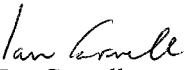


Financial statements

STATEMENT BY THE INSPECTOR-GENERAL OF INTELLIGENCE AND SECURITY

In my opinion, the attached financial statements for the year ended 30 June 2007 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*.


Ian Carnell
Inspector-General
of Intelligence and Security

4 September 2007



INDEPENDENT AUDITOR'S REPORT

To the Prime Minister

Matters relating to the Electronic Presentation of the Audited Financial Statements

This auditor's report relates to the financial statements published on the website of the Office of the Inspector-General of Intelligence and Security for the year ended 30 June 2007. The Inspector-General of Intelligence and Security is responsible for the integrity of the web site.

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

If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial statements in the Office of the Inspector-General of Intelligence and Security's annual report.

Scope

I have audited the accompanying financial statements of the Office of the Inspector-General of Intelligence and Security for the year ended 30 June 2007, which comprise: a Statement by the Inspector-General of Intelligence and Security; income statement; balance sheet; statement of changes in equity; cash flow statement; schedules of commitments, contingencies and a summary of significant accounting policies; and other explanatory notes.

The Responsibility of the Inspector-General of Intelligence and Security for the Financial Statements

The Inspector-General of Intelligence and Security 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* and the Australian Accounting Standards (including 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. My audit has been conducted 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 Office of the Inspector-General of Intelligence and Security'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 Office of the Inspector-General of Intelligence and Security's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Inspector-General of Intelligence and Security, as well as evaluating the overall presentation of the financial statements.

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

Independence

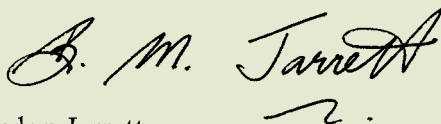
In conducting the audit, I have followed the independence requirements of the Australian National Audit Office, which incorporate the ethical requirements of the Australian accounting profession.

Auditor's Opinion

In my opinion, the financial statements of the Office of the Inspector-General of Intelligence and Security:

- (a) have been prepared in accordance with the Finance Minister's Order under the *Financial Management and Accountability Act 1997*, and the Accounting Standards (including the Australian Accounting Interpretation);
- (b) give a true and fair view of the matters required by the Finance Minister's Order, including the Office of the Inspector-General of Intelligence and Security's position as at 30 June 2007 and of its financial performance and its cash flows for the year then ended.

Australian National Audit Office

A handwritten signature in black ink that reads "B. M. Jarrett". The signature is written in a cursive style with a large, sweeping flourish at the end.

Brandon Jarrett
Executive Director

Delegate of the Auditor-General

Canberra
4 September 2007

OFFICE OF THE INSPECTOR-GENERAL OF INTELLIGENCE AND SECURITY
INCOME STATEMENT
for the year ended 30 June 2007

Income Statement	Notes	2006-07 \$	2005-06 \$
INCOME			
Revenues from ordinary activities			
Revenues from Government	2A	<u>1 485 000</u>	1 124 000
Total Revenues from ordinary activities		<u>1 485 000</u>	<u>1 124 000</u>
Gains			
Resources received free of charge	2B	<u>93 000</u>	72 925
Total Gains		<u>93 000</u>	<u>72,925</u>
TOTAL INCOME		<u>1 578 000</u>	<u>1 196 925</u>
EXPENSES			
Employees	3A		
Remuneration		738 462	702 662
Superannuation		<u>166 650</u>	140 949
Total employees		<u>905 112</u>	843 611
Suppliers			
Resources received free of charge		93 000	72 925
Comcare premium	3B	2 750	2 519
Other goods and services	3B	<u>337 123</u>	219 223
Total suppliers		<u>432 873</u>	294 667
Net losses from sale of assets	3D	-	2 099
Assets written off	3E	9 676	-
Equipment depreciation	3C	<u>28 743</u>	35 902
TOTAL EXPENSES		<u>1 376 404</u>	<u>1 176 279</u>
OPERATING RESULT		<u>201 596</u>	<u>20 646</u>

