

FINANCIAL STATEMENTS

For the Year Ended 30 June 2009





INDEPENDENT AUDITOR'S REPORT

**To the Minister for Infrastructure, Transport,
Regional Development and Local Government**

Scope

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

The Responsibility of the Secretary for the Financial Statements

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

Auditor's Responsibility

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

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

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

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

Independence

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

Auditor's Opinion

In my opinion, the financial statements of the Department of Infrastructure, Transport, Regional Development and Local Government:

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

Australian National Audit Office



Alana Foster
Executive Director
Delegate of the Auditor-General
Canberra
13 August 2009



Australian Government

**Department of Infrastructure, Transport,
Regional Development and Local Government**

STATEMENT BY THE CHIEF EXECUTIVE AND CHIEF FINANCIAL OFFICER

In our opinion, the attached financial statements for the year ended 30 June 2009 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*, as amended.

Handwritten signature of Mike Mrdak in blue ink.

Mike Mrdak
Secretary

12 August 2009

Handwritten signature of Paul Wood in blue ink.

Paul Wood
Chief Financial Officer

12 August 2009

Department of Infrastructure, Transport, Regional Development and Local Government

INCOME STATEMENT

for the period ended 30 June 2009

	Notes	2009 \$'000	2008 \$'000
INCOME			
Revenue			
Revenue from Government	3A	242,521	239,773
Sale of goods and rendering of services	3B	4,149	4,175
Rental income	3C	429	367
Total revenue		247,099	244,315
Gains			
Resources received free of charge	3D	506	520
Reversals of previous write-downs	3D	141	48
Cost recoveries and refunds	3D	222	37
Total gains		869	605
Total Income		247,968	244,920
EXPENSES			
Employee benefits	4A	127,963	121,421
Suppliers	4B	106,789	99,046
Grants	4C	1,959	1,404
Depreciation and amortisation	4D	13,567	13,576
Finance costs	4E	288	269
Write-down and impairment of assets	4F	440	3,375
Total Expenses		251,006	239,091
Surplus/(deficit) attributable to the Australian Government		(3,038)	5,829

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

Department of Infrastructure, Transport, Regional Development and Local Government

BALANCE SHEET

as at 30 June 2009

	Notes	2009 \$'000	2008 \$'000
ASSETS			
Financial Assets			
Cash and cash equivalents	5A	3,472	3,926
Trade and other receivables	5B	96,922	94,216
Accrued revenue	5C	555	419
Total financial assets		100,949	98,561
Non-Financial Assets			
Land and buildings	6A/6C	35,059	32,689
Infrastructure, plant and equipment	6B/6C	7,542	2,826
Intangibles	6D	24,107	22,378
Inventories	6E	1	5
Other non-financial assets	6F	5,120	6,983
Total non-financial assets		71,829	64,881
Total Assets		172,778	163,442
LIABILITIES			
Payables			
Suppliers	7A	13,209	2,614
Other payables	7B	17,424	16,455
Total payables		30,633	19,069
Interest Bearing Liabilities			
Leases	8A	351	373
Total interest bearing liabilities		351	373
Provisions			
Employee provisions	9A	32,722	31,267
Other provisions	9B	5,166	3,965
Total provisions		37,888	35,232
Total Liabilities		68,872	54,674
Net Assets		103,906	108,768
EQUITY			
Contributed equity		(121,520)	(121,520)
Asset revaluation reserve		14,607	16,431
Retained earnings		210,819	213,857
Total Equity		103,906	108,768
Current Assets		103,139	102,618
Non-Current Assets		69,639	60,824
Current Liabilities		51,168	40,271
Non-Current Liabilities		17,704	14,403

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

Department of Infrastructure, Transport, Regional Development and Local Government

STATEMENT OF CHANGES IN EQUITY

as at 30 June 2009

	Retained Earnings		Asset Revaluation Reserve		Contributed Equity/ Capital		Total Equity	
	2009	2008	2009	2008	2009	2008	2009	2008
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Opening Balance								
Balance carried forward from previous period	213,857	209,023	16,431	13,479	(121,520)	(127,735)	108,768	94,767
Adjusted Opening Balance	213,857	209,023	16,431	13,479	(121,520)	(127,735)	108,768	94,767
Income and Expense								
Revaluation adjustment	–	–	(1,895)	3,401	–	–	(1,895)	3,401
Revaluation adjustment – provision	–	–	71	(449)	–	–	71	(449)
Sub-total income and expenses recognised directly in equity	–	–	(1,824)	2,952	–	–	(1,824)	2,952
Surplus / (Deficit) for the period	(3,038)	5,829	–	–	–	–	(3,038)	5,829
Total Income and Expense	(3,038)	5,829	(1,824)	2,952	–	–	(4,862)	8,781
Transactions with Owners								
<i>Distributions to owners</i>								
Restructuring (Note 10)	–	(899)	–	–	–	–	–	(899)
<i>Contributions by owners</i>								
Appropriation (equity injection)	–	–	–	–	–	6,215	–	6,215
Restructuring (Note 10)	–	(96)	–	–	–	–	–	(96)
Sub-total transactions with owners	–	(995)	–	–	–	6,215	–	5,220
Closing balance as at 30 June	210,819	213,857	14,607	16,431	(121,520)	(121,520)	103,906	108,768

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

Department of Infrastructure, Transport, Regional Development and Local Government

CASH FLOW STATEMENT

for the period ended 30 June 2009

	Notes	2009 \$'000	2008 \$'000
OPERATING ACTIVITIES			
Cash received			
Appropriations		240,884	227,979
Goods and services		2,517	5,090
Rents		429	367
Net GST received		10,291	9,776
Other cash received		188	34
Total cash received		254,309	243,246
Cash used			
Employees		125,788	120,201
Suppliers		106,871	113,327
Total cash used		232,659	233,528
Net cash from operating activities	11	21,650	9,718
INVESTING ACTIVITIES			
Cash used			
Purchase of property, plant and equipment and intangibles		22,104	18,204
Total cash used		22,104	18,204
Net cash used by investing activities		(22,104)	(18,204)
FINANCING ACTIVITIES			
Cash received			
Appropriations – contributed equity		–	6,215
Total cash received		–	6,215
Net cash from financing activities		–	6,215
Net decrease in cash held		(454)	(2,271)
Cash and cash equivalents at the beginning of the reporting period		3,926	6,197
Cash and cash equivalents at the end of the reporting period	5A	3,472	3,926

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

Department of Infrastructure, Transport, Regional Development and Local Government

SCHEDULE OF COMMITMENTS

as at 30 June 2009

	2009	2008
	\$'000	\$'000
BY TYPE		
Commitments receivable		
GST recoverable on commitments	(14,535)	(17,236)
Total commitments receivable	(14,535)	(17,236)
Capital commitments		
Land and buildings ¹	165	11,288
Intangibles ²	415	78
Total capital commitments	580	11,366
Other commitments		
Operating leases ³	127,380	136,458
Project commitments	507	155
Goods and services commitments ⁴	32,113	41,613
Total other commitments	160,000	178,226
Net commitments by type	146,045	172,356
BY MATURITY		
Commitments receivable		
GST recoverable on commitments		
One year or less	(3,412)	(4,524)
From one to five years	(6,964)	(7,428)
Over five years	(4,159)	(5,284)
Total commitments receivable	(14,535)	(17,236)
Commitments payable		
Capital commitments		
One year or less	580	11,366
From one to five years	-	-
Over five years	-	-
Total capital commitments	580	11,366
Operating lease commitments		
One year or less	18,497	18,646
From one to five years	63,129	59,691
Over five years	45,754	58,121
Total operating lease commitments	127,380	136,458
Project and goods and services commitments		
One year or less	19,233	19,753
From one to five years	13,387	22,015
Over five years	-	-
Total other commitments	32,620	41,768
Net commitments by maturity	146,045	172,356

This schedule should be read in conjunction with the accompanying notes.

Note: Commitments are GST inclusive where relevant.

Department of Infrastructure, Transport, Regional Development and Local Government

SCHEDULE OF COMMITMENTS (continued)

as at 30 June 2009

- ¹ Land and buildings commitments include leasehold improvements.
- ² Intangibles commitments relate to contracted payments for software.
- ³ Operating leases are effectively non-cancellable and comprise:

Nature of Lease	General description of leasing arrangement
Leases for office accommodation	The Department has entered into operating leases for office accommodation purposes. Most Departmental leases contain a clause permitting market indexation, subject to agreement by both parties. In general, the rent reviews take place at least once every two years.
Agreement for the provision of motor vehicles to senior executive officers.	Lease Plan is the provider of vehicles to the Department. Leases are for a minimum period of three months and typically extend for two years. The leases may be extended for up to three months from the original specified expiry date. There are no existing contingent rental agreements between the Department and Lease Plan. There are no renewal options available on the agreement.

- ⁴ Goods and services commitments include commitments for the provision of services related to the Department.

The contracts with United KFPW and Pickfords for the provision of office related services are not disclosed in monetary terms as the contracted costs vary each year and are dependent upon usage.

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

Department of Infrastructure, Transport, Regional Development and Local Government

SCHEDULE OF CONTINGENCIES

as at 30 June 2009

Contingent Assets	Claims for damages/costs		Total	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
Balance from previous period	–	–	–	–
New	–	–	–	–
Re-measurement	–	–	–	–
Assets recognised	–	–	–	–
Expired	–	–	–	–
Total Contingent Assets	–	–	–	–
Contingent Liabilities	Claims for damages/costs		Total	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
Balance from previous period	20,000	20,000	20,000	20,000
New	500	–	500	–
Re-measurement	5,000	–	5,000	–
Liabilities recognised	–	–	–	–
Obligations expired	–	–	–	–
Total Contingent Liabilities	25,500	20,000	25,500	20,000
Net Contingent Liabilities (Assets)	25,500	20,000	25,500	20,000

Details of each class of contingent liabilities and assets, including those not included above because they cannot be quantified or are considered remote, are disclosed in Note 12: Contingent Liabilities and Assets.

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

Department of Infrastructure, Transport, Regional Development and Local Government

SCHEDULE OF ADMINISTERED ITEMS

	Notes	2009 \$'000	2008 \$'000
Income administered on behalf of Government			
for the period ended 30 June 2009			
Revenue			
Taxation revenue			
Levies, fees and fines	16A	84,019	80,728
Total taxation revenue		84,019	80,728
Non-taxation revenue			
Rendering of services	16B	74,453	74,366
Interest	16C	4,634	5,119
Dividends	16D	–	66,600
Contributions	16E	2,202	2,967
Royalties	16F	–	643
Rental income	16G	2,796	4,134
Other revenue	16H	1,005,005	241
Total non-taxation revenue		1,089,090	154,070
Total revenues administered on behalf of Government		1,173,109	234,798
Gains			
Sale of assets	16I	–	148
Other gains	16J	–	7,597
Total gains administered on behalf of Government		–	7,745
Total income administered on behalf of Government		1,173,109	242,543
Expenses administered on behalf of Government			
for the period ended 30 June 2009			
Grants	17A	8,222,969	4,966,632
Subsidies	17B	155,188	142,369
Employee benefits	17C	–	4,556
Suppliers	17D	17,256	38,192
Depreciation and amortisation	17E	1,062	13,499
Write-down and impairment of assets	17F	–	80
Sale of assets	17G	–	66,513
Payments to CAC Act bodies	17H	242,276	–
Other expenses	17I	3,921	944
Total expenses administered on behalf of Government		8,642,672	5,232,785

This schedule should be read in conjunction with the accompanying notes.

Department of Infrastructure, Transport, Regional Development and Local Government

SCHEDULE OF ADMINISTERED ITEMS (continued)

	Notes	2009 \$'000	2008 \$'000
Assets administered on behalf of Government as at 30 June 2009			
Financial assets			
Cash and cash equivalents	18A	1,296	125
Receivables	18B	47,820	55,806
Investments accounted for using the equity method	18C	2,411,970	1,910,954
Accrued revenues	18D	7,793	7,196
Total financial assets		2,468,879	1,974,081
Non-financial assets			
Land and buildings	18E	62,938	64,000
Infrastructure, plant and equipment	18F	7,550	7,550
Prepayments	18G	390,554	1,387,967
Total non-financial assets		461,042	1,459,517
Total assets administered on behalf of Government		2,929,921	3,433,598
Liabilities administered on behalf of Government as at 30 June 2009			
Payables			
Suppliers	19A	1,669	994
Subsidies	19B	4,637	1,379
Grants	19C	10,887	27,966
Total payables		17,193	30,339
Total liabilities administered on behalf of Government		17,193	30,339
Current Assets		447,463	999,011
Non-Current Assets		2,482,458	2,434,587
Current Liabilities		17,193	30,339
Non-Current Liabilities		–	–

This schedule should be read in conjunction with the accompanying notes.

Department of Infrastructure, Transport, Regional Development and Local Government

SCHEDULE OF ADMINISTERED ITEMS (continued)

	Notes	2009 \$'000	2008 \$'000
Administered Cash Flows for the period ended 30 June 2009			
OPERATING ACTIVITIES			
Cash received			
Levies, fees and fines		88,458	81,448
Rendering of services		10,374	21,623
Interest		4,757	5,218
Dividends		–	66,600
Net GST received		10,732	13,369
Other		1,006,531	5,631
Total cash received		1,120,852	193,889
Cash used			
Grant payments		7,249,020	4,283,108
Subsidies paid		152,735	142,155
Suppliers		18,072	50,734
Employees		–	4,431
Payments to CAC Act bodies			
Annual	26A	96,623	–
Special (unlimited) - AMSA	26C	67,400	–
Special (unlimited) - CASA	26C	78,253	–
Other		7,842	1,191
Total cash used		7,669,945	4,481,619
Net cash flows used by operating activities		(6,549,093)	(4,287,730)
INVESTING ACTIVITIES			
Cash received			
Repayments of loans		5,248	4,871
Proceeds from sale of infrastructure, plant and equipment		–	451
Total cash received		5,248	5,322
Cash used			
Purchase of infrastructure, plant and equipment		–	1,950
Investments		422,000	–
Total cash used		422,000	1,950
Net cash flows from (used by) investing activities		(416,752)	3,372
Net decrease in cash held		(6,965,845)	(4,284,358)
Cash and cash equivalents at the beginning of the reporting period		125	240
Cash from Official Public Account for:			
– Appropriations			
Annual		4,083,815	2,653,986
Assets and liabilities		422,000	3
Special		2,516,516	1,767,644
– GST		11,692	12,740
– Special Accounts		1,054,879	54,496
		8,088,902	4,488,869
Cash to Official Public Account for:			
– Appropriations		(62,577)	(149,369)
– Special Accounts		(1,059,309)	(55,257)
		(1,121,886)	(204,626)
Cash and cash equivalents at the end of the reporting period	18A	1,296	125

This schedule should be read in conjunction with the accompanying notes.

Department of Infrastructure, Transport, Regional Development and Local Government

SCHEDULE OF ADMINISTERED ITEMS (continued)

	2009	2008
	\$'000	\$'000
Administered Commitments		
as at 30 June 2009		
BY TYPE		
Commitments receivable¹		
Other commitments	(18,260)	(10,800)
Project commitments	–	(1,730)
Operating leases	(9,412)	(9,343)
GST recoverable on commitments	(9,025)	(5,183)
Total commitments receivable	(36,697)	(27,056)
Other commitments		
Project commitments ²	2,950,972	2,815,273
Other commitments ³	83,370	52,406
Total other commitments	3,034,342	2,867,679
Net commitments by type	2,997,645	2,840,623
BY MATURITY		
Commitments receivable		
One year or less	(17,700)	(9,744)
From one to five years	(18,997)	(17,312)
Over five years	–	–
Total commitments receivable	(36,697)	(27,056)
Project commitments		
One year or less	2,940,512	1,800,684
From one to five years	10,460	1,014,589
Over five years	–	–
Total project commitments	2,950,972	2,815,273
Other commitments		
One year or less	31,890	11,596
From one to five years	51,480	40,810
Over five years	–	–
Total other commitments	83,370	52,406
Net administered commitments by maturity	2,997,645	2,840,623

This schedule should be read in conjunction with the accompanying notes.

Note: All commitments are GST inclusive where relevant.

Department of Infrastructure, Transport, Regional Development and Local Government

SCHEDULE OF ADMINISTERED ITEMS (continued)

- ¹ Commitments receivable include GST recoveries in relation to project commitments.
- ² Project commitments relate to contracts undertaken in relation to various Administered programs, including those related to the Nation Building program.
- ³ Other commitments in the prior year included service delivery arrangements.

SCHEDULE OF ADMINISTERED CONTINGENCIES

There are no quantifiable administered contingencies that are not remote. Details of other administered contingencies are disclosed at Note 22.

