PART FOUR

FINANCIAL STATEMENTS

Auditor-General for Australia

Australian National
Audit Office

INDEPENDENT AUDITOR'S REPORT

To the Treasurer

Scope

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Department of the Treasury's preparation and fair presentation 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 of the Treasury's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Secretary, as well as evaluating the overall presentation of the financial statements.

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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 the Treasury:

(a) have been prepared in accordance with the Finance Minister's Orders made under the *Financial Management and Accountability Act 1997*, including the Australian Accounting Standards; and

(b) give a true and fair view of the matters required by the Finance Minister's Orders including the Department of the Treasury's financial position as at 30 June 2009 and its financial performance and cash flows for the year then ended.

Australian National Audit Office

Ian McPhee

Auditor-General
Canberra

7 September 2009

THE TREASURY

Statement by the Departmental Secretary and Chief Financial Officer

Certification of financial statements

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.

Ken Henry
Secretary to the Treasury

Rob Donelly
Chief Financial Officer

Income statement

for the period ended 30 June 2009

	Notes	**2009 $'000**	2008 $'000
INCOME			
Revenue			
Revenue from Government	3A	**148,680**	149,315
Sale of goods and rendering of services	3B	**8,823**	7,666
Other revenues	3C	**290**	824
Total revenue		**157,793**	157,805
Gains			
Other gains	3D	**534**	360
Total gains		**534**	360
TOTAL INCOME		**158,327**	158,165
EXPENSES			
Employee benefits	4A	**107,575**	101,143
Suppliers	4B	**47,046**	40,403
Grants	4C	**3,248**	4,625
Depreciation and amortisation	4D	**4,191**	3,344
Finance costs	4E	**94**	93
Write-down and impairment of assets	4F	**33**	47
Net losses from sale of assets	4G	**9**	20
TOTAL EXPENSES		**162,196**	149,675
SURPLUS/(DEFICIT)		**(3,869)**	8,490

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

Balance sheet

as at 30 June 2009

	Notes	2009 $'000	2008 $'000
ASSETS			
Financial assets			
Cash and cash equivalents	5A	**1,367**	2,270
Trade and other receivables	5B	**76,793**	73,469
Total financial assets		**78,160**	75,739
Non-financial assets			
Land and buildings	6A	**10,314**	10,442
Plant and equipment	6B	**8,009**	7,067
Intangibles	6C	**19,650**	788
Other non-financial assets	6D	**1,042**	1,443
Total non-financial assets		**39,015**	19,740
TOTAL ASSETS		**117,175**	95,479
LIABILITIES			
Payables			
Suppliers	7A	**3,853**	2,789
Other payables	7B	**4,991**	4,098
Total payables		**8,844**	6,887
Interest bearing liabilities			
Leases	8	**233**	890
Total interest bearing liabilities		**233**	890
Provisions			
Employee provisions	9	**37,687**	34,696
Total provisions		**37,687**	34,696
TOTAL LIABILITIES		**46,764**	42,473
NET ASSETS		**70,411**	53,006
EQUITY			
Asset revaluation reserve		**5,246**	5,276
Contributed equity		**34,243**	12,939
Retained surplus		**30,922**	34,791
TOTAL EQUITY		**70,411**	53,006
Current assets		**79,115**	77,182
Non-current assets		**38,060**	18,297
Current liabilities		**42,968**	33,030
Non-current liabilities		**3,796**	9,443

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

Statement of changes in equity

as at 30 June 2009

	Retained earnings		Asset revaluation reserve		Contributed equity		Total equity	
	2009	2008	**2009**	2008	**2009**	2008	**2009**	2008
	$'000	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000
Opening balance as at 1 July	**34,791**	26,301	**5,276**	3,644	**12,939**	3,961	**53,006**	33,906
Income and expense								
Surplus/(Deficit) for the period	**(3,869)**	8,490	**-**	-	**-**	-	**(3,869)**	8,490
Net revaluation increment/(decrement)	**-**	-	**(30)**	1,632	**-**	-	**(30)**	1,632
Total income and expenses recognised directly in equity	**(3,869)**	8,490	**(30)**	1,632	**-**	-	**(3,899)**	10,122
Transactions with owners:								
Contributions by owners:								
Appropriations (equity injections)	**-**	-	**-**	-	**21,304**	8,978	**21,304**	8,978
Sub-total transactions with owners	**-**	-	**-**	-	**21,304**	8,978	**21,304**	8,978
Closing balance as at 30 June	**30,922**	34,791	**5,246**	5,276	**34,243**	12,939	**70,411**	53,006
Total equity attributable to the Australian Government	**30,922**	34,791	**5,246**	5,276	**34,243**	12,939	**70,411**	53,006

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

Cash flow statement

for the period ended 30 June 2009

	Notes	2009 $'000	2008 $'000
OPERATING ACTIVITIES			
Cash received			
Goods and services		**11,046**	9,149
Appropriations		**145,800**	132,002
GST received from ATO		**5,228**	2,713
Other cash received		**924**	1,653
Total cash received		**162,998**	145,517
Cash used			
Employees		**105,216**	100,278
Suppliers		**52,049**	43,267
Grants		**3,248**	4,625
Financing costs		**94**	93
Cash to the OPA		**-**	1,422
Other cash used		**-**	6
Total cash used		**160,607**	149,691
Net cash from/(used by) operating activities	10	**2,391**	(4,174)
INVESTING ACTIVITIES			
Cash received			
Proceeds from sale of property, plant and equipment		**12**	35
Total cash received		**12**	35
Cash used			
Purchase of property, plant and equipment		**4,770**	3,829
Purchase of intangibles		**19,059**	208
Total cash used		**23,829**	4,037
Net cash from/(used by) investing activities		**(23,817)**	(4,002)
FINANCING ACTIVITIES			
Cash received			
Capital injections		**21,304**	8,978
Total cash received		**21,304**	8,978
Cash used			
Repayment of borrowings (includes finance lease principal)		**781**	788
Total cash used		**781**	788
Net cash from/(used by) financing activities		**20,523**	8,190
Net increase/(decrease) in cash held		**(903)**	14
Cash at the beginning of the reporting period		**2,270**	2,256
Cash at the end of the reporting period	5A	**1,367**	2,270

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

Schedule of commitments

as at 30 June 2009

	2009 $'000	2008 $'000
BY TYPE		
Capital commitments		
Land and buildings	**-**	475
Infrastructure, plant and equipment	**15,859**	-
Total capital commitments	**15,859**	475
Other commitments		
Operating leases	**57,146**	58,810
Other	**10,377**	14,876
Total other commitments	**67,523**	73,686
Commitments receivable		
GST receivable	**(7,170)**	(6,556)
Total commitments receivable	**(7,170)**	(6,556)
NET COMMITMENTS	**76,212**	67,605
BY MATURITY		
Capital commitments		
One year or less	**13,450**	432
From one to five years	**967**	-
Over five years	**-**	-
Total capital commitments	**14,417**	432
Operating lease commitments		
One year or less	**8,640**	8,115
From one to five years	**31,309**	27,762
Over five years	**12,214**	17,734
Total operating lease commitments	**52,163**	53,611
Other commitments		
One year or less	**6,369**	9,557
From one to five years	**3,263**	4,005
Over five years	**-**	-
Total other commitments	**9,632**	13,562
NET COMMITMENTS BY MATURITY	**76,212**	67,605

This schedule should be read in conjunction with the accompanying notes.
Note: Commitments are GST inclusive where relevant.

Schedule of commitments (continued)

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

Nature of lease	General description of leasing arrangement
Leases for accommodation	• Commercial — leases comprise of various periods, including both initial and options periods. • Overseas estate — some commercial lease payments are adjusted annually by 2 per cent and residential lease payments are reviewed bi-annually to reflect market movements. • The initial periods of office accommodation leases are still current and each may be renewed with options for a further three or five years. • Australian estate — residential lease payments are reviewed bi-annually to reflect market movements.
Agreements for the provision of motor vehicles to Senior Executive Officers	• No contingent rentals exist. • No renewal or purchase options are available to the Treasury.
Leases for computer equipment and office equipment	• The lessor provides all computer equipment designated as necessary in the supply contract for three years with an option to extend the term for a fixed period as agreed by both parties. • The lessor provides all photocopier equipment designated as necessary in the supply contract for four years with an option to extend the term for a fixed period as agreed by both parties.

Other commitments include commitments for consultants, building services and other commitments.

Schedule of contingencies

as at 30 June 2009

	Claims for damages or costs		Other		Total	
	2009 $'000	2008 $'000	**2009 $'000**	2008 $'000	**2009 $'000**	2008 $'000
Contingent liabilities						
Balance from previous period	**-**	-	**255**	232	**255**	232
New	**-**	-	**224**	232	**224**	232
Obligations expired/crystallised	**-**	-	**(231)**	(209)	**(231)**	(209)
Total contingent liabilities	**-**	-	**248**	255	**248**	255
NET CONTINGENT LIABILITIES	**-**	-	**248**	255	**248**	255

This schedule should be read in conjunction with the accompanying notes.
Note: Departmental quantifiable and unquantifiable contingencies are disclosed in Note 11: Contingent liabilities and assets.

Schedule of administered items

for the period ended 30 June 2009

	Notes	2009 $'000	2008 $'000
Income administered on behalf of Government for the period ended 30 June 2009			
Revenue			
Non-taxation revenue			
Interest	16A	**3,817**	3,652
Dividends	16B	**1,402,968**	1,084,822
Sale of goods and rendering of services	16C	**1,106,895**	600,200
COAG receipts from government agencies	16D	**2,060,272**	-
Other revenue	16E	**137,216**	68,980
Total non-taxation revenue		**4,711,168**	1,757,654
Total revenues administered on behalf of Government		**4,711,168**	1,757,654
Gains			
Net foreign exchange gains	16F	**-**	67,519
Total gains administered on behalf of Government		**-**	67,519
Total income administered on behalf of Government		**4,711,168**	1,825,173
Expenses administered on behalf of Government for the period ended 30 June 2009			
Grants	17A	**53,643,549**	42,627,153
Interest	17B	**14,265**	28,738
Other expenses	17C	**(232)**	(203)
Losses			
Net foreign exchange losses	17D	**403,553**	-
Total expenses administered on behalf of Government		**54,061,135**	42,655,688

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

Schedule of administered items (continued)

as at 30 June 2009

	Notes	2009 $'000	2008 $'000
Assets administered on behalf of Government as at 30 June 2009			
Financial assets			
Cash and cash equivalents	18A	**8,230**	10,213
Receivables	18B	**2,744,885**	1,418
Investments	18C	**25,947,373**	17,273,877
Total financial assets		**28,700,488**	17,285,508
Non-financial assets			
Other	18D	**-**	1,833
Total non- financial assets		**-**	1,833
Total assets administered on behalf of Government		**28,700,488**	17,287,341
Liabilities administered on behalf of Government as at 30 June 2009			
Payables			
Loans	19A	**3,889,425**	3,881,382
Grants	19B	**558,917**	2,500
Other payables	19C	**1,895,869**	800,894
Unearned income	19D	**2,660,585**	-
Total payables		**9,004,796**	4,684,776
Provisions			
Other provisions	19E	**38,306**	144,793
Total other provisions		**38,306**	144,793
Total provisions and payables		**9,043,102**	4,829,569
Total liabilities administered on behalf of Government		**9,043,102**	4,829,569
Net assets administered on behalf of Government	20	**19,657,386**	12,457,772

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

Administered cash flows

for the period ended 30 June 2009

	Notes	2009 $'000	2008 $'000
OPERATING ACTIVITIES			
Cash received			
Sale of goods and rendering services		**1,023,165**	600,200
Interest		**3,893**	3,961
Dividends		**1,402,968**	1,084,822
Net GST received from ATO		**465**	703
HIH Group liquidation proceeds		**22,860**	55,271
COAG receipts from government agencies		**2,060,272**	-
Other		**72,502**	5,874
Total cash received		**4,586,125**	1,750,831
Cash used			
Grant payments		**53,084,810**	42,627,153
Interest		**17,543**	-
Other		**63,314**	70,350
Total cash used		**53,165,667**	42,697,503
Net cash flows from/(used by) operating activities		**(48,579,542)**	(40,946,672)
INVESTING ACTIVITIES			
Cash received			
IMF		**-**	312,875
Total cash received		**-**	312,875
Cash used			
Settlement of international financial institution's obligations		**592**	1,105
Total cash used		**592**	1,105
Net cash flows from/(used by) investing activities		**(592)**	311,770
Net increase/(decrease) in cash held		**(48,580,134)**	(40,634,902)
Cash and cash equivalents at the beginning of reporting period		**10,213**	13,168
Cash from Official Public Account for:			
- Appropriations		**44,858,979**	42,695,095
- Special accounts		**5,928,084**	-
		50,787,063	42,695,095
Cash to Official Public Account for:			
- Appropriations		**2,208,912**	2,063,148
- Special accounts		**-**	-
		2,208,912	2,063,148
Cash and cash equivalents at end of reporting period	18A	**8,230**	10,213

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

Administered commitments

as at 30 June 2009

	2009 $'000	2008 $'000
BY TYPE		
Other commitments		
Other[1] - HCS Scheme	**477**	289
Other[1] - IGA	**310,887,246**	-
Total other commitments	**310,887,723**	289
Commitments receivable		
GST receivable	**(43)**	(26)
Total commitments receivable	**(43)**	(26)
NET ADMINISTERED COMMITMENTS BY TYPE	**310,887,680**	263
BY MATURITY		
Other commitments		
One year or less	**78,207,761**	263
From one to five years	**232,679,962**	-
Total other commitments	**310,887,723**	263
NET ADMINISTERED COMMITMENTS BY MATURITY	**310,887,723**	263

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

Note: All commitments are GST inclusive where relevant.

1 Other commitments relate to services provided with respect to the HIH Claims Support Scheme (HCS) and the Intergovernmental Agreements (IGA) with the States and Territories for the payment of grants.

Administered contingencies

as at 30 June 2009

	Guarantees		Indemnities		Uncalled shares or capital subscriptions[1]		Claims for damages or costs		Warranties		Letters of comfort		TOTAL	
	2009 $'000	2008 $'000	**2009 $'000**	2008 $'000	**2009 $'000**	2008 $'000	**2009 $'000**	2008 $'000	**2009 $'000**	2008 $'000	**2009 $'000**	2008 $'000	**2009 $'000**	2008 $'000
Administered contingent liabilities														
Balance from previous period	**-**	-	**-**	-	**5,659,186**	6,397,285	**-**	-	**-**	-	**-**	-	**5,659,186**	6,397,285
Re-measurement	**-**	-	**-**	-	**1,038,495**	(738,099)	**-**	-	**-**	-	**-**	-	**1,038,495**	(738,099)
Liabilities recognised	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-
Total contingent liabilities	**-**	-	**-**	-	**6,697,681**	5,659,186	**-**	-	**-**	-	**-**	-	**6,697,681**	5,659,186
Total contingent assets	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-
NET CONTINGENT LIABILITIES	**-**	-	**-**	-	**6,697,681**	5,659,186	**-**	-	**-**	-	**-**	-	**6,697,681**	5,659,186

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

Note: Administered unquantifiable contingencies are disclosed in Note 21: Administered contingent liabilities and assets. The Treasury has given financial guarantees which are disclosed at Note 1.31 and Note 23: Administered financial instruments.

1 Comprise of EBRD, IBRD, MIGA and ADB uncalled shares.

Statement of activities administered on behalf of Government

The major administered activities of the Treasury are directed towards achieving the four outcomes described in Note 1 to the Financial Statements. Details of planned activities for the year can be found in the Treasury Portfolio Budget Statements, Portfolio Additional Estimates Statements and Portfolio Supplementary Estimates Statements for 2008-09, which have been tabled in Parliament.

Notes to and forming part of the financial statements

for the period ended 30 June 2009

Note 1: Summary of significant accounting policies

1.1 Objectives of the Treasury

The Treasury's mission is to improve the wellbeing of the Australian people by providing sound and timely advice to the Government, based on objective and thorough analysis of options, and by assisting Treasury Ministers in the administration of their responsibilities and the implementation of government decisions.

The Treasury is structured to meet four outcomes:

Outcome 1: Sound macroeconomic environment;

Outcome 2: Effective government spending arrangements;

Outcome 3: Effective taxation and retirement income arrangements; and

Outcome 4: Well functioning markets.

The reporting entity, hereafter referred to as 'the Treasury', comprises the Treasury and the Australian Government Actuary.

Activities contributing towards the outcomes detailed above are classified as either departmental or administered. Departmental activities involve the use of assets, liabilities, revenues and expenses controlled or incurred by the Treasury in its own right. Administered activities involve the management or oversight by the Treasury on behalf of the Government, of items controlled or incurred by the Government. For these purposes, the HIH Claims Support Limited and the HIH Scheme have been included in the administered schedules.

Departmental and administered activities are identified under four Output Groups. Outcome 1 has one output group, 1.1 Macroeconomic. Outcome 2 has one output group, 2.1 Fiscal. Outcome 3 has one output group, 3.1 Revenue and Outcome 4 has one output group, 4.1 Markets.

