



Australian Government

**Australian Radiation Protection
and Nuclear Safety Agency**

ANNUAL REPORT

of the

CHIEF EXECUTIVE OFFICER

of ARPANSA

2003 - 04

ANNUAL REPORT
of the
CHIEF EXECUTIVE OFFICER
of ARPANSA
2003 - 04

Part 2 of 2
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Appendix 7: Audited Financial Statements

**Australian Radiation Protection and
Nuclear Safety Agency
(ARPANSA)**

**Financial Statements
For the Year Ended 30 June 2004**

ARPANSA

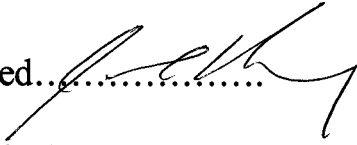
Statement by the Chief Executive Officer and Chief Finance Officer

In our opinion, the attached financial statements for the year ended 30 June 2004 are based on properly maintained financial records and give a true and fair view of the matters required by the Finance Minister's Orders made under the *Financial Management and Accountability Act 1997*.

Signed.....

John Loy
Chief Executive Officer

6 September 2004

Signed.....

Carol Cheung
Chief Finance Officer

6 September 2004

ARPANSA
STATEMENT OF FINANCIAL PERFORMANCE
for the year ended 30 June 2004

| | Notes | 2004 \$ | 2003 \$ |
|---|-------|-------------------|------------|
| Revenues from ordinary activities | | | |
| Revenues from Government | 4A | 15,788,000 | 10,692,000 |
| Goods and services | 4B | 4,836,871 | 4,887,965 |
| Licence fees | 4C | 3,443,272 | 2,998,190 |
| Interest | 4D | - | 125,542 |
| Revenue from sale of assets | 4E | - | 2,970 |
| Total revenues from ordinary activities | | 24,068,143 | 18,706,667 |
| Expenses from ordinary activities (excluding borrowing costs expense) | | | |
| Employees | 5A | 11,111,174 | 9,703,646 |
| Suppliers | 5B | 9,602,312 | 8,781,087 |
| Depreciation and amortisation | 5C | 1,365,538 | 1,124,443 |
| Write-down of assets | 5D | 90,489 | 2,399 |
| Net foreign exchange loss | 5E | 54,826 | 43,178 |
| Value of assets sold | 4E | - | 9,359 |
| Total expenses from ordinary activities (excluding borrowing costs expense) | | 22,224,339 | 19,664,112 |
| Borrowing costs expense | 6A | 26,526 | - |
| Net surplus / (deficit) | | 1,817,278 | (957,445) |
| Net credit to asset revaluation reserve | | 500,000 | 4,059,907 |
| Total revenues, expenses and valuation adjustments recognised directly in equity | | 500,000 | 4,059,907 |
| Total changes in equity other than those resulting from transactions with the Australian Government as owner | | 2,317,278 | 3,102,462 |

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

ARPANSA
STATEMENT OF FINANCIAL POSITION
as at 30 June 2004

| | Notes | 2004 \$ | 2003 \$ |
|---|-------|-------------------|-------------------|
| ASSETS | | | |
| Financial assets | | | |
| Cash | 7A | 2,364,286 | 3,102,740 |
| Receivables | 7B | 814,504 | 1,293,963 |
| Accrued revenues | 7C | 298,315 | 214,732 |
| Total financial assets | | 3,477,105 | 4,611,435 |
| Non-financial assets | | | |
| Land and buildings | 8A,8D | 9,783,943 | 9,074,887 |
| Infrastructure, plant and equipment | 8B,8D | 3,792,646 | 2,742,119 |
| Intangibles | 8C,8D | 383,954 | 364,894 |
| Inventories | 8E | 1,553,483 | 1,509,650 |
| Other non-financial assets | 8F | 203,930 | 106,818 |
| Total non-financial assets | | 15,717,956 | 13,798,368 |
| TOTAL ASSETS | | 19,195,061 | 18,409,803 |
| LIABILITIES | | | |
| Provisions | | | |
| Employees | 9A | 3,982,542 | 4,350,151 |
| Total provision | | 3,982,542 | 4,350,151 |
| Payables | | | |
| Suppliers | 10A | 866,569 | 3,019,817 |
| Other payables | 10B | 8,950 | 10,593 |
| Total payables | | 875,519 | 3,030,410 |
| Interest bearing liabilities | | | |
| Leases | 11A | 990,480 | - |
| Total interest bearing liabilities | | 990,480 | - |
| TOTAL LIABILITIES | | 5,848,541 | 7,380,561 |
| NET ASSETS | | 13,346,520 | 11,029,242 |
| EQUITY | | | |
| Contributed equity | | 524,000 | 524,000 |
| Reserves | | 4,855,373 | 4,355,373 |
| Accumulated surpluses | | 7,967,147 | 6,149,869 |
| TOTAL EQUITY | 12 | 13,346,520 | 11,029,242 |
| Current assets | | 5,234,518 | 6,227,903 |
| Non-current assets | | 13,960,543 | 12,181,900 |
| Current liabilities | | 1,865,707 | 4,607,873 |
| Non-current liabilities | | 3,982,834 | 2,772,688 |