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

OFFICE OF THE INSPECTOR-GENERAL OF INTELLIGENCE AND SECURITY
BALANCE SHEET
as at 30 June 2007

Balance Sheet	Notes	2006-07 \$	2005-06 \$
ASSETS			
Financial Assets			
Cash and cash equivalents	4A	293 105	372 850
Receivables - current	4B		
Appropriations receivable		797 800	417 000
GST receivable		2 452	2 444
Other debtors		77 339	22 140
Total receivables		<u>877 591</u>	<u>441 584</u>
Total financial assets		<u>1 170 697</u>	<u>814 434</u>
Non-financial assets			
Infrastructure, plant and equipment	5A	33 741	72 336
Other non financial assets			
Prepayments	5B	-	494
Total non-financial assets		<u>33 741</u>	<u>72 830</u>
TOTAL ASSETS		<u>1 204 438</u>	<u>887 264</u>
LIABILITIES			
Provisions			
Employee provisions	7A	596 148	493 769
Total provisions		<u>596 148</u>	<u>493 769</u>
Payables			
Suppliers	6A	46 036	25 913
Total payables		<u>46 036</u>	<u>25 913</u>
TOTAL LIABILITIES		<u>642 184</u>	<u>519 682</u>
Net Assets		<u>562 254</u>	<u>367 582</u>
EQUITY			
Asset revaluation reserve		2 511	9 435
Contributed equity		402 000	402 000
Retained Earnings		157 743	(43 853)
TOTAL EQUITY		<u>562 254</u>	<u>367 582</u>
Current Assets		1 170 697	814 928
Non-Current Assets		33 741	72 336
Current Liabilities		614 025	508 745
Non-Current Liabilities		28 159	10 937

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

OFFICE OF THE INSPECTOR-GENERAL OF INTELLIGENCE AND SECURITY
STATEMENT OF CASH FLOWS
for the year ended 30 June 2007

Cash Flows	Notes	2006-07 \$	2005-06 \$
OPERATING ACTIVITIES			
Cash received			
Appropriations		1 104 200	1 015 000
Net GST refunds		15 742	23 318
Other cash received		34 120	-
Total cash received		<u>1 154 062</u>	<u>1 038 318</u>
Cash used			
Employees		(892 840)	(755 390)
Suppliers		(259 283)	(254 960)
Other Cash Used		(74 934)	-
Total cash used		<u>(1 227 057)</u>	<u>(1 010 350)</u>
Net cash used from operating activities	8	<u>(72 995)</u>	<u>27 968</u>
INVESTING ACTIVITIES			
Cash received			
Proceeds from sales of equipment		-	674
Total cash received		<u>-</u>	<u>674</u>
Cash used			
Purchase of equipment		(6 750)	(2 252)
Total cash used		<u>(6 750)</u>	<u>(2 252)</u>
Net cash used from investing activities		<u>(6 750)</u>	<u>(1 578)</u>
FINANCING ACTIVITIES			
Cash received			
Equity injection		-	-
Total cash received		<u>-</u>	<u>-</u>
Cash used			
Return of equity		-	(66 000)
Total cash used		<u>-</u>	<u>(66 000)</u>
Net cash used from financing activities		<u>-</u>	<u>(66 000)</u>
Net increase/(decrease) in cash held		<u>(79 745)</u>	<u>(39 610)</u>
Cash at beginning of reporting period		<u>372 850</u>	<u>412 460</u>
Cash at the end of the reporting period	8	<u><u>293 105</u></u>	<u><u>372 850</u></u>

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

OFFICE OF THE INSPECTOR-GENERAL OF INTELLIGENCE AND SECURITY
STATEMENT OF CHANGES IN EQUITY
For the year ended 30 June 2007