The output groups comprise the following outputs:

- Output Group 1.1 Macroeconomic — Outputs 1.1.1 and 1.1.2;
- Output Group 2.1 Fiscal — Outputs 2.1.1, 2.1.2, 2.1.3 and 2.1.4;
- Output Group 3.1 Revenue — Outputs 3.1.1 and 3.1.2; and
- Output Group 4.1 Markets — Outputs 4.1.1, 4.1.2, 4.1.3 and 4.1.4

All outputs under Output Groups 1.1, 2.1 and 3.1 provide services on a non-profit basis.

Under Output Group 4.1, Outputs 4.1.1, 4.1.2 and 4.1.3 also provide services on a non-profit basis. Output 4.1.4, relates to the Australian Government Actuary which operates via a special account.

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

1.2 Basis of preparation of the financial report

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

The Financial Statements and notes have been prepared in accordance with:

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

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

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

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 Treasury or a future sacrifice of economic benefits will be required and the amounts of the assets or liabilities can be reliably measured. However, assets and liabilities arising under Agreements Equally Proportionately Unperformed are not recognised unless required by an accounting standard. Liabilities and assets that are unrecognised are reported in the schedule of commitments and the schedule of contingencies.

Unless alternative treatment is specifically required by an accounting standard or the FMOs, 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, liabilities and cash flows reported in the Schedule of Administered Items and related notes are accounted for on the same basis and using the same policies as for departmental items, except where otherwise stated at Note 1.22.

1.3 Significant accounting judgments and estimates

Apart from an Australian Government Actuary review on employee benefits resulting in changes to on-cost calculations and discount factors, no accounting assumptions or estimates have been identified for departmental items that have a significant risk of causing a material adjustment to carrying amounts of assets and liabilities within the next accounting period.

In the process of applying the accounting policies for administered items listed in Notes 1.29 and 1.30, the Treasury has obtained independent actuarial assessments of the HIH Claims Support Scheme liability and the Housing Loans Insurance Corporation (HLIC) premiums, recoveries, claims and acquisition costs.

In relation to uncalled shares disclosed in the administered contingencies table, the Treasury has judged the risk of these shares being called as low for the foreseeable future. This judgment is based on historical and current performance of the international financial institutions. Some of the factors considered are the financial strength of the development banks (that is, most have AAA credit ratings), established risk management policies, healthy debt ratios, no adverse financial statement audit opinions and the fact that no calls have ever been made.

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. None of the new standards, amendments to standards and interpretations issued by the AASB that are applicable to the current period have had a material financial impact on the Treasury. The following standards or amendments to standards have become effective but have had no financial impact to the operations of the Treasury.

Standards

- AASB 139 *Financial Instruments: Recognition and Measurement*
- AASB 1050 *Administered items*
- AASB 1052 *Disaggregated items*

Future Australian Accounting Standard requirements

Of the new standards, amendments to standards and interpretations issued by the AASB that are applicable to future periods, it is estimated that the impact of adopting the pronouncements when effective will have no material financial impact on future reporting periods but may affect disclosures in future financial reports.

1.5 Revenue

Revenue from Government

Amounts appropriated for departmental output appropriations for the year (adjusted for any formal additions and reductions) are recognised as revenue when the agency 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.

Appropriations receivable are recognised at their nominal amounts.

Other types of revenue

Revenue from the sale of goods is recognised when:

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

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
- it is probable that the economic benefits associated with the transaction will flow to the entity.

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

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

1.6 Gains

Resources received free of charge

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

Contributions of assets at no cost of acquisition or for nominal consideration are recognised as gains at their fair value when the asset qualifies for recognition, unless received from another 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 Government as owner

Equity injections

Amounts appropriated which 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 agency or authority under a restructuring of administrative arrangements are adjusted at their book value directly against contributed equity.

Other distributions to owners

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

1.8 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 by AASB 119 *Employee Benefits*) and termination benefits due within 12 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 as the present value of the estimated future cash outflows to be made in respect of services provided by employees up to the reporting date.

Leave

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

The leave liabilities are calculated on the basis of employees' remuneration, including the Treasury'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 both annual and long service leave has been determined by reference to the work of the Australian Government Actuary as at 30 June 2009. The estimate of the present value of the liability takes into account attrition rates and pay increases through promotion and general pay increases.

Separation and redundancy

No provision has been made for separation and redundancy benefit payments during the year (2008: Nil).

Superannuation

Employees of the Treasury 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 of the Australian Government. The PSSap is a defined contribution scheme which opened for new employees on 1 July 2005.

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 Treasury makes employer contributions to the employee superannuation scheme at rates determined by an actuary to be sufficient to meet the cost to the government of the superannuation entitlements of the Treasury's employees. The Treasury 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.

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 benefits incidental to ownership of leased non-current assets. In operating leases, the lessor effectively retains substantially all such risks and benefits.

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

The discount rate used is the interest rate implicit in the lease. Leased assets are amortised over the period of the lease. Lease payments are allocated between the principal component and the interest expense. At reporting date, the Treasury had finance leases with terms averaging 2.75 years and a maximum term of 3.25 years. The interest rate implicit in the leases averaged 6.24 per cent (2008: 7.11 per cent). The lease assets secure the lease liabilities.

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

1.10 Borrowing costs

All borrowing costs are expensed as incurred.

1.11 Cash

Cash and cash equivalents includes notes and coins held and any deposits in bank accounts with an original maturity of three 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. Any interest receivable is credited to revenue as it accrues. The Treasury maintains bank accounts with the Reserve Bank of Australia for administration of the receipt and payment of monies.

1.12 Financial risk management

The Treasury's activities expose it to normal commercial financial risk. As a result of the nature of the Treasury's business and internal and Australian Government policies, dealing with the management of financial risk, the Treasury's exposure to market, credit, liquidity, cash flow and fair value interest rate risk is considered to be low.

1.13 Other financial instruments

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 date. These are classified as non-current assets. Loans and receivables are measured at amortised cost using the effective interest methods less impairment. Interest is usually recognised by applying the effective interest rate. Collectability of debts is reviewed regularly throughout the year and at balance date. Provisions are made when collection of the debt is judged to be less rather than more likely. Credit terms are net 30 days (2008: 30 days).

Trade creditors

Trade creditors and accruals 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). Settlement is usually made net 30 days.

1.14 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.

1.15 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 an asset or liability 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 recognised when the probability of settlement is greater than remote.

1.16 Acquisition of assets

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

1.17 Property, plant and equipment

Asset recognition threshold

Purchases of property, plant and equipment are recognised initially at cost in the balance sheet, except for purchases costing less than $2,000, which are expensed in the year of acquisition (other than where they form part of a group of similar items which are significant and total $20,000 or more).

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

Revaluations

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

Asset class	Fair value measured at
Leasehold improvements	Depreciated replacement cost
Infrastructure, plant and equipment	Market selling price

Following initial recognition at cost, property, plant and equipment 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 materially differ from the assets' fair values as at the reporting date. The regularity of independent valuations depends upon the volatility of movements in market values for the relevant assets.

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

The Treasury performed a valuation of leasehold improvements, infrastructure, plant and equipment assets on 30 November 2007. The valuation was performed by independent valuers Preston Rowe Paterson NSW Pty Limited and was based on valuing the assets at fair value.

Depreciation

Depreciable property, plant and equipment assets are written-off to their estimated residual values over their estimated useful lives to the Treasury using, in all cases, the straight-line method of depreciation.

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.

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

	2008-09	2007-08
Computers, plant and equipment	3-10 years	3-10 years
Leasehold improvements	5-10 years	5-10 years
Motor vehicles	4 years	4 years
Office equipment	5 years	5 years

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

Impairment

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

No indicators of impairment were found for assets at fair value.

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 Treasury were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

1.18 Intangibles

The Treasury's intangible assets comprise internally developed and purchased software for internal use. These assets are carried at cost less accumulated depreciation and any accumulated impairment losses. Software is amortised on a straight-line basis over its anticipated useful life. The useful lives of the Treasury's software are 3 to 5 years (2007-08: 3 to 5 years).

The Treasury's largest intangible asset under construction is for Standard Business Reporting (SBR). SBR is a multi-agency initiative that will simplify business-to-government reporting by introducing a single secure way to interact on-line with participating agencies, for further information visit www.sbr.gov.au.

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

1.19 Taxation/competitive neutrality

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

Revenues, expenses and assets are recognised net of GST:

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

1.20 Foreign currency

Transactions denominated in a foreign currency are converted at the exchange rate at the date of the transaction. Foreign currency receivables and payables are translated at the exchange rates current as at balance date.

1.21 Insurance

The Treasury is insured for risks through the government's insurable risk managed fund, Comcover. Workers compensation is insured through the government's insurable risk managed fund, Comcare Australia.

1.22 Reporting of administered activities

Administered revenues, expenses, assets, liabilities and cash flows are disclosed in the schedule of administered items and related notes.

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

1.23 Administered cash transfers to and from the Official Public Account

Revenue collected by the Treasury for use by the Australian Government rather than the Treasury 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 Australian Government. These transfers to and from the OPA are adjustments to the administered cash held by the Treasury on behalf of the Australian Government and reported as such in the statement of cash flows in the schedule of administered items and in the administered reconciliation table in Note 20. The schedule of administered items largely reflects the Australian Government's transactions, through the Treasury, with parties outside the Australian Government.

1.24 Administered revenue

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

Reserve Bank of Australia dividend

Dividends from the Reserve Bank of Australia (RBA) are recognised when a determination is made by the Treasurer and thus control of the income stream has been established. On this basis, the RBA's dividend for 2007-08 is recognised in the Treasury's financial statements in 2008-09. Dividends are measured at nominal amounts.

The Treasurer is able to determine what portion of the RBA's earnings is made available as a dividend to the Australian Government having regard to the Reserve Bank Board's advice and in accordance with section 30 of the *Reserve Bank Act 1959*.

International Monetary Fund remuneration

Remuneration is interest paid by the International Monetary Fund (IMF) to Australia for the use of its funds. It includes the proportion of the member currencies (quota) that was paid in Special Drawing Rights (SDR) and held by the IMF and money lent out under the financial transaction plan.

Where the IMF's holdings of Australian dollars fall below a specified level, it pays remuneration on Australia's average remunerated reserve tranche position. The rate of remuneration is equal to the SDR interest rate. This rate is then adjusted to account for the financial consequences of overdue obligations to the IMF which are shared between members and reflected in Note 16 as burden sharing.

Remuneration is calculated and paid at the end of the IMF's financial quarters. An annual Maintenance of Value adjustment is made to the IMF's holdings of the quota to maintain their value in terms of the SDR.

Guarantee Scheme for Large Deposits and Wholesale Funding

Under the Guarantee Scheme for Large Deposits and Wholesale Funding, a fee is paid to guarantee the portion of eligible deposits over $1 million. The fees are reported as a fee for service in accordance with AASB 118 — *Revenue*.

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. The Treasury's administered financial guarantee contracts relate to components of the Guarantee Scheme for Large Deposits and Wholesale Funding.

1.25 Administered capital

Appropriations of administered capital are recognised in administered equity where the amounts appropriated by Parliament are drawn down. For the purposes of the Treasury annual report, administered equity transactions are not disclosed separately.

1.26 Grants

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

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

Grants to the IMF

This represents Australia's contribution to the Poverty Reduction and Growth Facility (PRGF), of the IMF. The PRGF will enable the IMF to provide concessional funding to support medium term macroeconomic adjustment and structural reforms in low income countries. The PRGF will assist Australia to promote its international economic and aid interests with developing countries in the Asian region. Australia's contribution involves $30 million to be paid in annual instalments of $2.5 million over a 12 year period, with the final instalment paid during 2008-09.

Grants to States and Territories

The Council of Australian Governments (COAG) federal financial framework reforms (the framework) commenced with effect from 1 January 2009. Under the framework, the Treasurer is accountable for the efficient payment of National Partnership (NP) and general revenue grants to the States and Territories. Portfolio Ministers are accountable for relevant Government policy associated with those payments. In addition the Treasurer is accountable for payment and policy associated with GST revenue grants and National Specific Purpose Payments (SPP). An overview of the Government's policy in respect of accountabilities under the new financial framework is presented in the 2009-10 Budget papers, Part 6 of Budget Paper No. 3, *Australia's Federal Relations*.

There are four main types of grant payments under the framework, as follows:

- National SPPs — a financial contribution to support a State or Territory to deliver services in a particular sector.

- NP payments — a financial contribution in respect of a NP agreement to a State or Territory to support the delivery of specific projects, to facilitate reforms or to reward those jurisdictions that deliver on national reforms or achieve service delivery improvements.
- GST revenue grants — a financial contribution to a State or Territory which is available for use by the States and Territories for any purpose.
- General revenue assistance (GRA) other than GST revenue grants — a financial contribution to a State or Territory which is available for use by the States and Territories for any purpose.

The National SPPs and GST revenue grants are paid under a special appropriation from the *Federal Financial Relations Act 2009*. After the end of the financial year, the Treasurer makes a determination of the amounts that should have been paid and an adjustment is made in respect of advances that were paid during the financial year. The authority to determine the amount and timing of advances has been delegated to the General Manager, Commonwealth-State Relations Division.

The NP and GRA payments are paid under the *Federal Financial Relations Act 2009* through a determination process wherein the Treasurer may determine an amount to be paid to a State for the purpose of making a grant of financial assistance. Once determined, this amount must be credited to the COAG Reform Fund and the Treasurer must ensure that, as soon as practicable after the amount is credited, the COAG Reform Fund is debited for the purposes of making the grant. In addition the Treasurer must have regard to the Intergovernmental Agreement. The Treasury advises on the amount to be determined, based on certified payment advices received from Chief Financial Officers of Commonwealth agencies.

Payments to the States and Territories through the Nation Building Funds

The *Nation Building Funds Act 2008* (the Funds Act) outlines the requirements for payments to be authorised from the three Nation — Building Funds (collectively known as 'the Funds'); the responsibilities of Ministers; and the process for channeling payments to recipients through portfolio special accounts.

The Funds were established to provide financing sources to meet the Government's commitment to Australia's future by investment in critical areas of infrastructure.

The three Funds are the:

- Building Australia Fund — for payments in relation to the creation or development of transport, communications, eligible national broadband network matters, energy and water infrastructure;

- Education Investment Fund — for payments in relation to the creation or development of higher education infrastructure, vocational education and training infrastructure, eligible education and research infrastructure; and
- Health and Hospitals Fund — for payments in relation to the creation or development of health infrastructure.

The Treasury receives funds from the relevant portfolio agency and pays the amount to the States. These amounts are recorded as 'COAG receipts from Government Agencies' to recognise the income and a corresponding grant expense is recognised for the payment to the States.

Mirror taxes collected by State Governments

On behalf of the States, the Australian Government imposes mirror taxes which replace State taxes in relation to Australian Government places that may be constitutionally invalid. Mirror taxes are collected and retained by the States, under the *Commonwealth Places (Mirror Taxes) Act 1998*. State Governments bear the administration costs of collecting mirror taxes. Mirror taxes are disclosed at Note 25F.

1.27 Administered investments

Administered investments were assessed for impairment at 30 June 2009. No indicators of impairment were noted.

Development banks

Investments in development banks are classified as non-monetary assets and owing to their nature, these investments are not revalued. As such, these investments are recognised at historical cost where the information is available. Where historical cost records are not readily available, a notional cost has been established at 30 June 1993 by reference to the development banks' financial statements and exchange rates at that time.

Initial investments in the Asian Development Bank (prior to 1995), the International Finance Corporation (prior to 1991) and the International Bank for Reconstruction and Development (prior to 1988) have been recognised at notional cost. Any subsequent capital subscriptions to these development banks have been recognised at historical cost.

Investments in the European Bank for Reconstruction and Development and the Multilateral Investment Guarantee Agency are recognised at historical cost.

International Monetary Fund

The quota is the current value in Australian dollars of Australia's subscription to the IMF.

The SDR allocation liability reflects the current value in Australian dollars of the Treasury's liability to repay to the IMF Australia's cumulative allocations of SDR. This is classified as 'other payables'.

Australian Government entities

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

The Australian Government's investment in controlled entities and companies in the Treasury portfolio are measured at their fair value as at 30 June 2009. Fair value has been taken to be the net assets of the entities as at balance date. These entities are listed below:

- Reserve Bank of Australia; and
- Australian Reinsurance Pool Corporation.

1.28 Promissory notes

Promissory notes have been issued to the IMF, the European Bank for Reconstruction and Development, the International Bank for Reconstruction and Development, the Asian Development Bank and the Multilateral Investment Guarantee Agency.

Where promissory notes have been issued in foreign currencies, they are recorded at their nominal value by translating them at the spot rate at balance date. The promissory notes are non-interest bearing and relate to the undrawn paid-in capital subscriptions.

Foreign currency gains and losses are recognised where applicable.

1.29 Mortgage insurance policies written by the Housing Loans Insurance Corporation up to 12 December 1997

The Australian Government sold HLIC on 12 December 1997. Under the terms and conditions of the sale the Australian Government retained ownership of all mortgage insurance policies written up to the time of the sale.