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

ARPANSA
STATEMENT OF CASH FLOWS
for the year ended 30 June 2004

| | Notes | 2004 \$ | 2003 \$ |
|---|-------|--------------------|-------------------|
| OPERATING ACTIVITIES | | | |
| Cash received | | | |
| Appropriations | | 15,753,000 | 10,657,000 |
| Goods and services | | 9,326,825 | 6,268,111 |
| Interest | | - | 145,356 |
| GST received from ATO | | 818,895 | 374,027 |
| Total cash received | | 25,898,720 | 17,444,494 |
| Cash used | | | |
| Employees | | 11,071,293 | 9,024,196 |
| Suppliers | | 13,806,563 | 7,505,939 |
| Total cash used | | 24,877,856 | 16,530,135 |
| Net cash from operating activities | 13 | 1,020,864 | 914,359 |
| INVESTING ACTIVITIES | | | |
| Cash received | | | |
| Proceeds from sale of financial instruments | | - | 16,900,000 |
| Total cash received | | - | 16,900,000 |
| Cash used | | | |
| Purchase of property, plant and equipment | | 1,543,143 | 693,340 |
| Purchase of intangibles | | 84,613 | 373,177 |
| Purchase of financial instruments | | - | 14,700,000 |
| Total cash used | | 1,627,756 | 15,766,517 |
| Net cash from (used by) investing activities | | (1,627,756) | 1,133,483 |
| FINANCING ACTIVITIES | | | |
| Cash used | | | |
| Capital use charge paid | | - | 914,000 |
| Repayment - Principal | | 131,562 | - |
| Total cash used | | 131,562 | 914,000 |
| Net cash used by financing activities | | (131,562) | (914,000) |
| Net increase (decrease) in cash held | | (738,454) | 1,133,842 |
| Cash at the beginning of the reporting period | | 3,102,740 | 1,968,898 |
| Cash at the end of the reporting period | | 2,364,286 | 3,102,740 |

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

ARPANSA
SCHEDULE OF COMMITMENTS
as at 30 June 2004

| | Note | 2004 \$ | 2003 \$ |
|--|------|------------------|------------------|
| BY TYPE | | | |
| Capital commitments | | | |
| Land and building | | 73,543 | 389,248 |
| Infrastructure, plant and equipment | | 86,705 | 23,246 |
| Total capital commitments | | 160,248 | 412,494 |
| Other commitments | | | |
| Operating leases | | 993,900 | 731,549 |
| Other | | 691,100 | 536,501 |
| Inventory | | 43,450 | - |
| Total other commitments | | 1,728,450 | 1,268,050 |
| Commitments receivable | | (171,700) | (152,777) |
| Net commitments | | 1,716,998 | 1,527,767 |
| BY MATURITY | | | |
| Capital commitments | | | |
| One year or less | | 145,681 | 374,995 |
| Total capital commitments by maturity | | 145,681 | 374,995 |
| Operating lease commitments | | | |
| One year or less | | 358,306 | 662,675 |
| From one to five years | | 545,239 | 2,370 |
| Total operating lease commitments by maturity | | 903,545 | 665,045 |
| Other commitments | | | |
| One year or less | | 667,772 | 487,727 |
| Total other commitments by maturity | | 667,772 | 487,727 |
| Net commitments by maturity | | 1,716,998 | 1,527,767 |

NB: Commitments are GST inclusive where relevant.

Land and Building – outstanding contractual payments for building extension

Plant and Equipment – contracts for purchases of laboratory and office equipment

Other Commitments – contracts for the procurement of goods and services

Operating leases are effectively non-cancellable and comprise:

Nature of lease

Leases for office accommodation

Agreements for the provision of motor vehicles to senior executive officers

General description of leasing arrangements

- Lease payments are subject to annual increases as per the lease. The lease term is 3 years with a renewal option of 2 years
- No contingent rentals exist. There are no renewal or purchase options available to ARPANSA.