This schedule should be read in conjunction with the accompanying notes.

Department of Infrastructure, Transport, Regional Development and Local Government

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Note 1:	Summary of Significant Accounting Policies
Note 2:	Events after the Balance Sheet Date
Note 3:	Income
Note 4:	Expenses
Note 5:	Financial Assets
Note 6:	Non-Financial Assets
Note 7:	Payables
Note 8:	Interest Bearing Liabilities
Note 9:	Provisions
Note 10:	Restructuring
Note 11:	Cash Flow Reconciliation
Note 12:	Contingent Liabilities and Assets
Note 13:	Executive Remuneration
Note 14:	Remuneration of Auditors
Note 15:	Financial Instruments
Note 16:	Income Administered on Behalf of Government
Note 17:	Expenses Administered on Behalf of Government
Note 18:	Assets Administered on Behalf of Government
Note 19:	Liabilities Administered on Behalf of Government
Note 20:	Administered Reconciliation Table
Note 21:	Administered Restructuring
Note 22:	Administered Contingent Liabilities
Note 23:	Administered Contingent Assets
Note 24:	Administered Investments
Note 25:	Administered Financial Instruments
Note 26:	Appropriations
Note 27:	Special Accounts
Note 28:	Compensation and Debt Relief
Note 29:	Reporting of Outcomes

Notes to and forming part of the Financial Statements

Note 1: Summary of Significant Accounting Policies**1.1 Objectives of Department of Infrastructure, Transport, Regional Development and Local Government**

The Department of Infrastructure, Transport, Regional Development and Local Government (the Department) works to achieve three outcomes specified by the Australian Government:

- Outcome 1 – Assisting the Government to provide, evaluate, plan and invest in infrastructure across industry sectors.
- Outcome 2 – Fostering an efficient, sustainable, competitive, safe and secure transport system.
- Outcome 3 – Assisting regions and local government to develop and manage their futures.

Department activities contributing towards 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 Australian Government, of items controlled or incurred by the Australian Government.

Departmental activities are identified under one output group for Outcome 1, three output groups for Outcome 2 and two output groups for Outcome 3. The one output group within Outcome 1 are: Infrastructure Investment (1.1). The three output groups within Outcome 2 are Transport Safety Investigations (2.1), Transport Security (2.2) and Transport Systems (2.3). The two output groups within Outcome 3 are: Regional Development (3.1) and Local Government (3.2).

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

1.2 Basis of Preparation of the Financial Statements

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

The financial statements have been prepared in accordance with:

- Finance Minister's Orders (being the *Financial Management and Accountability Orders*) (*Financial Statements for reporting periods ending on or after 1 July 2008*) (FMOs); and
- Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period.

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

The financial report is presented in Australian dollars and values are rounded to the nearest thousand dollars unless disclosure of the full amount is specifically required.

Unless alternative treatment is specifically required by an Accounting Standard or the FMOs, assets and liabilities are recognised in the Balance Sheet when and only when it is probable that future economic benefits will flow to the entity or a future sacrifice of economic benefits will be required and the amounts of the assets or liabilities can be reliably measured.

Notes to and forming part of the Financial Statements

However, assets and liabilities arising under Agreements Equally Proportionately Unperformed are not recognised unless required by an accounting standard. Liabilities and assets that 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 12).

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

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

1.3 Significant Accounting Judgements and Estimates

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

- The fair value of land at Badgerys Creek was determined using a Residual Value Approach as determined by an independent valuer in 2007-2008. Included in Note 18E.
- The fair value of administered investments has been taken to be the net assets of the entities at balance date. Confirmation of net asset balances has been obtained from all entities. Included in Note 18C.
- The fair value of artwork owned by the Department was determined using indicative market rates as determined by an independent valuer in 2007-2008. Included in Note 6C.

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

1.4 Changes in Australian Accounting Standards

Adoption of new Australian Accounting Standard requirements

No accounting standard has been adopted earlier than the application date as stated in the standard.

Future Australian Accounting Standard Requirements

No new standards, amendments to standards and interpretations issued by the Australian Accounting Standards Board that are applicable for future periods have a material effect on the Department.

1.5 Revenue

Revenue from Government

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

No appropriations are received on a reciprocal basis.

Appropriations receivable are recognised at their nominal amounts.

Notes to and forming part of the Financial Statements

Other types of revenue

Revenue from the sale of goods is recognised when:

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

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

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

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

Receivables for goods and services, that have 30-day terms, are recognised at the nominal amounts due, less any provision for bad and doubtful debts. Collectability of debts is reviewed on an ongoing basis. Individual debts that are known to be uncollectable are written off when identified. A provision is recognised when there is objective evidence that the Department will not be able to collect the debt. Financial difficulties of the debtor, default payments or debts more than 90 days overdue are considered objective evidence of impairment.

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

1.6 Gains

Other Resources received free of charge

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

Contributions of assets at no cost of acquisition or for nominal consideration are recognised as gains at their fair value when the asset qualifies for recognition, unless received from another Government agency or authority as a consequence of a restructuring of administrative arrangements (Refer to Note 1.7).

Resources received free of charge are recorded as either revenue or gains depending on their nature.

Sale of assets

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

1.7 Transactions with the Australian Government as Owners

Equity injections

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

Restructuring of administrative arrangements

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

Notes to and forming part of the Financial Statements

Other distribution to Owners

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

1.8 Employee Benefits

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

Liabilities for 'short-term employee benefits' (as defined in AASB 119 *Employee Benefits*) and termination benefits due within twelve months of balance date are measured at their nominal amounts.

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

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

Leave

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

The leave liabilities are calculated on the basis of employees' remuneration at the estimated salary rates that applied at the time the leave is taken, 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 the Australian Government Actuary (AGA) in March 2009. 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. The Department recognises a provision for termination when it has developed a detailed formal plan for the terminations and has informed those employees affected that it will carry out the terminations.

The Department made separation and redundancy payments in 2008-09 of \$2,312,000 (2007-08: \$1,623,000) – refer to Note 4A Employee Benefits.

Superannuation

Staff of the Department are members of the Commonwealth Superannuation Scheme (CSS), the Public Sector Superannuation Scheme (PSS) or the PSS accumulation plan (PSSap).

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

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

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

The liability for superannuation recognised as at 30 June represents outstanding contributions for the final fortnight of the year.

Notes to and forming part of the Financial Statements

1.9 Leases

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

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

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

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

Where applicable, the minimum lease payment and contingent rent payment component are separately recognised and disclosed.

Contingent rent is defined as that portion of the lease payment that is not fixed in amount but is based on the future amount of a factor that changes other than with the passage of time. Contingent rent payments are recognised as an expense in the period in which agreement is reached as to the amount of the change to be applied.

Lease incentives taking the form of 'free' leasehold improvement and rent holidays, are recognised as liabilities. These liabilities are reduced by allocating lease payments between rental expense and reduction of the liability over the life of the lease. Lease incentives received are recognised as a reduction of rental expense over the lease term on a straight-line basis unless another systematic basis is more reflective of the time pattern of the lessee's benefit.

1.10 Borrowing Costs

Borrowing costs are expensed as incurred.

1.11 Cash and Cash Equivalents

Cash and cash equivalents includes notes and coins held and any deposits in bank accounts with an original maturity of 3 months or less that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value. Cash is recognised at its nominal amount.

1.12 Financial assets

The Department classifies its financial assets in the following categories:

- financial assets at fair value through the income statement;
- held-to-maturity investments;
- available-for-sale financial assets; and
- loans and receivables.

The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Financial assets are recognised and derecognised upon trade date.

Notes to and forming part of the Financial Statements

Effective Interest Method

Income is recognised on an effective interest rate basis except for financial assets that are recognised at fair value through the income statement.

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

Financial assets at fair value through the income statement

Financial assets are classified as financial assets at fair value through the income statement where the financial assets:

- have been acquired principally for the purpose of selling in the near future;
- are part of an identified portfolio of financial instruments that the agency manages together and has a recent actual pattern of short-term profit-taking; or
- are a derivative that is not designated and effective as a hedging instrument.

Assets in this category are classified as current assets.

Financial assets at fair value through the income statement are stated at fair value, with any resultant gain or loss recognised in the income statement. The net gain or loss recognised in the income statement incorporates any interest earned on the financial asset.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the asset within 12 months of the balance sheet date.

Available-for-sale financial assets are recorded at fair value. Gains and losses arising from changes in fair value are recognised directly in the reserves (equity) with the exception of impairment losses. Interest is calculated using the effective interest method and foreign exchange gains and losses on monetary assets which are recognised directly in the income statement. Where the asset is disposed of or is determined to be impaired, part (or all) of the cumulative gain or loss previously recognised in the reserve is included in profit for the period.

Where a reliable fair value cannot be established for unlisted investments in equity instruments cost is used. The Department has no such instruments.

Held-to-maturity investments

Non-derivative financial assets with fixed or determinable payments and fixed maturity dates that the Department has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are recorded at amortised cost using the effective interest method less impairment, with revenue recognised on an effective yield basis.

Loans and receivables

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'.

They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets. Loans and receivables are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest rate.

Notes to and forming part of the Financial Statements

Impairment of financial assets

Financial assets are assessed for impairment at each balance date.

- **Financial assets held at amortised cost** – If there is objective evidence that an impairment loss has been incurred for loans and receivables or held to maturity investments held at amortised cost, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate. The carrying amount is reduced by way of an allowance account. The loss is recognised in the Income Statement.
- **Available- for- sale financial assets** – If there is objective evidence that an impairment loss on an available- for- sale financial asset has been incurred, the amount of the difference between its cost, less principal repayments and amortisation, and its current fair value, less any impairment loss previously recognised in expenses, is transferred from equity to the Income Statement.
- **Available- for- sale financial assets (held at cost)** – If there is objective evidence that an impairment loss has been incurred the amount of the impairment loss is the difference between the carrying amount of the asset and the present value of the estimated future cash flows discounted at the current market rate for similar assets.

1.13 Financial Liabilities

Financial liabilities are classified as either financial liabilities 'at fair value through the income statement' or other financial liabilities. Financial liabilities are recognised and derecognised upon 'trade date'.

Financial liabilities at fair value through the income statement

Financial liabilities at fair value through the income statement are initially measured at fair value. Subsequent fair value adjustments are recognised in the income statement. The net gain or loss recognised in the income statement incorporates any interest paid on the financial liability.

Other financial liabilities

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

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments.

Supplier and other payables

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

1.14 Contingent Liabilities and Contingent Assets

Contingent Liabilities and Contingent Assets are not recognised in the Balance Sheet but are reported in the relevant schedules and notes.

They may arise from uncertainty as to the existence of a liability or asset, or represent a liability or asset in respect of which the amount cannot be reliably measured.

Contingent assets are reported when settlement is probable but not virtually certain and contingent liabilities are disclosed when settlement is greater than remote.

Notes to and forming part of the Financial Statements

1.15 Financial Guarantee Contracts

Financial guarantee contracts are accounted for in accordance with AASB 139 *Financial Instruments: Recognition and Measurement*. They are not treated as a contingent liability, as they are regarded as financial instruments outside the scope of AASB 137 *Provisions, Contingent Liabilities and Contingent Assets*.

1.16 Acquisition of Assets

Assets are recorded at cost on acquisition except as stated below. The cost of acquisition includes the fair value of assets transferred in exchange and liabilities undertaken. Financial assets are initially measured at their fair value plus transaction costs where appropriate. Assets acquired at no cost, or for nominal consideration, are initially recognised as assets and income at their fair value at the date of acquisition, unless acquired as a consequence of restructuring of administrative arrangements. In the latter case, assets are initially recognised as contributions by owners at the amounts at which they were recognised in the transferor agency's accounts immediately prior to the restructuring.

1.17 Property, Plant and Equipment (PP&E)

Asset recognition threshold

Purchases of PP&E are recognised initially at cost in the Balance Sheet, except for purchases costing less than \$5,000, which are expensed in the year of acquisition (other than where they form part of a group of similar items which are significant in total).

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

Items of plant and equipment acquired as part of leasehold fit out are capitalised in the year of acquisition regardless of historical cost. Leasehold improvements are valued on a project basis and, therefore, include items of plant and equipment with a unit value of less than \$5,000.

Revaluations

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

Asset Class	Fair value measured at:
Land	Market selling price
Buildings	Market selling price
Leasehold improvements	Depreciated replacement cost
Infrastructure, plant and equipment	Market selling price
Heritage and cultural assets	Market selling price

Following initial recognition at cost, PP&E are carried at fair value less subsequent accumulated depreciation and accumulated impairment losses. Valuations are conducted with sufficient frequency to ensure that the carrying amounts of assets do not differ materially from the asset's fair value as at the reporting date.

The regularity of independent valuations depends upon the volatility of movements in market values for the relevant assets. Assets purchased after the valuation date are deemed to be at fair value.

Notes to and forming part of the Financial Statements

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

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

Depreciation

Depreciable PP&E 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), residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods as appropriate. Residual values are re-estimated for a change in prices only when assets are revalued.

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

	2009	2008
Buildings on freehold land	15 to 60 years	15 to 60 years
Leasehold improvements	Shorter of lease term or expected useful economic life	Shorter of lease term or expected useful economic life
Plant and equipment	3 to 80 years	3 to 80 years
Artworks	50 years	50 years
Heritage and cultural assets	Indefinite	Indefinite

The aggregate amount of depreciation expense allocated for each class of asset during the reporting period is disclosed in Note 4D and 17E.

Impairment

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

The recoverable amount of an asset is the higher of its *fair value less costs to sell* and its *value in use*. *Value in use* is the present value of the future cash flows expected to be derived from the asset.

Where the future economic benefit of an asset is not primarily dependent on the asset's ability to generate future cash flows, and the asset would be replaced if the Department were deprived of the asset, its *value in use* is taken to be its depreciated replacement cost.

1.18 Intangibles

The Department's intangibles comprise internally developed software for internal use. These assets are carried at cost less accumulated amortisation and accumulated impairment losses.

Notes to and forming part of the Financial Statements

Software is amortised on a straight-line basis over its anticipated useful life. The useful lives of the Department's software are 2 to 8 years (2007-08: 2 to 7 years).

All software assets were assessed for indications of impairment as at 30 June 2009.

1.19 Inventories

Inventories held for sale are measured at the lower of cost and net realisable value. Inventories held for distribution are valued at cost, adjusted for any loss of service potential.

1.20 Taxation

The Department is exempt from all taxation except Fringe Benefits Tax (FBT) and Goods and Services Tax (GST). Revenues, expenses, assets and liabilities are recognised net of GST:

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

1.21 Reporting of Administered Activities

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

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

Administered cash transfers to and from the Official Public Account

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

Administered revenue

All administered revenues are revenues relating to the course of operating activities performed by the Department on behalf of the Australian Government. Levies, fees and fines revenue is recognised when it is probable that the economic benefit comprising the consideration will flow to the Government. Revenue from the rendering of service is recognised on delivery of that service to customers.

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

Dividend revenue is recognised when the right to receive a dividend has been established.

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.

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

Administered investments

Administered investments in subsidiaries, joint ventures and associates are not consolidated because their consolidation is relevant only at the Whole of Government level.

Administered investments other than those held for sale are classified as available-for-sale and are measured at their fair value as at 30 June 2009. Fair value has been taken to be the Australian Government's proportional interest in the net assets of the entities as at balance date.

Notes to and forming part of the Financial Statements

Administered loans and receivables

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

Financial Guarantee Contracts

Financial guarantee contracts are accounted for in accordance with AASB 139. They are not treated as a contingent liability, as they are regarded as financial instruments outside the scope of AASB 137.

Guarantee to Subsidiaries, Joint ventures and Associates

The amounts guaranteed by the Commonwealth have been disclosed in the Schedule of Commitments. At the time of completion of the financial statements, there was no reason to believe that the guarantees would be called upon, and recognition of a liability was therefore not required. The guarantees are in relation to lease obligations and are measured at the present value of future lease payments.

Other Guarantees

As for guarantees to controlled entities.

Indemnities

The maximum amounts payable under the indemnities given is disclosed in the Schedule of Administered Items-Contingencies. At the time of completion of the financial statements, there was no reason to believe that the indemnities would be called upon, and no recognition of any liability was therefore required.

Grants and subsidies

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

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

Payments to CAC Act Bodies

From 2008-09, payments to CAC Act bodies from amounts appropriated for that purpose are classified as administered expenses of the relevant portfolio department. The appropriation to the department is disclosed in Tables A, B, or C in Note 26.

Payments from the Building Australia Fund

Payments from the Building Australia Fund are reported as Other Revenue: Grants received from related entities (Note 16H) and Grants Expense (Note 17A). Payments are made through the Building Australia Fund Infrastructure Portfolio Special Account (Note 27).