Accounting policies adopted are:

Premiums

Premiums comprise amounts charged to the policy holder or other insurer, excluding amounts collected on behalf of third parties, principally stamp duties. The earned portion of premiums received and receivable is recognised as revenue. Premiums are treated as earned from the date of attachment of risk.

Premiums received in respect of insured loans are apportioned over a number of years in accordance with an actuarial determination of the pattern of risk in relation to the loans. Premium amounts carried forward in this way are credited to 'provision for unearned premiums'.

Given the maturity of the portfolio, the provision for unearned premiums is now zero.

Recoveries

Claims incurred recoveries and a receivable for outstanding recoveries are recognised in respect of insurance policies. The asset (HLIC premiums receivable) has been recognised in Note 18, based on the estimated discounted future cash flows.

Claims

Claims incurred expenses and a liability for outstanding claims are recognised in respect of insurance policies. The liability covers claims incurred but not yet paid, incurred but not yet reported and the anticipated direct and indirect costs of settling those claims. The liability has been recognised based on the estimated discounted future cash flows. Given the maturity of the portfolio, the liability is now estimated to be negligible.

Acquisition costs

A portion of acquisition costs relating to unearned premium revenue is deferred in recognition that it represents future benefits. Deferred acquisition costs are amortised on an actuarial basis over the reporting periods expected to benefit from the expenditure. Since the provision for unearned premium is now zero, the deferred acquisition cost asset is also now zero.

1.30 Provisions and contingent liabilities

HIH Claims Support Scheme liability

The HIH Claims Support Scheme (the Scheme) was established by the Australian Government following the collapse of the HIH Group of companies in March 2001. The purpose of the Scheme was to provide financial assistance to eligible HIH policy-holders affected by collapse of the group. Initial funding of $640 million was provided by special appropriation through the *Appropriation (HIH Assistance) Act 2001*.

HIH Claims Support Limited was established by the Insurance Council of Australia as a not-for-profit company in May 2001 to manage claims made under the Scheme and to operate the HIH Claims Support Trust on behalf of the Australian Government. As the sole beneficiary of the trust the Australian Government is entitled to any residual balance of the trust.

Since 2001, a total of 10,900 claims have been granted eligibility for assistance. Each year an actuarial review of the claims portfolio has been conducted to assess the development of claims reserves and to estimate the overall liability associated with the Scheme portfolio. In 2006, approval was sought and obtained to increase the Scheme appropriation to a total of $861 million to meet the estimated cost of the Scheme portfolio. This additional funding was provided through annual appropriations.

The Australian Government Actuary has continued to review the portfolio annually to reassess the estimated Scheme liability in future years. The most recent review has indicated that the overall cost of the Scheme is estimated to be $739.1 million in discounted terms. This amount incorporates an allowance for future inflation and covers the expected cost of past and future claim payments and associated expenses of managing the Scheme.

1.31 Administered financial instruments

AASB 139 requires financial instruments to be classified into one of four categories. The financial instruments specific to the Treasury's administered items are classified in three of the four categories as follows:

- Loans and receivables (these are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market);
  - IMF related moneys receivable (measured initially at fair value and then measured at amortised cost using the effective interest rate method); and
  - Guarantee Scheme for Large Deposits and Wholesale Funding contractual fee receivable (measured initially at fair value and then measured at amortised cost using the effective interest rate method).
- Available-for-sale financial assets;
  - investments in development banks (measured at cost); and
  - IMF quota (measured at cost).
- Financial liabilities;
  - SDR allocation (measured initially at fair value and then measured at amortised cost using the effective interest rate method);
  - promissory notes (measured initially at fair value and then measured at amortised cost using the effective interest rate method);
  - IMF related monies payable (measured initially at fair value and then measured at amortised cost using the effective interest rate method); and
  - Guarantee Scheme for Large Deposits and Wholesale Funding contractual guarantee service obligation (measured initially at fair value and then measured at amortised cost using the effective interest rate method).

Available-for-sale financial assets are those non-derivative financial assets that are designated as available for sale or that are not classified as (a) loans and receivables, (b) held-to-maturity investments or (c) financial assets at fair value through profit or loss.

Although a number of the Treasury's financial instruments are classified as 'available-for-sale', due to their unique nature they do not have a quoted market price in an active market and their fair value cannot be reliably measured at the reporting date. These items are valued at cost. The Treasury does not hold these instruments for the purposes of trading.

Promissory notes are financial liabilities that are required to be measured at amortised cost using the effective interest rate method. The contractual terms of the promissory notes are non-interest bearing making the effective interest rate zero. Therefore, the measurement would be the initial value less any repayments plus or minus movements in exchange rates as a result of translation on the balance date.

The Guarantee Scheme for Large Deposits and Wholesale Funding contractual fee receivable represents the requirement under AASB 139 for the Treasury to recognise up-front, its entitlements under the financial guarantee contract to revenue received or receivable from authorised deposit-taking institutions over the contracted guarantee period. Conversely, the Treasury is required to recognise a corresponding initial liability for its contractual obligation to provide a guarantee service over the period covered by each guarantee contract (analogous to unearned income).

Recognition of these amounts only relates to fee revenue aspects of the financial guarantee contracts. These amounts do not reflect any expected liability under the Guarantee Scheme itself as these are considered remote and unquantifiable. Contingent liabilities and assets are disclosed at Note 21.

Administered financial instruments are accounted for in accordance with the accounting policies detailed above.

Administered financial instruments are disclosed at Note 23.

Note 2: Events occurring after reporting date

RBA Dividend

The RBA has calculated a dividend of $5.977 billion in respect of its results for the year ended 30 June 2009 ($1.403 billion in 2007-08). The Treasurer has determined that payment to the Government will be in two tranches: $5.227 billion in 2009-10 and the balance of $750 million in 2010-11. As a consequence, the Treasury will record this dividend income and a dividend receivable in its accounts for the year ended 30 June 2010 in accordance with its accounting policy (Note 1.24).

Nation Building — Specific purpose payments

As at 1 July 2009 the Treasury assumed responsibility for the payment of Nation Building specific purpose payments which were previously paid by the Department of Infrastructure, Regional Development and Local Government. The impact of the change will be the requirement for the Treasury to recognise a prepayment asset in its balance sheet of $247.148 million and to recognise any grant payments made during the financial year in the income statement. The Treasury will also report the associated administered commitment items in the 2009-10 financial year.

OzCar special purpose vehicle

The Australian Government will guarantee all non AAA-rated securities issued by the OzCar special purpose vehicle to facilitate the purchase of those securities by Australia's four major domestic banks. Legislation to provide an appropriation to support the Australian Government guarantee of those securities received Royal Assent on 6 July 2009.

Australian Government Guarantee of State and Territory Borrowing

The Australian Government Guarantee of State and Territory Borrowing formally commenced on 24 July 2009. Under the Guarantee, state and territory governments can apply for a guarantee over new and existing securities. Legislation to provide an appropriation to support the Australian Government guarantee of those securities received Royal Assent on 29 June 2009.

IMF SDR allocation

An allocation by the IMF of SDRs equivalent to US$250 billion was supported by G-20 leaders and the International Monetary and Financial Committee in April 2009. The allocation was formally agreed by the IMF Board of Governors on 7 August 2009 and allocated to IMF members on 28 August 2009. Australia's share equated to AUD$4.454 billion.

Note 3: Operating revenues

	2009	2008
	$'000	$'000
Note 3A: Revenue from Government Appropriations		
Departmental outputs	**145,931**	147,495
Other	**2,749**	1,820
Total revenue from Government	**148,680**	149,315
Note 3B: Sale of goods and rendering of services		
Provision of goods to:		
external entities	**-**	97
Rendering of services to:		
related entities	**7,853**	5,859
external entities	**878**	1,630
Operating lease rental	**92**	80
Total sale of goods and rendering of services	**8,823**	7,666
Note 3C: Other revenues		
Other	**290**	824
Total other revenues	**290**	824
Note 3D: Other gains		
Resources received free of charge	**534**	360
Total other gains	**534**	360

Note 4: Operating expenses

	2009 $'000	2008 $'000
Note 4A: Employee benefits		
Wages and salaries	**79,743**	73,580
Superannuation		
Defined benefit plan	**12,905**	13,034
Defined contribution plan	**2,643**	1,777
Leave and other entitlements	**9,540**	10,082
Separation and redundancies	**-**	46
Other	**2,744**	2,624
Total employee benefits	**107,575**	101,143
Note 4B: Suppliers		
Provision of goods from:		
related entities	**83**	160
external entities	**1,798**	2,192
Rendering of services from:		
related entities	**7,013**	5,153
external entities	**29,285**	24,270
Operating lease rentals[1]	**8,403**	8,235
Workers compensation premiums	**464**	393
Total supplier expenses	**47,046**	40,403
Note 4C: Grants		
Grants paid	**3,248**	4,625
Total grants	**3,248**	4,625
Note 4D: Depreciation and amortisation		
Depreciation		
Other plant and equipment	**1,472**	1,120
Buildings - leasehold improvements	**1,460**	949
Total depreciation	**2,932**	2,069
Amortisation		
Intangibles - computer software	**551**	432
Assets held under finance lease	**708**	843
Total amortisation	**1,259**	1,275
Total depreciation and amortisation	**4,191**	3,344
Note 4E: Finance costs		
Leases	**94**	93
Total finance costs	**94**	93
Note 4F: Write-down and impairment of assets		
Non-financial assets		
Plant and equipment	**7**	46
Intangibles	**26**	1
Total write-down and impairment of assets	**33**	47
Note 4G: Net losses from sale of assets		
Other plant and equipment		
Proceeds from disposal	**(12)**	(35)
Net book value of assets disposed	**21**	55
Net losses from sale of assets	**9**	20

1 These comprise minimum lease payments only.

Note 5: Financial assets

	2009 $'000	2008 $'000
Note 5A: Cash and cash equivalents		
Cash		
Special accounts	**586**	588
Departmental (other than special accounts)	**781**	1,682
Total cash	**1,367**	2,270
Note 5B: Trade and other receivables		
Goods and services		
- related entities	**2,475**	2,416
- external entities	**539**	449
Total goods and services	**3,014**	2,865
Net GST receivable from the ATO	**732**	436
Appropriations receivable - undrawn	**73,047**	70,168
Total trade and other receivables (net)	**76,793**	73,469
All receivables are current assets		
Receivables (gross) are aged as follows:		
Not overdue	**76,275**	73,115
Overdue by:		
Less than 30 days	**398**	209
30 to 60 days	**69**	6
61 to 90 days	**34**	114
More than 90 days	**17**	25
Total receivables (gross)	**76,793**	73,469

Note 6: Non-financial assets

	2009 $'000	2008 $'000
Note 6A: Land and buildings		
Leasehold improvements - fair value		
Under construction	**137**	2,963
At fair value	**18,312**	14,154
Accumulated depreciation	**(8,135)**	(6,675)
Total leasehold improvements - fair value	**10,314**	10,442
Total land and buildings (non-current)	**10,314**	10,442
Note 6B: Plant and equipment		
Plant and equipment - fair value		
Under construction	**169**	-
At fair value	**9,815**	6,992
Accumulated depreciation	**(2,131)**	(736)
Total plant and equipment - fair value	**7,853**	6,256
Plant and equipment under finance lease		
Under finance lease	**2,347**	2,294
Accumulated amortisation	**(2,191)**	(1,483)
Total plant and equipment under finance lease	**156**	811
Total plant and equipment (non-current)	**8,009**	7,067
Note 6C: Intangibles		
Computer software - at cost		
Under construction	**17,970**	-
At cost	**4,429**	2,997
Accumulated amortisation	**(2,749)**	(2,209)
Total computer software - at cost	**19,650**	788
Total intangibles (non-current)	**19,650**	788

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

Note 6: Non-financial assets (continued)

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

	Buildings - leasehold improvements $'000	Other plant and equipment $'000	Computer software $'000	Total $'000
As at 1 July 2008:				
Gross book value	**17,117**	**9,286**	**2,997**	**29,400**
Accumulated depreciation/amortisation	**(6,675)**	**(2,219)**	**(2,209)**	**(11,103)**
Net book value 1 July 2008	**10,442**	**7,067**	**788**	**18,297**
Additions				
By purchase	**2,910**	**1,941**	**19,060**	**23,911**
By finance lease	**-**	**53**	**-**	**53**
Net revaluation increment/(decrement)	**-**	**(30)**	**-**	**(30)**
Depreciation/amortisation expense	**(1,460)**	**(2,180)**	**(551)**	**(4,191)**
Recoverable amount write-downs	**-**	**(7)**	**(26)**	**(33)**
Disposals				
Other disposals	**-**	**(8)**	**-**	**(8)**
Transfers	**(1,578)**	**1,173**	**379**	**(26)**
As at 30 June 2009:				
Gross book value	**18,449**	**12,331**	**22,399**	**53,179**
Accumulated depreciation/amortisation	**(8,135)**	**(4,322)**	**(2,749)**	**(15,206)**
Net book value 30 June 2009	**10,314**	**8,009**	**19,650**	**37,973**

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

	Buildings - leasehold improvements $'000	Other plant and equipment $'000	Computer software $'000	Total $'000
As at 1 July 2007:				
Gross book value	11,716	11,991	3,300	27,007
Accumulated depreciation/amortisation	(4,624)	(4,121)	(2,370)	(11,115)
Opening net book value	7,092	7,870	930	15,892
Additions				
By purchase	3,646	325	208	4,179
By finance lease	-	180	-	180
Net revaluation increment/(decrement)	1,405	227	-	1,632
Depreciation/amortisation expense	(949)	(1,963)	(432)	(3,344)
Disposals				
Other disposals	-	(172)	(2)	(174)
Transfers	(752)	600	84	(68)
As at 30 June 2008:				
Gross book value	17,117	9,286	2,997	29,400
Accumulated depreciation/amortisation	(6,675)	(2,219)	(2,209)	(11,103)
Closing net book value	10,442	7,067	788	18,297

Note 6: Non-financial assets (continued)

Table B: Property, plant and equipment and intangibles held under finance lease (2008-09)

	Buildings - leasehold improvements $'000	Other plant and equipment $'000	Computer software $'000	Total $'000
As at 30 June 2009:				
Gross book value	**-**	**2,347**	**-**	**2,347**
Accumulated depreciation/amortisation	**-**	**(2,191)**	**-**	**(2,191)**
Closing net book value	**-**	**156**	**-**	**156**
As at 30 June 2008:				
Gross book value	-	2,294	-	2,294
Accumulated depreciation/amortisation	-	(1,483)	-	(1,483)
Closing net book value	-	811	-	811

Table C: Property, plant and equipment and intangibles under construction (2008-09)

	Buildings - leasehold improvements $'000	Other plant and equipment $'000	Computer software $'000	Total $'000
As at 30 June 2009:				
Gross book value	**137**	**169**	**17,970**	**18,276**
As at 30 June 2008:				
Gross book value	2,963	-	-	2,963

Note 6: Non-financial assets (continued)

	2009 $'000	2008 $'000
Note 6D: Other non-financial assets		
Prepayments	**1,042**	1,443
Total other non-financial assets	**1,042**	1,443
Other non-financial assets are represented by:		
Current	**955**	1,443
Non-current	**87**	-
Total other non-financial assets	**1,042**	1,443

Note 7: Payables

	2009 $'000	2008 $'000
Note 7A: Suppliers		
Trade creditors		
- related entities	**1,316**	729
- external entities	**2,537**	2,060
Total trade creditors	**3,853**	2,789
Total supplier payables	**3,853**	2,789
All supplier payables are current liabilities		
Note 7B: Other payables		
Other creditors	**3,753**	3,118
Prepayments received / unearned revenue	**1,238**	980
Total other payables	**4,991**	4,098
Other payables are represented by:		
Current	**4,979**	4,091
Non-current	**12**	7
Total other payables	**4,991**	4,098

Note: Settlement is usually made net 30 days.

Note 8: Interest bearing liabilities

	2009	2008
	$'000	$'000
Note 8: Leases		
Finance leases:	**233**	890
Payable:		
Within one year		
Minimum lease payments	**201**	739
Deduct: future finance charges	**(8)**	(44)
Total leases payable within one year	**193**	695
In one to five years		
Minimum lease payments	**41**	202
Deduct: future finance charges	**(1)**	(7)
Total leases payable within one year to five years	**40**	195
Finance leases recognised on the balance sheet	**233**	890

Note: Finance leases exist in relation to certain major office equipment assets. The leases are non-cancellable and for fixed terms averaging 2.75 years, with a maximum of 3.25 years. The interest rate implicit in the leases averaged 6.24 per cent (2008: 7.11 per cent). The Treasury guarantees the residual values of all assets leased. There are no contingent rentals.

Note 9: Provisions

	2009	2008
	$'000	$'000
Note 9: Employee provisions		
Salaries and wages	**1,374**	886
Leave	**35,976**	33,517
Superannuation	**256**	176
Aggregate employee benefit liability	**37,606**	34,579
Other employee entitlements	**81**	117
Aggregate employee benefit liability and related on-costs	**37,687**	34,696
Current	**33,943**	25,455
Non-current	**3,744**	9,241
Aggregate employee benefit liability and related on-costs	**37,687**	34,696

Note: All other entitlements are current liabilities. The classification of current 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 the reporting date. Employee provisions expected to be settled in twelve months from the reporting date is $11,584,936 (2008: $18,641,361), in excess of one year $26,101,756 (2008: $16,053,841).