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

ARPANSA
SCHEDULE OF CONTINGENCIES
as at 30 June 2004

| | 2004 | 2003 |
|--------------------------|------|------|
| | \$ | \$ |
| Contingent losses | | |
| Claim for damages/costs | - | - |
| Contingent gains | | |
| Claim for damages/costs | - | - |
| Net contingencies | - | - |

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

ARPANSA
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2004

Note Description

1. Summary of Significant Accounting Policies
2. Adoption of Australian Equivalents to International Financial Reporting Standards from 2005-2006
3. Events Occurring after Balance Date
4. Operating Revenues
5. Operating Expenses
6. Borrowing Costs Expense
7. Financial Assets
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9. Provisions
10. Payables
11. Interest Bearing Liabilities
12. Equity
13. Cash Flow Reconciliation
14. Remuneration of Auditors
15. Average Staffing Levels
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17. Appropriations
18. Reporting of Outcomes
19. Executive Remuneration
20. Contingent Liabilities and Assets
21. Specific Payment Disclosures

Note 1 – Summary of Significant Accounting Policies

1.1 Objectives of ARPANSA

The objectives of ARPANSA are described in the body of this Annual Report.

ARPANSA is structured to meet the Health and Ageing Portfolio Outcome, Population Health and Safety. ARPANSA's activities contributing to the Outcome are identified under one Output; protection of the health and safety of people, and the environment, from the harmful effects of radiation.

ARPANSA's activities contributing toward this outcome are classified as departmental. Departmental activities involve the use of assets, liabilities, revenues and expenses controlled or incurred by ARPANSA in its own right.

1.2 Basis of Accounting

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

The statements have been prepared in accordance with:

- Finance Minister's Orders (or FMO's, being the *Financial Management and Accountability Orders (Financial Statements for reporting periods ending on or after 30 June 2004)*);

- Australian Accounting Standards and Accounting Interpretations issued by the Australian Accounting Standards Board; and
- Consensus Views of the Urgent Issues Group.

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

Assets and liabilities are recognised in the Statement of Financial Position when and only when it is probable that future economic benefits will flow and the amounts of the assets or liabilities can be reliably measured. However, assets and liabilities arising under agreements equally proportionately unperformed are not recognised unless required by an accounting standard. Liabilities and assets, that are unrecognised, are reported in the Schedule of Commitments and the Schedule of Contingencies.

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

1.3 Changes in Accounting Policy

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

1.4 Revenue

Revenues from Government

Departmental outputs appropriations for the year (less any savings offered up in Portfolio Additional Estimates Statements) are recognised as revenue.

The *Australian Radiation Protection and Nuclear Safety Act 1998* (the Act), section 56(3), requires that money appropriated by the Parliament be transferred to the special account.

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.

Licence Fees

Under paragraph 34(b) of the Act, an application for a licence must be accompanied by a fee prescribed in the regulations. Revenue for licence application is recognised when an application for a licence is received.

Revenue for annual licence fees is recognised when a licence is issued to the licensee.

Other Revenue

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

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

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

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

1.5 Transactions by the Government as Owner

Equity Injections

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

1.6 Employee Benefits

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

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

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

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

Leave

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

The leave liabilities are calculated on the basis of employees’ remuneration, including ARPANSA’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 is recognised and measured at the present value of the estimated future cash flows to be made in respect of employees as at 30 June 2004. The estimate of the present value of the liability takes into account attrition rates and pay increases through promotion and inflation.

Separation and Redundancy

Provision is made for separation and redundancy benefits payments in circumstances where ARPANSA has formally identified positions as excess to requirements and a reliable estimate of the amount of the payments can be determined.

Superannuation

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

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

1.7 Leases

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

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

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

1.8 IT Infrastructure Services

ARPANSA entered into a Memorandum of Understanding (MOU) with the Department of Health and Ageing in June 2000, to provide ARPANSA with IT infrastructure services. This MOU ceased in November 2003.

1.9 Cash

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

1.10 Financial Instruments

Accounting policies for financial instruments are stated at Note 16A.

1.11 Acquisition of Assets

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

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

1.12 Property (Land and Buildings), Infrastructure, Plant and Equipment and Intangibles

Asset Recognition Threshold

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

Revaluations

Basis

Land, buildings, infrastructure and plant and equipment are carried at valuation. Valuations are at fair value.