Item	Retained Earnings		Asset Revaluation Reserve		Contributed Equity/Capital		Total Equity	
	2007	2006	2007	2006	2007	2006	2007	2006
	\$	\$	\$	\$	\$	\$	\$	\$
Opening Balance	(43 853)	(64 499)	9 435	9 435	402 000	468 000	367 582	412 936
Net Operating Result	201 596	20 646	-	-	-	-	201 596	20 646
Total income and expenses	201 596	20 646					201 596	20 646
Asset Revaluation Movements			(6,924)				(6,924)	
Transactions with Owners	-	-	-	-	-	-	-	-
Distributions to owners	-	-	-	-	-	-	-	-
Returns of Capital	-	-	-	-	-	(66 000)	-	(66 000)
Contributions by Owners	-	-	-	-	-	-	-	-
Appropriation (equity injection)	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Sub-total Transaction with Owners	-	-	-	-	-	(66 000)	-	(66 000)
Transfers between equity components	-	-	-	-	-	-	-	-
Closing balance at 30 June	157 743	(43 853)	2 511	9 435	402 000	402 000	562 254	367 582

STATEMENT OF COMMITMENTS AND CONTINGENCIES*as at 30 June 2007*

The Office had no contingencies to report in either 2005-06 or in 2006-07.

	2007	2006
	\$	\$
BY TYPE		
Commitments Receivable		
GST recoverable on commitments	8	1
Total Commitments Receivable	<u>8</u>	<u>1</u>
Capital Commitments		
Infrastructure, plant and equipment	58	-
Total Capital Commitments	<u>58</u>	<u>-</u>
Other Commitments		
Operating Leases	119	76
Total Other Commitments	<u>119</u>	<u>76</u>
Net Commitments by Type	<u>169</u>	<u>75</u>
BY MATURITY		
Commitments Receivable		
Operating Lease income		
One year or less	2	1
From one to five years	1	-
Over five years	-	-
Total operating lease income	<u>3</u>	<u>1</u>
Other Commitments Receivable		
One year or less	5	-
From one to five years	-	-
Over five years	-	-
Total other commitments receivable income	<u>5</u>	<u>-</u>
Commitments Payable		
Capital Commitments		
One year or less	58	-
From one to five years	-	-
Over five years	-	-
Total Capital Commitments	<u>58</u>	<u>-</u>
Operating Lease Commitments		
One year or less	64	76
From one to five years	55	-
Over five years	-	-
Total Operating Lease Commitments	<u>119</u>	<u>76</u>
Net Commitments by Maturity	<u>169</u>	<u>75</u>

No contingent rentals exist.

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

Note 1 - Summary of Significant Accounting Policies

1.1 Objectives of the Office of the Inspector-General of Intelligence and Security

The objective of the office is to meet the following outcome:

Assurance that Australia's intelligence agencies act legally, ethically and with propriety.

The office has one output:

Inspect, inquire into, and report on, the activities of the intelligence and security agencies.

In previous reporting periods, the office had two outputs (Output 1:- Inspect and report on the activities of the intelligence and security agencies, Output 2: - Conduct inquiries and provide a complaint resolution service) which were combined into one output as part of the 2005-06 Budget process.

The decision to change the output structure was made for three main reasons:

- to recognise that reporting responsibilities apply to inquiry activities, not just to inspection activities
- to recognise that complaints are handled as inquiries and are not a separate activity from inquiries, and
- to recognise that inspection activities can potentially lead to inquiries, and are in turn influenced by inquiries.

Under the revised output structure, the office will continue to carry out all the activities performed under the two former outputs, including complaints resolution.

1.2 Basis of Accounting

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

The statements have been prepared in accordance with:

- Finance Minister's Orders (being the *Financial Management and Accountability Orders (Financial Statements for reporting periods ending on or after 1 July 2006)*)
- Australian Accounting Standards issued by the Australian Accounting Standards Board that apply for the reporting period, and
- Interpretations issued by the AASB and Urgent Issues Group that apply for the reporting period.