Note 10: Cash flow reconciliation

	2009 $'000	2008 $'000
Reconciliation of cash and cash equivalents as per balance sheet to cash flow statement		
Report cash and cash equivalents as per		
Cash flow statement	**1,367**	2,270
Balance sheet	**1,367**	2,270
Reconciliation of operating result to net cash from operating activities		
Operating result	**(3,869)**	8,490
Depreciation/amortisation	**4,191**	3,344
Loss on disposal of non-current assets	**9**	20
Net write down of non-financial assets	**33**	47
(Increase)/decrease in net receivables	**(3,323)**	(18,752)
(Increase)/decrease in other non financial assets	**401**	(574)
Increase/(decrease) in provisions	**2,992**	1,905
Increase/(decrease) in other payables	**893**	125
Increase/(decrease) in supplier payables	**1,064**	1,221
Net cash from/(used by) operating activities	**2,391**	(4,174)

Note 11: Contingent liabilities and assets

Quantifiable contingencies

The schedule of contingencies reports other liabilities of $248,224 (2008: $254,606). This amount represents an estimate of the Treasury's liability in respect of studies assistance.

Unquantifiable contingencies

As at 30 June 2009, the Treasury had a number of legal claims against it. The Treasury has denied liability and is defending the claims. It is not possible to estimate the amounts of any eventual payments that may be required in relation to these claims.

The courts may award legal costs against the Treasury in the event it is unsuccessful in an action before the courts. As there is uncertainty over the outcome of outstanding and pending court cases, duration of court cases and the legal costs of the opposing party, these costs cannot be reliably measured.

Remote contingencies

The Treasury's lease on its current premises contains a make good clause which has been estimated by an independent valuer at $1.3 million. The Treasury received an external assessment on the likelihood of this being required and has deemed it as remote.

As at 30 June 2009, the Treasury has a number of contracts which may give rise to a contingent liability based on certain events occurring. The Treasury has assessed the likelihood of such events happening as being remote and unquantifiable.

Note 12: Executive remuneration

Total remuneration includes salary, allowances, employer superannuation, leave accrued during the period, vehicle costs and fringe benefits tax.

	2009	2008
The number of executives who received or were due to receive total remuneration of $130,000 or more:		
$130,000 to $144,999	**2**	2
$145,000 to $159,999	**2**	1
$160,000 to $174,999	**2**	4
$175,000 to $189,999	**2**	11
$190,000 to $204,999	**11**	8
$205,000 to $219,999	**13**	10
$220,000 to $234,999	**18**	11
$235,000 to $249,999	**5**	10
$250,000 to $264,999	**8**	1
$265,000 to $279,999	**3**	1
$280,000 to $294,999	**-**	4
$295,000 to $309,999	**1**	3
$310,000 to $324,999	**3**	1
$325,000 to $339,999	**1**	1
$340,000 to $354,999	**-**	2
$370,000 to $384,999	**2**	-
$430,000 to $444,999	**1**	-
$475,000 to $489,999	**-**	1
$520,000 to $534,999	**-**	1
$625,000 to $639,999	**1**	-
	75	72
Aggregate amount of total remuneration of executives as shown above	**$17,861,832**	$16,617,659*
Aggregate amount of separation and redundancy/termination benefit payments during the year to executives shown above	**$0**	$0

* The comparative aggregate total amount has been revised and does not match what was previously published due to a miscalculation at the time of preparing the Treasury's financial statements for 2007-08.

Note 13: Remuneration of auditors

	2009 $'000	2008 $'000
Financial statement audit services are provided free of charge to the Treasury		
The fair value of the services provided was:		
The Treasury	**395**	320
Total	**395**	320

Note: The above amounts are exclusive of GST. No other services were provided by the Auditor-General.

Note 14: Average staffing levels

	2009	2008
The Treasury	**936**	903
Total	**936**	903

Note 15: Financial instruments

Note 15A: Categories of financial instruments

	2009 $'000	2008 $'000
Financial assets		
Loans and receivables		
Cash and cash equivalents	**1,367**	2,270
Trade receivables	**3,014**	2,865
Carrying amount of financial assets	**4,381**	5,135
Financial liabilities		
Liabilities at amortised cost		
Finance leases	**233**	890
Payables - suppliers	**3,853**	2,789
Other payables	**3,753**	3,118
Carrying amount of financial liabilities	**7,839**	6,797

Note: Implicit interest rate on finance leases for 2009 is 6.24 per cent (2008: 7.11 per cent).

Note 15B: Net income and expense from financial liabilities

	2009 $'000	2008 $'000
Liabilities at amortised cost		
Interest expense	**(94)**	(93)
Net gain/(loss) financial liabilities - at amortised cost	**(94)**	(93)
Net gain/(loss) from financial liabilities	**(94)**	(93)

Note 15: Financial instruments (continued)

Note 15C: Net fair values of financial assets and liabilities

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

The net fair values of the finance leases are based on discounted cash flows using current interest rates for liabilities with similar risk profiles. The Treasury enters into finance lease arrangements in relation to certain major office equipment assets. The leases are non-cancellable and for fixed terms averaging 2.75 years, with a maximum of 3.25 years. The Treasury guarantees the residual values of all assets leased and there are no contingent rentals.

The net fair values for trade creditors and other liabilities are approximated by their carrying amounts.

Note 15D: Credit risk exposures

The Treasury is exposed to minimal credit risk as loans and receivables are cash and trade receivables. The maximum exposure to credit risk is the risk that arises from potential default of a debtor. This amount is equal to the total amount of trade receivables (2009: $3,014,090 and 2008: $2,864,668). The Treasury has assessed the risk of default on payment as being minimal.

Other government agencies and staff members make up the majority of the Treasury's debtors. To aid the Treasury to manage its credit risk there are internal policies and procedures that guide employees on debt recovery techniques that are to be applied.

The Treasury holds no collateral to mitigate against credit risk.

Note 15: Financial instruments (continued)

Note 15D: Credit risk exposures (continued)

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

	Not past due nor impaired 2009 $'000	Not past due nor impaired 2008 $'000	Past due or impaired 2009 $'000	Past due or impaired 2008 $'000
Loans and receivables				
Cash and cash equivalents	**1,367**	2,270	**-**	-
Trade receivables	**2,496**	2,511	**518**	354
Total	**3,863**	4,781	**518**	354

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	**398**	**69**	**34**	**17**	**518**
Total	**398**	**69**	**34**	**17**	**518**

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	209	6	114	25	354
Total	209	6	114	25	354

Note 15E: Liquidity risk

The Treasury's financial liabilities are payables and finance leases. The exposure to liquidity risk is based on the notion that the Treasury will encounter difficulty in meeting its obligations associated with financial liabilities. This is highly unlikely due to the appropriation funding mechanisms available to the Treasury and internal policies and procedures put in place to ensure there are appropriate resources to meet its financial obligations.

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

Note 15: Financial instruments (continued)

Note 15E: Liquidity risk (continued)

Maturity of financial liabilities

	On demand	within 1 year	1 to 5 years	> 5 years	Total
	2009	2009	2009	2009	2009
	$'000	$'000	$'000	$'000	$'000
Liabilitites at amortised cost					
Finance leases	-	193	40	-	233
Payables - suppliers	-	3,853	-	-	3,853
Other payables	-	3,741	12	-	3,753
Total	-	7,787	52	-	7,839

	On demand	within 1 year	1 to 5 years	> 5 years	Total
	2008	2008	2008	2008	2008
	$'000	$'000	$'000	$'000	$'000
Liabilitites at amortised cost					
Finance leases	-	695	195	-	890
Payables - suppliers	-	2,789	-	-	2,789
Other payables	-	3,111	7	-	3,118
Total	-	6,595	202	-	6,797

Note 15F: Market risk

The Treasury holds only basic financial instruments that do not expose the department to certain market risks.

The only interest-bearing items on the balance sheet are finance leases. All finance leases entered into bear interest at a fixed interest rate and will not fluctuate due to changes in the market interest rate. Current implicit interest rate is 6.24 per cent (2008: 7.11 per cent).

Note 16: Income administered on behalf of Government

	2009 $'000	2008 $'000
Non-taxation revenue		
Note 16A: Interest		
Gross IMF remuneration	**3,833**	3,562
Less: Burden sharing	**(86)**	(158)
Add: Burden sharing refunds	**-**	-
Net IMF remuneration	**3,747**	3,404
Other interest	**70**	248
Total interest	**3,817**	3,652
Note 16B: Dividends		
Reserve Bank of Australia	**1,402,968**	1,084,822
Total dividends	**1,402,968**	1,084,822
Note 16C: Sale of goods and rendering of services		
GST administration fees - external entities	**630,480**	600,200
Guarantee Scheme for Large Deposits and Wholesale Funding Fee	**476,415**	-
Total sale of goods and rendering of services	**1,106,895**	600,200
Note 16D: COAG receipts from government agencies		
Building Australia Fund receipts	**1,005,000**	-
Health and Hospital Fund receipts	**109,200**	-
Education and Innovation Fund receipts	**-**	-
Interstate road transport receipts	**8,790**	-
Non-government schools receipts	**937,282**	-
Total COAG receipts from government agencies	**2,060,272**	-
Note 16E: Other revenue		
Write back of HCS Scheme	**42,634**	8,318
HIH Group liquidation proceeds	**22,860**	55,271
State cellar door subsidy savings	**68,723**	900
Other revenue	**2,999**	4,491
Total other revenue	**137,216**	68,980
Total revenues administered on behalf of Government	**4,711,168**	1,757,654
Gains		
Note 16F: Net foreign exchange gains/(losses)		
IMF SDR allocation	**-**	42,786
IMF maintenance of value	**-**	312,875
IMF quota revaluation	**-**	(294,279)
Other	**-**	6,137
Total net foreign exchange gains/(losses)	**-**	67,519
Total gains administered on behalf of Government	**-**	67,519
Total income administered on behalf of Government	**4,711,168**	1,825,173

Note 17: Expenses administered on behalf of Government

	2009 $'000	2008 $'000
Note 17A: Grants		
Grants to State and Territory Governments	**51,583,434**	42,627,153
Payment of COAG receipts from government agencies	**2,060,272**	-
Other grants	**(157)**	-
Total grants	**53,643,549**	42,627,153
Note 17B: Interest		
IMF charges	**14,265**	28,738
Total Interest	**14,265**	28,738
Note 17C: Other expenses		
HLIC claims [1]	**(298)**	(203)
Other expenses	**66**	-
Total other expenses	**(232)**	(203)
Losses		
Note 17D: Net foreign exchange losses/(gains)		
IMF SDR allocation	**102,292**	-
IMF maintenance of value	**996,192**	-
IMF quota	**(703,565)**	-
Other	**8,634**	-
Total net foreign exchange losses/(gains)	**403,553**	-
Total losses administered on behalf of Government	**403,553**	-
Total expenses administered on behalf of Government	**54,061,135**	42,655,688

1 HLIC claims expenses includes an actuarial adjustment decreasing provision for insurance claims resulting in an offsetting negative expense.

Note 18: Assets administered on behalf of Government

	2009 $'000	2008 $'000
Financial assets		
Note 18A: Cash and cash equivalents		
Cash on hand or on deposits	**8,230**	10,213
Total cash and cash equivalents	**8,230**	10,213
Note 18B: Receivables		
Guarantee Scheme for Large Deposits and Wholesale Funding contractual fee receivable	**2,660,585**	-
Guarantee Scheme for Large Deposits and Wholesale Funding fee receivable	**83,730**	-
Net GST receivable from the ATO	**9**	62
HLIC premiums receivable	**29**	747
IMF related moneys owing	**532**	596
Other receivables	**-**	13
Total receivables	**2,744,885**	1,418
Receivables were aged as follows:		
Current	**988,385**	1,418
Non-current	**1,756,500**	-
Total receivables (net)	**2,744,885**	1,418
Note 18C: Investments		
International financial institutions		
Asian Development Bank	**287,069**	287,069
European Bank for Reconstruction and Development	**84,824**	84,824
International Finance Corporation	**69,144**	69,144
International Bank for Reconstruction and Development	**259,049**	259,049
Multilateral Investment Guarantee Agency	**10,694**	10,694
Total international financial institutions	**710,780**	710,780
Quota		
International Monetary Fund	**6,183,416**	5,479,851
Australian Government entities		
Reserve Bank of Australia	**18,502,000**	10,622,643
Australian Reinsurance Pool Corporation	**551,177**	456,703
Australian Accounting Standards Board[1]	**-**	3,257
Auditing and Assurance Standards Board[1]	**-**	643
Total Australian Government entities	**19,053,177**	11,083,246
Total investments	**25,947,373**	17,273,877
Non-financial assets		
Note 18D: Other		
Prepayments	**-**	1,833
Total other	**-**	1,833
Total non-financial assets	**-**	1,833
Total assets administered on behalf of Government	**28,700,488**	17,287,341

1 From 1 July 2008 the Australian Accounting Standards Board and Auditing and Assurance Standards Board became prescribed agencies under the Financial Management and Accountability Act, hence the net asset position of these agencies was derecognised from Treasury's financial statements.

Note 19: Liabilities administered on behalf of Government

		2009 $'000	2008 $'000
Note 19A: Loans			
IMF promissory notes		**3,834,696**	3,834,696
Other promissory notes		**54,729**	46,686
Total loans		**3,889,425**	3,881,382
Maturity schedule for loans is as follows:			
Payable:	Within one year	**-**	554
	In one to two years	**-**	-
	In two to five years	**-**	-
	In more than five years	**3,889,425**	3,880,828
Total loans		**3,889,425**	3,881,382
Note 19B: Grants			
IMF - poverty reduction and growth facility		**-**	2,500
COAG grants payable		**558,917**	-
Total grants		**558,917**	2,500
Maturity schedule for grants is as follows:			
Payable:	Within one year	**558,917**	2,500
	In one to two years	**-**	-
	In two to five years	**-**	-
	In more than five years	**-**	-
Total grants		**558,917**	2,500
Note 19C: Other payables			
GST appropriation payable		**9**	62
IMF SDR allocation		**899,016**	796,724
IMF maintenance of value		**996,192**	-
IMF related monies owing		**651**	3,929
Other		**1**	179
Total other payables		**1,895,869**	800,894
Note 19D: Unearned income			
Guarantee Scheme for Large Deposits and Wholesale Funding contractual guarantee service obligation		**2,660,585**	-
Total unearned income		**2,660,585**	-
Note 19E: Other provisions			
Provision for insurance claims		**79**	385
Provision for HCS Scheme		**38,227**	144,408
Total other provisions		**38,306**	144,793
Total liabilities administered on behalf of Government		**9,043,102**	4,829,569

Note 20: Administered reconciliation table

	Notes	2009 $'000	2008 $'000
Opening administered assets less administered liabilities as at 1 July		**12,457,772**	11,635,014
Adjustment for change in accounting policies		**1,499**	-
Adjusted opening administered assets less administered liabilities		**12,459,271**	11,635,014
Plus administered income	16	**4,711,168**	1,825,173
Less administered expenses	17	**(54,061,135)**	(42,655,688)
Administered transfers to/from Australian Government:			
Appropriation transfers from OPA:			
Annual appropriations for administered expenses		**615,825**	254,002
Administered assets and liabilities appropriations		**65,749**	26,098
Special appropriations (limited)		**-**	11,016
Special appropriations (unlimited)		**44,177,404**	42,403,925
Special Account - COAG Reform Fund		**5,928,084**	-
Refunds of receipts (s28 FMA)		**1**	54
Transfers to OPA		**(2,208,912)**	(2,063,148)
Administered investments - gains/(losses)		**7,969,931**	1,021,326
Closing administered assets less administered liabilities as at 30 June		**19,657,386**	12,457,772

Note 21: Administered contingent liabilities and assets

Quantifiable administered contingencies

Quantifiable administered contingencies that are not remote are disclosed in the schedule of administered items as quantifiable administered contingencies.

Unquantifiable administered contingencies

Contingent loss

Housing Loans Insurance Corporation — guarantee

The Australian Government sold HLIC on 12 December 1997 and has assumed all residual contingencies. The contingent liability relates to the HLIC's contracts of mortgage insurance and any borrowings approved by the Treasurer up to the time of sale. The principal amount covered by the guarantee and the balances outstanding are unable to be reliably measured.

Terrorism insurance — Australian Reinsurance Pool Corporation (ARPC)

The *Terrorism Insurance Act 2003* established a scheme for replacement terrorism insurance covering damage to commercial property including associated business interruption and public liability. The ARPC uses reinsurance premiums paid by insurers to meet its administrative expenses and to build a reserve for claims and purchase retrocession to help meet future claims. The Australian Government guarantees to pay any liabilities of the ARPC above the reserve for claims and retrocession placed by the ARPC, but the Treasurer must declare a reduced payout rate to insured parties if the Australian Government's liability would otherwise exceed $10 billion.