Under fair value, assets which are surplus to requirements are measured at their net realisable value. At 30 June 2004, ARPANSA reported no assets in this situation.

Frequency

ARPANSA revalues all infrastructure, property, plant and equipment every three years, at fair value in accordance with AASB 1041 *Revaluation of Non-Current Assets*. The current cycle commenced on 1 July 2002.

The Finance Minister's Orders require that all infrastructure, property, plant and equipment be measured at up to date fair value from 30 June 2005 onwards.

Thus 2003-04 will be the last year of cyclical revaluations.

Conduct

All valuations are conducted by an independent qualified valuer.

Depreciation and Amortisation

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

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

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

| | 2004 | 2003 |
|-------------------------------------|---------------|----------------|
| Buildings on freehold land | 30 years | 30 years |
| Leasehold improvements | Lease term | Lease term |
| Infrastructure, plant and equipment | 3 to 30 years | 4 to 30 years |
| Intangibles | 5 to 14 years | 10 to 15 years |

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

1.13 Impairment of Non-Current Assets

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

Non-current assets carried at cost, which are not held to generate net cash inflows, have been assessed for indications of impairment. None were found to be impaired.

1.14 Intangibles

ARPANSA's intangibles comprise computer software for internal use and trademarks. These assets are carried at cost.

Intangibles are amortised on a straight-line basis over their anticipated useful life as follows. The useful lives of ARPANSA's intangibles is 5 to 14 years (2002-03: 10 to 15 years).

All intangibles were assessed for impairment as at 30 June 2004. None were found to be impaired.

1.15 Inventories

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

Inventories not held for resale are valued at cost. If they are no longer required they are valued at net realisable value.

Costs incurred in bringing each item of inventory to its present location and conditions are assigned as follows:

- raw materials and stores – purchase costs on a first-in-first-out basis; and
- finished goods and work in progress – costs of direct materials and labour plus attributable costs that are capable of being allocated on a reasonable basis.

1.16 Taxation

ARPANSA is exempt from all forms of taxation in Australia except fringe benefits tax and the goods and services tax (GST).

Revenues, expenses and assets are recognised net of GST:

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

1.17 Foreign Currency

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

1.18 Insurance

ARPANSA has insured for risks through the Government's insurable risk managed fund, called 'Comcover'. Workers compensation is insured through the Government's Comcare Australia.

Note 2 – Adoption of Australian Equivalents to International Financial Reporting Standards from 2005-2006

The Australian Accounting Standards Board (AASB) has issued replacement Australian Accounting Standards to apply from 2005-06. The new standards are the Australian Equivalents to International Financial Reporting Standards (AEIFRS) issued by the International Accounting Standards Board.

It is expected that the Finance Minister will continue to require compliance with the Accounting Standards issued by the AASB, including the AEIFRS, in his Orders for the Preparation of Agency statements (FMOs) for 2005-06 and beyond.

The Australian Equivalents contain certain additional provisions that will apply to not-for-profit entities, including ARPANSA. Some of these provisions are in conflict with the IFRS and therefore ARPANSA will only be able to assert compliance with the AEIFRSs.

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

Accounting Standard AASB 1047 *Disclosing the impact of Adopting Australian Equivalents to IFRS* requires that the financial statements for 2003-04 disclose:

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

Management of the transition to Australian Equivalents to IFRSs

ARPANSA has taken the following steps in preparation towards the implementation of Australian Equivalents:

- The Agency's Audit Committee is overseeing the transition to and implementation of the Australian Equivalents to IFRSs.
- The Chief Finance Officer is formally responsible for the project and for reporting to the Audit Committee. This includes assessment of the risks, identification of major changes (including related system changes), and the preparation of a transitional Balance Sheet (as at 1 July 2004) which complies with the new Australian Equivalents to IFRS.
- To date, all major accounting and disclosure differences have been identified. ARPANSA does not anticipate any major changes will be required to financial systems to enable compliance with the Australian Equivalents of the IFRS.

Major changes in accounting policy

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

Changes to major accounting policies are discussed in the following paragraphs.

(a) Infrastructure, property, plant and equipment

It is expected that the Finance Ministers Orders will require infrastructure, property plant and equipment assets carried at valuation in 2003-04 to be measured at up-to-date fair value from 2005-06.

Proceeds from the disposal of non-current assets are currently recognised as revenue and the carrying amounts of the assets disposed of are recognised as an expense. Under AEIFRSs, the net of these amounts will be recognised as a gain or loss in the Income Statements.