Airport land

Freehold land at the 22 civilian airports owned by the Australian Government and leased to private sector interests are subject to lease arrangements whereby the land is leased for 50 years with a 49-year extension option. Consideration consists of upfront payments from the lessors, without any subsequent annual lease payments. For the purpose of financial reporting, the land at these airports is, therefore, assessed as having no fair value because of the extended period before any future revenue stream will accrue and the fact that the land cannot currently be sold or transferred.

Infrastructure built on the freehold land is an asset of the lessor and not the Australian Government and is, therefore, not reflected in the accompanying financial statements.

Department of Infrastructure, Transport, Regional Development and Local Government

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Note 2: Events after the Balance Sheet Date

The Australian Transport Safety Bureau (ATSB), a division of the Department as at 30 June 2009, was established on 1 July 2009 as an independent Statutory Agency with a Commission structure operating under the *Financial Management and Accountability Act 1997*.

The establishment of the ATSB as a separate agency will result in the following transfers of assets and liabilities from the Department:

	2009 \$'000
Net Assets To Be Relinquished	
ASSETS	
Financial Assets	
Receivables	187
Total financial assets	<u>187</u>
Non-financial Assets	
Infrastructure, plant and equipment	1,263
Intangibles	3,791
Other non-financial assets	89
Total non-financial assets	<u>5,143</u>
Total assets to be relinquished	<u>5,330</u>
Net Liabilities To Be Relinquished	
LIABILITIES	
Payables	
Suppliers	136
Other payables	182
Total payables	<u>318</u>
Provisions	
Employee provisions	3,023
Total provisions	<u>3,023</u>
Total liabilities to be relinquished	<u>3,341</u>

Department of Infrastructure, Transport, Regional Development and Local Government

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**Note 2: Events after the Balance Sheet Date (continued)**

The Council of Australian Governments has agreed to a new framework for federal financial relations that is being implemented in a staged manner from 1 January 2009. Under these arrangements specific purpose payments (SPPs) will now be made through combined monthly payments from the Commonwealth Treasury to and through State and Territory Treasuries.

The following assets will transfer to the Department of the Treasury on 1 July 2009:

	2009
	\$'000
Net Assets To Be Relinquished	
ASSETS	
Non-financial Assets	
Prepayments	247,148
<i>Total non-financial assets</i>	247,148
Total assets to be relinquished	247,148

The following project commitments will be paid by the Treasury from 1 July 2009. These commitments will be reported in the Treasury's financial statements from 2009-10.

COMMITMENTS**Other Commitments**

Project commitments	2,823,468
<i>Total other commitments</i>	2,823,468
Total commitments to be relinquished	2,823,468

Department of Infrastructure, Transport, Regional Development and Local Government

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

	2009	2008
	\$'000	\$'000
Note 3: Income		
Note 3A: Revenue from Government		
Appropriation:		
Departmental outputs	242,521	239,773
Total revenue from Government	242,521	239,773
Note 3B: Sale of Goods and Rendering of Services		
Provisions of goods - related entities	18	6
Provisions of goods - external entities	49	58
Total sale of goods	67	64
Rendering of services - related entities	2,595	2,552
Rendering of services - external entities	1,487	1,559
Total rendering of services	4,082	4,111
Total sale of goods and rendering of services	4,149	4,175
Note 3C: Rental Income		
Operating lease:		
Housing rental	-	1
Commercial premises rental	429	366
Total rental income	429	367
Note 3D: Gains		
Resources received free of charge	506	520
Reversals of previous write-downs	141	48
Cost recoveries and refunds	222	37
Total other gains	869	605

Department of Infrastructure, Transport, Regional Development and Local Government

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

	2009	2008
	\$'000	\$'000
Note 4: Expenses		
Note 4A: Employee Benefits		
Wages and salaries	90,494	87,219
Superannuation:		
Defined contribution plans	3,682	3,209
Defined benefit plans	13,567	13,749
Leave and other entitlements	16,791	15,026
Separations and redundancies	2,312	1,623
Other employee expenses	1,117	595
Total employee benefits	127,963	121,421
Note 4B: Suppliers		
Provision of goods – related entities	5	10
Provision of goods – external entities	2,639	2,412
Rendering of services – related entities	4,889	9,565
Rendering of services – external entities	82,200	73,019
Operating lease rentals:		
Minimum lease payments	16,006	12,522
Workers compensation premiums	733	866
Other supplier expenses	317	652
Total supplier expenses	106,789	99,046
Note 4C: Grants		
Public sector:		
Australian Government entities (related entities)	1,315	223
State and Territory Governments	171	494
Local Governments	39	-
Private sector:		
Non-profit organisations	366	550
Other	68	137
Total grants	1,959	1,404

Department of Infrastructure, Transport, Regional Development and Local Government

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

	2009	2008
	\$'000	\$'000
Note 4D: Depreciation and Amortisation		
Depreciation:		
Infrastructure, plant and equipment	1,378	461
Artwork	4	–
Total depreciation	1,382	461
Amortisation:		
Leasehold improvements	5,068	3,970
Leasehold makegood	468	664
Assets held under finance leases	425	2,370
Intangibles – computer software	6,224	6,111
Total amortisation	12,185	13,115
Total depreciation and amortisation	13,567	13,576

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

Leasehold improvements	5,068	3,970
Leasehold makegood	468	664
Infrastructure, plant and equipment	1,378	461
Assets held under finance leases	425	2,370
Artwork	4	–
Computer software	6,224	6,111
Total depreciation and amortisation	13,567	13,576

Note 4E: Finance Costs

Finance leases	33	88
Unwinding of discount	255	181
Total finance costs expense	288	269

Note 4F: Write-Down and Impairment of Assets

Impairment of financial assets	–	11
Impairment of plant and equipment	34	17
Impairment of intangible assets	–	3,136
Impairment of leasehold improvements	406	211
Total write-down and impairment of assets	440	3,375

Department of Infrastructure, Transport, Regional Development and Local Government

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

	2009 \$'000	2008 \$'000
Note 5: Financial Assets		
Note 5A: Cash and Cash Equivalents		
Departmental bank accounts	3,360	3,926
Other	112	–
Total cash and cash equivalents	3,472	3,926
Note 5B: Trade and Other Receivables		
Goods and services – related entities	964	463
Goods and services – external parties	879	72
Total receivables for goods and services	1,843	535
Appropriations receivable		
for existing outputs	93,381	91,745
GST receivable from the Australian Taxation Office	1,683	1,915
Other receivables	16	30
Total other receivables	95,080	93,690
Total trade and other receivables (gross)	96,923	94,225
Less impairment allowance account:		
Goods and services	–	–
Other receivables	(1)	(9)
Total trade and other receivables (net)	96,922	94,216
Receivables balance are represented by:		
Current	96,922	94,216
Non-current	–	–
Total trade and other receivables (net)	96,922	94,216
Receivables (gross) are aged as follows:		
Not overdue	96,568	94,030
Overdue by:		
Less than 30 days	92	123
30 to 60 days	2	9
61 to 90 days	205	4
More than 90 days	56	59
Total receivables (gross)	96,923	94,225
The impairment allowance account is aged as follows:		
Not overdue	–	–
Overdue by:		
Less than 30 days	–	–
30 to 60 days	–	–
61 to 90 days	–	–
More than 90 days	(1)	(9)
Total impairment allowance account	(1)	(9)

Department of Infrastructure, Transport, Regional Development and Local Government

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Reconciliation of the impairment allowance account:

Movements in relation to 2009

	Goods and services	Other receivables	Total
	2009	2009	2009
	\$'000	\$'000	\$'000
Opening balance	–	9	9
Amounts written off	–	(1)	(1)
Amounts recovered and reversed	–	(8)	(8)
Increase/decrease recognised in net surplus	1	–	1
Closing balance	1	–	1

Movements in relation to 2008

	Goods and services	Other receivables	Total
	2008	2008	2008
	\$'000	\$'000	\$'000
Opening balance	116	14	130
Amounts written off	(116)	(1)	(117)
Amounts recovered and reversed	–	(13)	(13)
Increase/decrease recognised in net surplus	–	9	9
Closing balance	–	9	9

Note 5C: Accrued Revenue

Related entities

Total accrued revenue

	2009	2008
	\$'000	\$'000
Related entities	555	419
Total accrued revenue	555	419

Department of Infrastructure, Transport, Regional Development and Local Government

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

	2009	2008
	\$'000	\$'000
Note 6: Non-Financial Assets		
Note 6A: Land and Buildings		
Leasehold improvements:		
– work in progress	–	9,458
– gross carrying value (at fair value)	34,848	20,912
– accumulated amortisation	(2,658)	(1,392)
Total leasehold improvements	32,190	28,978
Leasehold make good		
– gross carrying value (at fair value)	3,487	3,946
– accumulated amortisation	(618)	(235)
Total leasehold make good	2,869	3,711
Total land and buildings (non-current)	35,059	32,689
No indicators of impairment were found for land and buildings.		
Note 6B: Infrastructure, plant and equipment		
Infrastructure, plant and equipment		
– gross carrying value (at fair value)	9,652	11,345
– accumulated depreciation	(2,285)	(8,698)
Total infrastructure, plant and equipment	7,367	2,647
Artworks - at fair value		
– gross carrying value (at fair value)	179	179
– accumulated depreciation	(4)	–
Total artworks	175	179
Total Infrastructure, plant and equipment (non-current)	7,542	2,826

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

In 2008-09, an independent valuer PrestonRowePaterson NSW Pty Ltd conducted valuations on the leasehold improvement assets. This resulted in a revaluation increment in leasehold improvement assets of \$263,105 (2008: \$1,234,386).

Revaluation increments for the makegood provision of \$70,739 (2008: decrements of \$449,870) and a revaluation decrement for the makegood assets of \$2,157,770 (2008: increments of \$2,183,674) were recognised in the asset revaluation reserve and included in the equity section of the Balance Sheet. Artworks and plant and equipment assets were not required to be revalued in 2008-09. In 2008 an increment of \$11,136 were recognised for artworks and a decrement of \$27,190 were recognised for plant and equipment assets.

Department of Infrastructure, Transport, Regional Development and Local Government

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**Note 6C: Analysis of Property, Plant and Equipment**

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

	Buildings – Leasehold Improvements	Buildings – Leasehold Make good	Buildings Total	Infrastructure, Plant & Equipment	Artworks	Infrastructure, Plant & Equipment Total	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
As at 1 July 2008							
Gross book value	30,370	3,946	34,316	11,345	179	11,524	45,840
Accumulated depreciation/ amortisation and impairment	(1,392)	(235)	(1,627)	(8,698)	–	(8,698)	(10,325)
Net book value 1 July 2008	28,978	3,711	32,689	2,647	179	2,826	35,515
Additions:							
by purchase	8,444	1,888	10,332	6,137	–	6,137	16,469
by finance lease	–	–	–	295	–	295	295
Revaluations and impairments through equity							
Revaluations and impairments through equity	263	(2,158)	(1,895)	–	–	–	(1,895)
Depreciation/amortisation expense	(5,068)	(468)	(5,536)	(1,803)	(4)	(1,807)	(7,343)
Impairments recognised in the operating result	(302)	(104)	(406)	(34)	–	(34)	(440)
Other Movements							
Reclassifications	(125)	–	(125)	125	–	125	–
Disposals:							
From disposal of entities or operations (including restructuring)	–	–	–	–	–	–	–
Other disposals	–	–	–	–	–	–	–
Net book value 30 June 2009							
	32,190	2,869	35,059	7,367	175	7,542	42,601
Net book value as of 30 June 2009 represented by:							
Gross book value	34,848	3,487	38,335	9,652	179	9,831	48,166
Accumulated depreciation/ amortisation and impairment	(2,658)	(618)	(3,276)	(2,285)	(4)	(2,289)	(5,565)
	32,190	2,869	35,059	7,367	175	7,542	42,601

Department of Infrastructure, Transport, Regional Development and Local Government

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**Note 6C: Analysis of Property, Plant and Equipment (Continued)**

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

	Buildings – Leasehold Improvements	Buildings – Leasehold Make good	Buildings Total	Infrastructure, Plant & Equipment	Artworks	Infrastructure, Plant & Equipment Total	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
As at 1 July 2007							
Gross book value	23,517	3,246	26,763	11,367	162	11,529	38,292
Accumulated depreciation/ amortisation and impairment	(2,617)	(1,165)	(3,782)	(6,374)	–	(6,374)	(10,156)
Net book value 1 July 2007	20,900	2,081	22,981	4,993	162	5,155	28,136
Additions:							
by purchase	11,001	135	11,136	441	6	447	11,583
by finance lease	–	–	–	88	–	88	88
Revaluations and impairments through equity	1,234	2,183	3,417	(27)	11	(16)	3,401
Depreciation/amortisation expense	(3,970)	(664)	(4,634)	(2,831)	–	(2,831)	(7,465)
Impairments recognised in the operating result	(187)	(24)	(211)	(17)	–	(17)	(228)
Other Movements							
Reclassifications	–	–	–	–	–	–	–
Disposals:							
From disposal of entities or operations (including restructuring)	–	–	–	–	–	–	–
Other disposals	–	–	–	–	–	–	–
Net book value 30 June 2008	28,978	3,711	32,689	2,647	179	2,826	35,515
Net book value as of 30 June 2008 represented by:							
Gross book value	30,370	3,946	34,316	11,345	179	11,524	45,840
Accumulated depreciation/ amortisation and impairment	(1,392)	(235)	(1,627)	(8,698)	–	(8,698)	(10,325)
	28,978	3,711	32,689	2,647	179	2,826	35,515

Department of Infrastructure, Transport, Regional Development and Local Government

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

	2009 \$'000	2008 \$'000
Note 6D: Intangibles		
Computer software at cost:		
Internally developed – in progress (non-current)	7,926	4,323
Internally developed – in use (non-current)	33,737	29,941
Accumulated amortisation	(17,489)	(11,964)
Accumulated impairment write-down	(425)	(425)
Total computer software internally developed	23,749	21,875
Externally acquired - in use (non-current)	1,106	1,155
Accumulated amortisation	(748)	(652)
Total computer software purchased	358	503
Total Intangibles	24,107	22,378

Table A - Reconciliation of opening and closing balances of intangibles – (2008-09)

Item	Computer software internally developed \$'000	Computer software purchased \$'000
As at 1 July 2008		
Gross book value	34,264	1,155
Accumulated amortisation and impairment	(12,389)	(652)
Net book value 1 July 2008	21,875	503
Additions:		
by purchase or internally developed	7,924	29
Reclassifications	–	–
Amortisation	(6,050)	(174)
Impairments recognised due to change in useful lives	–	–
Other movements	–	–
Disposals		
from disposals of entities or operations (including restructuring)	–	–
other disposals	–	–
Net book value 30 June 2009	23,749	358
Net book value as of 30 June 2009 represented by:		
Gross book value	41,663	1,106
Accumulated amortisation and impairment	(17,914)	(748)
	23,749	358

Department of Infrastructure, Transport, Regional Development and Local Government

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Table A - Reconciliation of opening and closing balances of intangibles (2007-08)

Item	Computer software internally developed \$'000	Computer software purchased \$'000
As at 1 July 2007		
Gross book value	30,780	997
Accumulated amortisation and impairment	(7,332)	(491)
Net book value 1 July 2007	23,448	506
Additions:		
by purchase or internally developed	7,545	126
Reclassifications	(32)	32
Amortisation	(5,950)	(161)
Impairments recognised in the operating result	(3,136)	–
Other movements	–	–
Disposals		
from disposals of entities or operations (including restructuring)	–	–
other disposals	–	–
Net book value 30 June 2008	21,875	503
Net book value as of 30 June 2008 represented by:		
Gross book value	34,264	1,155
Accumulated amortisation and impairment	(12,389)	(652)
	21,875	503

	2009 \$'000	2008 \$'000
Note 6E: Inventories		
Inventories held for sale		
Finished goods	1	5
Total inventories held for sale	1	5
Total inventories	1	5

During 2008-09, no inventories held for sale were recognised as an expense (2007-08: \$9,055). All inventories are current assets. No inventory is recognised at fair value less costs to sell.