The Income Statement and Balance Sheet have been prepared on an accrual basis and are in accordance with the historical cost convention, except for certain assets which have been noted at fair value. 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 dollar.

Assets and liabilities are recognised in the Balance Sheet when and only when it is probable that future economic benefits will flow and the amounts of the assets or liabilities can be reliably measured.

However, assets and liabilities arising under agreements equally proportionately unperformed are not recognised unless required by an Accounting Standard. Liabilities and assets that are unrecognised are reported in the Schedule of Commitments and the Schedule of Contingencies.

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2007

Note 1 - Summary of Significant Accounting Policies (continued)

1.3 Statement of Compliance

Australian Accounting Standards require a statement of compliance with International Financial Reporting Standards (IFRSs) to be made where the financial report complies with these standards. Some Australian equivalents to IFRSs and other Australian Accounting Standards contain requirements specific to not-for-profit entities that are inconsistent with IFRS requirements. This Agency is a not-for-profit entity and has applied these requirements, so while this financial report complies with Australian Accounting Standards including Australian Equivalents to International Financial Reporting Standards (AEIFRSs) it cannot make this statement.

Adoption of new Australian Accounting Standard Requirements

No accounting standard has been adopted earlier than the effective date in the current period.

Other effective requirement changes

The following amendments, revised standards or interpretations have become effective but have had no financial impact or do not apply to the operations of the Agency:

Amendments:	2005-1 Amendments to AASBs 1, 101, 124
	2005-6 Amendments to AASB 3
	2006-1 Amendments to AASB 121
	2006-3 Amendments to AASB 1045
Interpretations:	UIG 4 Determining whether an Arrangement contains a Lease
	UIG 5 Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
	UIG 7 Applying the Restatement Approach under AASB 129 Financial Reporting in Hyperinflationary Economies
	UIG 8 Scope of AASB 2
	UIG 9 Reassessment of Embedded Derivatives

Future Australian Accounting Standard Requirements

The following standards and interpretations have been issued but are not applicable to the operations of the Agency:

- AASB 7 Financial Instruments
- AASB 1049 Financial Reporting of General Government Sectors by Governments
- UIG 10 Interim Financial Reporting and Impairment

1.4 Revenue

Revenues from Government

The full amount of the departmental appropriation for office outputs for the year is recognised as revenue. Appropriations receivable are recognised at their nominal amounts.

Other Revenue

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

Note 1 - Summary of Significant Accounting Policies (continued)

1.5 Gains

Resources Received Free of Charge

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

The main resources received free of charge in 2006-07 are office space (from the Department of the Prime Minister and Cabinet) and the installation and maintenance of the OIGIS owned internal secure computer networks (from Defence Signals Directorate). Other resources received free of charge include auditor remuneration as disclosed in Note 11.

1.6 Employee Benefits

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

Liabilities for 'short-term employee benefits' (as defined in AASB 119) and termination benefits due within twelve months 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 office 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 office's employer superannuation contribution rates to the extent that the leave is likely to be taken during service rather than paid out on termination.

The liability for long service leave has been determined by using the short hand method per AASB 119 as at 30 June 2007. The estimate of the present value of the liability takes into account attrition rates and pay increases through promotion and inflation.

Superannuation

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

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

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2007

Note 1 - Summary of Significant Accounting Policies (continued)

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.

1.7 Receivables

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

All receivables are with Commonwealth entities. Credit terms are net 30 days (2005–06: 30 days).

1.8 Trade Creditors & Accrued Expenses

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

With the exception of one creditor, the remaining creditors are entities that are not part of the Commonwealth legal entity. Settlement is usually made net 30 days.

1.9 Cash

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

1.10 Acquisition of Assets

Assets are recorded at cost on acquisition.

1.11 Infrastructure, Plant and Equipment

The office's fixed assets are comprised of office equipment and software only.

Asset Recognition Threshold

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

Revaluations

Plant and equipment are carried at valuation. Fair values for the one class of asset have been determined by market selling price. With the exception of software which is carried at cost.