Contingent gain

HIH Claims Support Scheme

As the beneficiary of the HIH Claims Support Trust, the Australian Government is entitled to the residual balance of the Trust, after the collection of recoveries. Due to the inherent uncertainty of future recoveries, it is not possible to quantify these amounts accurately. During 2008-09 the Treasury received distributions from the Trust, however, the amount and timing of future recoveries and subsequent distributions are unknown.

International Monetary Fund (IMF)

Since 1986, the IMF has used its burden sharing mechanism to make up for the loss of income from unpaid interest charges on the loans of debtor members and to accumulate precautionary balances in a Special Contingent Account to guard against the ultimate failure of debtor members to settle their overdue principal obligations to the IMF.

The mechanism works by providing for additions to the rate of charge on IMF loans and deductions to the rate of remuneration for creditor members such as Australia. Resources collected from individual members under the burden sharing mechanism are refundable to them as arrears cases are resolved, or as may be decided by the IMF. Thus, resources collected for unpaid charges are refunded when these charges are eventually settled.

Note 21: Administered contingent liabilities and assets (continued)

Likewise, precautionary balances held in the Special Contingent Account would be distributed back to members in proportion to their cumulative contributions when there are no overdue charges or principal balances. The IMF could also decide to make an early distribution.

As there is considerable and inherent uncertainty around the timing and amounts of burden sharing to be refunded to Australia this contingent asset cannot be reliably measured and as such is recorded as an unquantifiable contingent asset.

Remote administered contingencies

Guarantees

The following borrowings have been guaranteed by the Australian Government within the Treasury portfolio:

Borrower	Legislation authorising guarantee	**Principal covered by guarantee 2009 $**	**Balance outstanding 2009 $**	Balance outstanding 2008 $
Papua New Guinea	*Papua New Guinea Act 1949* *Papua New Guinea Act 1975* *Papua New Guinea Loans Guarantee Act 1975*	**4,480,000**	**4,480,000**	4,480,000
Commonwealth Bank of Australia[1]	*Commonwealth Bank of Australia Act 1959* s117	**1,800,000,000**	**1,800,000,000**	1,600,000,000
Commonwealth Bank of Australia - Officers Superannuation Fund[1]	*Commonwealth Bank of Australia Act 1959* s117	**3,600,000,000**	**3,600,000,000**	3,900,000,000
Financial Claims Scheme	*Banking Act 1959* s70C *Insurance Act 1973* s131A *Life Insurance Act 1975* s251A	**680,100,000,000**	**680,100,000,000**	-
Guarantee Scheme for Large Deposits and Wholesale Funding	*Guarantee Scheme for Large Deposits and Wholesale Funding Appropriation Act 2008*	**139,885,000,000**	**139,885,000,000**	-
Reserve Bank of Australia[2]	*Reserve Bank of Australia Act 1959* s77	**76,965,000,000**	**76,965,000,000**	64,900,000,000
Total		**902,354,480,000**	**902,354,480,000**	70,404,480,000

1 Under the terms of the *Commonwealth Bank Sale Act 1995*, the Australian Government has guaranteed various liabilities of the Commonwealth Bank of Australia (CBA), and the Commonwealth Bank Officers' Superannuation Corporation (CBOSC). The guarantee for the CBA relates to both on and off balance sheet liabilities. The guarantee of the CBOSC covers the due payments of any amount that is payable to or from Officers' of the Superannuation Fund (the Fund), by CBOSC or by CBA, in respect of a person who was a member, retired member or beneficiary of the Fund immediately before 19 July 1996. The guarantee of the CBA and CBOSC reflected in the above table is the value at 31 March 2009 and 31 December 2008 respectively.

2 The contingent liability for the RBA, relates to the Australian Government's guarantee of the liabilities of the RBA. It is measured as the Bank's total liabilities excluding capital, reserves and Australian Government deposits. The major component of the Bank's liabilities are notes (that is, currency) on issue. As at 30 June 2009, notes on issue totalled $48.96 billion.

Note 21: Administered contingent liabilities and assets (continued)

Financial Claims Scheme

The Australian Government has established a Financial Claims Scheme to provide depositors of authorised deposit-taking institutions and general insurance policyholders with timely access to their funds in the unlikely event of a financial institution failure.

The Early Access Facility for Depositors established under the *Banking Act 1959* provides a mechanism for making payments to depositors under the Government's guarantee of deposits in authorised deposit-taking institutions.

From 12 October 2008 deposits up to $1 million at eligible authorised deposit-taking institutions are eligible for coverage under the Financial Claims Scheme. The $1 million cap is temporary and will be reviewed after three years.

The expected liability for deposits under the Financial Claims Scheme is remote and unquantifiable. Australia's financial system is considered among the strongest and best regulated in the world. Authorised deposit-taking institutions are subject to prudential regulation by the Australian Prudential Regulation Authority (APRA) in accordance with international standards, which are designed to ensure that financial institutions have the capacity to meet their financial promises. This framework requires institutions to be adequately capitalised and have appropriate risk management systems in place. Furthermore, Australia's four major banks (which hold the majority of government guaranteed deposits) are among only eight large banks globally rated AA or higher.

Government expenditure would arise under the guarantee only in the unlikely event that an institution failed to meet its obligations with respect to a commitment that was subject to the guarantee and the guarantee was called upon. In such a case, the Government would likely be able to recover any such expenditure through a claim on the relevant institution. The impact on the Government's budget would depend on the extent of the institution's default and its ability to meet the Government's claim. If there were a shortfall, a levy would be applied to industry to recover the difference between the amount expended and the amount recovered in the liquidation.

As at 30 June 2009, deposits eligible for coverage under the Financial Claims Scheme were estimated to be approximately $660 billion.

The Policyholder Compensation Facility established under the *Insurance Act 1973* provides a mechanism for making payments to eligible beneficiaries with a valid claim against a failed general insurer. Amounts available to meet payments and administer this facility, in the event of activation, are capped at $20.1 billion under the legislation.

The expected liability under the Policyholder Compensation Facility is remote and unquantifiable. The likelihood of a collapse that requires the activation of the scheme is low and the payments made under the scheme would be likely to be recovered through the liquidation of the failed institution.

Note 21: Administered contingent liabilities and assets (continued)

If there were a shortfall, a levy would be applied to industry to recover the difference between the amount expended and the amount recovered in the liquidation.

APRA is responsible for the administration of the Financial Claims Scheme. In the unlikely event that payments would be required under the Financial Claims Scheme any payments to eligible depositors or general insurance policyholders will be made out of APRA's Financial Claims Scheme Special Account.

Guarantee of large deposits in authorised deposit-taking institutions

The Australian Government has guaranteed eligible deposits in authorised deposit-taking institutions from 12 October 2008.

Deposits over $1 million, and eligible deposits at foreign bank branches, are eligible for coverage under the Guarantee Scheme for Large Deposits and Wholesale Funding for a fee. Deposits up to $1 million are eligible for coverage under the Financial Claims Scheme (see above). The large deposit guarantee is a temporary measure in light of the global financial crisis.

The expected liability for deposits under the guarantee scheme is remote and unquantifiable. Australia's financial system is considered among the strongest and best regulated in the world. Authorised deposit-taking institutions are subject to prudential regulation by APRA in accordance with international standards, which are designed to ensure that financial institutions have the capacity to meet their financial promises. This framework requires institutions to be adequately capitalised and have appropriate risk management systems in place. Furthermore, Australia's four major banks (which hold the majority of government guaranteed deposits) are among only eight large banks globally rated AA or higher.

Government expenditure would arise under the large deposit guarantee only in the unlikely event that an institution failed to meet its obligations with respect to a commitment that was subject to the guarantee and the guarantee was called upon. In such a case, the Government would likely be able to recover any such expenditure through a claim on the relevant institution. The impact on the Government's budget would depend on the extent of the institution's default and its ability to meet the Government's claim.

As at 30 June 2009, authorised deposit-taking institutions' deposits covered by this guarantee were estimated at $23.3 billion.

Guarantee of wholesale funding of authorised deposit-taking institutions

The Australian Government has guaranteed eligible wholesale funding of authorised deposit-taking institutions from 12 October 2008. The guarantee facility will be withdrawn when market conditions normalise.

Note 21: Administered contingent liabilities and assets (continued)

The expected liability under this guarantee is remote and unquantifiable. Australia's financial system is considered among the strongest and best regulated in the world. Authorised deposit-taking institutions are subject to prudential regulation by APRA in accordance with international standards, which are designed to ensure that financial institutions have the capacity to meet their financial promises. This framework requires institutions to be adequately capitalised and have appropriate risk management systems in place. Furthermore, Australia's four major banks (which hold the majority of government guaranteed wholesale funding) are among only eight large banks globally rated AA or higher.

Government expenditure would arise under the guarantee only in the unlikely event that an institution failed to meet its obligations with respect to a commitment that was subject to the guarantee and the guarantee was called upon. In such a case, the Government would likely be able to recover any such expenditure through a claim on the relevant institution. The impact on the Government's budget would depend on the extent of the institution's default and its ability to meet the Government's claim.

As at 30 June 2009, authorised deposit-taking institutions' wholesale funding covered by this guarantee was estimated at $116.6 billion.

Grants to States and Territories

As the Treasury has responsibility for all payments to the States and Territories under the Federal Financial Relations Framework there may exist a contingent liability which is remote and unquantifiable in relation to some agreements between the relevant agency with policy responsibility and the States and Territories. Whilst Treasury does not bear the risk of the contingent event, the resultant payment would be made by the Treasury under the Federal Financial Relations Framework.

Note 22: Administered investments

The principal activities of each of the Treasury's administered investments are as follows:

Development Banks

The European Bank for Reconstruction and Development (EBRD) was established in 1991 to assist post-communist, democratic, Eastern European Countries develop their private sector and capital markets. It provides project financing for banks, industries and businesses, both new ventures and investments in existing companies. It also works with publicly owned companies, to support privatisation, restructuring state-owned firms and improvement of municipal services. The EBRD uses its close relationship with governments in the region to promote policies that will bolster the business environment.

Note 22: Administered investments (continued)

The Asian Development Bank (ADB) was established in 1966 and has a mandate to reduce poverty and promote general development in its developing member countries. The ADB does this by financing (through a mix of loans, grants, guarantees and co-financing activities with both other donors and the private sector) public sector and private sector activities. It also provides technical assistance to developing member countries so they can improve their policy and business investment environments. A significant portion of the ADB's activities are focused in the infrastructure and energy sectors.

The World Bank was established in 1944 and comprises the International Bank for Reconstruction and Development (IBRD), the International Development Association (IDA), the International Finance Corporation (IFC) and the Multilateral Investment Guarantee Agency (MIGA). The IBRD provides financing and technical assistance to Middle Income Countries and lends on harder terms than the IDA, which provides concessionary finance and technical assistance to low income countries. The IFC supports the development of the private sector by providing direct finance to private sector operations. MIGA provides guarantee services for projects, which reduce the risks for other co-financing partners including the private sector.

International Monetary Fund (IMF)

The IMF is an organisation of 185 countries, working to foster global monetary cooperation, secure financial stability, facilitate international trade, promote high employment and sustainable economic growth, and reduce poverty. It undertakes surveillance and annual economic assessments, provides technical assistance to developing countries and provides short term loans to countries experiencing currency and financial crisis.

Australian Government entities

The Australian Government's investment in controlled entities and companies in the Treasury portfolio are measured at their fair value. Fair value has been taken to be the net assets of the entities as at balance date.

Note 23: Administered financial instruments

Note 23A: Categories of financial instruments

	2009 $'000	2008 $'000
Financial assets		
Loans and receivables		
Cash and cash equivalents	**8,230**	10,213
IMF related moneys owing	**532**	596
Guarantee Scheme for Large Deposits and Wholesale Funding contractual fee receivable	**2,660,585**	-
Guarantee Scheme for Large Deposits and Wholesale Funding fee receivable	**83,730**	-
Other receivable	**29**	760
	2,753,106	11,569
Available for sale financial assets		
International financial institutions	**710,780**	710,780
Quota	**6,183,416**	5,479,851
	6,894,196	6,190,631
Carrying amount of financial assets	**9,647,302**	6,202,200
Financial liabilities		
At amortised cost		
Promissory notes	**3,889,425**	3,881,382
Grant liabilities	**558,917**	2,500
IMF SDR allocation liability	**899,016**	796,724
Other payables	**652**	4,108
Guarantee Scheme for Large Deposits and Wholesale Funding contractual guarantee service obligation	**2,660,585**	-
Other liabilities	**38,306**	144,793
	8,046,901	4,829,507
Carrying amount of financial liabilities	**8,046,901**	4,829,507

Note 23B: Net income and expenses from financial assets

	2009 $'000	2008 $'000
Loans and receivables		
Guarantee Scheme for Large Deposits and Wholesale Funding fee	**476,415**	-
Interest revenue	**70**	248
Net gain/(loss) loans and receivables	**476,485**	248
Available for sale financial assets		
Interest revenue	**3,747**	3,404
Exchange gain/(loss)	**(292,627)**	18,596
Net gain/(loss) available for sale financial assets	**(288,880)**	22,000
Net gain/(loss) from financial assets	**187,605**	22,248

Note 23: Administered financial instruments (continued)

Note 23C: Net income and expenses from financial liabilities

	2009 $'000	2008 $'000
Financial liabilities - at amortised cost		
IMF Charges	**(14,265)**	(28,738)
Exchange gain/(loss)	**(110,926)**	48,923
Net gain/(loss) financ ial liabilities - at amortised cost	**(125,191)**	20,185
Net gain/(loss) from financial liabilities	**(125,191)**	20,185

Note 23D: Net fair value of financial assets and liabilities

The net fair values of the Treasury's administered financial instruments are equal to the carrying amount and are not required to be disclosed in a separate table.

Note 23E: Credit risk exposure

The maximum exposure to credit risk of the Treasury's administered financial assets is the carrying amount of 'loans and receivables' (2009: $2,753,106,000 and 2008: $11,569,000) and the carrying amount of 'available for sale financial assets' (2009: $6,894,196,000 and 2008: $6,190,631,000). However, the international financial institutions that the Treasury holds its financial assets with hold a minimum of AA credit ratings. The contractual fee receivable arising from the Guarantee Scheme for Large Deposits and Wholesale Funding that the Treasury holds relates only to prudentially regulated authorised deposit-taking institutions and the majority of the contractual fee receivable comprises of AA-rated authorised deposit-taking institutions. Therefore the Treasury does not consider any of its financial assets to be at risk of default.

Note 23: Administered financial instruments (continued)

Note 23F: Liquidity risk

The Treasury's administered financial liabilities are promissory notes, grant liability, the IMF SDR allocation and HIH and HLIC provisions. The contractual guarantee service obligation arising from the Guarantee Scheme for Large Deposits and Wholesale Funding is not included as there is no liquidity risk associated with this item. It is contingent on the value of the associated contractual fee receivable. The exposure to liquidity risk is based on the notion that the Treasury will encounter difficulty in meeting its obligations associated with administered financial liabilities. This is highly unlikely due to appropriation funding through special appropriations and non-lapsing capital appropriations as well as internal policies and procedures put in place to ensure there are appropriate resources for the Treasury to meet its financial obligations. The following tables illustrate the maturities for financial liabilities:

	On demand	**Within 1 year**	**1 to 5 years**	**> 5 years**	**Total**
	2009	**2009**	**2009**	**2009**	**2009**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**
Promissory notes	**-**	**-**	**-**	**3,889,425**	**3,889,425**
Grant liabilities	**-**	**558,917**	**-**	**-**	**558,917**
IMF SDR allocation liability	**-**	**-**	**-**	**899,016**	**899,016**
Other payables	**652**	**-**	**-**	**-**	**652**
Other liabilities	**38,306**	**-**	**-**	**-**	**38,306**
Total	**38,958**	**558,917**	**-**	**4,788,441**	**5,386,316**

	On demand	Within 1 year	1 to 5 years	> 5 years	Total
	2008	2008	2008	2008	2008
	$'000	$'000	$'000	$'000	$'000
Promissory notes	-	554	-	3,880,828	3,881,382
Grant liabilities	-	2,500	-	-	2,500
IMF SDR allocation liability	-	-	-	796,724	796,724
Other payables	4,108	-	-	-	4,108
Other liabilities	144,793	-	-	-	144,793
Total	148,901	3,054	-	4,677,552	4,829,507

Note 23: Administered financial instruments (continued)

Note 23G: Market risk

Foreign currency risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Treasury is exposed to foreign exchange currency risk primarily through undertaking certain transactions denominated in foreign currency.

The Treasury is exposed to foreign currency denominated in USD, EUR and SDR.

The following table details the effect on the profit and equity as at 30 June 2009 from a 10 per cent favourable/unfavourable change in AUD against the USD, EUR and SDR with all other variables held constant.

