing activities	<u>7,708</u>	<u>198</u>
Net increase (decrease) in cash held	<u>(313,717)</u>	<u>(261,695)</u>
Cash at the beginning of the reporting period	277	45
Cash from Official Public Account for Appropriation	326,909	284,310
Cash to Official Public Account for Appropriation	(13,464)	(22,383)
Cash at the end of the reporting period	22 <u>5</u>	<u>277</u>

This schedule should be read in conjunction with the accompanying notes

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

	2004	2003
	Notes	\$'000
Administered Commitments		
<i>as at 30 June 2004</i>		
BY TYPE		
Capital commitments	-	-
Other commitments		
Other—multi-year grant agreements ¹	672,163	260,766
Operating leases	-	4,202
Total other commitments	672,163	264,968
Commitments receivable	-	(791)
Net administered commitments	<u>672,163</u>	<u>264,177</u>
BY MATURITY		
Other Commitments		
One year or less	220,506	198,860
From one to five years	451,657	66,108
Over five years	-	-
Total other commitments	672,163	264,968
Commitments receivable	-	(791)
Net administered commitments	<u>672,163</u>	<u>264,177</u>

NB: Commitments are GST inclusive where relevant

¹ Other commitments relate to grant amounts payable under agreements in respect of which the grantee has yet to provide the services required under the agreement. It comprises mainly grants under for the provision of legal aid. The current agreements for legal aid were negotiated at various dates but all end on or after 30 June 2004.

<i>Nature of lease</i>	<i>General description of leasing arrangement</i>
Lease for office accommodation	Lease ends in August 2006

This schedule should be read in conjunction with the accompanying notes

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

	Notes	2004 \$'000	2003 \$'000
Administered Contingencies			
<i>as at 30 June 2004</i>			
Administered Contingent liabilities			
Claims for damages/costs		-	-
<i>Total administered contingent liabilities</i>		<u>-</u>	<u>-</u>
Administered Contingent assets		-	-
<i>Total administered contingent assets</i>		<u>-</u>	<u>-</u>

The department does not have any unquantifiable or remote contingencies—see Note 26:

Administered Contingent Liabilities
Statement of Activities Administered on Behalf of Government

The major administered activities of the Department are directed towards achieving the two outcomes described in Note 1 to the Financial Statements. The major financial activities in 2003-04 were the funding of legal aid, community legal services and family law legal services. Details of planned activities for the year can be found in the Attorney-General's Portfolio Budget Statements and Portfolio Additional Estimates Statements for 2003-04 which have been tabled in the Parliament.

This schedule should be read in conjunction with the accompanying notes

ATTORNEY-GENERAL'S DEPARTMENT
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2004

- Note 1: Summary of Significant Accounting Policies
- Note 2: Adoption of AASB Equivalents to International Financial Reporting Standards from 2005–2006.
- Note 3: Events Occurring after Reporting Date
- Note 4: Operating Revenues
- Note 5: Operating Expenses
- Note 6: Borrowing Costs Expense
- Note 7: Financial Assets
- Note 8: Non-Financial Assets
- Note 9: Interest Bearing Liabilities
- Note 10: Provisions
- Note 11: Payables
- Note 12: Equity
- Note 13: Cash Flow Reconciliation
- Note 14: Contingent Liabilities and Assets
- Note 15: Executive Remuneration
- Note 16: Remuneration of Auditors
- Note 17: Average Staffing Levels
- Note 18: Acts of Grace Payments, Waivers and Defective Administration Scheme
- Note 19: Financial Instruments
- Note 20: Revenues Administered on Behalf of Government
- Note 21: Expenses Administered on Behalf of Government
- Note 22: Financial Assets Administered on Behalf of Government
- Note 23: Non-Financial Assets Administered on Behalf of Government
- Note 24: Liabilities Administered on Behalf of Government
- Note 25: Administered Reconciliation Table
- Note 26: Administered Contingent Liabilities and Assets
- Note 27: Administered Investments
- Note 28: Restructuring
- Note 29: Administered Financial Instruments
- Note 30: Appropriations
- Note 31: Assets Held in Trust
- Note 32: Reporting of Outcomes

Notes to and forming part of the Financial Statements

Note 1: Summary of Significant Accounting Policies

1.1 Objectives of Attorney-General's Department

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

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

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

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

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

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

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

The activities of the Department contributing toward these outcomes are classified as either departmental or administered. Departmental activities involve the use of assets, liabilities, revenues and expenses controlled or incurred by the Department in its own right. Administered activities involve the management or oversight by the Department, on behalf of the Government, of items controlled or incurred by the Government.

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

1.2 Basis of Accounting

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

The statements have been prepared in accordance with:

- Finance Minister's Orders (or FMOs, being the *Financial Management and Accountability Orders (Financial Statements for reporting periods ending on or after 30 June 2004)*);
- Australian Accounting Standards and Accounting Interpretations issued by the Australian Accounting Standards Board; and
- Consensus Views of the Urgent Issues Group.

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

Assets and liabilities are recognised in the Statement of Financial Position when and only when it is probable that future economic benefits will flow and the amounts of the assets or liabilities can be reliably measured. However, assets and liabilities arising under agreements equally proportionately unperformed are not recognised unless required by an Accounting Standard. Liabilities and assets which are unrecognised are reported in the Schedule of Commitments and the Schedule of Contingencies (other than unquantifiable or remote contingencies, which are reported at Note 14).

Revenues and expenses are recognised in the Statement of Financial Performance when and only when the flow or consumption or loss of economic benefits has occurred and can be reliably measured.

Administered revenues, expenses, assets and liabilities and cash flows reported in the Schedule of Administered Items and related notes are accounted for on the same basis and using the same policies as for Department items, except where otherwise stated at Note 1.19.

1.3 Changes in Accounting Policy

The accounting policies used in the preparation of these financial statements are consistent with those used in 2002–03.

Property plant and equipment assets are being revalued progressively as explained in Note 1.12. Revaluations up to 30 June 2002 were done on a 'deprival' basis; since that date, revaluations have been done on a fair value basis. Revaluation increments and decrements in each year of transition to fair value that would otherwise be accounted for as revenue or expenses are taken directly to accumulated results in accordance with transitional provisions of AASB1041 *Revaluation of Non-current Assets*.

In 2002–03, the Finance Minister's Orders introduced an impairment test for non-current assets which were carried at cost and not subject to AAS10 *Recoverable Amount of Non-current Assets*. In 2003–04 there were no indications of impairment for software.

In 2003–04, the impairment test provisions of the FMOs have been extended to cover non-current assets carried at deprival values. There were no indications of impairment for these assets.

Notes to and forming part of the Financial Statements

1.4 Revenue

Revenues from Government

Amounts appropriated for Departmental outputs appropriations for the year (less any current year savings and reductions) are recognised as revenue, except for certain amounts that relate to activities that are reciprocal in nature, in which case revenue is recognised only when it has been earned.

Savings are amounts offered up in the Portfolio Additional Estimates Statements. Reductions are amounts by which appropriations have been legally reduced by the Finance Minister under Appropriation Act No3 of 2003-04.

Appropriations receivable are recognised at their nominal amounts.

Resources Received Free of Charge

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

Contributions of assets at no cost of acquisition or for nominal consideration are recognised at their fair value when the asset qualifies for recognition, unless received from another government agency as a consequence of a restructuring of administrative arrangements (Refer to Note 1.5).

Other Revenue

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

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

Receivables for goods and services are recognised at the nominal amounts due less any provision for bad and doubtful debts. Collectability of debts is reviewed at balance date. Provisions are made when collectability of the debt is judged to be less rather than more likely.

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

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

1.5 Transactions with the Government as Owner

Equity injections

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

Restructuring of Administrative Arrangements

Net assets received from or relinquished to another Commonwealth 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. In 2002-03, by agreement with Finance, Attorney-General's Department returned \$4,672,023 to the Official Public Account.

1.6 Employee Benefits

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

Liabilities for wages and salaries (including non-monetary benefits), annual leave and sick leave are measured at their nominal amounts. Other employee benefits expected to be settled within 12 months of the reporting date are also measured at their nominal amounts.

The nominal amount is calculated with regard to the rates expected to be paid on settlement of the liability.

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

Leave

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

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

The liability for long service leave has been determined by reference to the work of an actuary as at 30 June 2002. The estimate of the present value of the liability takes into account attrition rates and pay increases through promotion and inflation.

Separation and Redundancy

Provision is made for separation and redundancy benefit payments. Attorney-General's Department has developed a detailed formal plan for the terminations and has informed those employees affected that it will carry out the terminations.

Superannuation

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

The Attorney-General's Department makes employer contributions to the Australian Government at rates determined by an actuary to be sufficient to meet the cost to the Government of the superannuation entitlements of the Department's employees.

The liability for superannuation recognised as at 30 June represents outstanding contributions for the final fortnight of the year, and the superannuation on-costs for annual leave and long service leave provisions at 30 June 2004.

1.7 Leases

A distinction is made between finance leases and operating leases. Finance leases effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to ownership of leased non-current assets. In operating leases, the lessor effectively retains substantially all such risks and benefits.

Where a non-current asset is acquired by means of a finance lease, the asset is capitalised at the present value of minimum lease payments at the beginning of the lease term and a liability recognised at the same time and for the same amount. The discount rate used is the interest rate implicit in the lease. Leased assets are amortised over the period of the lease. Lease payments are allocated between the principal component and the interest expense.

Notes to and forming part of the Financial Statements

Operating lease payments are expensed on a basis which is representative of the pattern of benefits derived from the leased assets. The net present value of future net outlays in respect of surplus space under non-cancelable lease agreements is expensed in the period in which the space becomes surplus.

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

1.8 Borrowing Costs

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

1.9 Cash

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

1.10 Other Financial Instruments

Trade Creditors

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

Contingent Liabilities and Contingent Assets

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

1.11 Acquisition of Assets

Assets are recorded at cost on acquisition except as stated below. The cost of acquisition includes the fair value of assets transferred in exchange and liabilities undertaken.