Frequency and Conduct

Valuations are conducted with sufficient frequency to ensure that the carrying amounts of assets do not differ materially from the assets' fair values as at the reporting date. A full revaluation was conducted at 30 June 2007 by an independent valuer.

Note 1 - Summary of Significant Accounting Policies (continued)

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

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

Depreciation and Amortisation

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

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

Depreciation and amortisation rates are for 1 to 5 years.

1.12 Impairment of Non-Current Assets

All assets were assessed for impairment at 30 June 2007 and remaining useful lives were reassessed as part of the revaluation exercise. There were no indications of impairment and the assets are valued at their fair value.

1.13 Taxation

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

Revenues, expenses and assets are recognised net of GST except for:

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

1.14 Insurance

The Office of the Inspector-General of Intelligence and Security has insured for risks through the Government's insurable risk managed fund, called 'Comcover'. Workers compensation is insured through the Government's Comcare.

1.15 Comparative Figures

Comparative figures have been adjusted to conform to changes in presentation in these financial statements where required.

1.16 Rounding

Amounts have been rounded to the nearest dollar.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2007

Note 2 – Income

Revenue

Note 2A – Revenues from Government

	2007	2006
	\$	\$
<u>Revenue from Government</u>		
Appropriations for outputs	1 485 000	1 124 000
Total revenue from government	1 485 000	1 124 000

Gains

Note 2B – Other Gains

	2007	2006
	\$	\$
Other Gains		
Resources Received free of charge	93 000	72 925
Total Other Gains	93 000	72 925

Note 3 – Expenses

Note 3A – Employee Benefits

	2007	2006
	\$	\$
Wages and salaries	726 444	617 476
Superannuation	166 650	140 949
Leave and other entitlements	12 018	85 186
Separation and redundancies	-	-
Total employee benefits	905 112	843 611

Note 3B - Suppliers

	2007	2006
	\$	\$
Provision of goods – related entities		
Provision of goods – external entities	236 845	148 691
Rendering of services – related entities	138 000	118 925
Rendering of services – external entities	55 278	24 532
Workers compensation premiums	2 750	2 519
Total supplier expenses	432 873	294 667

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2007

	2007 \$	2006 \$
Note 3C – Depreciation and amortisation		
Depreciation – Infrastructure, plant and equipment	28 743	35 902
Total Depreciation	28 743	35 902
	2007 \$	2006 \$
Note 3D – Net Losses from Sale of Assets		
Infrastructure, plant and equipment:		
Proceeds from sale	-	832
Carrying value of assets sold	-	2 690
Selling expense	-	241
Total losses from asset sales	-	2 099
Note 3E – Assets Written Off		
Infrastructure, plant and equipment	9 676	-
Total Assets Written Off	9 676	-
Note 4 – Financial Assets		
	2007 \$	2006 \$
Note 4A – Cash and cash equivalents		
Cash on hand or on deposit	293 105	372 850
Total cash and cash equivalents	293 105	372 850
	2007 \$	2006 \$
Note 4B – Trade and other receivables		
Appropriations Receivable:		
For existing outputs	797 800	417 000
Total appropriations receivable	797 800	417 000
GST receivable from the Australian Taxation Office	2 452	2 444
Other receivables:		
Department of Defence	77 339	22 140
Total other receivables	79 791	24 584
Total trade and other receivables (gross)	877 591	441 584
Less Allowance for Doubtful Debts	-	-
Total trade and other receivables (net)	877 591	441 584
Receivables are aged as follows:		
Not overdue	877 591	441 584

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2007

Note 5 – Non-Financial Assets

Note 5A – Infrastructure, plant and equipment

	2007	2006
	\$	\$
Infrastructure, plant and equipment		
Infrastructure, plant and equipment:		
- gross carrying value (at fair value)	31 200	2 385
- accumulated depreciation	-	(1 765)
Infrastructure, plant and equipment		
- gross carrying value (at cost)	5 769	142 706
- accumulated depreciation	(3 228)	(70 990)
Total Infrastructure, Plant and Equipment (non-current)	<u>33 741</u>	<u>72 336</u>