	Change in risk variable	Effect on	
		Profit and loss 2009	Equity 2009
Risk variable	**%**	**$'000**	**$'000**
IMF related moneys owing	10.00%	**(48)**	**(48)**
IMF related moneys owing	-10.00%	**59**	**59**
Quota	10.00%	**(562,129)**	**(562,129)**
Quota	-10.00%	**687,046**	**687,046**
Promissory notes	10.00%	**4,975**	**4,975**
Promissory notes	-10.00%	**(6,081)**	**(6,081)**
IMF allocation liability	10.00%	**81,729**	**81,729**
IMF allocation liability	-10.00%	**(99,891)**	**(99,891)**
Other liabilities	10.00%	**59**	**59**
Other liabilities	-10.00%	**(72)**	**(72)**

	Change in risk variable	Effect on	
		Profit and loss 2008	Equity 2008
Risk variable	%	$'000	$'000
IMF related moneys owing	10.00%	(54)	(54)
IMF related moneys owing	-10.00%	66	66
Quota	10.00%	(498,168)	(498,168)
Quota	-10.00%	608,872	608,872
Promissory notes	10.00%	4,244	4,244
Promissory notes	-10.00%	(5,187)	(5,187)
IMF allocation liability	10.00%	72,429	72,429
IMF allocation liability	-10.00%	(88,525)	(88,525)
Other liabilities	10.00%	357	357
Other liabilities	-10.00%	(437)	(437)

Shares in international financial institutions are valued at cost and as such their fair value is not altered by exchange rates.

Note 23: Administered financial instruments (continued)

Note 23G: Market risk (continued)

The sensitivity analysis of the Treasury's exposure to foreign currency risk at the reporting date has been determined based on the Department of Finance and Deregulation's calculated average of the five main currencies for which the Australian Government is exposed. USD, EUR, GBP, JPY and NZD. For each of the five currencies an average of the past five years annual standard deviation is used, then calculated from observed daily movement of the AUD. Three standard deviations were selected as a 'reasonably' possible change as it accommodates for 99 per cent of the variation in the movement of historical foreign exchange rates.

The Guarantee Scheme for Large Deposits and Wholesale Funding contractual obligation liability represents Treasury's obligation to provide a guarantee service to authorised deposit-taking institutions. The liability will always be equal to the value of the Guarantee Scheme for Large Deposits and Wholesale Funding contractual fee receivable.

Note 24: Administered consolidation

	Treasury		HCS Scheme		Total	
	2009	2008	**2009**	2008	**2009**	2008
	$'000	$'000	**$'000**	$'000	**$'000**	$'000
REVENUE:						
Non-taxation revenue						
Interest						
Gross IMF remuneration	**3,833**	3,562	**-**	-	**3,833**	3,562
Less: Burden sharing	**(86)**	(158)	**-**	-	**(86)**	(158)
Add: Burden sharing refunds	**-**	-	**-**	-	**-**	-
Net IMF remuneration	**3,747**	3,404	**-**	-	**3,747**	3,404
Other interest	**-**	13	**70**	235	**70**	248
Total interest	**3,747**	3,417	**70**	235	**3,817**	3,652
Dividends						
Reserve Bank of Australia	**1,402,968**	1,084,822	**-**	-	**1,402,968**	1,084,822
Total dividends	**1,402,968**	1,084,822	**-**	-	**1,402,968**	1,084,822
Sale of goods and rendering of services						
GST administration fees - external entities	**630,480**	600,200	**-**	-	**630,480**	600,200
Guarantee Scheme for Large Deposits and Wholesale Funding fee	**476,415**	-	**-**	-	**476,415**	-
Total sale of goods and rendering of services	**1,106,895**	600,200	**-**	-	**1,106,895**	600,200
COAG receipts from government agencies						
Building Australia Fund receipts	**1,005,000**	-	**-**	-	**1,005,000**	-
Health and Hospital Fund receipts	**109,200**	-	**-**	-	**109,200**	-
Education and Innovation Fund receipts	**-**	-	**-**	-	**-**	-
Interstate road transport receipts	**8,790**	-	**-**	-	**8,790**	-
Non-government schools receipts	**937,282**	-	**-**	-	**937,282**	-
Total COAG receipts from government agencies	**2,060,272**	-	**-**	-	**2,060,272**	-

Note 24: Administered consolidation (continued)

	Treasury		HCS Scheme		Total	
	2009	2008	**2009**	2008	**2009**	2008
	$'000	$'000	**$'000**	$'000	**$'000**	$'000
Other revenue						
Write back of HCS scheme	**42,634**	8,318	**-**	-	**42,634**	8,318
HIH Group liquidation proceeds	**22,860**	55,271	**-**	-	**22,860**	55,271
State cellar door subsidy savings	**68,723**	900	**-**	-	**68,723**	900
Other revenue	**3,058**	4,491	**(59)**	-	**2,999**	4,491
Total other revenue	**137,275**	68,980	**(59)**	-	**137,216**	68,980
Total revenues administered on behalf of Government	**4,711,157**	1,757,419	**11**	235	**4,711,168**	1,757,654
Gains						
Net foreign exchange gains/(losses)						
IMF SDR allocation	**-**	42,786	**-**	-	**-**	42,786
IMF maintenance of value	**-**	312,875	**-**	-	**-**	312,875
IMF quota revaluation	**-**	(294,279)	**-**	-	**-**	(294,279)
Other foreign exchange	**-**	6,137	**-**	-	**-**	6,137
Total net foreign exchange gains/(losses)	**-**	67,519	**-**	-	**-**	67,519
Total gains administered on behalf of Government	**-**	67,519	**-**	-	**-**	67,519
Total income administered on behalf of Government	**4,711,157**	1,824,938	**11**	235	**4,711,168**	1,825,173

Note 24: Administered consolidation (continued)

	Treasury		HCS Scheme		Total	
	2009 $'000	2008 $'000	**2009 $'000**	2008 $'000	**2009 $'000**	2008 $'000
EXPENSES:						
Grants						
Grants to State and Territory Governments	**51,583,434**	42,627,153	**-**	-	**51,583,434**	42,627,153
Payment of COAG receipts from government agencies	**2,060,272**	-	**-**	-	**2,060,272**	-
Other grants	**(157)**	-	**-**	-	**(157)**	-
Total grants	**53,643,549**	42,627,153	**-**	-	**53,643,549**	42,627,153
Interest						
IMF charges	**14,265**	28,738	**-**	-	**14,265**	28,738
Total interest	**14,265**	28,738	**-**	**-**	**14,265**	28,738
Other expenses						
HLIC claims	**(298)**	(203)	**-**	-	**(298)**	(203)
Other expenses	**55**	-	**11**	-	**66**	-
Total other expenses	**(243)**	(203)	**11**	**-**	**(232)**	(203)
Losses						
Net foreign exchange losses / (gains)						
IMF SDR allocation	**102,292**	-	**-**	-	**102,292**	-
IMF maintenance of value	**996,192**	-	**-**	-	**996,192**	-
IMF quota revaluation	**(703,565)**	-	**-**	-	**(703,565)**	-
Other	**8,634**	-	**-**	-	**8,634**	-
Total net foreign exchange losses/(gains)	**403,553**	-	**-**	-	**403,553**	-
Total losses administered on behalf of Government	**403,553**	-	**-**	-	**403,553**	-
Total expenses administered on behalf of Government	**54,061,124**	42,655,688	**11**	-	**54,061,135**	42,655,688

Note 24: Administered consolidation (continued)

	Treasury		HCS Scheme		Total	
	2009 $'000	2008 $'000	**2009 $'000**	2008 $'000	**2009 $'000**	2008 $'000
ASSETS:						
Financial assets						
Cash and cash equivalents						
Cash on hand or on deposits	**8,229**	6,034	**1**	4,179	**8,230**	10,213
Receivables						
Guarantee Scheme for Large Deposits and Wholesale Funding contractual fee receivable	**2,660,585**	-	**-**	-	**2,660,585**	-
Guarantee Scheme for Large Deposits and Wholesale Funding fee receivable	**83,730**	-	**-**	-	**83,730**	-
Net GST receivable from the ATO	**9**	62	**-**	-	**9**	62
HLIC premiums receivable	**29**	747	**-**	-	**29**	747
IMF related moneys owing	**532**	596	**-**	-	**532**	596
Other receivables	**-**	-	**-**	13	**-**	13
Total receivables (net)	**2,744,885**	1,405	**-**	13	**2,744,885**	1,418
Investments						
International financial institutions						
Asian Development Bank	**287,069**	287,069	**-**	-	**287,069**	287,069
European Bank for Reconstruction and Development	**84,824**	84,824	**-**	-	**84,824**	84,824
International Finance Corporation	**69,144**	69,144	**-**	-	**69,144**	69,144
International Bank for Reconstruction and Development	**259,049**	259,049	**-**	-	**259,049**	259,049
Multilateral Investment Guarantee Agency	**10,694**	10,694	**-**	-	**10,694**	10,694
Total international financial institutions	**710,780**	710,780	**-**	-	**710,780**	710,780
Quota						
International Monetary Fund	**6,183,416**	5,479,851	**-**	-	**6,183,416**	5,479,851

Note 24: Administered consolidation (continued)

	Treasury		HCS Scheme		Total	
	2009	2008	**2009**	2008	**2009**	2008
	$'000	$'000	**$'000**	$'000	**$'000**	$'000
Australian Government entities						
Reserve Bank of Australia	**18,502,000**	10,622,643	**-**	-	**18,502,000**	10,622,643
Australian Reinsurance Pool Corporation	**551,177**	456,703	**-**	-	**551,177**	456,703
Australian Accounting Standards Board	**-**	3,257	**-**	-	**-**	3,257
Auditing and Assurance Standards Board	**-**	643	**-**	-	**-**	643
Total Australian Government entities	**19,053,177**	11,083,246	**-**	-	**19,053,177**	11,083,246
Total investments	**25,947,373**	17,273,877	**-**	-	**25,947,373**	17,273,877
Non-financial assets						
Other prepayments	**-**	3,271	**-**	(1,438)	**-**	1,833
Total non-financial assets	**-**	3,271	**-**	(1,438)	**-**	1,833
Total assets administered on behalf of Government	**28,700,487**	17,284,587	**1**	2,754	**28,700,488**	17,287,341

Note 24: Administered consolidation (continued)

	Treasury		HCS Scheme		Total	
	2009	2008	**2009**	2008	**2009**	2008
	$'000	$'000	**$'000**	$'000	**$'000**	$'000
LIABILITIES:						
Loans						
IMF promissory notes	**3,834,696**	3,834,696	**-**	-	**3,834,696**	3,834,696
Other promissory notes	**54,729**	46,686	**-**	-	**54,729**	46,686
Total loans	**3,889,425**	3,881,382	**-**	-	**3,889,425**	3,881,382
Grants						
COAG grants payable	**558,917**	-	**-**	-	**558,917**	-
IMF - poverty reduction and growth facility	**-**	2,500	**-**	-	**-**	2,500
Total grants	**558,917**	2,500	**-**	-	**558,917**	2,500
Other payables						
GST appropriation payable	**9**	62	**-**	-	**9**	62
IMF SDR allocation	**899,016**	796,724	**-**	-	**899,016**	796,724
IMF maintenance of value	**996,192**	-	**-**	-	**996,192**	-
IMF related monies owing	**651**	3,929	**-**	-	**651**	3,929
Other	**-**	179	**1**	-	**1**	179
Total other payables	**1,895,868**	800,894	**1**	-	**1,895,869**	800,894

Note 24: Administered consolidation (continued)

	Treasury		HCS Scheme		Total	
	2009	2008	**2009**	2008	**2009**	2008
	$'000	$'000	**$'000**	$'000	**$'000**	$'000
Unearned income						
Guarantee Scheme for Large Deposits and Wholesale Funding contractual guarantee service obligation	**2,660,585**	-	**-**	-	**2,660,585**	-
Total unearned income	**2,660,585**	-	**-**	-	**2,660,585**	-
Other provisions						
Provision for insurance claims	**79**	385	**-**	-	**79**	385
Provision for HCS scheme	**38,227**	144,408	**-**	-	**38,227**	144,408
Total other provisions	**38,306**	144,793	**-**	-	**38,306**	144,793
Total other provisions and payables	**4,594,759**	945,687	**1**	-	**4,594,760**	945,687
Total liabilities administered on behalf of Government	**9,043,101**	4,829,569	**1**	-	**9,043,102**	4,829,569
Net assets administered on behalf of Government	**19,657,386**	12,455,018	**-**	2,754	**19,657,386**	12,457,772

Note 25: Appropriations

Note 25A: Acquittal of authority to draw cash from the consolidated revenue fund for ordinary annual services appropriations

	Administered expenses								Departmental			
	Outcome 1		Outcome 2		Outcome 3		Outcome 4		outputs		Total	
	2009	2008	**2009**	2008	**2009**	2008	**2009**	2008	**2009**	2008	**2009**	2008
	$'000	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000
Balance carried from previous period	**-**	-	**-**	-	**-**	-	**4,955**	4,706	**70,978**	52,216	**75,933**	56,922
Adjustment to prior year	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-
Reductions of appropriations (prior years)	**-**	-	**-**	-	**-**	-	**(4,955)**	(4,706)	**-**	-	**(4,955)**	(4,706)
Adjusted balance carried from previous period	**-**	-	**-**	-	**-**	-	**-**	-	**70,978**	52,216	**70,978**	52,216
Appropriation Act (No. 1)	**-**	-	**-**	-	**-**	-	**5,000**	5,000	**146,446**	137,991	**151,446**	142,991
Appropriation Act (No. 3)	**-**	-	**-**	-	**-**	-	**-**	-	**728**	13,017	**728**	13,017
Appropriation Act (No. 5)	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-
Adjustment to appropriations on change of entity function (FMA s32)	**-**	-	**-**	-	**-**	-	**-**	-	**(1,243)**	(164)	**(1,243)**	(164)
Refunds credited (FMA s30)	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-
Appropriation reduced by section 9 determination (current year)	**-**	-	**-**	-	**-**	-	**-**	-	**-**	(3,349)	**-**	(3,349)
Sub-total annual appropriation	**-**	-	**-**	-	**-**	-	**5,000**	5,000	**145,931**	147,495	**150,931**	152,495
Adjusted annual appropriation balance	**-**	-	**-**	-	**-**	-	**5,000**	5,000	**145,931**	147,495	**150,931**	152,495
Comcover Receipts (Appropriation Act s13)	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-
Appropriations to take account of recoverable GST (FMA s30A)	**-**	-	**-**	-	**-**	-	**5**	5	**4,566**	2,457	**4,571**	2,462
Annotations to 'net appropriations' (FMA s31)	**-**	-	**-**	-	**-**	-	**-**	-	**10,389**	9,135	**10,389**	9,135
Total appropriations available for payments	**-**	-	**-**	-	**-**	-	**5,005**	5,005	**231,864**	211,303	**236,869**	216,308

Note 25: Appropriations (continued)

Note 25A: Acquittal of authority to draw cash from the consolidated revenue fund for ordinary annual services appropriations (continued)

	Administered expenses								Departmental outputs		Total	
	Outcome 1		Outcome 2		Outcome 3		Outcome 4					
	2009	2008	**2009**	2008	**2009**	2008	**2009**	2008	**2009**	2008	**2009**	2008
	$'000	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000
Cash payments made during the year (GST inclusive)	**-**	-	**-**	-	**-**	-	**(62)**	(50)	**(158,801)**	(140,325)	**(158,863)**	(140,375)
Balance of authority to draw cash from the consolidated revenue fund for ordinary annual services appropriations	**-**	-	**-**	-	**-**	-	**4,943**	4,955	**73,063**	70,978	**78,006**	75,933
Represented by:												
Cash at bank and on hand	**-**	-	**-**	-	**-**	-	**-**	-	**781**	1,682	**781**	1,682
Departmental appropriations receivable	**-**	-	**-**	-	**-**	-	**-**	-	**71,777**	68,898	**71,777**	68,898
GST receivable from the ATO	**-**	-	**-**	-	**-**	-	**-**	-	**760**	447	**760**	447
Receivables - goods and services - GST receivable from customers	**-**	-	**-**	-	**-**	-	**-**	-	**48**	115	**48**	115
Payables - suppliers - GST portion	**-**	-	**-**	-	**-**	-	**-**	-	**(303)**	(164)	**(303)**	(164)
Undrawn, unlapsed administered appropriations	**-**	-	**-**	-	**-**	-	**4,943**	4,955	**-**	-	**4,943**	4,955
Total	**-**	-	**-**	-	**-**	-	**4,943**	4,955	**73,063**	70,978	**78,006**	75,933

Note 25: Appropriations (continued)

Note 25A: Acquittal of authority to draw cash from the consolidated revenue fund for ordinary annual services appropriations (continued)

	Outcome 1		Outcome 2		Outcome 3		Outcome 4	
	2009	2008	**2009**	2008	**2009**	2008	**2009**	2008
Reduction in administered items	**$**	$	**$**	$	**$**	$	**$**	$
Total administered items appropriated	**-**	-	**-**	-	**-**	-	**5,000,000**	-
Less administered items required by the agency per Appropriation Act s11:								
Appropriation Act (No. 1) 2008-2009	**-**	-	**-**	-	**-**	-	**56,679**	-
Appropriation Act (No. 3) 2008-2009	**-**	-	**-**	-	**-**	-	**-**	-
Appropriation Act (No. 5) 2008-2009	**-**	-	**-**	-	**-**	-	**-**	-
Other annual appropriation acts	**-**	-	**-**	-	**-**	-	**-**	-
Total administered items required by the agency	**-**	-	**-**	-	**-**	-	**56,679**	-
Total reduction in administered items - effective 2009-2010	**-**	-	**-**	-	**-**	-	**4,943,321**	-