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

1.12 Property, Plant and Equipment

Asset Recognition Threshold

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

Revaluations

Basis

The Department has elected to progressively revalue its assets on a fair value basis as they become due for revaluation. This is provided for in the transitional arrangements for public sector entities at paragraphs 8.12 and 8.13 of AASB 1041.

Land, buildings, plant and equipment are carried at valuation. Revaluations undertaken up to 30 June 2002 were done on a deprival basis; revaluations since that date are at fair value. This change in accounting policy is required by Australian Accounting Standard AASB 1041 *Revaluation of Non-Current Assets*. Valuations undertaken in any year are as at 30 June.

Notes to and forming part of the Financial Statements

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

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

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

Asset class	Increment / (decrement) to asset class		Contra Account
Land	2004: \$120,000	2003: Nil	Revaluation Reserve
Buildings	2004: \$140,000	2003: Nil	Revaluation Reserve
Leasehold improvements	2004: \$4,347,000	2003: Nil	Revaluation Reserve
Plant and equipment	2004: (\$1,066,000)	2003: Nil	Revaluation Reserve / Write Down of Assets

Total financial effect was to increase the carrying amount of Property, Plant and Equipment by \$3,541,000 (2003: Nil), increase revaluation reserves by \$4,470,000 and increase write down of assets by \$929,000.

Frequency

Land, buildings, plant and equipment are revalued progressively in successive three-year cycles. All current cycles commenced on 1 July 2003.

Freehold land, buildings on freehold land and leasehold improvements are each revalued progressively on a geographical basis.

Plant and equipment (P&E) assets, including assets under finance leases and library, are being revalued by type of asset. In 2003–04, all plant and equipment assets have been revalued.

Assets in each class acquired after the commencement of a progressive revaluation cycle are not captured by the progressive revaluation then in progress.

The Finance Minister's Orders require that all property plant and equipment assets be measured at up-to-date fair values from 30 June 2005 onwards. The current year is therefore the last year in which Attorney-General's Department will undertake progressive revaluations.

Conduct

All valuations are conducted by an independent qualified valuer.

Depreciation

Depreciable property plant and equipment assets are written-off to their estimated residual values over their estimated useful lives to the Department using, in all cases, the straight-line method of depreciation. Leasehold improvements are depreciated on a straight-line basis over the lesser of the estimated useful life of the improvements or the unexpired period of the lease.

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

Notes to and forming part of the Financial Statements

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

	<u>2004</u>	<u>2003</u>
Buildings on freehold land	25 to 50 years	25 to 50 years
Leasehold improvements	Lease term	Lease term
Plant and equipment	4 to 10 years	4 to 10 years

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

1.13 Impairment of Non-Current Assets

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

The non-current assets carried at cost or deprival value, which are not held to generate net cash inflows, have been assessed for indications of impairment. Where indications of impairment exist, the carrying amount of the asset is compared to the higher of its net selling price and depreciated replacement cost and is written down to that value if greater.

1.14 Intangibles

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

Software is amortised on a straight-line basis over its anticipated useful life. The useful life of the Attorney-General's Department's software is 5 years (2002-03: 5 years).

All software assets were assessed for indications of impairment as at 30 June 2004. None were found to be impaired.

1.15 Inventories

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

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

1.16 Taxation

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

Revenues, expenses and assets are recognised net of GST:

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

1.17 Foreign Currency

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

1.18 Insurance

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

1.19 Reporting of Administered Activities

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

Except where otherwise stated below, administered items are accounted for on the same basis and using the same policies as for Departmental items, including the application of Accounting Standards, Accounting Interpretations and UIG Consensus Views.

Administered Cash Transfers to and from Official Public Account

Revenue collected by Attorney-General's 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. Conversely, cash is drawn down from the OPA to make payments under Parliamentary appropriation on behalf of Government. These transfers to and from the OPA are adjustments to the administered cash held by the Department on behalf of the Government and reported as such in the Statement of Cash Flows in the Schedule of Administered Items and in the Administered Reconciliation Table in Note 25. Thus the Schedule of Administered Items largely reflects the government's transactions, through the Department, with parties outside the Government.

Revenue

All administered revenues are revenues relating to the core operating activities performed by the Department on behalf of the Commonwealth.

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

Grants

The Attorney-General's Department administers a number of grant schemes on behalf of the Government.

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

Administered Investments

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

The Commonwealth's investment in other controlled authorities and companies in the portfolio is valued at deemed cost as at 1 July 2002 or later cost, adjusted for any subsequent capital injections or withdrawals and for any impairment losses.

1.20 Account and Record Keeping

Section 48 of the *Financial Management and Accountability Act 1997* (FMA Act) requires that the Chief Executive must ensure that accounts and records of the Agency are kept as required by the Finance Minister's Orders.

The Department may have been in breach of s48 in prior years by not keeping separate ledger accounts for payments made against three Special Appropriations: the *National Firearms Implementation Act 1998*, the *Law Officers Act 1964* and the *High Court Justices (Long Leave Payments) Act 1979*. Separate ledger accounts in regard to this matter are now in place.

However, all payments under the Special Appropriations were made in accordance with the provisions of the Acts, records of the individual payments were kept in the Department's FMIS and the full amounts of the payments under the Special Appropriations were reported in the relevant financial years although against incorrect Acts.

Notes to and forming part of the Financial Statements

Note 2: Adoption of AASB Equivalents to International Reporting Standards from 2005–06

The Australian Accounting Standards Board has issued replacement Australian Accounting Standards to apply from 2005–06. The new standards are the AASB Equivalents to International Financial Reporting Standards (IFRSs) which are issued by the International Accounting Standards Board. The new standards cannot be adopted early. The standards being replaced are to be withdrawn with effect from 2005–06, but continue to apply in the meantime.

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

For-profit entities complying fully with the AASB Equivalents will be able to make an explicit and unreserved statement of compliance with IFRSs and well as with the AASB Equivalents.

It is expected that the Finance Minister will continue to require compliance with the Accounting Standards issued by the AASB, including the AASB Equivalents to IFRSs, in his Orders for the Preparation of Department financial statements for 2005–06 and beyond.

The AASB Equivalents contain certain additional provisions which will apply to not-for-profit entities, including Australian Government agencies. Some of these provisions are in conflict with the IFRSs and therefore Attorney-General's Department will only be able to assert compliance with the AASB Equivalents to the IFRSs.

Existing AASB standards that have no IFRS equivalent will continue to apply, including in particular AAS 29 *Financial Reporting by Government Departments*.

Accounting Standard AASB 1047 *Disclosing the impact of Adopting AASB Equivalents to IASB Standards* requires that the financial statements for 2003–04 disclose:

- An explanation of how the transition to the AASB Equivalents is being managed, and
- A narrative explanation of the key differences in accounting policies arising from the transition.

The purpose of this Note is to make these disclosures.

Management of the transition to AASB Equivalents to IFRSs

Attorney-General's Department has taken the following steps for the preparation towards the implementation of AASB Equivalents:

- The Chief Finance Officer has prepared a plan for the transition to and implementation of the AASB Equivalents to IFRSs. The Department's Audit Committee will oversight the implementation of the plan.
- The plan requires the following key steps to be undertaken and sets deadlines for their achievement:
 - Identification of all major accounting policy differences between current AASB standards and the AASB Equivalents to IFRSs progressively to 30 June 2004.
 - Identification of any systems changes that may be required to be able to report under the AASB Equivalents, including those necessary to enable capture of data under both sets of rules for 2004-05, and the testing and implementation of those changes.
 - Preparation of a transitional balance sheet as at 1 July 2004, under AASB Equivalents, within two months of 30 June 2004.
 - Preparation of an AASB Equivalent balance sheet at the same time as the 30 June 2005 statements are prepared.
 - Meeting reporting deadlines set by Finance for 2005–06 balance sheet under AASB Equivalent Standards.
- The plan also addresses the risks to successful achievement of the above objectives and includes strategies to keep implementation on track to meet deadlines.

Major changes in accounting policy

Changes in accounting policies under AASB Equivalents are applied retrospectively i.e. as if the new policy had always applied. This rule means that a balance sheet prepared under the AASB Equivalents must be made as at 1 July 2004, except as permitted in particular circumstances by AASB 1 *First-time Adoption of Australian Equivalents to International Financial Reporting Standards*. This will enable the 2005–06 financial statements to report comparatives under the AASB Equivalents also. Changes to major accounting policies are discussed in the following paragraphs.

Property plant and equipment

It is expected that the Finance Minister's Orders will require property, plant and equipment assets carried at valuation in 2003–04 to be measured at up-to-date fair value from 2005–06. This differs from the accounting policies currently in place for these assets which, up to and including 2003–04, have been revalued progressively over a 3-year cycle and which currently include assets at cost (for purchases since the commencement of a cycle) and at deprival value (which will differ from their fair value to the extent that they have been measured at depreciated replacement cost when a relevant market selling price is available).

However, it is important to note that the Finance Minister requires these assets to be measured at up-to-date fair values as at 30 June 2005. Further, the transitional provisions in AASB 1 will mean that the values at which assets are carried as at 30 June 2004 under existing standards will stand in the transitional balance sheet as at 1 July 2004.

Borrowing costs related to qualifying assets are currently capitalised. It is understood that the FMOs for 2005–06 will elect to expense all borrowing costs under the new AASB Equivalent standard. Accordingly, borrowing costs capitalised as at 1 July 2004 will be derecognised.

Intangible Assets

The Attorney-General's Department currently recognises internally-developed software assets on the cost basis. The AASB Equivalent on Intangibles does not permit intangibles to be measured at valuation unless there is an active market for the intangible. The Department's internally-developed software is specific to the needs to the Department and is not traded.