Note 6F: Other Non-Financial Assets

Prepayments	2,178	2,057
Lease incentive asset	2,942	4,926
Total other non-financial assets	5,120	6,983

Other non-financial assets are represented by:

Current	2,190	4,053
Non-current	2,930	2,930
Total other non-financial assets	5,120	6,983

Department of Infrastructure, Transport, Regional Development and Local Government

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

	2009	2008
	\$'000	\$'000
Note 7: Payables		
Note 7A: Suppliers		
Trade creditors	9,638	293
Operating lease rentals	3,571	2,321
Total supplier payables	13,209	2,614
Supplier payables - related entities are represented by:		
Current	1,724	–
Non-current	–	–
Supplier payables - external parties are represented by:		
Current	8,070	416
Non-current	3,415	2,198
Total supplier payables	13,209	2,614
Note 7B: Other Payables		
Unearned revenue	2,076	251
Accrued expenses	6,262	7,805
Lease incentives	5,445	5,570
Salaries and wages	1,533	1,061
Superannuation	272	292
Separations and redundancies	1,596	1,331
Other	240	145
Total other payables	17,424	16,455
Other payables are represented by:		
Current	12,689	11,640
Non-current	4,735	4,815
Total other payables	17,424	16,455

Department of Infrastructure, Transport, Regional Development and Local Government

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

	2009	2008
	\$'000	\$'000
Note 8: Interest Bearing Liabilities		
Note 8A: Leases		
Finance leases	351	373
Total finance leases	351	373
Payable:		
Within one year		
Minimum lease payments	202	239
Deduct: future finance charges	(15)	(16)
	187	223
In one to five years		
Minimum lease payments	171	157
Deduct: future finance charges	(7)	(7)
	164	150
Finance leases recognised on the balance sheet	351	373
Finance leases exist in relation to certain office equipment assets. The office equipment leases are non-cancellable and for fixed terms between 3 and 5 years. The interest rate implicit in the leases averaged 6.10% (2008: 6.10%). There are no contingent rentals.		
Lease liability is represented by:		
Current	187	223
Non-current	164	150
Net lease liability	351	373

Department of Infrastructure, Transport, Regional Development and Local Government

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

	2009	2008
	\$'000	\$'000

Note 9: Provisions

Note 9A: Employee Provisions

Leave	32,722	31,267
Total employee provisions	32,722	31,267

Employee provisions are recognised by:

Current	28,253	27,535
Non-current	4,469	3,732
Total employee provisions	32,722	31,267

The classification of current employee provisions includes amounts for which there is not an unconditional right to defer settlement by one year, hence in the case of employee provisions the above classification does not represent the amount expected to be settled within one year of reporting date. Employee provisions expected to be settled in twelve months from the reporting date is \$10,774,000 (2008: \$10,753,000), in excess of one year \$21,948,000 (2008: \$20,514,000). These estimations were based on historical leave taken over a period of three years.

Note 9B: Other Provisions

Provision for makegood	5,166	3,965
Total other provisions	5,166	3,965

Other provisions are recognised by:

Current	245	457
Non-current	4,921	3,508
Total other provisions	5,166	3,965

	Makegood provision
	\$'000
Carrying amount at beginning of period	3,965
Additional provisions made	1,864
Amounts used	(872)
Amounts reversed	–
Unwinding of discount or change in discount rate	209
Amount owing at end of period	5,166

Provision for makegood

The Department currently has 21 agreements (2008: 21) for the leasing of premises that have provisions requiring the Department to restore the premises to their original condition at the conclusion of the lease. The Department has made a provision to reflect the present value of this obligation.

In 2008–09, the Department revalued the makegood provision. Revaluation increments of \$70,739 (2008: decrements of \$449,870) was recognised in the asset revaluation reserve and included in the equity section of the Balance Sheet.

Department of Infrastructure, Transport, Regional Development and Local Government

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**Note 10: Restructuring****Note 10A: Departmental Restructuring****Current year restructuring**

There were no restructures in 2008–09.

Prior year restructuring

As a result of a restructuring of Administrative Arrangements Orders of 3 December 2007, the Department of Infrastructure, Transport, Regional Development and Local Government relinquished its responsibility for the Territories and Natural Disaster Relief programs to the Attorney-General's Department. The transfer took effect from 31 January 2008.

The net book value of the assets and liabilities relinquished were:

	2008
Notes	\$'000
Net Assets Relinquished	
Financial Assets	
Cash	58
Total financial assets	<u>58</u>
Total assets relinquished	<u>58</u>
Net Liabilities Relinquished	
Provisions	
Employee provisions	1,560
Total provisions	<u>1,560</u>
Total liabilities relinquished	<u>1,560</u>
Net liabilities relinquished	10C <u>1,502</u>

As a result of a restructuring of Administrative Arrangements Orders of 3 December 2007, the Department of Infrastructure, Transport, Regional Development and Local Government assumed responsibility for the Major Projects Facilitation from the former Department of Industry, Tourism and Resources. The transfer took effect from 14 January 2008.

The net book value of the assets and liabilities recognised were:

Total net assets recognised	<u>—</u>
Net Liabilities recognised	
Employee provisions	96
Total liabilities recognised	<u>96</u>
Net liabilities recognised	10C <u>96</u>

Department of Infrastructure, Transport, Regional Development and Local Government

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

	2008
	\$'000
Note 10A: Departmental Restructuring (continued)	
Major Projects Facilitation	
Expenses	
Recognised by the Department of Innovation, Industry, Science and Research	164
Recognised by the Department of Infrastructure, Transport, Regional Development and Local Government	138
Total Expenses	<u>302</u>

The Department of Infrastructure, Transport, Regional Development and Local Government assumed responsibility for the Northern Australia Futures Taskforce from the Department of the Environment, Water, Heritage and the Arts as a result of a Government decision made 4 March 2008.

The net book value of the assets and liabilities recognised were:

	2008
	\$'000
Net assets recognised	–
Net liabilities recognised	–
Net assets/liabilities recognised	<u>–</u>

Northern Australia Futures Taskforce

Revenues	
Recognised by the Department of the Environment, Water, Heritage and the Arts	596
Recognised by the Department of Infrastructure, Transport, Regional Development and Local Government	130
Total Revenues	<u>726</u>
Expenses	
Recognised by the Department of the Environment, Water, Heritage and the Arts	467
Recognised by the Department of Infrastructure, Transport, Regional Development and Local Government	84
Total Expenses	<u>551</u>

Department of Infrastructure, Transport, Regional Development and Local Government

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**Note 10B: Reduction of appropriations as a result of restructuring**

At the time of the transfer of the Territories and Natural Disaster Relief functions, the Department had an appropriation receivable representing prior years' unspent appropriations. Under the FMOs, the Department was required to account for the transfer of prior year appropriations against equity.

	2008
	<u>\$'000</u>
Appropriation receivable	<u>2,401</u>

Note 10C: Transactions with owners as a result of restructuring

		2008
	Notes	<u>\$'000</u>
Distributions to owners		
Net assets relinquished to Attorney-General's Department	10A	1,502
Prior year appropriation receivable	10B	<u>(2,401)</u>
Total distribution to owners		<u>(899)</u>
Contributions by owners		
Liabilities acquired from the Department of Innovation, Industry, Science and Research	10A	96
Total contributions to owners		<u>96</u>

Department of Infrastructure, Transport, Regional Development and Local Government

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

	2009	2008
	\$'000	\$'000
Note 11: Cash Flow Reconciliation		
Reconciliation of cash and cash equivalents as per Balance Sheet to Cash Flow Statement		
Report cash and cash equivalents as per:		
Cash Flow Statement	3,472	3,926
Balance Sheet	3,472	3,926
Reconciliation of operating result to net cash from operating activities:		
Operating result	(3,038)	5,829
Depreciation and amortisation	13,567	13,576
Net write-down of non-financial assets	440	3,363
Restructuring	–	(995)
	<u>10,969</u>	<u>21,773</u>
Change in operating assets and liabilities resulting from operating activities (net of restructuring)		
(Increase)/decrease in net receivables	(2,704)	(8,498)
(Increase)/decrease in accrued revenue	(136)	(121)
(Increase)/decrease in inventories	4	(1)
(Increase)/decrease in other assets	1,863	(1,425)
Increase/(decrease) in employee provisions	1,455	(222)
Increase/(decrease) in supplier payables	10,595	(1,386)
Increase/(decrease) in unearned revenue	1,825	(124)
Increase/(decrease) in accrued expenses	(3,861)	11
Increase/(decrease) in finance leases	(316)	(1,994)
Increase/(decrease) in other provisions	1,251	267
Increase/(decrease) in other payables	705	1,438
Net cash from operating activities	<u>21,650</u>	<u>9,718</u>

Department of Infrastructure, Transport, Regional Development and Local Government

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Note 12: Contingent Liabilities and Assets

Quantifiable Contingencies

Contingent Liabilities

The Schedule of Contingencies reports contingent liabilities in respect of claims for damages/costs of \$25.5m (2008: \$20m).

Contingent Assets

The Schedule of Contingencies reports contingent assets in respect of monies claimed for damages/costs of nil in 2009 (2008: nil).

Unquantifiable Contingencies

McLaughlin & Anor v The Commonwealth & Ors - The plaintiffs allege that they have the right of access over Commonwealth land and are seeking declaratory and injunctive relief orders for specific performance, unspecified damages and compensation in relation to the alleged interference with their right of access plus interest and costs.

Remote Contingencies

The Department has no remote contingencies.

Department of Infrastructure, Transport, Regional Development and Local Government

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

	2009	2008
Note 13: Senior Executive Remuneration		
The number of senior executives who received or were due to receive total remuneration of \$130,000 or more:		
\$130 000 to \$144 999	1	1
\$145 000 to \$159 999	1	1
\$160 000 to \$174 999	3	3
\$175 000 to \$189 999	1	2
\$190 000 to \$204 999	5	4
\$205 000 to \$219 999	7	9
\$220 000 to \$234 999	6	6
\$235 000 to \$249 999	4	4
\$250 000 to \$264 999	5	2
\$265 000 to \$279 999	4	1
\$280 000 to \$294 999	1	1
\$295 000 to \$309 999	3	1
\$310 000 to \$324 999	1	–
\$325 000 to \$339 999	1	–
\$340 000 to \$354 999	1	–
\$370 000 to \$384 999	1	–
\$460 000 to \$474 999	–	1
\$475 000 to \$489 999	1	–
Total	46	36

The number of senior executives shown above has increased in comparison to the prior year as a result of organisational changes and increases in leave liabilities.

The aggregate amount of total remuneration of senior executives shown above.	\$11,197,912	\$9,254,865
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The aggregate amount of separation and redundancy/termination benefit payments during the year to senior executives shown above.	–	\$105,328
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	2009	2008
	\$'000	\$'000

Note 14: Remuneration of Auditors

Financial statement audit services are provided free of charge to the Department.

The fair value of the services provided was:

Department of Infrastructure, Transport, Regional Development and Local Government	506	520
	506	520

No other services were provided by the Auditor-General.

Department of Infrastructure, Transport, Regional Development and Local Government

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**Note 15: Financial Instruments****Note 15A: Categories of Financial Instruments**

	Notes	2009 \$'000	2008 \$'000
Financial Assets			
Cash and cash equivalents			
Departmental bank accounts	5A	3,472	3,926
		<u>3,472</u>	<u>3,926</u>
Loans and receivables financial assets			
Trade receivables	5B	1,843	535
Other receivables	5B	16	30
Accrued revenue	5C	555	419
		<u>2,414</u>	<u>984</u>
		<u>5,886</u>	<u>4,910</u>
Carrying amount of financial assets			
Financial Liabilities			
At amortised cost			
Trade creditors	7A	13,209	2,614
Other payables	7B	240	145
Finance lease	8A	351	373
		<u>13,800</u>	<u>3,132</u>
Carrying amount of financial liabilities			

Note 15B: Fair Values of Financial Instruments

	Notes	2009 Carrying Amount \$'000	2009 Fair Value \$'000	2008 Carrying Amount \$'000	2008 Fair Value \$'000
Departmental Financial Assets					
Cash and cash equivalents	5A	3,472	3,472	3,926	3,926
Trade receivables	5B	1,843	1,843	535	535
Other receivables	5B	16	16	30	30
Accrued revenue	5C	555	555	419	419
Total financial assets		<u>5,886</u>	<u>5,886</u>	<u>4,910</u>	<u>4,910</u>
Financial Liabilities (Recognised)					
Trade creditors	7A	(13,209)	(13,209)	(2,614)	(2,614)
Other payables	7B	(240)	(240)	(145)	(145)
Finance lease	8A	(351)	(351)	(373)	(373)
Total financial liabilities (recognised)		<u>(13,800)</u>	<u>(13,800)</u>	<u>(3,132)</u>	<u>(3,132)</u>

Department of Infrastructure, Transport, Regional Development and Local Government

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Note 15C: Credit Risk Exposures

The Department is exposed to minimal credit risk as loans and receivables are cash, trade receivables and accrued revenue. The maximum exposure to credit risk is the risk that arises from potential default of a debtor. This amount is equal to the total amount of trade receivables (2009: \$1,843,000 and 2008: \$535,000). The Department assessed the risk of default on payment and has allocated \$1,000 in 2009 (2008: \$9,000) to an impairment allowance account.

The Department manages its credit risk by ensuring that the Department has policies and procedures in relation to debt management.

The Department holds no collateral to mitigate against credit risk.

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

	2009 Not Past Due Nor Impaired \$'000	2008 Not Past Due Nor Impaired \$'000	2009 Past Due or Impaired \$'000	2008 Past Due or Impaired \$'000
Loans and Receivables				
Cash	3,472	3,926	–	–
Trade and other receivables	1,504	370	355	195
Accrued revenue	555	419	–	–
Total	5,531	4,715	355	195

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

	0 to 30 days \$'000	31 to 60 days \$'000	61 to 90 days \$'000	90+ days \$'000	Total \$'000
Loans and Receivables					
Trade and other receivables	92	2	205	56	355
Total	92	2	205	56	355

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

	0 to 30 days \$'000	31 to 60 days \$'000	61 to 90 days \$'000	90+ days \$'000	Total \$'000
Loans and Receivables					
Trade and other receivables	123	9	4	59	195
Total	123	9	4	59	195

Department of Infrastructure, Transport, Regional Development and Local Government

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**Note 15D: Liquidity Risk**

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

The following tables illustrate the maturities for financial liabilities

	2009 On demand \$'000	2009 within 1 year \$'000	2009 1 to 5 years \$'000	2009 > 5 years \$'000	Total \$'000
Other Liabilities					
Trade creditors	–	9,638	–	–	9,638
Accrued expenses	–	6,262	–	–	6,262
Finance lease	–	187	164	–	351
Total other liabilities	–	16,087	164	–	16,251

	2008 On demand \$'000	2008 within 1 year \$'000	2008 1 to 5 years \$'000	2008 > 5 years \$'000	Total \$'000
Other Liabilities					
Trade creditors	–	293	–	–	293
Accrued expenses	–	7,805	–	–	7,805
Finance lease	–	223	150	–	373
Total other liabilities	–	8,321	150	–	8,471

The Department is appropriated funding from the Australian Government. The Department manages its budgeted funds to ensure that it has adequate funds to meet payments as they fall due. In addition, the Department has policies in place to ensure timely payments are made when due and has no past experience of default.

Note 15E: Market Risk

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

Interest rate risk

The only interest-bearing item on the balance sheet are the 'Finance leases' which bear interest at a fixed interest rate and will not fluctuate due to changes in the market interest rate.