Note 5B – Other Non-Financial Assets

	2007	2006
	\$	\$
Other Non-Financial Assets		
Prepayments	-	494
Total Other Non-Financial Assets	<u>-</u>	<u>494</u>

Note 5C – Analysis of Infrastructure, plant and equipment

Table A – Reconciliation of the Opening and Closing Balances of Infrastructure, Plant and Equipment (2006-07)

Item	Infrastructure, Plant and Equipment
As at 1 July 2006	
Gross book value	145 092
Accumulated depreciation	(72 756)
Opening Net book value as at 1 July 2006	72 336
Additions	
by purchase	6 750
Depreciation expense	(28 743)
Disposals	
Net cost of disposals	(9 677)
Revaluations and impairments through equity	(6,924)
Net Book Value 30 June 2007	33 742
As at 30 June 2006	
Gross book value	36 970
Accumulated depreciation	(3 228)
Net book value as at 30 June 2006	33 742

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2007

Table A – Reconciliation of the Opening and Closing Balances of Infrastructure, Plant and Equipment (2005-06)

Item	Infrastructure Plant and Equipment
As at 1 July 2005	
Gross book value	147 895
Accumulated depreciation	(39 014)
Opening Net book value as at 1 July 2005	108 881
Additions	
by purchase	2 047
Depreciation expense	(35 902)
Disposals	
Book value of disposals	(4 850)
Accumulated depreciation on disposals	2 160
As at 30 June 2006	
Gross book value	145 092
Accumulated depreciation	(72 756)
Net book value as at 30 June 2006	72 336

All revaluations are independent and are conducted in accordance with the revaluation policy stated at Note 1. In 2006-07, the revaluations were conducted by an independent valuer A.F. Graham (Certified Practicing Valuer).

Note 6 – Payables

	2007 \$	2006 \$
<u>Note 6A – Suppliers</u>		
Trade creditors	46 036	25 913
Total Suppliers	46 036	25 913
Supplier payables are represented by:		
Current	46 036	25 913
Non-current	-	-
Total supplier payables	46 036	25 913

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2007

Note 7 – Provisions

	2007 \$	2006 \$
<u>Note 7A – Employee provisions</u>		
Salaries and wages	7 016	5 030
Leave	545 353	457 410
Superannuation	41 795	31 012
Other – Fringe Benefits Tax	1 984	317
Total Employee Provisions	596 148	493 769
Employee provisions are represented by:		
Current	567 989	482 832
Non-current	28 159	10 937
Total employee provisions	596 148	493 769

Note 8 – Cash Flow Reconciliation

	2006-07 \$	2005-06 \$
Reconciliation of Cash and cash equivalents as per Balance Sheet to Cash flow statement		
Report cash and cash equivalents as per:		
Cash Flow Statement	293 105	372 850
Balance Sheet	293 105	372 850
Difference	-	-
Reconciliation of net surplus to net cash from operating activities:		
Operating result	201 596	20 646
Depreciation	28 743	35 902
Gain/Loss on disposal of assets	9 676	2 221
Write-off of assets	-	-
Increase/(Decrease) in provision for employee liabilities	102 376	90 740
Increase/(Decrease) in supplier trade creditors	20 126	8 459
(Increase)/Decrease in appropriations receivables	(380 800)	(109 000)
(Increase)/Decrease in other assets	(55 198)	(22 146)
(Increase)/Decrease in other prepayments	494	-
(Increase)/Decrease in GST receivable	(8)	1 146
(Increase)/Decrease in transfers to the Official Public Account	-	-
Net cash flow from operating activities	(72,995)	27 968

Note 9 – Contingent Liabilities and Assets

The Agency had no contingent liabilities or contingent assets at the reporting date.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2007

Note 10 – Executive Remuneration

Executive Remuneration	2006-07	2005-06
Number of executives in the range \$340 000 to \$399 999:	1	1
For privacy reasons the aggregate amount of executive remuneration is not shown		
The aggregate amount of separation and redundancy/termination benefit payments during the year to executives shown above:	Nil	Nil

Note 11 – Remuneration of Auditor

Financial statement audit services are provided free of charge to the office. No other services were provided by the Auditor-General.