Impairment of Non-Current Assets

Attorney-General's Department's policy on impairment of non-current assets is at note 1.13. Under the new AASB Equivalent Standard, these assets will be subject to assessment for impairment and, if there are indications of impairment, measurement of any impairment. (Impairment measurement must also be done, irrespective of any indications of impairment, for intangible assets not yet available for use). The impairment test is that the carrying amount of an asset must not exceed the greater of (a) its fair value less costs to sell and (b) its value in use. 'Value in use' is the net present value of net cash inflows for for-profit assets of the Department and depreciated replacement cost for other assets which would be replaced if the Department were deprived of them. The most significant changes are that, for-profit assets, the recoverable amount is only generally to be measured where there is an indication of impairment and that assets carried at up-to-date fair value, whether for-profit or not, may nevertheless be required to be written down if costs to sell are significant.

Inventory

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

The new AASB Equivalent standard will require inventory held for distribution for no consideration or at a nominal amount to be carried at the lower of cost or current replacement cost.

Notes to and forming part of the Financial Statements

Employee Benefits

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

Under the new AASB Equivalent standard, the same discount rate will be used unless there is a deep market in high quality corporate bonds, in which case the market yield on such bonds must be used.

Note 3: Events Occurring after Reporting Date

On 15 April 2004, the Government announced that the Aboriginal and Torres Strait Islander Commission (ATSIC) Board of Commissioners will be abolished and that the programs previously delivered by ATSIC and, more recently, by Aboriginal and Torres Strait Islander Services (ATSIS) would be devolved to mainstream Departments. Although the Bill abolishing the ATSIC Board of Commissioners has been referred to a Senate committee, the transfer of ATSIS programs and staff took place on 1 July 2004.

The Attorney-General's Department took over responsibility for ATSIS's Law and Justice Program. That program includes Aboriginal and Torres Strait Islander legal services and Family Violence Prevention Legal Services for Indigenous Australians.

The transfer of functions to the Department will involve a transfer of assets and liabilities. The amounts of the transfer are yet to be determined.

Notes to and forming part of the Financial Statements

	2004	2003
	S'000	S'000
Note 4: Operating Revenues		
<u>Note 4A: Revenues from Government</u>		
Appropriations for outputs	152,391	143,400
Resources received free of charge	251	488
<i>Total revenues from government</i>	152,642	143,888
<u>Note 4B: Goods and Services</u>		
Goods	313	248
Services	5,202	4,987
<i>Total sales of goods and services</i>	5,515	5,235
Provision of goods to:		
Related entities	31	25
External entities	282	223
<i>Total sales of goods</i>	313	248
Rendering of services to:		
Related entities	2,393	2,294
External entities	2,809	2,693
<i>Total rendering of services</i>	5,202	4,987
<u>Note 4C: Interest Revenue</u>		
Interest on deposits	-	1,017
<u>Note 4D: Net Gains from Sale of Assets</u>		
Land and Buildings		
Proceeds from disposal	-	-
Net book value of assets disposed	4,523	-
<i>Net (loss) from disposal of land and buildings</i>	(4,523)	-
Infrastructure, plant and equipment:		
Proceeds from disposal	-	2
Net book value of assets disposed	588	46
<i>Net (loss) from disposal of infrastructure, plant and equipment</i>	(588)	(44)
Intangibles		
Proceeds from disposal	-	-
Net book value of assets disposed	71	-
<i>Net (loss) from disposal of intangibles</i>	(71)	-
TOTAL proceeds from disposals	-	2
TOTAL value of assets disposed	5,182	46
<i>TOTAL loss from disposal of assets</i>	(5,182)	(44)

Notes to and forming part of the Financial Statements

	2004	2003
	\$'000	\$'000
<u>Note 4E: Reversals of Previous Asset Write-Downs</u>		
Financial Assets:		
Doubtful debts received—receivables	<u>75</u>	<u>-</u>
<i>Total reversals of previous asset write-downs</i>	<u>75</u>	<u>-</u>
<u>Note 4F: Other Revenues</u>		
Gazettal revenue	768	742
Other	<u>991</u>	<u>744</u>
<i>Total other operating revenue</i>	<u>1,759</u>	<u>1,486</u>

Notes to and forming part of the Financial Statements

	2004	2003
	<u>S'000</u>	<u>S'000</u>
Note 5: Operating Expenses		
<u>Note 5A: Employee Expenses</u>		
Wages and Salary	48,965	43,197
Superannuation	9,825	7,708
Leave and other entitlements	6,145	6,300
Separation and redundancies	-	9
Other employee expenses	1,840	1,628
<i>Total employee benefits expense</i>	<u>66,775</u>	<u>58,842</u>
Worker compensation premiums	827	572
<i>Total employee expenses</i>	<u><u>67,602</u></u>	<u><u>59,414</u></u>
<u>Note 5B: Supplier Expenses</u>		
Goods from external entities	623	414
Services from related entities	26,838	30,891
Services from external entities	55,950	59,114
Operating lease rentals*	6,218	6,342
<i>Total supplier expenses</i>	<u><u>89,629</u></u>	<u><u>96,761</u></u>
* These comprise minimum lease payments only.		
<u>Note 5C: Depreciation and Amortisation</u>		
<i>(i) Depreciation</i>		
Other infrastructure, plant and equipment	1,731	2,002
Buildings	3,139	1,659
<i>Total Depreciation</i>	<u>4,870</u>	<u>3,661</u>
<i>(ii) Amortisation</i>		
Intangibles—Computer Software	2,202	2,766
<i>Total depreciation and amortisation</i>	<u><u>7,072</u></u>	<u><u>6,427</u></u>

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

Buildings on Freehold Land	108	508
Leasehold improvements	3,031	1,151
Plant and equipment	1,731	2,002
Computer Software	2,202	2,766
<i>Total depreciation and amortisation</i>	<u><u>7,072</u></u>	<u><u>6,427</u></u>

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

Notes to and forming part of the Financial Statements

	2004	2003
	\$'000	\$'000
<u>Note 5D: Write Down of Assets</u>		
Financial assets		
Bad and doubtful debts expense	-	334
Non Financial assets		
Inventory	8	-
Plant and equipment—revaluation decrement	929	-
<i>Total write-down of assets</i>	<u>937</u>	<u>334</u>
<u>Note 5E: Other Expenses</u>		
Refunds—Section 31 Revenue	5	20
Refunds—Appropriation Former Years	15	4
<i>Total other expenses</i>	<u>20</u>	<u>24</u>
<u>Note 6: Borrowing Costs Expense</u>		
Leases	82	385
<i>Total borrowing costs expense</i>	<u>82</u>	<u>385</u>

Notes to and forming part of the Financial Statements

	2004 \$'000	2003 \$'000
Note 7: Financial Assets		
<u>Note 7A: Cash</u>		
Departmental	4,151	3,660
<i>Total cash</i>	4,151	3,660

Under banking arrangements in place up to 1 July 2003, monies in the Department's bank accounts were swept into the Official Public Account nightly and earned interest on the daily balance at rates based on money market call rates. Since 1 July 2003, no interest is earned on the Department's bank balances.

<u>Note 7B: Receivables</u>		
Goods and services	15,536	35,528
Less: Provision for doubtful debts	(117)	(192)
	15,419	35,336
GST receivable from the Australian Taxation Office	1,229	1,688
Appropriations receivable—undrawn	30,490	16,472
Other receivables	423	1,093
<i>Total receivables (net)</i>	47,561	54,589

All receivables are current

Receivables are with entities external to and internal to the Commonwealth. Credit term are net 30 days (2003: 30 days)

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

Receivables (gross) are aged as follows:

Not overdue	47,272	54,542
Overdue by:		
Less than 30 days	58	20
30 to 60 days	59	35
60 to 90 days	49	11
More than 90 days	240	173
	406	239
<i>Total receivables (gross)</i>	47,678	54,781

The provision for doubtful debts is aged as follows:

Not overdue	-	-
Overdue by:		
Less than 30 days	-	8
30 to 60 days	-	-
60 to 90 days	-	-
More than 90 days	117	184
<i>Total provision for doubtful debts</i>	117	192

Notes to and forming part of the Financial Statements

	2004 \$'000	2003 \$'000
Note 8: Non-Financial Assets		
Note 8A: Land and Buildings		
<i>Freehold land</i>		
- at 2000-02 valuation (deprival)	-	2,075
- at 2003-04 valuation (fair value)	560	-
<i>Total freehold land</i>	560	2,075
<i>Buildings on freehold land</i>		
- at 2000-02 valuation (deprival)	-	4,018
- Accumulated depreciation	-	(822)
	-	3,196
- at 2003-04 valuation (fair value)	340	-
- Accumulated depreciation	-	-
	340	-
<i>Total buildings on freehold land</i>	340	3,196
<i>Leasehold improvements</i>		
- at 2000-02 valuation (deprival)	-	11,594
- Accumulated depreciation	-	(7,489)
	-	4,105
- at cost	1,421	1,564
- Accumulated depreciation	(111)	(184)
	1,310	1,380
- at 2003-04 valuation (fair value)	8,227	-
- Accumulated depreciation	-	-
	8,227	-
<i>Total leasehold improvements</i>	9,537	5,485
<i>Total Land and Buildings (non-current)</i>	10,437	10,756
Note 8B: Infrastructure, Plant and Equipment		
<i>Plant and equipment</i>		
- at 2000-02 valuation (deprival)	-	6,793
- Accumulated depreciation	-	(3,886)
	-	2,907
- at cost	3,760	3,073
- Accumulated depreciation	(1,617)	(976)
	2,143	2,097
- at 2003-04 valuation (fair value)	1,207	-
- Accumulated depreciation	-	-
	1,207	-
- Library at 2000-01 valuation (deprival)	-	2,755
- Library at 2003-04 valuation (fair value)	2,199	-
<i>Total Infrastructure, Plant and Equipment (non-current)</i>	5,549	7,759

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

All revaluations are independent and are conducted in accordance with the revaluation policy stated at Note 1. In 2003-04, the revaluations were conducted by an independent valuer, Simon O'Leary of the Australian Valuation Office.

Revaluation increments of \$120,000 for land (2003: Nil), \$140,000 for buildings on freehold land (2003: Nil), \$4,347,000 for leasehold improvements (2003: Nil) and decrements of \$137,000 for Plant and Equipment (2003: Nil) were made to the Asset Revaluation Reserve; decrements of \$929,000 for plant and equipment were expensed (2003: Nil).