Note 25: Appropriations (continued)

Note 25B: Acquittal of authority to draw cash from the consolidated revenue fund for other than ordinary annual services appropriations

	Operating				Non-operating							
	Outcome 2 SPPs		Outcome 4 SPPs		Equity		Previous years' outputs		Admin assets and liabilities		Total	
	2009 $'000	2008 $'000	**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	**-**	19,504	**3,151**	-	**-**	-	**-**	-	**48,507**	14,798	**51,658**	34,302
Reduction of appropriations (prior years)	**-**	(19,504)	**(3,151)**	-	**-**	-	**-**	-	**-**	-	**(3,151)**	(19,504)
Adjusted balance carried from previous period	**-**	-	**-**	-	**-**	-	**-**	-	**48,507**	14,798	**48,507**	14,798
Appropriation Act (No. 2)	**74,713**	2,399	**7,120**	173,204	**21,304**	110	**1,800**	1,820	**79,844**	53,773	**184,781**	231,306
Appropriation Act (No. 4)	**-**	14	**3,150**	3,904	**-**	8,868	**-**	-	**3,996**	-	**7,146**	12,786
Appropriation Act (No. 6)	**-**	77,587	**-**	-	**-**	-	**-**	-	**-**	-	**-**	77,587
Other annual appropriation acts	**1,184,883**	-	**-**	-	**-**	-	**-**	-	**-**	-	**1,184,883**	-
Adjustment of appropriations on change of entity function (FMA s32)	**-**	-	**-**	-	**-**	-	**949**	-	**-**	-	**949**	-
Refunds credited (net) (FMA s30)	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-
Appropriation reduced by section 11 determination (current period)	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-
Sub-total annual appropriation	**1,259,596**	80,000	**10,270**	177,108	**21,304**	8,978	**2,749**	1,820	**83,840**	53,773	**1,377,759**	321,679
Appropriations to take account of recoverable GST (FMA s30A)	**-**	-	**-**	-	**2,130**	898	**275**	182	**407**	447	**2,812**	1,527
Departmental adjustments	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-
Total appropriations available for payments	**1,259,596**	80,000	**10,270**	177,108	**23,434**	9,876	**3,024**	2,002	**132,754**	69,018	**1,429,078**	338,004

Note 25: Appropriations (continued)

Note 25B: Acquittal of authority to draw cash from the consolidated revenue fund for other than ordinary annual services appropriations (continued)

	Operating				Non-operating						Total	
	Outcome 2 SPPs		Outcome 4 SPPs		Equity		Previous years' outputs		Admin assets and liabilities			
	2009	2008	**2009**	2008	**2009**	2008	**2009**	2008	**2009**	2008	**2009**	2008
	$'000	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000
Cash payments made during the year (GST inclusive)	**(613,850)**	(80,000)	**(1,918)**	(173,957)	**(23,434)**	(9,876)	**(3,024)**	(2,002)	**(63,961)**	(20,511)	**(706,187)**	(286,346)
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	**645,746**	-	**8,352**	3,151	**-**	-	**-**	-	**68,793**	48,507	**722,891**	51,658
Represented by:												
Cash at bank and on hand	**-**	-	**-**	-	**-**	-	**-**	-	**8,229**	6,034	**8,229**	6,034
Undrawn, unlapsed administered appropriations	**645,746**	-	**8,352**	3,151	**-**	-	**-**	-	**60,564**	42,473	**714,662**	45,624
Total	**645,746**	-	**8,352**	3,151	**-**	-	**-**	-	**68,793**	48,507	**722,891**	51,658

Note 25: Appropriations (continued)

Note 25B: Acquittal of authority to draw cash from the consolidated revenue fund for other than ordinary annual services appropriations (continued)

	Outcome 2 SPPs		Outcome 4 SPPs	
	2009	2008	**2009**	2008
Reduction in administered items	**$**	$	**$**	$
Total administered items appropriated	**1,259,596,000**	-	**10,270,000**	-
Less administered items required by the agency per Appropriation Act s11:				
Appropriation Act (No. 2) 2008-2009	**3,516,191**	-	**1,918,419**	-
Appropriation Act (No. 4) 2008-2009	**-**	-	**-**	-
Appropriation Act (No. 6) 2008-2009	**-**	-	**-**	-
Other annual appropriation acts	**610,334,000**	-	**-**	-
Total administered items required by the agency	**613,850,191**	-	**1,918,419**	-
Total reduction in administered items - effective 2009-2010	**645,745,809**	-	**8,351,581**	-

Note 25: Appropriations (continued)

Note 25C: Acquittal of authority to draw cash from the consolidated revenue fund — special appropriations (unlimited amount)

A New Tax System (Commonwealth-State) Financial Arrangements Act 1999	**2009**	2008
	$'000	$'000
		Outcome 2
Purpose: An Act under which the Australian Government guaranteed that in the transitional years following the introduction of tax reform, each State's budgetary position would be no worse off than had the reforms not been implemented.		
All transactions under this Act are recognised as administered items.		
Cash payments made during the year	**(40,996,912)**	(42,373,196)
Total charged to appropriation	**(40,996,912)**	(42,373,196)
Budget estimate	**41,450,756**	42,673,196

Federal Financial Relations Act 2009	**2009**	2008
	$'000	$'000
		Outcome 2
Purpose: An Act to provide financial assistance to the States, the Australian Capital Territory and the Northern Territory, and for related purposes.		
All transactions under this Act are recognised as administered items.		
Cash payments made during the year	**(3,162,950)**	-
Total charged to appropriation	**(3,162,950)**	-
Budget estimate	**3,181,600**	-

Note 25: Appropriations (continued)

Note 25C: Acquittal of authority to draw cash from the consolidated revenue fund — special appropriations (unlimited amount) (continued)

International Monetary Agreements Act 1947	**2009**	2008
	$'000	$'000
		Outcome 1
Purpose: An Act to promote international monetary cooperation, exchange stability, and orderly exchange arrangements; to foster economic growth and high levels of employment; and to provide temporary financial assistance to countries to help ease the balance of payments adjustment.		
All transactions under this Act are recognised as administered items.		
Cash payments made during the year	**(17,543)**	(30,730)
Total charged to appropriation	**(17,543)**	(30,730)
Budget estimate	**433,711**	31,050

Superannuation Industry (Supervision) Act 1993	**2009**	2008
	$'000	$'000
		Outcome 4
Purpose: An Act to provide the framework for providing financial assistance to superannuation funds that had suffered an eligible loss, that is a loss as a result of fraudulent conduct or theft.		
All transactions under this Act are recognised as administered items.		
Refunds credited (net) (FMA s30)	**157**	-
Total charged to appropriation	**157**	-
Budget estimate	**-**	-

Totals for unlimited special appropriations	**2009**	2008
	$'000	$'000
Cash payments made during the year	**(44,177,405)**	(42,403,926)
Refunds credited (net) (FMA s30)	**157**	-
Total charged to appropriation	**(44,177,248)**	(42,403,926)
Budget estimate	**45,066,067**	42,704,246

Note 25: Appropriations (continued)

Note 25C: Acquittal of authority to draw cash from the consolidated revenue fund — special appropriations (limited amount) (continued)

Appropriation (HIH Assistance) Act 2001	**2009 $'000**	2008 $'000
		Outcome 4
Purpose: An Act to provide Australian Government funded assistance to policy holders suffering financial hardship as a result of the failure of the HIH group companies and the appointment of the provisional liquidators of the HIH group companies. This special appropriation is limited to $640,000,000.		
All transactions under this Act are recognised as administered items.		
Amount available carried from previous period	**-**	19,798
Appropriations to take account for recoverable GST (FMA s30A)	**-**	320
Available for payments	**-**	20,118
Cash payments made during the year	**-**	(20,118)
Amount available carried to the next period	**-**	-
Represented by:		
Cash	**-**	-
Undrawn, unlapsed administered appropriations	**-**	-
Total	**-**	-

Note: During 2007-08 the *Appropriation (HIH Assistance) Act 2001* was exhausted, the HIH program is now funded through an annual capital appropriation.

Note 25: Appropriations (continued)

Note 25D: Acquittal of authority to draw cash from the consolidated revenue fund — Special Appropriations (Refund Provisions)

Financial Management and Accountability Act 1997	**2009**	2008
Transactions reported in this table are Administered items	**$'000**	$'000
		Outcome 2
Cash payments made during the year	**-**	54
Appropriations credited to special accounts	**-**	-
Refunds credited (net) (FMA Act s30)	**-**	-
Total charged to appropriation	**-**	54
Budget estimate (FMA s28)	**-**	-
		Outcome 4
Cash payments made during the year	**1**	-
Appropriations credited to special accounts	**-**	-
Refunds credited (net) (FMA Act s30)	**-**	-
Total charged to appropriation	**1**	-
Budget estimate (FMA s28)	**-**	-

Note 25E: Acquittal of authority to draw cash from the consolidated revenue fund — special appropriations (section 39 of the FMA Act)

For the periods 2007-08 and 2008-09, the Treasury has not drawn cash under section 39 of the FMA Act.

Note 25: Appropriations (continued)

Note 25F: Acquittal of authority to draw cash from the consolidated revenue fund — special appropriations (other disclosures)

The special appropriations listed below are administered in nature and the responsibility of the Treasury and were not used in the current reporting period or the previous reporting period and are therefore not shown in separate tables.

Limited	
Act	**Purpose**
Asian Development Bank Act 1966	Payments and promissory notes to establish the Bank. Balance available is USD$42,500,000 in callable shares.
Asian Development Bank (Additional Subscription) Act 1972	Subscribe to 2,550 (paid-in) and 10,200 (callable) shares. Balance available is USD$102,000,000 in callable shares.
Asian Development Bank (Additional Subscription) Act 1977	Subscribe to 2,869 (paid-in) and 25,818 (callable) shares. Balance available is USD$258,180,000 in callable shares.
Asian Development Bank (Additional Subscription) Act 1983	Subscribe to 2,622 (paid-in) and 49,811 (callable) shares. Balance available is USD$498,110,000 in callable shares.
Asian Development Bank (Additional Subscription) Act 1995	Subscribe to 2,047 (paid-in) and 100,323 (callable) shares. Balance available is USD$1,210,246,511 in callable shares.
European Bank for Reconstruction and Development Act 1990	Payments and promissory notes to establish the Bank. Balance available is USD$81,690,700 in callable shares.
International Financial Institutions (Share Increase) Act 1982	For payments for additional shares of capital stock in the International Finance Corporation (IFC) and the International Bank for Reconstruction and Development (IBRD). Balance available is USD$692,927,440 in callable shares (IBRD).
International Monetary Agreements Act 1974	Making payments, including for promissory notes, to the International Bank for Reconstruction and Development (IBRD). Balance available is USD$37,638,120 in callable shares (IBRD).
Multilateral Investment Guarantee Agency Act 1997	Payments of capital and on securities issued to establish the Agency. Balance available is USD$14,827,728 in callable shares.
Papua New Guinea Loans Guarantee Act 1975	Continuation of guarantees under the *Papua New Guinea Act 1949-75.* Balance available is AUD$4,480,000.
Unlimited	
Act	**Purpose**
Financial Agreements (Commonwealth Liability) Act 1932	Payment of principal and interest on bonds issued under the *Financial Agreement Validation Act 1929* , consolidating State debts.
Housing Loans Insurance Corporation (Transfer of Assets and Abolition) Act 1996	Payments for amounts arising from claims made before the transfer period leading to the abolition of the HLIC.
Mint Employees Act 1964	Top up superannuation entitlements.
Payment of Tax Receipts (Victoria) Act 1996	Payment to Victoria of certain taxes collected by the Australian Government on Victoria's behalf.
States Grants Act 1927	Distribution of surplus revenue to the States.

Note 25: Appropriations (continued)

Note 25F: Acquittal of authority to draw cash from the consolidated revenue fund — special appropriations (other disclosures) (continued)

The disclosure below is for note purposes only and is not recognised in the financial statements.

Commonwealth Places (Mirror Taxes) Act 1998

The Treasury is responsible for administering the above Act for the purpose of paying compensation to the States in respect of constitutionally invalid States taxes levied on Commonwealth places. Under the Act, the Australian Government is liable to pay to a State amounts equal to amounts received by the Australian Government (including amounts received by a State on behalf of the Australian Government) under an applied law of the State. During the current reporting period and previous reporting period the States collected and provided the following estimates of taxes pursuant to the Act:

	2009	2008
	$	$
Total mirror tax collection	**404,026,217**	384,621,285

Note 25: Appropriations (continued)

Note 25G: Special accounts

Actuarial Services Special Account (Departmental)

Legal authority: Financial Management and Accountability Act 1997; s20
Purpose: providing actuarial services and advice
Note: Actuarial Services Special Account was established on 1 October 2006.

	2009	2008
	$'000	$'000
This account is non-interest bearing		
Balance carried from Australian Government Actuary Account	**1,858**	1,672
GST credit (FMA s30A)	**29**	8
Other receipts from rendering of services	**1,518**	1,611
Available for payments	**3,405**	3,291
Payments made to employees	**(1,136)**	(1,016)
Payments made to suppliers	**(412)**	(417)
Balance carried to next period	**1,857**	1,858
Represented by:		
Cash held by the Australian Government Actuary	**586**	588
Add: Receivables - Monies held in the OPA	**1,270**	1,270
Add: Receivables - goods and services - GST receivable from customers	**45**	29
Less: Other payables - net GST payable to the ATO	**(44)**	(26)
Less: Payable - suppliers - GST portion	**-**	(3)
Total balance carried to the next period	**1,857**	1,858

Note 25: Appropriations (continued)

Note 25G: Special accounts (continued)

Lloyd's Deposit Trust Special Account (Departmental)

Legal authority: Financial Management and Accountability Act 1997; s20

Purpose: to disburse amounts in accordance with section 92Q of the *Insurance Act 1973.*

Note: Lloyd's Deposit Trust Special Account was established on 1 October 2006. The Lloyd's Deposit Trust Special Account was transferred to APRA during the 2007-08 financial year.

	2009	2008
	$'000	$'000
This account is non-interest bearing		
Balance carried from Lloyd's Deposit Trust Account	**-**	2,000
Other receipts from provision of goods	**-**	150
Available for payments	**-**	2,150
Payments made to suppliers	**-**	(150)
Transfer to APRA	**-**	2,000
Balance carried to next period	**-**	-
Represented by:		
Securities held by Treasury	**-**	-
Total balance carried to the next period	**-**	-

Note 25: Appropriations (continued)

Note 25G: Special accounts (continued)

COAG Reform Fund Special Account (Administered)

Legal authority: COAG Reform Fund Act 2008
Appropriations: Financial Management and Accountability Act 1997; s21
Purpose: For the making of grants of financial assistance to the States and Territories.

	2009 $'000	2008 $'000
Balance carried from previous period	-	-
Adjustment to prior year	-	-
Adjusted balance carried forward from previous period	-	-
Appropriation for reporting period	5,928,084	-
Receipts from other agencies	2,060,272	-
GST credits (FMA s30A)	-	-
Payments made to suppliers	(7,988,356)	-
Balance carried to next period (excluding investment balances) and	-	-
Represented by:		
Securities held by Treasury	-	-
Total balance carried to the next period	-	-

Financial System Stability Special Account (Administered)

Legal authority: Banking Act 1959; s70E
Appropriations: Financial Management and Accountability Act 1997; s21
Purpose: For the making of payments authorised under specified sections of the *Banking Act 1959*, the *Insurance Act 1973* and the *Life Insurance Act 1975* and to meet expenses of administering the special account.

No receipts have been received or payments made from the *Financial System Stability Special Account.*

	2009 $'000	2008 $'000
Total balance carried to the next period	-	-

Note 25: Appropriations (continued)

Note 25G: Special accounts (continued)

Services for other Governments and non agency bodies account (Departmental)

The Treasury has a 'Services for other Governments and non-agency bodies special account' established under section 20 of the *Financial Management and Accountability Act 1997* (FMA Act). The purpose of this special account is for the expenditure in connection with services performed on behalf of other Governments and bodies that are not agencies under the FMA Act. For the years ended 30 June 2008 and 30 June 2009 this special account had nil balances and no transactions were credited or debited to the account.

Other trust moneys account (Departmental — Special Public Money)

The Treasury has an 'Other trust moneys special account' established under section 20 of the FMA Act. The purpose of this special account is for expenditure of monies temporarily held on trust or otherwise for the benefit of a person other than the Australian Government. Any money held is thus special public money under section 16 of the FMA Act. For the years ended 30 June 2008 and 30 June 2009 this special account had nil balances and no transactions were credited or debited to the account.