Department of Infrastructure, Transport, Regional Development and Local Government

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

	2009	2008
	\$'000	\$'000
Note 16: Income administered on behalf of Government		
Revenue		
Taxation revenue		
Note 16A: Levies, Fees and Fines		
Levies	11,353	7,971
Fees	71,724	71,441
Fines	942	1,316
Total levies, fees and fines	84,019	80,728
Non-taxation revenue		
Note 16B: Rendering of Services		
Rendering of services - external entities	7,453	14,846
Marine Industry fees	67,000	59,520
Total rendering of services	74,453	74,366
Note 16C: Interest		
Loans – State and Territory Governments	4,634	5,119
Total interest	4,634	5,119
Note 16D: Dividends		
Australian Government entities	–	66,600
Total dividends	–	66,600
Note 16E: Contributions		
Dairy regional assistance program reimbursements	–	76
Airport environment officers contribution	869	939
Refund previous years payments	1,299	1,813
Reimbursement of prior years' levies	34	139
- International Oil Pollution Compensation Fund		
Total contributions	2,202	2,967
Note 16F: Royalties		
Mining royalties	–	579
Lotteries	–	64
Total royalties	–	643

Department of Infrastructure, Transport, Regional Development and Local Government

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

	2009	2008
	\$'000	\$'000
Note 16: Income administered on behalf of Government (Continued)		
Note 16G: Rental Income		
Operating lease:		
Housing rental	2,796	3,855
Land rent	–	35
Commercial rent	–	244
Total rental income	2,796	4,134
Note 16H: Other Revenue		
Other revenue	5	241
Grants received from related entities ¹	1,005,000	–
Total other revenue	1,005,005	241
Total revenues administered on behalf of Government	1,173,109	234,798
Gains		
Note 16I: Sale of Assets		
Land and buildings		
Proceeds from sale	–	10,676
Carrying value of asset sold	–	(303)
Selling expense	–	(10,225)
Total net gain from disposal of assets	–	148
Note 16J: Other Gains		
Write-back of doubtful debts provision	–	47
Assets first recognised	–	7,550
Total other gains	–	7,597
Total gains administered on behalf of Government	–	7,745
Total income administered on behalf of Government	1,173,109	242,543

¹ Refer to Note 1.21

Department of Infrastructure, Transport, Regional Development and Local Government

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

	2009	2008
	\$'000	\$'000
Note 17: Expenses administered on behalf of Government		
Note 17A: Grants		
Public sector:		
Australian Government entities (related entities)	76,999	39,148
State and Territory Governments	7,015,278	4,376,933
Local Governments	1,010,126	444,129
Private sector:		
Non-profit organisations	118,419	104,577
Overseas	2,147	1,845
Total grants	8,222,969	4,966,632
Note 17B: Subsidies		
Tasmanian Freight Equalisation Scheme	109,418	101,252
Bass Strait Passenger Vehicle Equalisation Scheme	35,060	30,103
Other	10,710	11,014
Total subsidies	155,188	142,369
Note 17C: Employee Benefits		
Wages and Salaries	–	2,233
Superannuation		
Defined contribution plans	–	289
Defined benefit plans	–	32
Leave and other entitlements	–	646
Separations and redundancies	–	3
Other employee expenses	–	1,353
Total employee benefits expense	–	4,556
Note 17D: Suppliers		
Workers compensation premiums	–	60
Rendering of services - related entities	–	3,235
Rendering of services - external entities	17,256	34,581
Operating lease rentals:		
Minimum lease payments	–	316
Total suppliers	17,256	38,192

Department of Infrastructure, Transport, Regional Development and Local Government

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

	2009 \$'000	2008 \$'000
Note 17: Expenses administered on behalf of Government (Continued)		
Note 17E: Depreciation and Amortisation		
Depreciation		
Buildings	1,062	7,408
Infrastructure, plant and equipment	-	6,005
Total depreciation	1,062	13,413
Amortisation		
Intangibles – phosphate mine lease	-	86
Total amortisation	-	86
Total depreciation and amortisation	1,062	13,499
Note 17F: Write-down and impairment of assets		
Impairment of financial assets	-	72
Impairment of infrastructure, plant and equipment	-	8
Total write-down and impairment of assets	-	80
Note 17G: Sale of Assets		
Investments		
Proceeds from sale	-	-
Net book value of assets sale	-	66,513
Net loss from sale of investments	-	66,513
Total proceeds from sale	-	-
Total value of assets sale and selling expenses	-	66,513
Total net loss from sale of assets	-	66,513
Note 17H: Payments to CAC Act Bodies		
Australian Maritime Safety Authority	118,142	-
Civil Aviation Safety Authority	124,134	-
Total payments to CAC Act bodies	242,276	-
Payments to CAC Act bodies include annual appropriations (Note 26A) and special appropriations (Note 26C).		
Note 17I: Other Expenses		
Reimbursement of previous years' levies	34	139
Other	3,887	805
Total other expenses	3,921	944
Total expenses administered on behalf of Government	8,642,672	5,232,785

Department of Infrastructure, Transport, Regional Development and Local Government

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

	2009	2008
	\$'000	\$'000
Note 18: Assets administered on behalf of Government		
Financial assets		
Note 18A: Cash and Cash Equivalents		
Administered bank accounts	1,296	125
Total cash and cash equivalents	1,296	125
Note 18B: Receivables		
Loans:		
State and Territory Governments	45,584	50,832
Total loans	45,584	50,832
Goods and services receivable - external parties	237	3,772
Less: impairment allowance account	-	-
Total goods and services	237	3,772
Other – GST receivable from Australian Taxation Office	1,999	1,202
Total receivables (net)	47,820	55,806

Loans are made under financial assistance legislation for periods up to 100 years. No security is generally required. Principal is repaid in full at maturity. Interest rates are fixed. Effective interest rates average 8.10% (2008: 8.10%). Interest payments are due on the last day of each quarter.

Receivables are aged as follows:

Not overdue	47,616	55,592
Overdue by:		
Less than 30 days	-	214
30 to 60 days	-	-
61 to 90 days	-	-
More than 90 days	204	-
Total receivables (gross)	47,820	55,806

The impairment allowance account is aged as follows:

Not overdue	-	-
Overdue by:		
Less than 30 days	-	-
31 to 60 days	-	-
61 to 90 days	-	-
More than 90 days	-	-
Total impairment allowance account	-	-

Department of Infrastructure, Transport, Regional Development and Local Government

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**Reconciliation of the impairment allowance account:**

Movements in relation to 2009

	Goods and services	Other receivables	Total
	2009	2009	2009
	\$'000	\$'000	\$'000
Opening balance	–	–	–
Amounts written off	–	–	–
Amounts recovered and reversed	–	–	–
Increase/decrease recognised in net surplus	–	–	–
Closing Balance	–	–	–

Movements in relation to 2008

	Goods and services	Other receivables	Total
	2008	2008	2008
	\$'000	\$'000	\$'000
Opening balance	84	–	84
Amounts written off	(3)	–	(3)
Amounts transferred to Attorney-General's Department	(34)	–	(34)
Amounts recovered and reversed	–	–	–
Increase/decrease recognised in net surplus	(47)	–	(47)
Closing Balance	–	–	–

2009	2008
\$'000	\$'000

Note 18C: Investments Accounted for Using the Equity Method

Australian Government authorities:

National Road Transport Commission	1,225	620
Airservices Australia	334,000	361,000
Australian Maritime Safety Authority	146,242	106,720
Civil Aviation Safety Authority	100,403	61,414

Australian Government companies:

Australian Rail Track Corporation Limited	1,830,100	1,381,200
Total equity accounted investments	2,411,970	1,910,954

The principal activities of each of the controlled activities are disclosed at Note 24.

The increase of \$501,016,000 in investments from the prior year has been recognised as a revaluation taken to the investment reserve. Refer to Note 20.

Department of Infrastructure, Transport, Regional Development and Local Government

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

	2009	2008
	\$'000	\$'000
Note 18: Assets administered on behalf of Government (continued)		
Note 18D: Accrued Revenue		
Levies, fees and fines	5,916	5,218
Rendering of services - external entities	855	834
Interest	1,022	1,144
Total accrued revenue	7,793	7,196
Total Financial Assets	2,468,879	1,974,081
Non-financial assets		
Note 18E: Land and Buildings		
Land – at fair value	49,200	49,200
Total land	49,200	49,200
Buildings – at fair value	15,151	15,151
Accumulated depreciation	(1,413)	(351)
Total buildings	13,738	14,800
Total land and buildings (non-current)	62,938	64,000
Note 18F: Infrastructure, Plant and Equipment		
Heritage and cultural:		
Historical aircraft	7,550	7,550
Accumulated depreciation	–	–
Total infrastructure, plant and equipment	7,550	7,550

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

In 2007-08, independent valuers PrestonRowePaterson NSW Pty Ltd conducted the valuations.

Revaluation decrements for land 2009: nil (2008: \$800,000) were debited to the asset revaluation reserve by asset class, and decrements for buildings on freehold land 2009: nil (2008: \$140,130) were debited to the asset revaluation reserve by asset class; no decrements were expensed.

Department of Infrastructure, Transport, Regional Development and Local Government

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**Note 18: Assets administered on behalf of Government (continued)**

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

	Land	Buildings on Freehold Land	Land & Buildings – Total	Infrastructure, Plant & Equipment	Heritage & Cultural	Infrastructure, Plant & Equipment – Total	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
As at 1 July 2008							
Gross book value	49,200	15,151	64,351	–	7,550	7,550	71,901
Accumulated depreciation/ amortisation and impairment	–	(351)	(351)	–	–	–	(351)
Net book value 1 July 2008	49,200	14,800	64,000	–	7,550	7,550	71,550
Additions:							
by purchase	–	–	–	–	–	–	–
from acquisition of operations (including restructuring)	–	–	–	–	–	–	–
Revaluations and impairments through equity	–	–	–	–	–	–	–
Depreciation/amortisation expense	–	(1,062)	(1,062)	–	–	–	(1,062)
Impairments recognised in the operating result	–	–	–	–	–	–	–
Other movements							
Reclassifications	–	–	–	–	–	–	–
Assets first recognised	–	–	–	–	–	–	–
Disposals:							
from disposal of operations (including restructuring)	–	–	–	–	–	–	–
other disposals	–	–	–	–	–	–	–
Net book value 30 June 2009	49,200	13,738	62,938	–	7,550	7,550	70,488
Net book value as of 30 June 2009 represented by:							
Gross book value	49,200	15,151	64,351	–	7,550	7,550	71,901
Accumulated depreciation/ amortisation and impairment	–	(1,413)	(1,413)	–	–	–	(1,413)
	49,200	13,738	62,938	–	7,550	7,550	70,488

All revaluations are independent and are conducted in accordance with the revaluation policy stated at Note 1.17.

Department of Infrastructure, Transport, Regional Development and Local Government

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

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

	Land	Buildings on Freehold Land	Land & Buildings – Total	Infrastructure, Plant & Equipment	Heritage & Cultural	Infrastructure, Plant & Equipment – Total	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
As at 1 July 2007							
Gross book value	99,567	96,196	195,763	150,528	53,852	204,380	400,143
Accumulated depreciation/amortisation and impairment	–	(8,287)	(8,287)	(5,409)	(237)	(5,646)	(13,933)
Net book value 1 July 2007	99,567	87,909	187,476	145,119	53,615	198,734	386,210
Additions:							
by purchase	–	211	211	1,739	–	1,739	1,950
from acquisition of operations (including restructuring)	–	–	–	–	–	–	–
Revaluations and impairments through equity	(800)	140	(660)	–	–	–	(660)
Depreciation/amortisation expense	–	(7,408)	(7,408)	(5,682)	(323)	(6,005)	(13,413)
Impairments recognised in the operating result	–	–	–	(3)	(5)	(8)	(8)
Other movements							
Reclassifications	148	(577)	(429)	429	–	429	–
Assets first recognised	–	–	–	–	7,550	7,550	7,550
Disposals:							
from disposal of operations (including restructuring)	(49,565)	(65,322)	(114,887)	(141,555)	(53,287)	(194,842)	(309,729)
other disposals	(150)	(153)	(303)	(47)	–	(47)	(350)
Net book value 30 June 2008	49,200	14,800	64,000	–	7,550	7,550	71,550
Net book value as of 30 June 2008 represented by:							
Gross book value	49,200	15,151	64,351	–	7,550	7,550	71,901
Accumulated depreciation/amortisation and impairment	–	(351)	(351)	–	–	–	(351)
	49,200	14,800	64,000	–	7,550	7,550	71,550

Department of Infrastructure, Transport, Regional Development and Local Government

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

	2009 \$'000	2008 \$'000
Note 18: Assets administered on behalf of Government (continued)		
Note 18G: Prepayments		
Grant prepayments	390,554	1,387,967
Total prepayments	390,554	1,387,967
Total non-financial assets	461,042	1,459,517
Total assets administered on behalf of Government	2,929,921	3,433,598
Note 19: Liabilities administered on behalf of Government		
Payables		
Note 19A: Suppliers		
Trade creditors	1,669	994
Total suppliers	1,669	994
All creditors are entities that are not part of the Australian Government. Settlement is usually made net 30 days.		
Note 19B: Subsidies		
Payable to external parties	4,637	1,379
Total subsidies	4,637	1,379
Note 19C: Grants		
Public sector:		
State and Territory Governments	9,356	27,065
Total public sector	9,356	27,065
Private sector:		
Non-profit organisations	1,531	901
Total private sector	1,531	901
Total grants	10,887	27,966
Settlement is usually made according to the terms and conditions of each grant. This is usually within 30 days of performance or eligibility. All grants are to entities that are not part of the Australian Government.		
Total payables	17,193	30,339
Total liabilities administered on behalf of Government	17,193	30,339
All liabilities are expected to be settled within 12 months of balance date except where otherwise stated.		

Department of Infrastructure, Transport, Regional Development and Local Government

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

	Notes	2009 \$'000	2008 \$'000
Note 20: Administered Reconciliation Table			
Opening administered assets less administered liabilities as at 1 July		3,403,259	4,365,119
Plus: Administered income		1,173,109	242,543
Less: Administered expenses (non CAC)		(8,400,396)	(5,232,785)
Payments to CAC Act bodies		(242,276)	–
		(4,066,304)	(625,123)
Administered transfers to/from Australian Government:			
Appropriation transfers from OPA:			
Annual appropriations for administered expenses (non CAC)		3,987,192	2,653,985
Administered assets and liabilities appropriations		422,000	3
Annual appropriations for payment to CAC Act bodies		96,623	–
GST		11,692	12,740
Special appropriations (limited) (non CAC)		–	683
Special appropriations (unlimited) (non CAC)		2,373,495	1,766,962
Special appropriations (unlimited) paid to CAC Act bodies		145,653	–
Special Accounts		1,054,885	54,496
Transfers to OPA		(1,121,886)	(204,626)
Transfers to OPA non-cash		(69,638)	(59,520)
Restructuring		–	(437,609)
Administered revaluations taken from reserves		–	(660)
Administered investments - revaluations taken to reserves		79,016	241,928
Closing administered assets less administered liabilities as at 30 June		2,912,728	3,403,259

Department of Infrastructure, Transport, Regional Development and Local Government

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**Note 21: Administered Restructuring****Note 21A: Administered Restructuring****Current year restructuring**

There were no restructures in 2008–09.

Prior year restructuring

As a result of a restructuring of Administrative Arrangements Orders of 3 December 2007, the Department relinquished its responsibility for the Territories and Natural Disaster Relief programs to the Attorney-General's Department. The transfer took effect from 24 January 2008.

In respect of the functions relinquished, the following assets and liabilities were transferred by the Department:

	2008 \$'000
Assets Relinquished	
Financial Assets	
Receivables	135,307
Total financial assets	<u>135,307</u>
Non-Financial Assets	
Land and buildings ¹	114,886
Infrastructure, plant and equipment ²	141,555
Heritage and cultural ³	53,288
Intangibles	1,685
Inventories	2,061
Prepayments	451
Total non-financial assets	<u>313,926</u>
Total Assets Relinquished	<u>449,233</u>
Liabilities Relinquished	
Provisions	
Employee provisions	1,313
Asbestos removal provision	7,276
Phosphate mine rehabilitation provision	3,034
Total provisions	<u>11,623</u>
Payables	
Suppliers	1
Total payables	<u>1</u>
Total liabilities relinquished	<u>11,624</u>
Net increase / (decrease) in net assets during the year	<u>437,609</u>

1 The transfer of land and buildings also included the transfer of the associated asset revaluation reserve of \$50,796,869.

2 The transfer of infrastructure, plant and equipment also included the transfer of the associated asset revaluation reserve of \$45,095,091.

3 The transfer of heritage and cultural assets also included the transfer of the associated asset revaluation reserve of \$15,441,911.

Department of Infrastructure, Transport, Regional Development and Local Government

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Note 21B: Administered Restructuring – derecognised through the income statement

On 24 September 2007 the *Maritime Legislation Amendment Act 2007* (the integration act) received Royal Assent. This legislation integrated the operations of the Australian Maritime College into the University of Tasmania as at 1 January 2008. From January 2008 the Australian Maritime College (AMC) will operate as an institute within the University of Tasmania.

As at 1 January 2008, all assets and liabilities vested in the AMC became vested in the University of Tasmania. The assets included not only actual, contingent or prospective legal or equitable interests in real or personal property, but also rights, powers, privileges or immunities whether actual, contingent or prospective. The rights and liabilities include rights and liabilities under contracts or the common law.

The Finance Minister's Orders for Financial Reporting (requirements and guidance for the preparation of financial statements of Australian Government Entities for reporting periods on or after 1 July 2007), s92.5 require that all transfers of assets and liabilities from one Entity to another must be treated as giving rise to income or expenses in the financial period the transfer occurs. Accordingly the transfer of the AMC was recognised as a loss on disposal of investment (refer to Note 17G).

The assets transferred to the University of Tasmania at the date of transfer were:

	2008
	\$'000
	<hr/>
Total assets relinquished	<hr/> 66,513 <hr/>

Department of Infrastructure, Transport, Regional Development and Local Government

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**Note 22: Administered Contingent Liabilities****Quantifiable Administered Contingencies**

Quantifiable Administered Contingencies that are not remote are disclosed in the Schedule of Administered Items as Quantifiable Administered Contingencies.