Note 8C: Analysis of Property, Plant and Equipment

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

Item	Land \$'000	Buildings on Freehold Land \$'000	Buildings— Leasehold Improvements \$'000	Buildings —Total \$'000	Land and Buildings Total \$'000	Library \$'000	Other IP&E \$'000
As at 1 July 2003							
Gross book value	2,075	4,018	13,158	17,176	19,251	2,755	9,866
Accumulated depreciation/amortisation	-	(822)	(7,673)	(8,495)	(8,495)	-	(4,862)
Net book value	2,075	3,196	5,485	8,681	10,756	2,755	5,004
Additions							
by purchase	-	-	2,391	2,391	2,391	-	2,039
from acquisition of operations	-	-	-	-	-	-	-
Change in accounting policy	-	-	-	-	-	-	-
Net revaluation increment/(decrement)	120	140	4,347	4,487	4,607	(868)	(198)
Depreciation/amortisation expense	-	(108)	(3,031)	(3,139)	(3,139)	-	(1,731)
Adjustment to Opening Balances	-	-	517	517	517	312	(1,348)
Disposals							
From disposal of operations	-	-	-	-	-	-	-
Other disposals	(1,635)	(2,888)	(172)	(3,060)	(4,695)	-	(416)
As at 30 June 2004							
Gross book value	560	340	9,648	9,988	10,548	2,199	4,967
Accumulated depreciation/amortisation	-	-	(111)	(111)	(111)	-	(1,617)
Net book value	560	340	9,537	9,877	10,437	2,199	3,350

Notes to and forming part of the Financial Statements

Note 8C: Analysis of Property, Plant, Equipment

TABLE B—Assets at valuation

Item	Land \$'000	Buildings on Freehold Land \$'000	Buildings— Leashold Improvements \$'000	Buildings —Total \$'000	Library \$'000	Other IP&E \$'000
As at 30 June 2004						
Gross value	560	340	8,227	8,567	2,199	1,207
Accumulated depreciation/amortisation	-	-	-	-	-	-
Net book value	560	340	8,227	8,567	2,199	1,207
As at 30 June 2003						
Gross value	2,075	4,018 (822)	11,594 (7,489)	15,612 (8,311)	2,755	6,793
Accumulated depreciation/amortisation	-	-	-	-	-	(3,886)
Net book value	2,075	3,196	4,105	7,301	2,755	2,907

TABLE C—Assets held under finance lease

Item	Land \$'000	Buildings on Freehold Land \$'000	Buildings— Leashold Improvements \$'000	Buildings —Total \$'000	Library \$'000	Other IP&E \$'000
As at 30 June 2004						
Gross value	-	-	-	-	-	4,023
Accumulated depreciation/amortisation	-	-	-	-	-	(1,582)
Net book value	-	-	-	-	-	2,441
As at 30 June 2003						
Gross value	-	-	-	-	-	3,539
Accumulated depreciation/amortisation	-	-	-	-	-	(1,221)
Net book value	-	-	-	-	-	2,318

Notes to and forming part of the Financial Statements

	2004	2003
	<u>\$'000</u>	<u>\$'000</u>
Note 8D: Intangibles		
Computer Software:		
Purchased computer software (non-current)	5,908	6,848
Accumulated Amortisation	<u>(5,039)</u>	<u>(4,892)</u>
	<u>869</u>	<u>1,956</u>
Internally Developed—in progress (non-current)	<u>275</u>	<u>-</u>
Internally Developed—in use (non-current)	9,785	7,677
Accumulated Amortisation	<u>(4,770)</u>	<u>(2,809)</u>
	<u>5,015</u>	<u>4,868</u>
Total Intangibles	<u><u>6,159</u></u>	<u><u>6,824</u></u>

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

Item	Computer Software \$'000
As at 1 July 2003	
Gross book value	14,525
Accumulated depreciation/amortisation	(7,701)
Net book value	6,824
Additions	
by purchase	1,608
from acquisition of operations	-
Change in accounting policy	-
Net revaluation increment/(decrement)	-
Depreciation/amortisation expense	(2,202)
Recoverable amount write-downs	-
Disposals	
From disposal of operations	-
Other disposals	(71)
As at 30 June 2004	
Gross book value	15,968
Accumulated depreciation/amortisation	(9,809)
Net book value	6,159

Notes to and forming part of the Financial Statements

	2004	2003
	<u>\$'000</u>	<u>\$'000</u>
<u>Note 8E: Inventories</u>		
Inventories held for sale	-	36
Inventories not held for sale (cost)	<u>100</u>	<u>98</u>
<i>Total inventories</i>	<u>100</u>	<u>134</u>

All departmental inventories are current assets.

Note 8F: Other Non-Financial Assets

Prepayments	<u>763</u>	<u>832</u>
<i>Total Other Non-Financial Assets</i>	<u>763</u>	<u>832</u>

All other non-financial assets are current assets.

Note 9: Interest Bearing LiabilitiesNote 9A: Leases

Finance lease commitments:

Payable:

Within one year	1,375	1,095
In one to five years	845	1,394
In more than five years	<u>-</u>	<u>-</u>
Minimum lease payments	2,220	2,489
Deduct: future finance charges	<u>(57)</u>	<u>(468)</u>
<i>Net lease liability</i>	<u>2,163</u>	<u>2,021</u>

Lease liability is represented by:

Current	1,330	980
Non-current	<u>833</u>	<u>1,041</u>
<i>Net lease liability</i>	<u>2,163</u>	<u>2,021</u>

Finance leases exist in relation to certain computer and office equipment assets. The leases are non-cancellable and for fixed terms averaging three years, with a maximum of five years. The interest rate implicit in the leases averaged 4.4% (2003: 8.6%). At reporting date, the Department had finance leases with terms averaging three years and a maximum term of five years. The lease assets secure the lease liabilities. There are no contingent rentals.

Note 9B: Other Interest Bearing Liabilities

Lease incentives	<u>69</u>	<u>96</u>
Other interest bearing liabilities are represented by:		
Current	29	29
Non-current	<u>40</u>	<u>67</u>
<i>Total other interest bearing liabilities</i>	<u>69</u>	<u>96</u>

Notes to and forming part of the Financial Statements

	2004	2003
	\$'000	\$'000
Note 10: Provisions		
<u>Note 10A: Capital Use Charge Provision</u>		
Capital Use Charge	-	-
Balance owing 1 July	-	1,265
Capital Use Charge provided for during the period	-	-
Capital Use Charge paid	-	(1,265)
Balance owing 30 June	-	-
The Capital Use Charge provision is a current liability		
<u>Note 10B: Employee Provisions</u>		
Salaries and wages	2,086	1,378
Leave	17,235	15,785
Superannuation	2,898	2,707
Other	(3)	6
<i>Aggregate employee benefit liability and related on-costs</i>	<u>22,216</u>	<u>19,876</u>
Current	8,318	6,178
Non-current	13,898	13,698
Note 11: Payables		
<u>Note 11A: Supplier Payables</u>		
Trade creditors	9,574	16,348
<i>Total supplier payables</i>	<u>9,574</u>	<u>16,348</u>
Supplier payables are current liabilities. Settlement is usually made net 30 days.		
<u>Note 11B: Other Payables</u>		
Other	84	68
Provision for Makegood	532	-
<i>Total other payables</i>	<u>616</u>	<u>68</u>
All other payables are current liabilities.		

Notes to and forming part of the Financial Statements

Note 12: Equity

Note 12A: Analysis of Equity

Item	Accumulated Results		Asset Revaluation Reserves		Contributed Equity		TOTAL EQUITY	
	2004 S'000	2003 S'000	2004 S'000	2003 S'000	2004 S'000	2003 S'000	2004 S'000	2003 S'000
Opening balance as at 1 July	13,855	33,349	10,133	10,133	22,157	26,797	46,145	70,279
Net surplus/deficit	(10,533)	(11,763)	-	-	-	-	(10,533)	(11,763)
Net revaluation increment/(decrement)	-	-	4,470	-	-	-	4,470	-
Transactions with owner:								
Distributions to owner:								
Returns on Capital								
Capital Use Charge	-	(7,731)	-	-	-	-	-	(7,731)
Assets Transferred	-	-	-	-	-	-	-	-
Returns of contributed equity*	-	-	-	-	-	(4,672)	-	(4,672)
Contributions by owner:								
Appropriations (equity injections)	-	-	-	-	-	-	-	-
Restructuring	-	-	-	-	-	32	-	32
Transfers to/(from)/between reserves	-	-	-	-	-	-	-	-
Closing balance as at 30 June	3,322	13,855	14,603	10,133	22,157	22,157	40,082	46,145

*Returns of contributed equity relate to the closure of the Auscript Special Account, return of previous year's unspent output appropriations and a transfer to the Other Special Account for repayment to the Official Public Account in respect of funds not required for a previous court construction project.

Notes to and forming part of the Financial Statements

	2004	2003
	\$'000	\$'000
Note 12B: Restructuring		
As a result of revised administrative arrangements on January 2003, the Department relinquished responsibility for the Office of Strategic Crime Assessment (OSCA) to the Australian Crime Commission (ACC).		
In respect of Departmental functions relinquished, the following assets and liabilities transferred by the Department were:		
Total assets relinquished	-	(21)
Total liabilities relinquished	-	53
<i>Net assets relinquished</i>	<u>-</u>	<u>32</u>
<i>Net contribution by Government as owner during the year</i>	<u>-</u>	<u>32</u>

Notes to and forming part of the Financial Statements

	2004	2003
	\$'000	\$'000
Note 13: Cash Flow Reconciliation		
Reconciliation of cash per Statement of Financial Position to Statement of Cash Flows		
Cash at year end per Statement of Cash Flows	4,151	3,660
Statement of Financial Position items comprising above cash: 'Financial Asset – Cash'	4,151	3,660
Reconciliation of net surplus (deficit) to net cash from operating activities:		
Net surplus (deficit)	(10,533)	(11,763)
Depreciation /amortisation	7,072	6,427
Loss on disposal of assets	5,182	69
Write Down of Assets	937	-
Non Cash Movement in Lease Liabilities	(1,275)	-
(Increase) / decrease in net receivables	7,027	(18,775)
(Increase) / decrease in inventories	34	(45)
(Increase) / decrease in prepayments	69	6
(Increase) in other assets	-	(199)
Increase in employee provisions	2,341	3,319
Increase / (decrease) in supplier payables	(6,775)	7,805
Increase in debt	-	1,598
Increase / (decrease) in leases	142	-
Increase / (decrease) in other liabilities	521	(3,559)
<i>Net cash from / (used by) operating activities</i>	<u>4,742</u>	<u>(15,117)</u>

Notes to and forming part of the Financial Statements

Note 14: Contingent Liabilities and Assets

Quantifiable Contingencies

The Schedule of Contingencies reports contingent liabilities in respect of claims for damages/costs of \$650,000 (2003: \$507,000).