Remuneration of Auditor	2006-07	2005-06
The fair value of audit services provided was:	\$14 100	\$16 500

Note 12 – Staffing Level

The average staffing level for the office in 2006-07 was 7 (2005-06: 6).

Note 13 – Financial Instruments

Note 13A – Interest Rate Risk

Financial Instruments (Recognised)	Floating interest rate		Non-Interest Bearing		Total		Weighted Average Effective Interest Rate	
	06-07	05-06	06-07	05-06	06-07	05-06	06-07	05-06
	\$	\$	\$	\$	\$	\$	\$	\$
Financial Assets								
Cash on hand	-	-	55	36	55	36	n/a	n/a
Cash at Bank	-	-	293 050	372 814	293 050	372 814	n/a	n/a
Receivables for goods or services (gross)	-	-	877 591	441 584	877 591	441 584	n/a	n/a
Total			1 170 696	814 434	1 170 696	814 434		
Total Assets					1 204 438	887 264		
Financial Liabilities								
Trade Creditors	-	-	46 036	25 913	46 036	25 913	n/a	n/a
Other Payables	-	-	-	-	-	-	n/a	n/a
Total	-	-	46 036	25 913	46 036	25 913		
Total Liabilities					642 184	519 683		

No funds were invested at a fixed interest rate.

Note 13B – Net Fair Value of Financial Assets and Liabilities

The office's aggregate net fair values of (identified) financial instruments are the same as their carrying amounts.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2007

Note 13C – Credit Risk Exposure

The office's maximum exposure to credit risk at reporting date in relation to each class of recognised financial assets is the carrying amount of those assets as indicated in the Balance Sheet. The office has no significant exposure to any concentrations of credit risk.

Note 14 – Special Accounts

The office has two special accounts established under section 20 of the FMA Act. The accounts established are:

- Other Trust Moneys Account (s20 FMA Act 1997). The purpose of this account is for expenditure of moneys temporarily held on trust or otherwise for the benefit of a person other than the Commonwealth, and
- Services for Other Governments and Non-Agency Bodies Account (s20 FMA Act 1997). The purpose of this account is for expenditure in connection with services performed on behalf of other Governments and bodies that are not FMA agencies. These accounts have zero balances and have never been active.

Note 15 – Appropriations

Note 15A – Acquittal of Authority to Draw Cash from the Consolidated Revenue Fund for Ordinary Annual Services Appropriations (Acts 1 and 3)

Particulars	Total
Year Ended 30 June 2007	\$
Balance carried from previous year	459 119
Appropriation Act (No.1) 2006-2007	1 485 000
Appropriation Act (No.3) 2006-2007	-
Section 31 receipts (FMA Act)	
GST credits (FMA s30A)	15 128
Total Appropriations available for payments	1 959 247
Payments made (GST inclusive)	1 192 929
Balance carried to next year	766 318
Represented by:	
Cash	274 066
Add: Receivables – Net GST Receivable from the ATO	2 452
Receivables – departmental appropriations	489 800
Total	766 318
Year Ended 30 June 2006	
Balance carried from previous year	322 827
Appropriation Act (No.1) 2005-2006	1 058 000
Appropriation Act (No.3) 2005-2006	66 000
GST credits (FMA s30A)	23 113
Section 31 receipts (FMA Act)	674
Total Appropriations available for payments	1 470 614
Payments made (GST inclusive)	1 011 495
Balance carried to next year	459 119
Represented by:	
Cash	347 675
Add: Receivables – Net GST Receivable from the ATO	2 444
Receivables – departmental appropriations	109 000
Total	459 119