Code Management Company – Indemnity for the Code of Practice for the Defined Interstate Rail Network

The Code Management Company (CMC), is a company owned by the Australasian Railway Association whose members include all of Australia's major rail operators and track owners and representatives from smaller companies. The Australian Government has provided an indemnity to CMC against all loss or expense that occurred prior to the transfer of ownership from the Commonwealth relating to the correct use or application of Code of Practice for the Defined Interstate Rail Network. The Code sets out a national approach to operational and engineering practices, including uniform standards for safe working, train operations and freight loading specifications. The indemnity is limited to an aggregate of \$50 million for a period of six years from the date of transfer of ownership and expires on 15 July 2009.

Unquantifiable Administered Contingencies**Australian Maritime Safety Authority (AMSA) Incident Costs:**

In the normal course of operation, AMSA is responsible for the provision of funds necessary to meet the clean up costs arising from ship sourced marine pollution, and in all circumstances is responsible for making appropriate efforts to recover costs of any such incidents. AMSA's liability is capped at \$10 million. The Australian Government meets costs that cannot be recovered from such incidents. It is not possible to estimate the amounts of any eventual payments that maybe required in relation to these incident costs.

Sales Indemnities:

Indemnities given to Australian National Sales in relation to the acquisition of SA Rail, PAXRAIL and TASRAIL from the Australian Government.

Civil Aviation Safety Authority:

Indemnity in relation to safety regulation activities.

Department of Infrastructure, Transport, Regional Development and Local Government

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Note 22: Administered Contingent Liabilities (continued)

Remote Administered Contingencies

Tripartite Deed relating to the Sale of Core Regulated Airports:

Tripartite Deeds apply to the 12 Core Regulated Airports (Sydney, Melbourne, Brisbane, Perth, Canberra, Coolangatta, Townsville, Adelaide, Hobart, Launceston, Darwin and Alice Springs). The Tripartite Deeds between the Australian Government, airport lessees and lessees' financiers provide for limited step in rights for the financiers in circumstances where the airport lease is terminated. Assuming the financiers' step in rights are not triggered, the potential liability of the Australian Government can vary under the Tripartite Deed, depending on whether the airport lease is able to be sold on to a third party or not.

The Australian Government's potential liability to the lessees' financiers is limited to the value received for the affected airport lease or the valuation of the airport site. Where the Australian Government is able to sell on the airport lease, secured financiers have a limited ability to recover their loans from funds obtained by the Australian Government from selling on the airport lease, subject to higher ranking claims being met first. Where the airport lease is not sold on, the Australian Government is required to obtain a valuation of the airport site that will determine the limit for a repayment (or partial repayment) of financiers' loans again subject to higher ranking claims being met. If the Australian Government enters into possession of an airport site, it would seek to recover its costs from a number of sources, including airport revenues and the airport lessee company, in addition to funds obtained from selling the airport lease.

Assumed Residual Liabilities of the Australian National Railways Commission:

The Australian Government under Schedule 3 of the *Australian National Railways Commission Sale Act 1997* assumed the residual liabilities of the Australian National Railways Commission. A writ of summons was filed in the High Court of Australia on 20 August 2004 and a statement of claim on behalf of 24 other plaintiffs was filed in District Court of South Australia on 22 September 2005. The writ sought unspecified damages for personal injuries as a result of exposure to lead and other particles from trains carrying lead and zinc ore.

National Rail Corporation (NRC) Ltd Directors' Indemnity:

The Australian Government jointly indemnifies with other shareholders of the corporation, the directors of NRC against claims and legal costs as a consequence of actions that relate to the sale of NRC.

Department of Infrastructure, Transport, Regional Development and Local Government

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Note 22: Administered Contingent Liabilities (continued)

Remote Administered Contingencies (continued)

Adelaide Aircraft Noise Insulation Program – Air-conditioning unit warrantie

The Australian Government has provided Warranties in relation to the maintenance of air-conditioning units installed as part of the program. As at 30 June 2009 there are 3 warranties remaining, they are all due to expire in the 2009-10 financial year.

Aircraft Technical Publishers (ATP)

Indemnity protecting ATP against misuse of their aircraft library products and services by the ATSB.

TNT Australia Pty Ltd

Indemnity contained in TNT standard freight consignment notes.

Note 23: Administered Contingent Assets

The Department has no Administered contingent assets at 30 June 2009 (30 June 2008: nil).

Note 24: Administered Investments

The principal activities of each of the controlled entities are as follows:

- * National Transport Commission – provides advice to Australian Governments on road transport.
- * Airservices Australia – provides services to national air transport, including air traffic control and navigation facilities, as well as airport fire fighting services.
- * Australian Maritime Safety Authority – provides regulation and oversight of Australian shipping, maritime navigation facilities and search and rescue services.
- * Civil Aviation Safety Authority – responsible for setting aviation safety standards, registration of aircraft, licensing and compliance with safety standards.
- * Australian Rail Track Corporation – manages access to the national interstate rail track and infrastructure network, as well as train control services.

Department of Infrastructure, Transport, Regional Development and Local Government

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**Note 25: Administered Financial Instruments****Note 25A: Categories of Administered Financial Instruments**

	Notes	2009 \$'000	2008 \$'000
Financial Assets			
Cash and cash equivalents			
Administered bank accounts	18A	1,296	125
		<u>1,296</u>	<u>125</u>
Loans and receivables financial assets			
Loans to State and Territory Governments	18B	45,584	50,832
Trade receivables	18B	237	3,772
Accrued revenue	18D	7,793	7,196
		<u>53,614</u>	<u>61,800</u>
Available-for-sale financial assets			
Investments	18C	2,411,970	1,910,954
		<u>2,411,970</u>	<u>1,910,954</u>
Carrying amount of financial assets		<u>2,466,880</u>	<u>1,972,879</u>
Financial Liabilities			
At amortised cost			
Trade creditors	19A	1,669	994
Subsidies payable	19B	4,637	1,379
Grants payable	19C	10,887	27,966
		<u>17,193</u>	<u>30,339</u>
Carrying amount of financial liabilities		<u>17,193</u>	<u>30,339</u>
Note 25B: Net Income and Expenses from Financial Assets			
Loans and receivables financial assets			
Interest revenue	16C	4,634	5,119
Net gain loans and receivables		<u>4,634</u>	<u>5,119</u>
Available-for-sale assets			
Dividend revenue	16D	–	66,600
Administered investments taken to/(from) reserves	20	79,016	241,928
Net gain/(loss) available for sale		<u>79,016</u>	<u>308,528</u>
Net gain/(loss) from financial assets		<u>83,650</u>	<u>313,647</u>

Department of Infrastructure, Transport, Regional Development and Local Government

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**Note 25C: Fair Values of Financial Instruments**

		2009 Carrying Amount \$'000	2009 Fair Value \$'000	2008 Carrying Amount \$'000	2008 Fair Value \$'000
	Notes				
Administered					
Financial Assets					
Cash and cash equivalents	18A	1,296	1,296	125	125
Loans to State and Territory Governments	18B	45,584	45,584	50,832	50,832
Trade receivables	18B	237	237	3,772	3,772
Accrued revenue	18D	7,793	7,793	7,196	7,196
Investments	18C	2,411,970	2,411,970	1,910,954	1,910,954
Total financial assets		2,466,880	2,466,880	1,972,879	1,972,879
Financial Liabilities (Recognised)					
Trade creditors	19A	(1,669)	(1,669)	(994)	(994)
Subsidies payable	19B	(4,637)	(4,637)	(1,379)	(1,379)
Grants payable	19C	(10,887)	(10,887)	(27,966)	(27,966)
Total financial liabilities (recognised)		(17,193)	(17,193)	(30,339)	(30,339)

Valuation method used for determining the fair value of financial instruments

The following table identifies for those assets and liabilities (those at fair value through profit and loss or available-for-sale) carried at fair value (above) whether fair value was obtained by reference to market prices or by a valuation technique that employs observable market transactions, or one that uses non-observable market inputs to determine a fair value.

		Valuation technique utilising			Total
		Market values \$'000	Market inputs \$'000	Non-market inputs \$'000	Total \$'000
Administered					
Financial assets at fair value					
Held to maturity financial assets					
Investments	18C	–	–	2,411,970	2,411,970
Total financial assets at fair value		–	–	2,411,970	2,411,970

Department of Infrastructure, Transport, Regional Development and Local Government

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**Note 25D: Credit Risk Exposures**

The administered activities of the Department are not exposed to a high level of credit risk as the majority of financial assets are trade receivables, loans to State and Territory Governments and shares in government controlled and funded entities.

The Department manages its credit risk by ensuring that the Department has policies and procedures in relation to debt management.

The maximum exposure to credit risk is outlined in the table below.

	Notes	2009 \$'000	2008 \$'000
Administered			
Financial assets			
Loans and receivables			
Loans to State and Territory Governments	18B	45,584	50,832
Trade receivables	18B	237	3,772
Held to maturity assets			
Investments	18C	2,411,970	1,910,954
Total financial assets		2,457,791	1,965,558

The Department has assessed the risk of default on payment and has allocated the following amounts to an allowance for doubtful debts account:

Goods and services receivables	nil in 2009 (2008:nil)
Loans to State and Territory Governments	nil in 2009 (2008:nil)
Loans to other governments	nil in 2009 (2008:nil)

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

	Notes	2009 Not Past Due Nor Impaired \$'000	2008 Not Past Due Nor Impaired \$'000	2009 Past Due or Impaired \$'000	2008 Past Due or Impaired \$'000
Loans and Receivables					
Trade receivables	18B	33	3,558	204	214
Loans to State and Territory Governments	18B	45,584	50,832	–	–
Held to maturity assets					
Investments	18C	2,411,970	1,910,954	–	–
Total loans and receivables		2,457,587	1,965,344	204	214

Department of Infrastructure, Transport, Regional Development and Local Government

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**Note 25D: Credit Risk Exposures (continued)**

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

	0 to 30 days \$'000	31 to 60 days \$'000	61 to 90 days \$'000	90+ days \$'000	Total \$'000
Loans and Receivables					
Trade receivables	–	–	–	204	204
Total loans and receivables	–	–	–	204	204

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

	0 to 30 days \$'000	31 to 60 days \$'000	61 to 90 days \$'000	90+ days \$'000	Total \$'000
Loans and Receivables					
Trade receivables	214	–	–	–	214
Total loans and receivables	214	–	–	–	214

Note 25E: Liquidity Risk

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

The following tables illustrates the maturities for financial liabilities

	2009 On demand \$'000	2009 within 1 year \$'000	2009 1 to 5 years \$'000	2009 > 5 years \$'000	Total \$'000
Other Liabilities					
Trade creditors	–	1,669	–	–	1,669
Subsidies payable	–	4,637	–	–	4,637
Grants payable	–	10,887	–	–	10,887
Total other liabilities	–	17,193	–	–	17,193

Department of Infrastructure, Transport, Regional Development and Local Government

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Note 25E: Liquidity Risk (continued)

	2008 On demand \$'000	2008 within 1 year \$'000	2008 1 to 5 years \$'000	2008 > 5 years \$'000	Total \$'000
Other Liabilities					
Trade creditors	–	994	–	–	994
Subsidies payable	–	1,379	–	–	1,379
Grants payable	–	27,966	–	–	27,966
Total other liabilities	–	30,339	–	–	30,339

The Department's administered activities are appropriated funding from the Australian Government. The Department manages its budgeted administered funds to ensure that it has adequate funds to meet payments as they fall due. In addition, the Department has policies in place to ensure timely payments are made when due and has no past experience of default.

Note 25F: Market Risk

The Department holds basic financial instruments that do not expose the Department to certain market risks. The Department is not exposed to currency risk or commodity and equity securities price risk.

Interest rate risk

The only interest-bearing item on the balance sheet is the Loans to State and Territory Governments which bear interest at a fixed interest rate and will not fluctuate due to changes in the market interest rate.

Department of Infrastructure, Transport, Regional Development and Local Government

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**Note 26: Appropriations****Note 26A: Acquittal of Authority to Draw Cash from the Consolidated Revenue Fund for Ordinary Annual Services Appropriations**

Particulars	Administered Expenses			
	Outcome 1		Outcome 2	
	2009	2008	2009	2008
	\$'000	\$'000	\$'000	\$'000
Balance brought forward from previous period	43,298	–	27,753	75,692
Balance brought forward from CAC Act bodies	–	–	–	–
Adjustment of prior year overstatement of receivable	–	–	–	–
Adjustment for overstatement of prior periods section 8 determination	–	–	–	172
Adjusted balance brought forward from previous period	43,298	–	27,753	75,864
Appropriation Act:				
Appropriation Act (No.1)	102,186	91,719	182,440	173,004
Appropriation Act (No.3)	111	(2,133)	3,866	17,691
Appropriation Act (No.5)	–	–	–	–
Other annual appropriation acts	–	–	–	–
Departmental appropriations reduced (Appropriation Act s10)	–	–	–	–
Administered appropriations reduced (non CAC) (Appropriation Act s11) ¹	(43,298)	–	(20,027)	(67,108)
Comcover receipts (Appropriation Act s12)	–	–	–	–
Advance to the Finance Minister (Appropriation Act s14)	–	–	–	–
Appropriation reduced by section 9 determinations (prior year)	–	–	–	–
FMA Act:				
Appropriations to take account of recoverable GST (FMA Act s30A)	732	690	1,732	2,468
Relevant agency receipts (FMA Act s31)	–	–	–	–
Adjustment of appropriations on change of agency function (FMA Act s32)	–	–	–	(1,905)
Total appropriation available for payments	103,029	90,276	195,764	200,014
Cash payments made during the year (GST inclusive)	90,927	46,978	177,941	172,261
Appropriations credited to special accounts (GST exclusive)	–	–	–	–
Balance of authority to draw cash from the Consolidated Revenue Fund for ordinary annual services appropriations	12,102	43,298	17,823	27,753

Department of Infrastructure, Transport, Regional Development and Local Government

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**Note 26A: Acquittal of Authority to Draw Cash from the Consolidated Revenue Fund for Ordinary Annual Services Appropriations (continued)**

Administered Expenses				Departmental Outputs		Total	
Outcome 3		Payments to CAC Act bodies					
2009	2008	2009	2008	2009	2008	2009	2008
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
40,899	93,298	–	–	97,586	90,380	209,536	259,370
–	–	2,778	–	–	–	2,778	–
–	–	–	–	–	(408)	–	(408)
–	–	–	–	–	–	–	172
40,899	93,298	2,778	–	97,586	89,972	212,314	259,134
106,733	213,036	95,275	–	229,964	242,947	716,598	720,706
35,734	20,016	–	–	8,183	3,844	47,894	39,418
16,400	–	–	–	3,666	–	20,066	–
–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–
(40,039)	(44,139)	(1,430)	–	–	–	(104,794)	(111,247)
–	–	–	–	–	5	–	5
–	–	–	–	–	–	–	–
–	–	–	–	–	(2,000)	–	(2,000)
9,208	9,418	–	–	10,566	10,463	22,238	23,039
–	6,804	–	–	2,623	5,291	2,623	12,095
–	(114,208)	–	–	708	(7,419)	708	(123,532)
168,935	184,225	96,623	–	353,296	343,103	917,647	817,618
110,254	143,326	96,623	–	254,760	245,517	730,505	608,082
–	–	–	–	–	–	–	–
58,681	40,899	–	–	98,536	97,586	187,142	209,536

Department of Infrastructure, Transport, Regional Development and Local Government

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**Note 26A: Acquittal of Authority to Draw Cash from the Consolidated Revenue Fund for Ordinary Annual Services Appropriations (continued)**

Particulars	Administered Expenses			
	Outcome 1		Outcome 2	
	2009	2008	2009	2008
	\$'000	\$'000	\$'000	\$'000
Represented by:				
Cash at bank and on hand	–	–	–	–
Receivable - departmental appropriations	–	–	–	–
Receivables - GST receivable from ATO	–	–	–	–
Undrawn, unlapsd administered appropriations	12,102	43,298	17,823	27,753
Total	12,102	43,298	17,823	27,753

Particulars	Administered Expenses			
	Outcome 1		Outcome 2	
	2009	2008	2009	2008
	\$	\$	\$	\$
Reduction in administered items²				
Total administered items appropriated	102,297,000.00	–	186,306,000.00	–
Less administered items required by the agency per Appropriation Act s11 ³ :				
Appropriation Act (No.1) 2008-2009	90,199,596.71	–	176,037,315.83	–
Appropriation Act (No.3) 2008-2009	–	–	3,735,183.71	–
Appropriation Act (No.5) 2008-2009	–	–	–	–
Other annual appropriation acts	–	–	–	–
Total administered items required by the agency	90,199,596.71	–	179,772,499.54	–
Total reduction in administered items – effective 2009-2010	12,097,403.29	–	6,533,500.46	–

¹ In 2008-2009 (and the comparative figure for 2007-2008), this represents the amount calculated under the relevant Appropriation Acts section 8 determination, during the year, in respect of the previous year's administered items.