The Schedule also reports contingent assets in respect of claims for damages/costs of \$150,000 (2003: \$0). The amount represents an estimate of the potential liabilities and assets based on precedent cases.

Unquantifiable Contingencies

At 30 June 2004, the Department was involved in a number of legal matters for which it is not possible to estimate the outcome.

Remote Contingencies

At 30 June 2004, the Department was involved in a number of legal matters where there was a remote possibility of potential losses. It is not possible to provide a reliable estimate of the outcome of these matters.

Notes to and forming part of the Financial Statements

Note 15: Executive Remuneration	<u>2004</u>	<u>2003</u>
The number of executives who received or were due to receive total remuneration of \$100,000 or more:		
\$110 000 to \$119 999	2	-
\$120 000 to \$129 999	-	2
\$130 000 to \$139 999	-	5
\$140 000 to \$149 999	2	2
\$150 000 to \$159 999	3	1
\$160 000 to \$169 999	5	12
\$170 000 to \$179 999	5	10
\$180 000 to \$189 999	9	4
\$190 000 to \$199 999	9	2
\$200 000 to \$209 999	2	2
\$210 000 to \$219 999	2	3
\$220 000 to \$229 999	4	1
\$230 000 to \$239 999	3	1
\$250 000 to \$259 999	1	3
\$260 000 to \$269 999	-	1
\$280 000 to \$289 999	1	-
\$410 000 to \$419 999	-	1
\$430 000 to \$439 999	1	-
The aggregate amount of total remuneration of executives shown above.	<u>9,531,050</u>	<u>9,208,013</u>
The aggregate amount of separation and redundancy/termination benefit payments during the year to executives shown above.	<u>109,190</u>	<u>70,443</u>
Note 16: Remuneration of Auditors		
	<u>2004</u>	<u>2003</u>
	\$	\$
Financial statement audit services are provided free of charge to the department.		
The fair value of the services provided was:	<u>251,000</u>	<u>215,000</u>
No other services were provided by the Auditor-General.		
Note 17: Average Staffing Levels		
	<u>2004</u>	<u>2003</u>
The average staffing levels for the Department during the year were:	<u>764</u>	<u>683</u>

Notes to and forming part of the Financial Statements

Note 18: Act of Grace Payments, Waivers and Defective Administration Scheme	2004	2003
	\$	\$
No 'Act of Grace' payments were made during the reporting period, and there are no amounts owing as at year end.	-	-
Waivers of amounts owing to the Commonwealth were made pursuant to subsection 34(1) of the <i>Financial Management and Accountability Act 1997</i> .	9,935	-
No payments were made under the 'Defective Administration Scheme' during the reporting period. (2003: Nil)	-	-

Notes to and forming part of the Financial Statements

Note 19: Financial Instruments

Note 19A: Interest Rate Risk

Financial Instrument	Notes	Floating Interest Rate		Fixed Interest Rate Maturing In						Non-Interest Bearing		Total		Weighted Average Effective Interest Rate		
		2004 \$'000	2003 \$'000	1 Year or Less		1 to 5 Years		> 5 Years		2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000	2004 %	2003 %	
				2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000							
Financial Assets																
Cash at bank	7A	-	3,653	-	-	-	-	-	-	4,151	7	4,151	3,660	n/a	2	
Receivables for goods and services (gross)	7B	-	-	-	-	-	-	-	-	15,536	35,528	15,536	35,528	n/a	n/a	
Appropriations receivable	7B	-	-	-	-	-	-	-	-	30,490	16,472	30,490	16,472	n/a	n/a	
Total		-	3,653	-	-	-	-	-	-	50,177	52,007	50,177	55,660			
Total Assets										74,720		84,554				

Financial Liabilities																
Finance lease liabilities (Net)	9A	-	-	1,330	980	833	1,041	-	-	-	-	-	2,163	2,021	4.4	8.6
Other lease liabilities	9B	-	-	-	-	-	-	-	-	69	96	69	96	-	-	
Trade creditors	11A	-	-	-	-	-	-	-	-	9,574	16,348	9,574	16,348	n/a	n/a	
Total		-	-	1,330	980	833	1,041	-	-	9,643	16,444	11,806	18,465			
Total Liabilities										34,638		38,409				

Notes to and forming part of the Financial Statements

Note 19B: Net Fair Values of Financial Assets and Liabilities

	Notes	2004		2003	
		Total Carrying Amount \$'000	Aggregate Net Fair Value \$'000	Total Carrying Amount \$'000	Aggregate Net Fair Value \$'000
Departmental Financial Assets					
Cash at bank	7A	4,151	4,151	3,660	3,660
Receivables for goods and services (net)	7B	15,419	15,419	35,336	35,336
Appropriations receivable	7B	30,490	30,490	16,472	16,472
Total Financial Assets		50,060	50,060	55,468	55,468
Financial Liabilities (Recognised)					
Finance lease liabilities	9A	2,163	2,163	2,021	2,021
Other lease liabilities	9B	69	69	96	96
Trade creditors	11A	9,574	9,574	16,348	16,348
Total Financial Liabilities (Recognised)		11,806	11,806	18,465	18,465

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

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

Note 19C: Credit Risk Exposures

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

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

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

Notes to and forming part of the Financial Statements

	2004	2003
	\$'000	\$'000
Note 20: Revenues Administered on Behalf of Government		
Goods and services		
Rendering of services—external entities (access fees)	-	3
Dividends		
Commonwealth entities	4,100	9,250
Revenue from sales of assets		
Infrastructure, plant and equipment	1	1,203
Other revenue		
Competitive Neutrality	7,252	8,259
Other Administered Revenue	1,970	9,490
	9,222	17,749
Total Revenues Administered on Behalf of Government	13,323	28,205
Note 21: Expenses Administered on Behalf of Government		
Grants		
State and Territory governments	87,403	82,844
Other sectors in the Commonwealth	113,036	108,617
Private sector—Non-profit entities	10,167	15,429
Overseas	3,533	2,418
Total Grants	214,139	209,308
The nature of grants are as follows:		
Australian organisations	1,212	784
International bodies	3,533	2,418
Financial assistance towards legal costs and related expenses	8,955	14,645
Publication of Acts and Statutory Rules	1,306	976
Grants to family relationship support organisations	28,894	26,972
Reimbursements or payments under the Family Law Act	3,398	3,330
Family Court of WA — operating expenses	10,729	9,642
Diversionsary programs for juveniles in the Northern Territory	4,882	4,941
Community legal services	23,208	24,172
Payments for the provision of legal aid	73,275	69,872
Commonwealth legal aid program	54,747	51,556
Total Grants	214,139	209,308
Subsidies		
National Counter-Terrorism Committee	16,718	4,947
Law Courts Ltd	1,753	6,362
Total Subsidies	18,471	11,309
Personal benefits		
Judges' pensions	35,955	70,791

Notes to and forming part of the Financial Statements

	2004	2003
	<u>\$'000</u>	<u>\$'000</u>
Note 21: Expenses Administered on Behalf of Government (continued)		
Royal Commissions		
Employees		
Wages and salaries	(1)	2,941
Superannuation	(1)	268
Leave and other entitlements	6	(69)
Other	-	253
Total employee benefits expense	<u>4</u>	<u>3,393</u>
Worker compensation premiums	-	7
Total employees	<u>4</u>	<u>3,400</u>
Suppliers		
Rendering of services — external entities	182	25,926
Operating lease rentals	1,571	5,768
Contractors	-	1,845
IT Support	60	2,792
Other	5	2,721
Total Suppliers	<u>1,818</u>	<u>39,052</u>
Write-down and impairment of assets		
Financial assets—receivables	<u>989</u>	<u>2,853</u>
Depreciation and Amortisation		
Infrastructure, plant and equipment	<u>5</u>	<u>2,838</u>
Value of assets sold		
Infrastructure, plant and equipment	-	<u>3,282</u>
Handgun Buy Back Program		
Handgun Buy Back Program	<u>84,407</u>	<u>224</u>
Other		
Other	<u>2,494</u>	<u>3,023</u>
Total Expenses Administered on Behalf of Government	<u><u>358,282</u></u>	<u><u>346,080</u></u>

Notes to and forming part of the Financial Statements

	2004	2003
	\$'000	\$'000
Note 22: Financial Assets Administered on Behalf of Government		
Financial Assets		
Cash		
Administered bank account—Attorney-General's Department [The balance of the administered cash account is non-interest bearing]	5	277
Receivables		
Goods and services receivable	4,680	6,293
<i>Less:</i> Provision for doubtful debts	(34)	-
	4,646	6,293
Recoveries of benefit payments	359,183	339,100
Dividends	3,050	4,200
Other receivable	3,679	4,963
GST receivable from ATO	210	360
<i>Total receivables (net)</i>	370,768	354,916
Receivables (gross) are aged as follows:		
Not overdue	366,181	353,291
Overdue by:		
Less than 30 days	6	440
30 to 60 days	120	1,183
60 to 90 days	-	-
More than 90 days	4,495	2
<i>Total receivables (gross)</i>	370,802	354,916
The provision for doubtful debts is aged as follows:		
Not overdue	-	-
Overdue by:		
Less than 30 days	-	-
30 to 60 days	-	-
60 to 90 days	-	-
More than 90 days	34	-
<i>Total provision for doubtful debts</i>	34	-