Other trust moneys account (Administered — Special Public Money)

The Treasury has an 'Other trust moneys special account' established under section 20 of the FMA Act. The purpose of this special account is for expenditure of monies temporarily held on trust or otherwise for the benefit of a person other than the Australian Government. Any money held is thus special public money under section 16 of the FMA Act.

For the years ended 30 June 2008 and 30 June 2009 this special account held monies in relation to HIH recoveries received from the HIH Claims Manager, which were recovered from third parties in relation to claims made by persons insured by HIH. These recoveries comprise a portion which is due to third parties (non-Australian Government) and part to the Australian Government. Receipts and subsequent payments relating to third parties (non-Australian Government) are treated as special public monies.

	2009 Actual $'000	2008 Actual $'000
Balance carried forward from previous year	**-**	11
Receipts during the year	**23**	1,164
Available for payments	**23**	1,175
Payments made	**(23)**	(1,175)
Balance carried forward to next year held by the entity	**-**	-
Represented by:		
Cash held by Treasury	**-**	-
Balance carried forward to next year held by the entity	**-**	-

Note 25: Appropriations (continued)

Note 25H: Special accounts investment of public money

For the periods 2007-08 and 2008-09, the Treasury has not used section 39 of the FMA Act or section 18 and 19 of the Commonwealth Authorities and Companies Act in respect of this special account.

Note 26: Compensation and debt relief

For the periods of 2007-08 and 2008-09, the Treasury made no administered or departmental act of grace, ex-gratia or section 73 of the *Public Service Act 1999* payments.

Note 27: Reporting of outcomes

The Treasury uses a process of cost allocation to estimate the allocation of shared costs. The cost of each output is comprised of direct and indirect costs. Direct costs are assigned to outputs according to detailed cost profiles. Indirect costs that comprise corporate and overhead items such as information technology, accommodation and human resource management are allocated to outputs based on a (cost driver) consumption basis. This basis of allocation is consistent with the basis used for previous years.

Note 27: Reporting of outcomes (continued)

Note 27A: Net cost of outcome delivery

	Outcome 1		Outcome 2		Outcome 3		Outcome 4		Total	
	2009	2008	**2009**	2008	**2009**	2008	**2009**	2008	**2009**	2008
	$'000	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000
Expenses										
Administered expenses	**417,818**	28,738	**53,643,706**	42,453,196	**-**	-	**(389)**	173,754	**54,061,135**	42,655,688
Departmental expenses	**32,771**	33,270	**24,122**	20,822	**46,000**	40,899	**59,303**	54,684	**162,196**	149,675
Total expenses	**450,589**	62,008	**53,667,828**	42,474,018	**46,000**	40,899	**58,914**	228,438	**54,223,331**	42,805,363
Costs recovered from provision of goods and services to the non-government sector										
Administered	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-
Departmental	**142**	233	**65**	56	**-**	-	**79**	19	**286**	308
Total costs recovered	**142**	233	**65**	56	**-**	-	**79**	19	**286**	308
Other external revenues										
Administered										
Interest	**3,747**	3,404	**-**	-	**-**	-	**70**	248	**3,817**	3,652
Dividends	**1,402,968**	1,084,822	**-**	-	**-**	-	**-**	-	**1,402,968**	1,084,822
GST administration fees	**-**	-	**630,480**	600,200	**-**	-	**-**	-	**630,480**	600,200
Australian Government Guarantee Fee	**-**	-	**-**	-	**-**	-	**476,415**	-	**476,415**	-
COAG receipts from government agencies	**-**	-	**2,060,272**	-	**-**	-	**-**	-	**2,060,272**	-
HIH Group liquidation proceeds	**-**	-	**-**	-	**-**	-	**22,860**	55,271	**22,860**	55,271
Net foreign exchange gains	**-**	67,519	**-**	-	**-**	-	**-**	-	**-**	67,519
Other revenue	**-**	-	**68,723**	900	**-**	-	**45,633**	12,809	**114,356**	13,709
Total administered	**1,406,715**	1,155,745	**2,759,475**	601,100	**-**	-	**544,978**	68,328	**4,711,168**	1,825,173
Departmental										
Net gains	**104**	93	**82**	48	**227**	128	**121**	91	**534**	360
Other	**65**	332	**43**	99	**86**	192	**96**	201	**290**	824
Related goods and services revenue	**3,778**	3,005	**67**	70	**294**	259	**3,540**	2,349	**7,679**	5,683
External goods and services revenue	**422**	886	**7**	20	**33**	76	**396**	693	**858**	1,675
Total departmental	**4,369**	4,316	**199**	237	**640**	655	**4,153**	3,334	**9,361**	8,542
Total other external revenues	**1,411,084**	1,160,061	**2,759,674**	601,337	**640**	655	**549,131**	71,662	**4,720,529**	1,833,715
Net cost / (contribution) of outcome	**(960,637)**	(1,098,286)	**50,908,089**	41,872,625	**45,360**	40,244	**(490,296)**	156,757	**49,502,516**	40,971,340

Outcomes 1, 2, 3 and 4 are described in Note 1.1. Net costs shown include intra-government costs that are eliminated in calculating the actual budget outcome.

Note 27: Reporting of outcomes (continued)

Note 27B: Major classes of Departmental revenues and expenses by output group and outputs

	Output Group 1.1		Output Group 1.1			
	Output 1.1.1		Output 1.1.2		Outcome 1 Total	
	Domestic economic policy advice and forecasting		International economic policy advice and assessment			
	2009	2008	**2009**	2008	**2009**	2008
	$'000	$'000	**$'000**	$'000	**$'000**	$'000
Departmental expenses						
Employee benefits	**7,535**	7,485	**15,739**	16,329	**23,274**	23,814
Suppliers and grants	**2,106**	2,062	**6,273**	6,448	**8,379**	8,510
Depreciation and amortisation	**279**	243	**804**	661	**1,083**	904
Write down of assets	**2**	3	**6**	9	**8**	12
Finance costs	**6**	7	**18**	18	**24**	25
Net losses from sale of assets	**1**	1	**2**	4	**3**	5
Total Departmental expenses	**9,929**	9,801	**22,842**	23,469	**32,771**	33,270
Funded by:						
Revenues from Government	**9,795**	9,695	**18,267**	18,644	**28,062**	28,339
Sale of goods and services	**74**	80	**4,268**	4,044	**4,342**	4,124
Other non-taxation revenues	**20**	123	**45**	209	**65**	332
Other gains	**26**	24	**78**	69	**104**	93
Total Departmental revenues	**9,915**	9,922	**22,658**	22,966	**32,573**	32,888

Note 27: Reporting of outcomes (continued)

Note 27B: Major classes of Departmental revenues and expenses by output group and outputs (continued)

	Output Group 2.1 Output 2.1.1		Output Group 2.1 Output 2.1.2		Output Group 2.1 Output 2.1.3		Output Group 2.1 Output 2.1.4		Outcome 2 Total	
	Budget policy advice and coordination		Commonwealth - State financial policy advice		Industry, environment and defence policy advice		Social and income support policy advice			
	2009	2008	**2009**	2008	**2009**	2008	**2009**	2008	**2009**	2008
	$'000	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000
Departmental expenses										
Employee benefits	**3,664**	3,149	**2,679**	2,338	**6,939**	5,589	**5,312**	4,547	**18,594**	15,623
Suppliers and grants	**790**	774	**793**	623	**2,232**	2,250	**1,082**	1,044	**4,897**	4,691
Depreciation and amortisation	**120**	97	**93**	78	**232**	174	**167**	134	**612**	483
Write down of assets	**1**	1	**1**	3	**2**	2	**1**	2	**5**	8
Finance costs	**3**	3	**2**	2	**5**	5	**4**	4	**14**	14
Net losses from sale of assets	**-**	1	**-**	-	**-**	1	**-**	1	**-**	3
Total Departmental expenses	**4,578**	4,025	**3,568**	3,044	**9,410**	8,021	**6,566**	5,732	**24,122**	20,822
Funded by:										
Revenues from Government	**4,282**	4,095	**3,201**	2,987	**9,113**	8,725	**6,359**	5,099	**22,955**	20,906
Sale of goods and services	**26**	28	**20**	23	**55**	54	**38**	41	**139**	146
Other non-taxation revenues	**9**	19	**7**	15	**14**	39	**13**	26	**43**	99
Net gains	**11**	9	**9**	8	**23**	18	**39**	13	**82**	48
Total Departmental revenues	**4,328**	4,151	**3,237**	3,033	**9,205**	8,836	**6,449**	5,179	**23,219**	21,199

Note 27: Reporting of outcomes (continued)

Note 27B: Major classes of Departmental revenues and expenses by output group and outputs (continued)

	Output Group 3.1		Output Group 3.1			
	Output 3.1.1		**Output 3.1.2**		**Outcome 3 Total**	
	Taxation policy and legislation advice		Retirement income and saving policy and legislation advice			
	2009	2008	**2009**	2008	**2009**	2008
	$'000	$'000	**$'000**	$'000	**$'000**	$'000
Departmental expenses						
Employees	**27,334**	23,189	**5,703**	7,173	**33,037**	30,362
Suppliers and grants	**9,958**	7,675	**1,792**	1,806	**11,750**	9,481
Depreciation and amortisation	**955**	769	**219**	237	**1,174**	1,006
Write down of assets	**8**	11	**2**	3	**10**	14
Finance costs	**22**	22	**5**	7	**27**	29
Net losses from sale of assets	**2**	5	**-**	2	**2**	7
Total Departmental expenses	**38,279**	31,671	**7,721**	9,228	**46,000**	40,899
Funded by:						
Revenues from Government	**36,216**	33,730	**7,502**	9,021	**43,718**	42,751
Sale of goods and services	**274**	256	**53**	79	**327**	335
Other non-taxation revenues	**70**	147	**16**	45	**86**	192
Net gains	**207**	105	**20**	23	**227**	128
Total Departmental revenues	**36,767**	34,238	**7,591**	9,168	**44,358**	43,406

Note 27: Reporting of outcomes (continued)

Note 27B: Major classes of Departmental revenues and expenses by output group and outputs (continued)

	Output Group 4.1 Output 4.1.1		Output Group 4.1 Output 4.1.2		Output Group 4.1 Output 4.1.3		Output Group 4.1 Output 4.1.4		Outcome 4 Total	
	Foreign investment and trade policy advice and administration		Financial system and corporate governance policy advice		Competition and consumer policy advice		Actuarial Services			
	2009	2008	**2009**	2008	**2009**	2008	**2009**	2008	**2009**	2008
	$'000	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000
Departmental expenses										
Employees	**4,224**	4,312	**15,567**	13,605	**11,745**	12,349	**1,134**	1,078	**32,670**	31,344
Suppliers and grants	**1,589**	1,455	**12,320**	10,177	**11,007**	10,291	**352**	423	**25,268**	22,346
Depreciation and amortisation	**177**	149	**662**	440	**481**	359	**2**	3	**1,322**	951
Write down of assets	**1**	2	**5**	6	**4**	5	**-**	-	**10**	13
Finance costs	**4**	4	**14**	11	**11**	10	**-**	-	**29**	25
Net losses from sale of assets	**-**	1	**3**	2	**1**	2	**-**	-	**4**	5
Total Departmental expenses	**5,995**	5,923	**28,571**	24,241	**23,249**	23,016	**1,488**	1,504	**59,303**	54,684
Funded by:										
Revenues from Government	**5,685**	5,686	**27,111**	23,584	**21,149**	28,049	**-**	-	**53,945**	57,319
Sale of goods and services	**161**	164	**2,051**	1,189	**103**	169	**1,700**	1,539	**4,015**	3,061
Other non-taxation revenues	**13**	9	**47**	121	**36**	71	**-**	-	**96**	201
Net gains	**16**	15	**59**	40	**46**	36	**-**	-	**121**	91
Total Departmental revenues	**5,875**	5,874	**29,268**	24,934	**21,334**	28,325	**1,700**	1,539	**58,177**	60,672

Note 27: Reporting of outcomes (continued)

Note 27C: Major classes of Departmental assets and liabilities by outcome

	Outcome 1		Outcome 2		Outcome 3		Outcome 4		Total	
	2009	2008	**2009**	2008	**2009**	2008	**2009**	2008	**2009**	2008
	$'000	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000
Departmental assets										
Cash and cash equivalents	**205**	467	**116**	245	**219**	506	**827**	1,052	**1,367**	2,270
Trade and other receivables	**19,682**	19,957	**11,172**	10,460	**21,031**	21,617	**24,908**	21,435	**76,793**	73,469
Land and buildings	**2,707**	2,901	**1,537**	1,520	**2,893**	3,142	**3,177**	2,879	**10,314**	10,442
Plant and equipment	**2,102**	1,962	**1,193**	1,028	**2,246**	2,125	**2,468**	1,952	**8,009**	7,067
Intangibles	**579**	219	**328**	115	**618**	237	**18,125**	217	**19,650**	788
Other non-financial assests	**274**	400	**155**	210	**292**	433	**321**	400	**1,042**	1,443
Total Departmental assets	**25,549**	25,906	**14,501**	13,578	**27,299**	28,060	**49,826**	27,935	**117,175**	95,479
Departmental liabilities										
Suppliers	**1,004**	766	**570**	401	**1,073**	830	**1,206**	792	**3,853**	2,789
Other payables	**1,310**	1,132	**744**	593	**1,400**	1,226	**1,537**	1,147	**4,991**	4,098
Leases	**61**	247	**35**	130	**65**	268	**72**	245	**233**	890
Employees provisions	**9,807**	9,547	**5,567**	5,004	**10,479**	10,341	**11,834**	9,804	**37,687**	34,696
Total Departmental liabilities	**12,182**	11,692	**6,916**	6,128	**13,017**	12,665	**14,649**	11,988	**46,764**	42,473

Note 27: Reporting of outcomes (continued)

Note 27D: Major classes of Administered revenues, expenses, assets and liabilities by outcome

	Outcome 1		Outcome 2		Outcome 3		Outcome 4		Total	
	Sound macroeconomic environment		Effective government spending arrangements		Effective taxation and retirement income arrangements		Well functioning markets			
	2009 $'000	2008 $'000	**2009 $'000**	2008 $'000	**2009 $'000**	2008 $'000	**2009 $'000**	2008 $'000	**2009 $'000**	2008 $'000
Administered revenues										
Interest	**3,747**	3,404	**-**	-	**-**	-	**70**	248	**3,817**	3,652
Dividends	**1,402,968**	1,084,822	**-**	-	**-**	-	**-**	-	**1,402,968**	1,084,822
Goods and services	**-**	-	**630,480**	600,200	**-**	-	**-**	-	**630,480**	600,200
Australian Government Guarantee Fee	**-**	-	**-**	-	**-**	-	**476,415**	-	**476,415**	-
COAG receipts from government agencies	**-**	-	**2,060,272**	-	**-**	-	**-**	-	**2,060,272**	-
HIH Group liquidation proceeds	**-**	-	**-**	-	**-**	-	**22,860**	55,271	**22,860**	55,271
Other	**-**	-	**68,723**	900	**-**	-	**45,633**	12,809	**114,356**	13,709
Net foreign exchange gains	**-**	67,519	**-**	-	**-**	-	**-**	-	**-**	67,519
Total administered revenues	**1,406,715**	1,155,745	**2,759,475**	601,100	**-**	-	**544,978**	68,328	**4,711,168**	1,825,173
Administered expenses										
Grants	**-**	-	**53,643,706**	42,453,196	**-**	-	**(157)**	173,957	**53,643,549**	42,627,153
Other	**14,265**	28,738	**-**	-	**-**	-	**(232)**	(203)	**14,033**	28,535
Net foreign exchange losses	**403,553**	-	**-**	-	**-**	-	**-**	-	**403,553**	-
Total administered expenses	**417,818**	28,738	**53,643,706**	42,453,196	**-**	-	**(389)**	173,754	**54,061,135**	42,655,688
Administered assets										
Cash and cash equivalents	**-**	-	**-**	-	**-**	-	**8,230**	10,213	**8,230**	10,213
Receivables	**532**	596	**-**	-	**-**	-	**2,744,353**	822	**2,744,885**	1,418
Investments	**6,894,196**	6,190,631	**-**	-	**-**	-	**19,053,177**	11,083,246	**25,947,373**	17,273,877
Other non-financial assets	**-**	-	**-**	-	**-**	-	**-**	1,833	**-**	1,833
Total administered assets	**6,894,728**	6,191,227	**-**	-	**-**	-	**21,805,760**	11,096,114	**28,700,488**	17,287,341
Administered liabilities										
Loans	**3,889,425**	3,881,382	**-**	-	**-**	-	**-**	-	**3,889,425**	3,881,382
Grants	**-**	2,500	**558,917**	-	**-**	-	**-**	-	**558,917**	2,500
Other payables	**1,895,859**	800,653	**-**	-	**-**	-	**2,660,595**	241	**4,556,454**	800,894
Other provisions	**-**	-	**-**	-	**-**	-	**38,306**	144,793	**38,306**	144,793
Total administered liabilities	**5,785,284**	4,684,535	**558,917**	-	**-**	-	**2,698,901**	145,034	**9,043,102**	4,829,569