² This is the first year of administered items being reduced under section 11. Numbers in this section of the table are not rounded.

³ Administered items for 2008-2009 were reduced to these amounts when these financial statements were tabled in the Parliament as part of the Department's 2008-2009 annual report. This reduction is effective in 2009-2010 and the amounts in the Total Reduction row will be reflected in the top section of Table A in the 2009-2010 financial statements in the row 'Administered appropriations reduced (non CAC)'.

Department of Infrastructure, Transport, Regional Development and Local Government

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**Note 26A: Acquittal of Authority to Draw Cash from the Consolidated Revenue Fund for Ordinary Annual Services Appropriations (continued)**

Administered Expenses				Departmental Outputs		Total	
Outcome 3		Payments to CAC Act bodies					
2009	2008	2009	2008	2009	2008	2009	2008
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
–	–	–	–	3,472	3,926	3,472	3,926
–	–	–	–	93,381	91,745	93,381	91,745
–	–	–	–	1,683	1,915	1,683	1,915
58,681	40,899	–	–	–	–	88,606	111,950
58,681	40,899	–	–	98,536	97,586	187,142	209,536

Administered Expenses				Departmental Outputs		Total	
Outcome 3		Payments to CAC Act bodies					
2009	2008	2009	2008	2009	2008	2009	2008
\$	\$	\$	\$	\$	\$	\$	\$
158,867,000.00	–	–	–	–	–	447,470,000.00	–
93,069,138.21	–	–	–	–	–	359,306,050.75	–
8,181,783.77	–	–	–	–	–	11,916,967.48	–
–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–
101,250,921.98	–	–	–	–	–	371,223,018.23	–
57,616,078.02	–	–	–	–	–	76,246,981.77	–

Department of Infrastructure, Transport, Regional Development and Local Government

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**Note 26B: Acquittal of Authority to Draw Cash from the Consolidated Revenue Fund for other than Ordinary Annual Services Appropriations**

	Operating									
	Outcome 1				Outcome 2				Outcome 3	
	Special Purpose Payments		New Additional Estimates		Special Purpose Payments		New Additional Estimates		Special Purpose Payments	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
Balance carried from previous period	31,684	698	–	–	–	–	–	–	2,637	–
Appropriation Act:										
Appropriation Act (No.2)	2,471,297	2,178,830	–	–	–	–	–	–	14,200	188,857
Appropriation Act (No.4)	–	30,532	–	–	–	–	–	–	300,067	–
Appropriation Act (No.6)	391,989	75,000	–	–	–	–	–	–	–	–
Other annual appropriation acts	230,000	–	–	–	–	–	–	–	250,000	–
Administered appropriations reduced (non CAC) (Appropriation Act s12 & 13) ¹	(28,684)	(698)	–	–	–	–	–	–	(2,637)	–
Departmental appropriations reduced (Appropriation Act s13)	–	–	–	–	–	–	–	–	–	–
CAC Act body payment items reduced (Appropriation Act s14)	–	–	–	–	–	–	–	–	–	–
Advance to the Finance Minister (Appropriation Act s15)	29,017	–	–	–	–	–	–	–	–	–
Advance to the Finance Minister recovered (2007–2008 only)	–	–	–	–	–	–	–	–	–	–
FMA Act:										
Repayments to the Commonwealth (FMA Act s30)	5	–	–	–	–	–	–	–	–	–
Appropriations to take account of recoverable GST (FMA Act s30A)	–	–	–	–	–	–	–	–	–	145
Adjustment of appropriations on change of equity function (FMA Act s32)	–	–	–	–	–	–	–	–	–	(133,870)
Total appropriations available for payments	3,125,308	2,284,362	–	–	–	–	–	–	564,267	55,132
Cash payments made during the year (GST inclusive)	3,125,308	2,252,678	–	–	–	–	–	–	494,257	52,495
Appropriations credited to Special Accounts (GST exclusive)	–	–	–	–	–	–	–	–	–	–
Balance of Authority to Draw Cash from the Consolidated Revenue Fund for Other Than Ordinary Annual Services Appropriations	–	31,684	–	–	–	–	–	–	70,010	2,637
Represented by:										
Cash at bank and on hand	–	–	–	–	–	–	–	–	–	–
Appropriation receivable	–	–	–	–	–	–	–	–	–	–
GST receivable from the ATO	–	–	–	–	–	–	–	–	–	–
Formal reductions of appropriation revenue	–	–	–	–	–	–	–	–	–	–
Departmental appropriation receivable (appropriation for additional outputs)	–	–	–	–	–	–	–	–	–	–
Undrawn, unlapsd administered appropriations	–	31,684	–	–	–	–	–	–	70,010	2,637
Total	–	31,684	–	–	–	–	–	–	70,010	2,637

Department of Infrastructure, Transport, Regional Development and Local Government

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Note 26B: Acquittal of Authority to Draw Cash from the Consolidated Revenue Fund for other than Ordinary Annual Services Appropriations (continued)

Operating Outcome 3		Non-Operating								Total	
New Additional Estimates		Payments to CAC Act bodies		Equity		Previous Years' Outputs		Admin assets and Liabilities			
2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
-	-	-	-	-	-	-	-	7,900	144,404	42,221	145,102
-	-	-	-	-	6,215	-	-	-	6,158	2,485,497	2,380,060
-	-	-	-	-	-	-	-	-	-	300,067	30,532
-	-	-	-	-	-	-	-	1,188,900	-	1,580,889	75,000
-	-	-	-	-	-	-	-	-	-	480,000	-
-	-	-	-	-	-	-	-	-	-	(31,321)	(698)
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	29,017	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	5	-
-	-	-	-	-	-	-	-	-	-	-	145
-	-	-	-	-	-	-	-	-	(142,659)	-	(276,529)
-	-	-	-	-	6,215	-	-	1,196,800	7,903	4,886,375	2,353,612
-	-	-	-	-	6,215	-	-	422,000	3	4,041,565	2,311,391
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	774,800	7,900	844,810	42,221
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	774,800	7,900	844,810	42,221
-	-	-	-	-	-	-	-	774,800	7,900	844,810	42,221

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Department of Infrastructure, Transport, Regional Development and Local Government

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**Note 26B: Acquittal of Authority to Draw Cash from the Consolidated Revenue Fund for other than Ordinary Annual Services Appropriations (continued)**

	Operating									
	Outcome 1				Outcome 2				Outcome 3	
	Special Purpose Payments		New Additional Estimates		Special Purpose Payments		New Additional Estimates		Special Purpose Payments	
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Reduction in administered items²										
Total administered items appropriated	3,122,302,740.00	–	–	–	–	–	–	–	564,267,000.00	–
Less administered items required by the agency per Appropriation Act s12 ³ :	–	–	–	–	–	–	–	–	–	–
Appropriation Act (No.2) 2008-2009	2,500,313,740.00	–	–	–	–	–	–	–	220,700,247.00	–
Appropriation (Nation Building and Jobs) Act (No.2) 2008-2009	229,999,999.89	–	–	–	–	–	–	–	179,990,056.00	–
Appropriation Act (No.4) 2008-2009	–	–	–	–	–	–	–	–	93,566,753.00	–
Appropriation Act (No.6) 2008-2009	391,989,000.00	–	–	–	–	–	–	–	–	–
Other annual appropriation acts	–	–	–	–	–	–	–	–	–	–
Total administered items required by the agency	3,122,302,739.89	–	–	–	–	–	–	–	494,257,056.00	–
Total reduction in administered items – effective 2009-2010	0.11	–	–	–	–	–	–	–	70,009,944.00	–

- ¹ In 2008-2009 (and the comparative figure for 2007-2008), this represents the amount calculated under the relevant Appropriation Acts section 7 and 8 determination, during the year, in respect of the previous year's administered items.
- ² This is the first year of administered items being reduced under section 12. Numbers in this section of the table are not rounded.
- ³ Administered items for 2008-2009 were reduced to these amounts when these financial statements were tabled in the Parliament as part of the Department's 2008-2009 annual report. This reduction is effective in 2009-2010 and the amounts in the Total Reduction row will be reflected in the top section of Table B in the 2009-2010 financial statements in the row 'Administered appropriations reduced (non CAC)'.

Department of Infrastructure, Transport, Regional Development and Local Government

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Note 26B: Acquittal of Authority to Draw Cash from the Consolidated Revenue Fund for other than Ordinary Annual Services Appropriations (continued)

Operating		Non-Operating								Total	
Outcome 3		Payments to CAC Act bodies		Equity		Previous Years' Outputs		Admin assets and Liabilities			
2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-

FINANCIAL STATEMENTS

Department of Infrastructure, Transport, Regional Development and Local Government

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**Note 26C: Acquittal of Authority to Draw Cash from the Consolidated Revenue Fund
– Special Appropriations (Unlimited Amount)**

Local Government (Financial Assistance) Act 1995 – section 19	Outcome 3	
	2009 \$'000	2008 \$'000
Purpose: For payments to States, the ACT and the NT for local government purposes.		
All transactions under this act are recognised as administered items.		
Cash payments made during the year	2,370,863	1,765,848
Appropriations credited to Special Accounts	–	–
Repayments to the Commonwealth (FMA Act section 30)	–	–
Total charged to appropriation	–	–
Revised budget	2,351,298	1,777,769
Protection of the Sea (Oil Pollution Compensation Fund) Act 1993 – section 40(4)	Outcome 2	
	2009 \$'000	2008 \$'000
Purpose: For payments of contributions and late payment penalties relating to oil compensation from CRF into the International Oil Compensation Fund 1992		
All transactions under this act are recognised as administered items.		
Cash payments made during the year	2,632	123
Appropriations credited to Special Accounts	–	–
Repayments to the Commonwealth (FMA Act section 30)	–	–
Total charged to appropriation	–	–
Revised budget	3,856	500
Interstate Road Transport Act 1985 – section 14	Outcome 1	
	2009 \$'000	2008 \$'000
Purpose: To provide for payments to the States and Territories for maintenance and upkeep of roads from registration charges received from vehicles engaged in interstate trade and commerce.		
All transactions under this act are recognised as administered items.		
Cash payments made during the year	54,309	54,529
Appropriations credited to Special Accounts	54,309	54,529
Repayments to the Commonwealth (FMA Act section 30)	–	–
Total charged to appropriation	–	–
Revised budget	55,030	57,530
Australian Maritime Safety Authority Act 1990, section 48	Outcome 2	
	2009 \$'000	2008 \$'000
Purpose: To establish the Australian Maritime Safety Authority to perform the function in accordance with section 48.		
All transactions under this act are recognised as administered items.		
Cash payments made during the year	67,400	–
Appropriations credited to Special Accounts	–	–
Repayments to the Commonwealth (FMA Act section 30)	–	–
Total charged to appropriation	–	–
Revised budget	64,097	–
Payments to CAC Act bodies are now made by the Department from 2008-09. As such, the comparative figures for 2007-08 can be found in the Australian Maritime Safety Authority Annual Report 2007-08.		

Department of Infrastructure, Transport, Regional Development and Local Government

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Note 26C: Acquittal of Authority to Draw Cash from the Consolidated Revenue Fund – Special Appropriations (Unlimited Amount) (continued)

Aviation Fuel Revenues (Special Appropriation) Act 1999	Outcome 2	
	2009 \$'000	2008 \$'000
Purpose: Payment to CASA for entitled share of aviation fuel excise collected. All transactions under this act are recognised as administered items.		
Cash payments made during the year	78,253	–
Appropriations credited to Special Accounts	–	–
Repayments to the Commonwealth (FMA Act section 30)	–	–
Total charged to appropriation	–	–
Revised budget	78,112	–
Payments to CAC Act bodies are now made by the Department from 2008-09. As such, the comparative figures for 2007-08 can be found in the Civil Aviation Safety Authority Annual Report 2007-08.		
Totals for unlimited special appropriations		
Estimated actual	2,552,393	1,835,799
Cash payments made during the year	2,573,457	1,820,500

Note 26D: Acquittal of Authority to Draw Cash from the Consolidated Revenue Fund – Special Appropriations (Refund Provisions)

Section 28(2) of the <i>Financial Management and Accountability Act 1997</i>	Outcome 2	
	2009 \$'000	2008 \$'000
Purpose: For payments required or permitted by law. All transactions under this act are recognised as administered items.		
Cash payments made during the year	208	991
Appropriations credited to Special Accounts	–	–
Repayments to the Commonwealth (FMA Act section 30)	–	–
Total charged to special appropriation	–	–
Budget estimate (listing each other legislative provision that refunds have been made under)	–	–
Additional estimate (FMA Act section 28)	–	–

Department of Infrastructure, Transport, Regional Development and Local Government

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**Note 26E: Acquittal of Authority to Draw Cash from the Consolidated Revenue Fund
– Special Appropriations (Limited Amount)**

Stevedoring Levy (Collection) Act 1998 – section 18(3) and 19(2)	Outcome 1	
	2009 \$'000	2008 \$'000
Purpose: For payments in connection with stevedoring industry reform		
All transactions under this act are recognised as administered items.		
Amount available brought forward from previous period	45,235	45,918
Appropriation for reporting period	–	–
Appropriations to take account of recoverable GST (FMA Act s30A)	–	–
Available for payments	45,235	45,918
Cash payments made during the year (GST Inclusive)	–	(683)
Appropriations credited to Special Accounts	–	–
Appropriations lapsed	–	–
Amount available carried to the next period and as represented by:	45,235	45,235
Cash	–	–
Departmental appropriation receivable	–	–
Undrawn, unexpired administered appropriations	45,235	45,235
Total	45,235	45,235

Totals for Limited Special Appropriations	Outcome 1	
	2009 \$'000	2008 \$'000
Amount available brought forward from previous period	47,154	47,837
Appropriation for reporting period	–	–
Appropriations to take account of recoverable GST (FMA Act s30A)	–	–
Available for payments	47,154	47,837
Cash payments made during the year (GST Inclusive)	–	(683)
Appropriations credited to Special Accounts	–	–
Appropriations lapsed	–	–
Amount available carried to the next period and as represented by:	47,154	47,154
Cash	–	–
Departmental appropriation receivable	–	–
Undrawn, unexpired administered appropriations	47,154	47,154
Total	47,154	47,154

The Department also has responsibility for a range of Special Appropriations which are current but have had no funds appropriated or payments made. These special appropriations include:

Section 6(3) of the *Roads to Recovery Act 2000* – the balance of this appropriation is \$1,919,000

Section 27(4) of the *Sydney Airport Demand Management Act 1997* – this appropriation has a nil balance

Section 23(2) of the *Air Passenger Ticket Levy (Collection) Act 2001* – this appropriation has a nil balance

Section 67AH(4) of the *Australian National Railways Commission Sale Act 1997* – this appropriation has a nil balance.

Department of Infrastructure, Transport, Regional Development and Local Government

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**Note 27: Special Accounts**

	2009 \$'000	2008 \$'000
Interstate Road Transport		
<i>Legal Authority: Interstate Road Transport Act 1985 (Administered); s21.</i>		
<i>Appropriation: Financial Management and Accountability Act 1997; s21.</i>		
<i>Purpose: to provide for payments to the States and Territories for maintenance and upkeep of roads from registration charges received from vehicles engaged in interstate trade and commerce.</i>		
<i>This account is non interest bearing.</i>		
Balance carried from previous year	326	–
Appropriation for reporting period	54,309	54,529
GST credits (FMA Act section 30A)	–	–
Available for payments	54,635	54,529
Payments made	(49,879)	(54,203)
Balance carried to next year and as represented by:	4,756	326
Cash transferred to the OPA	4,756	326
Total balance carried to the next year	4,756	326
Federation Fund		
<i>Legal Authority: Financial Management and Accountability Act 1997; s20.</i>		
<i>Purpose: to fund projects of national significance to mark the Centenary of Federation</i>		
<i>This account is non interest bearing.</i>		
Balance carried from previous year	15,000	15,000
Appropriation for reporting period	–	–
GST credits (FMA Act section 30A)	–	–
Available for payments	15,000	15,000
Special Account abolished – funds transferred to OPA	(15,000)	–
Balance carried to next year and as represented by:	–	15,000
Cash transferred to the OPA	–	15,000
Total balance carried to the next year	–	15,000
The Federation Fund was abolished by <i>Financial Management and Accountability Determination 2009/06 – Special Accounts Abolition 2009</i> on 3 March 2009.		
BAF Infrastructure Portfolio Special Account		
<i>Legal Authority: Nation-building Funds Bill 2008; s61.</i>		
<i>Purpose: to make payments in relation to the creation or development of transport infrastructure.</i>		
Balance carried from previous year	–	–
Appropriation for reporting period	–	–
GST credits (FMA Act section 30A)	–	–
Other receipts	1,005,000	–
Available for payments	1,005,000	–
Payments made	(1,005,000)	–
Balance carried to next year and as represented by:	–	–
Cash transferred to the OPA	–	–
Total balance carried to the next year	–	–

Department of Infrastructure, Transport, Regional Development and Local Government

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Note 27: Special Accounts (continued)

	2009 \$'000	2008 \$'000
Christmas Island Phosphate Mining Rehabilitation Special Account		
<i>Legal Authority: Financial Management and Accountability Act 1997; s20.</i>		
<i>Purpose: to manage funding provided for the rehabilitation of phosphate mine sites on Christmas Island.</i>		
This account is non interest bearing		
Balance carried from previous year	–	2,599
Appropriation for reporting period	–	728
GST credits (FMA Act section 30A)	–	–
Other receipts	–	–
Available for payments	–	3,327
Payments made	–	(293)
Restructure – Transferred	–	(3,034)
Balance carried to next year and as represented by:	–	–
Cash transferred to the OPA	–	–
Total balance carried to the next year	–	–

Responsibility for this Special Account was transferred to Attorney-General's Department as a result of the updated Australian Administrative Order (AAO) released on 3 December 2007.