Notes to and forming part of the Financial Statements

		2004	2003
		<u>\$'000</u>	<u>\$'000</u>
Note 22: Financial Assets Administered on Behalf of Government (continued)			
Investments	Notes		
Associated entities			
Law Courts Ltd	27	19,303	19,303
Controlled entities			
Australian Institute of Criminology	27	422	422
Australian Law Reform Commission	27	380	380
Criminology Research Council	27	311	311
High Court of Australia	27	138,273	138,273
Special accounts			
Australian Protective Service Account	27	-	3,872
Australian Government Solicitor	27	25,135	25,135
<i>Total investments</i>		<u>183,824</u>	<u>187,696</u>
Note 23: Non-Financial Assets Administered on Behalf of Government			
Note 23A: Infrastructure, Plant and Equipment			
— at cost		18	18
Accumulated Depreciation		(11)	(6)
<i>Total Infrastructure, Plant and Equipment</i>		<u>7</u>	<u>12</u>
Note 23B: Other			
Prepayments		-	49
<i>Total Prepayments</i>		<u>-</u>	<u>49</u>
Note 23C: Inventories			
Inventories for Sale		93	131
<i>Total Inventories for Sale</i>		<u>93</u>	<u>131</u>
<i>Total Assets Administered on Behalf of Government</i>		<u><u>554,697</u></u>	<u><u>543,081</u></u>

Notes to and forming part of the Financial Statements

Note 23D: Analysis of Property, Plant, Equipment

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

Item	IP&E \$'000
As at 1 July 2003	
Gross book value	18
Accumulated depreciation/amortisation	(6)
Net book value	12
Additions	
by purchase	-
from acquisition of operations	-
Net revaluation increment/(decrement)	-
Depreciation/amortisation expense	(5)
Recoverable Amount write-downs	-
Disposals	
From disposal of operations	-
Other disposals	-
As at 30 June 2004	
Gross book value	18
Accumulated depreciation/amortisation	(11)
<i>Net book value</i>	7

Notes to and forming part of the Financial Statements

	2004	2003
	\$'000	\$'000
Note 24: Liabilities Administered on Behalf of Government		
Provisions		
Employees		
Salaries and wages	-	5
Leave	40	40
Superannuation	5	6
Other	-	-
Total Employees	<u>45</u>	<u>51</u>
Payables		
Suppliers—trade creditors	<u>4,956</u>	<u>3,447</u>
Personal Benefits	<u>359,183</u>	<u>339,100</u>
Interest Bearing Liabilities		
Leases	<u>1,224</u>	<u>3,629</u>
Other Payables	<u>97</u>	<u>68</u>
Total Liabilities Administered on Behalf of Government	<u><u>365,505</u></u>	<u><u>346,295</u></u>

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

Notes to and forming part of the Financial Statements

	2004	2003
	\$'000	\$'000
Note 25: Administered Reconciliation Table		
<i>Opening administered assets less administered liabilities as at 1 July</i>	196,786	197,772
Plus Administered revenues	13,323	28,205
Less Administered expenses	(358,282)	(346,080)
Administered transfers to/from Australian Government		
Appropriation transfers from OPA	359,611	348,225
Transfers to OPA	(18,374)	(29,286)
Administered Transfer to Government (Restructuring)	(3,872)	-
Administered revaluations taken to/from reserves	-	(2,050)
Movement in carrying amount of investment	-	-
Currency translation gain/loss	-	-
<i>Closing administered assets less administered liabilities as at 30 June</i>	189,192	196,786

Note 26: Administered Contingent Liabilities and Assets

The department had no contingent liabilities or assets as at 30 June 2004 and 30 June 2003.

Note 27: Administered Investments

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

- * Australian Institute of Criminology—s5(2)(a) of the *Criminology Research Act 1971*;
- * Australian Law Reform Commission—s5(2)(a) of the *Australian Law Reform Commission Act 1996*;
- * Criminology Research Council—s34(2)(a) of the *Criminology Research Act 1971*;
- * High Court—s17 of the *High Court of Australia Act 1996*;
- * Australian Government Solicitor—s55M of the *Judiciary Act 1903*;
- * Australian Protective Service Special Account—s20 of the *Financial Management and Accountability Act 1997*. (2002-03)

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

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

Notes to and forming part of the Financial Statements

	2004	2003
	\$'000	\$'000
Note 28: Restructuring		
The Department of Finance and Administration, pursuant to the powers granted by the Financial Management and Accountability Orders 1997, Order 6.2.1, revoked with effect from 30 June 2003 the determination that the activities of the Australian Protective Service be treated as a Business Operation of the Australian Federal Police. As a result the Department is no longer required to report an administered investment in the Australian Protective Service Account.		
In respect of function relinquished, the following assets were transferred by the Department.		
Total assets relinquished	(3,872)	-
<i>Net Assets relinquished</i>	(3,872)	-
<i>Net (decrease) in administered net assets during the year</i>	(3,872)	-

Notes to and forming part of the Financial Statements

Note 29: Administered Financial Instruments

Administered Interest Rate Risk

Financial Instrument	Notes	Floating Interest Rate		Fixed Interest Rate Maturing In						Non-Interest Bearing		Total			Weighted Average Effective Interest Rate			
		2004 S'000	2003 S'000	1 Year or Less		1 to 5 Years		>5 Years		2004 S'000	2003 S'000	2004 S'000	2003 S'000	2004 S'000	2003 S'000	2004 S'000	2003 %	2004 %
				2004 S'000	2003 S'000	2004 S'000	2003 S'000	2004 S'000	2003 S'000									
Financial Assets																		
Cash at bank	22	-	-	-	-	-	-	-	-	5	277			5	277			n/a
Receivables for goods and services (gross)	22	-	-	-	-	-	-	-	-	4,680	6,293			4,680	6,293			n/a
Total		-	-	-	-	-	-	-	-	4,685	6,570			4,685	6,570			n/a
Total Assets										554,697	543,081							
Financial Liabilities																		
Trade creditors	24	-	-	-	-	-	-	-	-	4,956	3,447			4,956	3,447			n/a
Personal Benefits	24	-	-	-	-	-	-	-	-	359,183	339,100			359,183	339,100			n/a
Interest Bearing Liabilities	24	1,224	3,629	-	-	-	-	-	-	-	-			1,224	3,629			
Total		1,224	3,629	-	-	-	-	-	-	364,139	342,547			365,363	346,176			
Total Liabilities										365,505	346,295							

Notes to and forming part of the Financial Statements

Net Fair Values of Financial Assets and Liabilities

	Notes	2004		2003	
		Total Carrying Amount \$'000	Aggregate Net Fair Value \$'000	Total Carrying Amount \$'000	Aggregate Net Fair Value \$'000
Administered Financial Assets					
Cash at bank	22	5	5	277	277
Receivables for goods and services (net)	22	4,646	4,646	6,293	6,293
Total Financial Assets		4,651	4,651	6,570	6,570
Financial Liabilities (Recognised)					
Trade creditors	24	4,956	4,956	3,447	3,447
Personal Benefits	24	359,183	359,183	339,100	339,100
Interest Bearing Liabilities	24	1,224	1,224	3,629	3,629
Total Financial Liabilities (Recognised)		365,363	365,363	346,176	346,176

Financial Assets

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

Financial Liabilities

The net fair values for trade creditors and grant/subsidy liabilities are short-term in nature, are approximated by their carrying amounts.

Credit Risk Exposures

The Governments maximum exposures to credit risk at reporting date in relation to each class of recognised administered financial assets is the carrying amount of those assets as indicated in the Schedule of Administered Items.

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

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

Notes to and forming part of the Financial Statements

Note 30: Appropriations

Note 30A: Acquittal of Authority to Draw Cash from the Consolidated Revenue Fund (Appropriations) from Acts 1 and 3

	Administered expenses		Departmental Outputs	Total
	Outcome 1	Outcome 2		
Year ended 30 June 2004				
Balance carried from previous year	\$ -	\$ -	\$ 50,236,343	\$ 50,236,343
Add: estimated appropriation lapsed 02-03	-	-	-	-
Retained funding determined by the Finance Minister	8,151,239	476,579	-	8,627,818
Adjusted balance carried forward for previous period	8,151,239	476,579	-	8,627,818
Appropriation Act (No.1) 2003-2004—basic appropriation	141,274,000	26,154,000	151,272,000	318,700,000
Appropriation Act (No.3) 2003-2004—basic appropriation	4,368,000	1,585,000	1,446,000	7,399,000
Departmental Adjustments by the Finance Minister	-	-	-	-
Advance to the Finance Minister	-	-	-	-
Refunds credited (FMA s30)	-	-	-	-
Appropriations to take account of recoverable GST (FMA s30A)	4,439,408	395,361	7,611,613	12,446,382
Annotations to 'net appropriations' (FMAA s31)	-	-	8,337,716	8,337,716
Adjustments of appropriation on change on entity function (FMA s32)	-	(62,000)	(328,000)	(390,000)
Appropriation lapsed or reduced*	(6,111,240)	(7,004,013)	-	(13,115,253)
Total Appropriations available for payments	152,121,407	21,544,927	218,575,672	392,242,006
Payments made (GST inclusive)	152,121,407	21,544,927	168,218,241	341,884,575
Appropriations credited to Special Accounts	-	-	-	-
Balance carried to next year	-	-	50,357,431	50,357,431
Represented by:				
Cash at bank and on hand	-	-	4,151,408	4,151,408
Add: Appropriations not drawn from OPA	-	-	44,952,241	44,952,241
Add: receivables—Goods and Services—GST receivable from customers	-	-	268,704	268,704
Other	-	-	-	-
Add: Return of contributed equity	-	-	-	-
Less: Other payables—Net GST payable to ATO	-	-	1,229,184	1,229,184
Less: Payable—Suppliers—GST portion	-	-	(244,106)	(244,106)
Total	-	-	50,357,431	50,357,431
Reconciliation for Appropriation Acts (Nos 1. and 3)				
Paid to the entity from the OPA	130,901,649	21,544,839	133,550,639	285,997,127
Add: Finance Minister reduction of Appropriation in current year	-	-	-	-
Add: Administered Appropriations lapsed in current year	-	-	-	-
Not drawn from OPA	14,740,351	6,194,161	19,167,361	40,101,873
Total Appropriation Acts	145,642,000	27,739,000	152,718,000	326,099,000

* The unspent balance of administered appropriations is represented as lapsed subject to determination of the Finance Minister under S 8 of the Appropriations Act (No. 1) 2003/04.

Notes to and forming part of the Financial Statements

Note 30A: Acquittal of Authority to Draw Cash from the Consolidated Revenue Fund (Appropriations) from Acts 1 and 3 (Continued)

	Administered expenses		Departmental Outputs	Total
	Outcome 1	Outcome 2		
Year ended 30 June 2003				
Balance carried from previous year	-	\$ -	\$ 67,577,686	\$ 67,577,686
Retained funding determined by the Finance Minister	7,546,866	277,752	-	7,824,618
Appropriation for reporting period (Act 1)	180,286,000	10,140,000	123,103,000	313,529,000
Appropriation for reporting period (Act 3)	16,882,000	1,214,000	6,034,000	24,130,000
Adjustments by the Finance Minister	-	-	-	-
Amounts from advance to the Finance Minister	-	290,204	-	290,204
Refunds credited (FMA s30)	-	-	-	-
GST credits (FMA s30)	6,752,660	348,085	6,284,375	13,385,120
Annotations to 'net appropriations' (FMA s31)	-	-	8,858,282	8,858,282
Transfer to or from other agencies (FMA s32)	(150,000)	-	9,055,000	8,905,000
Administered appropriation lapsed *	(18,374,765)	(277,752)	-	(18,652,517)
Available for payments	192,942,761	11,992,289	220,912,343	425,847,393
Payments made	192,942,761	11,992,289	170,676,000	375,611,050
Appropriations credited to Special Accounts	-	-	-	-
Balance carried to next year	-	-	50,236,343	50,236,343
Represented by:				
Cash	-	-	3,659,854	3,659,854
Appropriation receivable—appropriations not drawn down	-	-	16,473,000	16,473,000
Appropriation receivable—retained monies paid to the OPA	-	-	34,000,000	34,000,000
Net GST receivable	-	-	1,678,376	1,678,376
Cash not represented by appropriations (primary part disbursement of funds on the cessation of the former Legal Practice.)	-	-	(5,574,887)	(5,574,887)
Total	-	-	50,236,343	50,236,343

* The unspent balance of administered appropriations is represented as lapsed subject to determination of the Finance Minister under S 8 of the Appropriation Act (No. 1) 2003/04.

Notes to and forming part of the Financial Statements

Note 30B: Accittal of Authority to Draw Cash from the Consolidated Revenue Fund (Appropriations) from Acts 2 and 4

	Administered			Non-operating				Total
	Outcome 1		Outcome 2	Equity	Loans	Previous Years' Outputs	Admin Assets & liabilities	
	SPPs	New	SPPs	New				
Year ended 30 June 2004	\$	\$	\$	\$	\$	\$	\$	\$
Balance carried from previous year	-	-	-	-	15,000,000	-	-	15,000,000
Appropriation Act (No.2) 2003-2004	85,826,000	-	-	-	-	5,151,000	-	90,977,000
Appropriation Act (No.4) 2003-2004	1,418,000	-	-	-	251,000	-	-	1,669,000
Adjustments determined by the Finance Minister	-	-	-	-	-	-	-	-
Advance to the Finance Minister	-	-	-	-	-	-	-	-
Refunds credited (FMA s30)	-	-	-	-	-	-	-	-
GST Credits (FMA s30)	-	-	-	-	-	-	-	-
Transfer to/from other agencies (FMA s32)	-	-	-	-	-	-	-	-
Administered appropriation lapsed or reduced	(13,967,801)	-	-	-	-	-	-	(13,967,801)
Available for payments	73,276,199	-	-	-	15,251,000	-	-	93,678,199
Payments made (GST inclusive)	73,276,199	-	-	-	-	5,151,000	-	78,427,199
Appropriations credited to Special Accounts	-	-	-	-	-	-	-	-
Balance carried to next year	-	-	-	-	15,251,000	-	-	15,251,000
Represented by:								
Cash at bank and on hand	-	-	-	-	-	-	-	-
Add: Appropriations not drawn from OPA	-	-	-	-	15,251,000	-	-	15,251,000
Total	-	-	-	-	15,251,000	-	-	15,251,000
Reconciliation for Appropriation Acts (Nos. 2 and 4)								
Paid to the entity from the OPA	-	-	-	-	-	-	-	-
Not drawn from OPA	-	-	-	-	15,251,000	-	-	15,251,000
Total Appropriation Acts	-	-	-	-	15,251,000	-	-	15,251,000

Notes to and forming part of the Financial Statements

Note 30B: Acquittal of Authority to Draw Cash from the Consolidated Revenue Fund (Appropriations) from Acts 2 and 4 (Continued)

	Administered Outcome 1			Administered Outcome 2			Non-operating				Total
	SPPs	New	SPPs	New	Equity	Loans	Previous Years' Outputs	Admin Assets & Liabilities			
Year ended 30 June 2003	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Balance carried from previous year	-	-	-	-	15,000,000	-	-	-	-	-	15,000,000
Appropriation for reporting period (Act 2)	80,415,000	-	-	-	-	-	1,848,000	-	-	-	82,263,000
Appropriation for reporting period (Act 4)	838,000	-	-	-	-	-	-	-	-	-	838,000
Adjustments by the Finance Minister	-	-	-	-	-	-	-	-	-	-	-
Amounts from advance to the Finance Minister	-	-	-	-	-	-	-	-	-	-	-
Refunds credited (FMA s30)	-	-	-	-	-	-	-	-	-	-	-
GST credits (FMA s30)	-	-	-	-	-	-	-	-	-	-	-
Annotations to 'net appropriations' (FMA s31)	-	-	-	-	-	-	-	-	-	-	-
Transfer to or from other agencies (FMA s32)	-	-	-	-	-	-	-	-	-	-	-
Administered appropriation lapsed	(12,552,489)	-	-	-	-	-	-	-	-	-	(12,552,489)
Available for payments	68,700,511	-	-	-	15,000,000	-	1,848,000	-	-	-	85,548,511
Payments made	68,700,511	-	-	-	-	-	1,848,000	-	-	-	70,548,511
Appropriations credited to Special Accounts	-	-	-	-	-	-	-	-	-	-	-
Balance carried to next year	-	-	-	-	15,000,000	-	-	-	-	-	15,000,000
Represented by:											
Cash	-	-	-	-	-	-	-	-	-	-	-
Appropriations not drawn from OPA	-	-	-	-	15,000,000	-	-	-	-	-	15,000,000
Total	-	-	-	-	15,000,000	-	-	-	-	-	15,000,000

Notes to and forming part of the Financial Statements

 Note 30C: Acquittal of Authority to Draw Cash from the Consolidated Revenue Fund —
Special Appropriations (Unlimited Amount)

Legislation: National Firearms Program Implementation Act 1996	2004	2003
	Outcome 2	
	\$	\$
<i>Purpose:</i> To provide for financial assistance and other expenditure in connection with the implementation of the national firearms program. All transactions under this Act are recognised as administered items		
Budget estimate	-	300,000
Payments made	-	209,090
Appropriations credited to Special Accounts	-	-
Refunds credited (section 30)	-	-
Legislation: National Handgun Buyback Act 2003	2004	2003
	Outcome 2	
	\$	\$
<i>Purpose:</i> To provide for financial assistance for qualifying payments made by States and other expenditure in connection with the implementation of the handgun buyback, and for related purposes. All transactions under this Act are recognised as administered items		
Budget estimate	82,473,000	-
Payments made	81,040,226	-
Appropriations credited to Special Accounts	-	-
Refunds credited (section 30)	-	-
Legislation: Remuneration and Allowances Act 1990 — Justices of the High Court	2004	2003
	Outcome 1	
	\$	\$
<i>Purpose:</i> To provide for remuneration and allowances for Justices of the High Court. All transactions under this Act are recognised as administered items		
Budget estimate	2,403,000	2,053,000
Payments made	2,389,323	2,264,168
Appropriations credited to Special Accounts	-	-
Refunds credited (section 30)	-	-
Legislation: Judges Pensions Act 1968	2004	2003
	Outcome 1	
	\$	\$
<i>Purpose:</i> To make provision for pensions for judges and their families. All transactions under this Act are recognised as administered items		
Budget estimate	30,488,000	29,354,000
Payments made	15,612,237	14,134,471
Appropriations credited to Special Accounts	-	-
Refunds credited (section 30)	-	-

<i>Legislation: High Court Justices (Long Leave Payments) Act 1979</i>	2004	2003
	Outcome 1	
	\$	\$
<i>Purpose:</i> To make provision for long leave payments for judges. All transactions under this Act are recognised as administered items		
Budget estimate	-	-
Payments made	-	259,442
Appropriations credited to Special Accounts	-	-
Refunds credited (section 30)	-	-
<i>Legislation: Law Officers Act 1964</i>	2004	2003
	Outcome 1	
	\$	\$
<i>Purpose:</i> To make provision for pensions of Solicitor Generals. All transactions under this Act are recognised as administered items		
Budget estimate	-	-
Payments made	259,561	244,015
Appropriations credited to Special Accounts	-	-
Refunds credited (section 30)	-	-
Totals for unlimited special appropriations		
Budget estimate	115,364,000	31,707,000
Payments made	99,301,347	17,111,186
Appropriations credited to Special Accounts	-	-
Refunds credited (section 30)	-	-
An amount of Nil was drawn from the OPA on 30 June 2004 to meet liabilities incurred under these Acts had not been disbursed at that date and was held in the Agency's Administered Bank Account (30 June 2003: \$25,557)	-	25,557