	2009 \$'000	2008 \$'000
Services for Other Government and Non-Agency Bodies (Trust)		
<i>Legal Authority: Financial Management and Accountability Act 1997; s20.</i>		
<i>Purpose: For expenditure in connection with services performed on behalf of other governments and bodies that are not FMA agencies</i>		
This account is non interest bearing.		
Balance carried from previous year	93	200
Other receipts – goods and services	–	–
Available for payments	93	200
Payments made	–	(69)
Restructure – transferred	–	(38)
Balance carried to next year and as represented by:	93	93
Cash held by DITRD LG	93	93
Total	93	93

	2009 \$'000	2008 \$'000
Other Trust Monies Account (Trust)		
<i>Legal Authority: Financial Management and Accountability Act 1997; s20.</i>		
<i>Purpose: Expenditure of money temporarily held on trust or otherwise for the benefit of a person other than the Commonwealth.</i>		
This account is non interest bearing.		
Balance carried from previous year	335	804
Other receipts – goods and services	13	89
Available for payments	348	893
Payments made	(29)	(69)
Restructure – transferred	–	(489)
Balance carried to next year and as represented by:	319	335
Cash held by DITRD LG	319	335
Total	319	335

Department of Infrastructure, Transport, Regional Development and Local Government

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

	2009	2008
	\$	\$
Note 28: Compensation and Debt Relief		
Administered		
No 'Act of Grace' expenses were made during the reporting period, and there were no amounts owing as at year end. (2008: no payments)	—	—
No waivers of amounts owing to the Australian Government were made pursuant to subsection 34(1) of the <i>Financial Management and Accountability Act 1997</i> (2008: no waivers)	—	—
No ex-gratia payments were provided for during the reporting period (2008: no payments).	—	—
Departmental		
No 'Act of Grace' expenses were made during the reporting period, and there were no amounts owing as at year end (2008: no payments).	—	—
No waivers of amounts owing to the Australian Government were made pursuant to subsection 34(1) of the <i>Financial Management and Accountability Act 1997</i> (2008: no waivers).	—	—
No ex-gratia payments were provided for during the reporting period (2008: no payments).	—	—
No payments were made under the 'Defective Administration Scheme' during the reporting period (2008: no payments).	—	—
No payments were made under 573 of the <i>Public Service Act 1999</i> during the reporting period (2008: no payments).	—	—

Department of Infrastructure, Transport, Regional Development and Local Government

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**Note 29: Reporting of Outcomes****Note 29A: Net Cost of Outcome Delivery**

Period From 1 July 2008 to 30 June 2009

	Outcome 1		Outcome 2	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
Expenses				
Administered	5,215,394	2,979,836	238,204	282,197
Departmental	30,855	20,526	177,699	166,959
Total expenses	5,246,249	3,000,362	415,903	449,156
Costs recovered from provision of goods and services to the non-government sector				
Administered	–	–	74,453	69,322
Departmental	44	11	1,246	1,522
Total costs recovered	44	11	75,699	70,844
Other external revenue				
Administered revenues				
Levies, fees and fines	–	–	84,019	79,267
Goods and services revenue from related entities	–	–	–	–
Interest	232	–	1	264
Dividends	–	–	–	66,600
Contributions	33	–	1,490	1,947
Royalties	–	–	–	–
Rental income	–	–	2,796	2,843
Other revenue	1,005,000	–	5	–
Gains	–	–	–	7,698
Total administered	1,005,265	–	88,311	158,619
Departmental revenues				
Goods and services revenue from related entities	2	30	2,496	2,213
Rents	45	32	314	246
Gains	88	52	614	412
Total departmental	135	114	3,424	2,871
Total other external revenues	1,005,400	114	91,735	161,490
Net cost/(contribution) of outcome	4,240,805	3,000,237	248,469	216,822

Outcomes 1, 2 and 3 are described in Note 1.1. Net costs shown include intra-government costs that are eliminated in calculating the actual Budget Outcome.

Costs have been allocated on the structure that existed at the time of the Department's Portfolio Additional Estimates Statements.

Where possible revenue and expense items have been allocated directly to the output which they relate. For corporate overhead related activities revenue and expenses have been allocated on a per capita basis, which most closely reflects actual usage. Departmental overheads are not allocated to Administered expenses.

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

Department of Infrastructure, Transport, Regional Development and Local Government

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**Note 29A: Net Cost of Outcome Delivery (continued)**

Period From 1 July 2008 to 30 June 2009

Outcome 3		Payments to CAC Act bodies *		Total	
2009	2008	2009	2008	2009	2008
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2,946,798	1,970,752	242,276	–	8,642,672	5,232,785
42,453	51,606	–	–	251,006	239,091
2,989,251	2,022,358	242,276	–	8,893,679	5,471,876
–	5,044	–	–	74,453	74,366
246	84	–	–	1,536	1,617
246	5,128	–	–	75,989	75,983
–	1,461	–	–	84,019	80,728
–	–	–	–	–	–
4,401	4,855	–	–	4,634	5,119
–	–	–	–	–	66,600
679	1,020	–	–	2,202	2,967
–	643	–	–	–	643
–	1,291	–	–	2,796	4,134
–	241	–	–	1,005,005	241
–	47	–	–	–	7,745
5,080	9,558	–	–	1,098,656	168,177
115	316	–	–	2,613	2,559
70	89	–	–	429	367
167	141	–	–	869	605
352	546	–	–	3,911	3,531
5,432	10,104	–	–	1,102,567	171,708
2,983,573	2,007,126	242,276	–	7,715,123	5,224,185

Department of Infrastructure, Transport, Regional Development and Local Government

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**Note 29B: Major Classes of Departmental Income and Expenses by Output Groups and Outputs**

Period From 1 July 2008 to 30 June 2009

Outcome 1	Output Group 1				Outcome 1 Total	
	Output 1.1.1		Output 1.1.2		2009 \$'000	2008 \$'000
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000		
Departmental expenses						
Employees	12,787	10,569	2,061	504	14,848	11,073
Suppliers	7,812	7,081	5,995	529	13,807	7,610
Depreciation and amortisation	2,034	1,418	36	48	2,070	1,466
Write-down and impairment of assets	44	175	2	4	46	179
Finance costs	28	22	2	1	30	23
Grants	54	175	–	–	54	175
Total departmental expenses	22,759	19,440	8,096	1,086	30,855	20,526
Funded by:						
Revenues from government	21,598	19,062	8,228	1,531	29,826	20,593
Goods and services revenue	38	34	8	6	46	40
Rents	43	30	2	2	45	32
Other Gains	85	49	3	3	88	52
Total departmental income	21,764	19,175	8,241	1,542	30,005	20,717

Department of Infrastructure, Transport, Regional Development and Local Government

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**Note 29B: Major Classes of Departmental Income and Expenses by Output Groups and Outputs (continued)**

Outcome 2	Output Group 2										Outcome 2 Total	
	Output 2.1.1		Output 2.2.1		Output 2.3.1		Output 2.3.2		Output 2.3.3		2009 \$'000	2008 \$'000
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000		
Departmental expenses												
Employees	13,544	12,902	42,860	37,240	8,950	7,780	9,439	7,833	18,084	17,425	92,877	83,180
Suppliers	8,078	8,937	32,490	35,382	6,828	7,520	8,128	5,727	18,388	14,929	73,912	72,495
Depreciation and amortisation	2,286	2,255	3,748	3,739	704	620	729	872	1,270	1,312	8,737	8,798
Write-down and impairment of assets	45	126	155	815	32	90	32	125	60	111	324	1,267
Finance costs	25	25	103	83	22	17	22	19	41	38	213	182
Grants	18	40	43	381	1,236	69	319	547	19	–	1,635	1,037
Total departmental expenses	23,996	24,285	79,399	77,640	17,772	16,096	18,669	15,123	37,862	33,815	177,698	166,959
Funded by:												
Revenues from government	22,636	25,172	75,751	75,960	19,432	14,801	17,665	17,073	36,359	34,693	171,843	167,699
Goods and services revenue	474	151	1,639	2,076	162	74	124	87	1,343	1,347	3,742	3,735
Rents	39	34	149	113	32	23	33	25	61	52	314	247
Other Gains	77	49	293	183	62	42	63	53	119	85	614	412
Total departmental income	23,226	25,406	77,832	78,332	19,688	14,940	17,885	17,238	37,882	36,177	176,513	172,093

Department of Infrastructure, Transport, Regional Development and Local Government

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**Note 29B: Major Classes of Departmental Income and Expenses by Output Groups and Outputs**
(continued)

Outcome 3	Output Group 3				Outcome 3 Total	
	Output 3.1.1		Output 3.2.1		2009 \$'000	2008 \$'000
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000		
Departmental expenses						
Employees	15,556	25,325	4,682	1,843	20,238	27,168
Suppliers	9,299	17,039	9,771	1,902	19,070	18,941
Depreciation and amortisation	2,085	3,117	675	195	2,760	3,312
Write-down and impairment of assets	42	1,913	28	16	70	1,929
Finance costs	32	58	13	6	45	64
Grants	250	192	20	–	270	192
Total departmental expenses	27,264	47,644	15,189	3,962	42,453	51,606
Funded by:						
Revenues from government	29,954	47,112	10,898	4,369	40,852	51,481
Goods and services revenue	116	152	245	248	361	400
Rents	47	80	23	8	70	88
Other Gains	112	129	55	12	167	141
Total departmental income	30,229	47,473	11,221	4,637	41,450	52,110

Outcomes 1, 2 and 3 are described in Note 1.1. Net costs include intra-government costs that are eliminated in calculating the actual Budget outcome.

Department of Infrastructure, Transport, Regional Development and Local Government

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**Note 29C: Major Classes of Departmental Assets and Liabilities by Outcomes**

Period From 1 July 2008 to 30 June 2009

	Outcome 1		Outcome 2		Outcome 3		Not attributed *		Total	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
Departmental assets										
Cash and cash equivalents	–	–	–	–	–	–	3,472	3,926	3,472	3,926
Trade and other receivables	347	382	1,957	1,371	1,233	167	93,385	92,296	96,922	94,216
Accrued Revenue	13	43	500	304	42	72	–	–	555	419
Land and buildings	3,506	3,269	25,593	23,863	5,960	5,557	–	–	35,059	32,689
Infrastructure, plant and equipment	747	268	5,602	2,111	1,193	447	–	–	7,542	2,826
Intangibles	4,734	1,690	16,693	17,323	2,680	3,365	–	–	24,107	22,378
Inventories	–	–	1	5	–	–	–	–	1	5
Other non-financial assets	460	813	3,878	5,088	782	1,082	–	–	5,120	6,983
Total departmental assets	9,807	6,465	54,224	50,065	11,890	10,690	96,857	96,222	172,778	163,442
Departmental liabilities										
Suppliers	1,230	270	8,656	1,897	3,323	447	–	–	13,209	2,614
Other payables	1,631	1,279	12,020	11,090	3,773	4,086	–	–	17,424	16,455
Leases	35	37	256	272	60	64	–	–	351	373
Employee provisions	4,077	3,584	23,104	21,653	5,541	6,030	–	–	32,722	31,267
Other provisions	517	408	3,771	2,876	878	681	–	–	5,166	3,965
Total departmental liabilities	7,490	5,578	47,807	37,788	13,575	11,308	–	–	68,872	54,674

Outcomes 1, 2 and 3 are described in Note 1.1. Net costs shown include intra-government costs that are eliminated in calculating the actual budget outcome.

Revenue and Expense items have been allocated directly to the Outcome that they represent. Departmental overheads are not allocated to Administered expenses.

* Assets and liabilities that cannot be reliably attributed to outcomes.

Department of Infrastructure, Transport, Regional Development and Local Government

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**Note 29D: Major Classes of Administered Income, Expenses, Assets and Liabilities by Outcomes**

Period From 1 July 2008 to 30 June 2009

	Outcome 1		Outcome 2		Outcome 3	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
Administered expenses						
Employee expenses	–	–	–	–	–	4,556
Grants	5,202,459	2,972,734	79,438	70,262	2,941,072	1,923,636
Subsidies	–	–	149,462	138,109	5,726	4,260
Suppliers	12,935	7,102	4,321	5,322	–	25,768
Depreciation and amortisation	–	–	1,062	1,062	–	12,437
Write-down and impairment of assets	–	–	–	–	–	80
Net loss on disposal of assets	–	–	–	66,513	–	–
Payments to CAC bodies	–	–	–	–	–	–
Other expenses	–	–	3,921	929	–	15
Total administered expenses	5,215,394	2,979,836	238,204	282,197	2,946,798	1,970,752
Administered income						
Levies, fees and fines	–	–	84,019	79,267	–	1,461
Rendering of services	–	–	74,453	69,322	–	5,044
Interest	232	–	1	264	4,401	4,855
Dividends	–	–	–	66,600	–	–
Other Revenue	1,005,033	–	4,291	4,790	679	3,195
Other Gains	–	–	–	7,745	–	–
Total administered income	1,005,265	–	162,764	227,988	5,080	14,555
Administered assets						
Cash and cash equivalents	–	–	–	–	–	–
Receivables	3,480	7,608	198	102	42,143	46,894
Investments accounted for using the equity method	1,830,100	1,381,200	581,870	529,754	–	–
Accrued revenue	–	–	6,771	6,052	1,022	1,144
Land and buildings	–	–	62,938	64,000	–	–
Infrastructure, plant and equipment	–	–	7,550	7,550	–	–
Prepayments	390,554	1,387,887	–	80	–	–
Total administered assets	2,224,134	2,776,695	659,327	607,538	43,165	48,038
Administered liabilities						
Suppliers	–	–	1,669	994	–	–
Subsidies	–	–	3,860	976	777	403
Grants	6	3,000	9,963	4,941	918	20,025
Total administered liabilities	6	3,000	15,492	6,911	1,695	20,428

Outcomes 1, 2 and 3 are described in Note 1.1. Net costs shown include intra-government costs that are eliminated in calculating the actual budget outcome.

Revenue and Expense items have been allocated directly to the Outcome that they represent. Departmental overheads are not allocated to Administered expenses.

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

Department of Infrastructure, Transport, Regional Development and Local Government

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**Note 29D: Major Classes of Administered Income, Expenses, Assets and Liabilities by Outcomes (continued)**

Period From 1 July 2008 to 30 June 2009

Payments to CAC Act bodies		Not attributed *		Total	
2009	2008	2009	2008	2009	2008
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
–	–	–	–	–	4,556
–	–	–	–	8,222,969	4,966,632
–	–	–	–	155,188	142,369
–	–	–	–	17,256	38,192
–	–	–	–	1,062	13,499
–	–	–	–	–	80
–	–	–	–	–	66,513
242,276	–	–	–	242,276	–
–	–	–	–	3,921	944
242,276	–	–	–	8,642,672	5,232,785
–	–	–	–	84,019	80,728
–	–	–	–	74,453	74,366
–	–	–	–	4,634	5,119
–	–	–	–	–	66,600
–	–	–	–	1,010,003	7,985
–	–	–	–	–	7,745
–	–	–	–	1,173,109	242,543
–	–	1,296	125	1,296	125
–	–	1,999	1,202	47,820	55,806
–	–	–	–	2,411,970	1,910,954
–	–	–	–	7,793	7,196
–	–	–	–	62,938	64,000
–	–	–	–	7,550	7,550
–	–	–	–	390,554	1,387,967
–	–	3,295	1,327	2,929,921	3,433,598
–	–	–	–	1,669	994
–	–	–	–	4,637	1,379
–	–	–	–	10,887	27,966
–	–	–	–	17,193	30,339