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

Native Title Act 1993 Purpose: Payment of successful Native Title compensation claims

National Firearms Program Implementation Act 1998 Purpose: Payment of compensation for firearms surrendered in 3 External Territories

National Firearms Program Implementation Act 1997 Purpose: Payment of compensation for surrendered Firearms not covered by the 1996 legislation (certain automatic weapons)

National 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

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

Financial Management and Accountability Act 1997 Purpose: Repayments required or permitted by law (where no other appropriation for repayment exists)

Notes to and forming part of the Financial Statements

Note 30D: Special Accounts

	2004	2003
	\$	\$
Services on behalf of other Governments and non public bodies (Administered)		
<i>Legal Authority: Section 20 FMA Act</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.		
Balance carried from previous year	(7,650)	5,582,915
Appropriations for reporting period	-	-
Costs recovered from non-government sector	4,180,939	651,271
Other receipts — Transfer from the Departmental Operating account	-	1,577,507
GST credits (FMA s30A)	-	-
Available for payments	4,173,289	7,811,693
Payments made to suppliers	(3,680,656)	(619,343)
Repayment to the OPA	-	(7,200,000)
Balance carried to next year	492,633	(7,650)
<i>Represented by:</i>		
Cash on call held in the OPA	492,633	(7,650)
GST payable to the OPA	-	-
Total	492,633	(7,650)
Other Trust moneys (Administered)		
<i>Legal Authority: Section 20 FMA Act</i>		
<i>Purpose:</i> For expenditure of moneys temporarily held on trust or otherwise for the benefit of a person other than the Commonwealth.		
Balance carried from previous year	86,292	85,850
Appropriations for reporting period	-	-
Costs recovered from non-government sector	24,901	1,133
Other receipts – Industry contributions	-	-
GST credits (FMA s30A)	-	-
Available for payments	111,193	86,983
Payments made to suppliers	(4,856)	(691)
Balance carried to next year	106,337	86,292
<i>Represented by:</i>		
Cash on call held in the OPA	106,337	86,292
GST payable to the OPA	-	-
Total	106,337	86,292

Notes to and forming part of the Financial Statements**Note 30D: Special Accounts (Continued)**

	2004 \$	2003 \$
Auscript (Departmental)		
<i>Legal Authority: Section 21 FMA Act</i>		
<i>Purpose: For receipt of moneys owed to and payments on behalf of Auscript which was sold in June 1998. The accounts were closed in January 2004.</i>		
Balance carried from previous year	-	2,551,516
Appropriations Act (No. 2) 2003-2004	-	-
Costs recovered from non-government sector	-	-
Other receipts—Industry contributions	-	-
GST credits (FMA s30A)	-	-
Available for payments	-	2,551,516
Payments made to suppliers	-	(2,551,516)
Balance carried to next year	-	-
<i>Represented by:</i>		
Cash on call held in OPA	-	-
GST payable to the OPA	-	-
Total	-	-
Legal Practice (Departmental)		
<i>Legal Authority: Section 21 FMA Act</i>		
<i>For the receipt of all moneys and the payment of all expenditure related to the operation of the Attorney-General's Legal Practice. (This relates to the former legal practice. It is expected that the account will be closed during the 2004-05 financial year).</i>		
Balance carried from previous year	-	-
Appropriations Act (No. 2) 2003-2004	-	-
Costs recovered from non-government sector	-	-
Other receipts—Industry contributions	-	-
GST credits (FMA s30A)	-	-
Available for payments	-	-
Payments made to suppliers	-	-
Balance carried to next year	-	-
<i>Represented by:</i>		
Cash on call held in OPA	-	-
GST payable to the OPA	-	-
Total	-	-

Notes to and forming part of the Financial Statements

Note 30D: Special Accounts (Continued)

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

Notes to and forming part of the Financial Statements

Note 31: Assets Held in Trust**Comcare Trust Account**

Purpose—moneys held in trust and advanced to Attorney-General's Department by COMCARE for the purpose of distributing compensation payments made in accordance with the *Safety Rehabilitation and Compensation Act 1998*.

	2004	2003
	\$	\$
Balance carried forward from previous year	395,121	337,276
Receipts during the year	418,074	201,072
Available for payments	813,195	538,348
Payments made	467,513	143,227
<i>Balance carried forward to next year</i>	<u>345,682</u>	<u>395,121</u>

Notes to and forming part of the Financial Statements

Note 32: Reporting of Outcomes

The Department uses average staffing levels to determine the attribution of its shared items. The attribution is based on the number of staff that can be directly costed to an operational function. The basis of attribution in the table is consistent with the basis used for the 2003–04 Budget.

Note 32A: Net Cost of Outcome Delivery

	Outcome 1		Outcome 2		Total	
	2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000
Administered expenses	248,892	330,471	109,390	15,609	358,282	346,080
Departmental expenses	57,887	53,061	112,637	110,330	170,524	163,391
Total expenses	306,779	383,532	222,027	125,939	528,806	509,471
Costs recovered from provision of goods and services to the non-government sector						
Administered	-	3	-	-	-	3
Departmental	1,778	1,445	3,737	3,790	5,515	5,235
Total costs recovered	1,778	1,448	3,737	3,790	5,515	5,238
Other external revenues						
Administered						
Dividends from Commonwealth Companies	4,100	9,250	-	-	4,100	9,250
Other	9,079	9,834	144	9,118	9,223	18,952
Total Administered	13,179	19,084	144	9,118	13,323	28,202
Departmental						
Interest on cash deposits	-	493	-	524	-	1,017
Revenue from disposal of assets	-	2	-	-	-	2
Other	1,131	850	703	636	1,834	1,486
Total Departmental	1,131	1,345	703	1,160	1,834	2,505
Total other external revenues	14,310	20,429	847	10,278	15,157	30,707
Net cost/(contribution) of outcome	290,691	361,655	217,443	111,871	508,134	473,526

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

The Capital Usage Charge is not included in any of the outcomes as it is not an operating expense in end-of-year financial reports.

Notes to and forming part of the Financial Statements

Note 32B: Major Classes of Departmental Revenues and Expenses by Output Groups and Outputs

Outcome 1	Output 1.1		Output 1.2		Output 1.3		Output 1.4		Output 1.5		Output 1.6		Output 1.7		Outcome 1 Total		
	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003	2004
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Departmental expenses																	
Employees	7,052	5,820	2,380	2,195	8,520	7,695	3,022	2,480	5,120	5,002	5,003	4,420	2,214	2,148	33,311	29,760	
Suppliers	3,030	2,820	3,284	3,119	4,885	5,160	1,493	1,263	1,934	2,335	2,295	2,111	3,532	3,347	20,453	20,155	
Depreciation and amortisation	647	490	265	180	929	818	343	224	490	575	440	399	208	204	3,322	2,890	
Other expenses	110	81	17	30	224	54	23	18	208	45	184	15	35	13	801	256	
Total departmental expenses	10,839	9,211	5,946	5,524	14,558	13,727	4,881	3,985	7,752	7,957	7,922	6,945	5,989	5,712	57,887	53,061	
Funded by:																	
Revenues from government	8,590	10,646	5,361	5,294	11,461	11,700	3,354	2,830	5,882	9,628	6,286	5,143	5,775	5,704	46,709	50,945	
Sale of goods and services	102	46	213	28	121	234	135	230	732	648	466	245	9	14	1,778	1,445	
Other non-taxation revenues	131	111	24	40	82	166	29	56	815	845	32	82	18	45	1,131	1,345	
Total departmental revenues	8,823	10,803	5,598	5,362	11,664	12,100	3,518	3,116	7,429	11,121	6,784	5,470	5,802	5,763	49,618	53,735	

Outcome 2	Output 2.1		Output 2.2		Output 2.3		Output 2.4		Output 2.5		Output 2 Total	
	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Departmental expenses												
Employees	11,049	10,278	1,447	720	6,580	6,260	15,215	12,396	-	-	34,291	29,654
Suppliers	17,558	20,486	1,149	897	19,597	20,464	9,935	9,682	21,019	25,462	69,258	76,991
Depreciation and amortisation	1,130	1,015	225	121	842	1,149	1,553	1,252	-	-	3,750	3,537
Other expenses	233	65	15	7	4,848	33	242	43	-	-	5,338	148
Total departmental expenses	29,970	31,844	2,836	1,745	31,867	27,906	26,945	23,373	21,019	25,462	112,637	110,330
Funded by:												
Revenues from government	18,281	20,833	1,683	2,426	25,887	24,881	39,063	22,707	21,019	22,096	105,933	92,943
Sale of goods and services	398	346	223	417	324	482	2,792	2,545	-	-	3,737	3,790
Other non-taxation revenues	194	333	1	24	8	123	500	680	-	-	703	1,160
Total departmental revenues	18,873	21,512	1,907	2,867	26,219	25,486	42,355	25,932	21,019	22,096	110,373	97,893

Outcomes 1 and 2 are described in Note 1.1. Net costs shown include intra-government costs that are eliminated in calculating the actual Budget outcome. The Capital Usage Charge is not included in any of the outcomes as it is not an operating expense in end-of-year financial reports.

Notes to and forming part of the Financial Statements

Note 32C: Major Classes of Administered Revenues and Expenses by Outcomes

	Outcome 1		Outcome 2		Total	
	2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000
Administered Revenue						
Other non-taxation revenues	13,180	19,087	143	9,118	13,323	28,205
Total Administered Revenues	13,180	19,087	143	9,118	13,323	28,205
Administered Expenses						
Grants	205,969	202,185	8,170	7,123	214,139	209,308
Subsidies	1,753	6,362	16,718	4,947	18,471	11,309
Personal benefits	38,344	73,315	-	-	38,344	73,315
Handgun Buy Back Program	-	-	84,407	224	84,407	224
Other	2,826	48,609	95	3,315	2,921	51,924
Total Administered Expenses	248,892	330,471	109,390	15,609	358,282	346,080

Outcomes 1 and 2 are described in Note 1.1.

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