(b) Inventories

Inventories not held for sale are currently valued at cost, unless they are no longer required in which case they are valued at net realisable value. Under AEIFRS, inventories not held for sale will be measured at the lower of cost and current replacement cost.

(c) Impairment of non-current assets

ARPANSA's policy on impairment of non-current assets appears at Note 1.13.

Under AEIFRS, these assets will be subject to an assessment for impairment and, if there are indications of impairment, measurement of that impairment. (Impairment measurement must also be done, irrespective of any indications of impairment, for intangible assets not yet available for use). The impairment test is that the carrying amount of an asset must not exceed the greater of (a) its fair value less costs to sell and (b) its value in use. 'Value in use' is net of the depreciated replacement cost for assets which would be replaced if ARPANSA were deprived of them.

The most significant change is that assets carried at up-to-date fair values may be required to be written down if costs to sell are significant. This requirement is not expected to result in a significant restatement of asset values.

(d) Employee benefits

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

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

Note 3 – Events Occurring after Balance Date

No significant after balance date events have occurred.

Note 4 – Operating Revenues

Note 4A – Revenues from Government

| | 2003-04 | 2002-03 |
|---------------------------------------|-------------------|-------------------|
| | \$ | \$ |
| Appropriations for outputs | 15,753,000 | 10,657,000 |
| Resources received free of charge | 35,000 | 35,000 |
| Total revenues from government | 15,788,000 | 10,692,000 |

Note 4B – Goods and Services

| | 2003-04 | 2002-03 |
|---|------------------|------------------|
| | \$ | \$ |
| Scientific services – PRMS | 2,328,434 | 2,278,401 |
| Construction & maintenance contracts – CTBT | 1,407,737 | 1,675,717 |
| Other scientific services | 1,100,700 | 933,847 |
| Total sales of goods and services | 4,836,871 | 4,887,965 |
| Provision of goods and services | | |
| Related entities | 227,624 | 206,336 |
| External entities | 4,609,247 | 4,681,629 |
| Total sales of goods and services | 4,836,871 | 4,887,965 |

Note 4C – Licence Fees

| | 2003-04 | 2002-03 |
|---------------------------|------------------|------------------|
| | \$ | \$ |
| Application fees | 410,000 | 81,600 |
| Annual charges | 3,033,272 | 2,916,590 |
| Total licence fees | 3,443,272 | 2,998,190 |

Note 4D – Interest

| | | |
|----------------------|---|---------|
| Interest on deposits | - | 125,542 |
|----------------------|---|---------|

Note 4E – Net Loss from Sale of Assets

| | | |
|--|----------|----------------|
| Infrastructure, plant and equipment: | | |
| Proceeds from disposal | - | 2,970 |
| Net book value of assets disposed | - | (9,359) |
| Net loss from disposal of infrastructure, plant and equipment | - | (6,389) |

Note 5 – Operating ExpensesNote 5A – Employee Expenses

| | | |
|---------------------------------|-------------------|------------------|
| Wages and salary | 7,511,418 | 6,825,024 |
| Superannuation | 1,425,468 | 1,209,604 |
| Leave and other entitlements | 1,272,632 | 1,436,731 |
| Separation and redundancy | 656,066 | - |
| Other employee expenses | 192,486 | 201,887 |
| Total employee benefits expense | 11,058,070 | 9,673,246 |
| Workers compensation premiums | 53,104 | 30,400 |
| Total employee expenses | 11,111,174 | 9,703,646 |

Note 5B – Suppliers Expenses

| | | |
|---------------------------------|------------------|------------------|
| Goods from related entities | - | - |
| Goods from external entities | 631,246 | 644,135 |
| Services from related entities | 3,869,382 | 4,242,142 |
| Services from external entities | 4,847,002 | 3,663,319 |
| Operating lease rentals* | 254,682 | 231,491 |
| Total suppliers expense | 9,602,312 | 8,781,087 |

*These comprise minimum lease payments only.

Note 5C – Depreciation and Amortisation*(i) Depreciation*

| | | |
|---|------------------|------------------|
| Buildings | 750,355 | 691,607 |
| Other infrastructure, plant and equipment | 556,256 | 381,985 |
| Total Depreciation | 1,306,611 | 1,073,592 |

(ii) Amortisation

| | | |
|--|------------------|------------------|
| Amortisation of computer software | 58,505 | 49,469 |
| Amortisation of trade marks | 422 | 1,382 |
| Total depreciation and amortisation | 1,365,538 | 1,124,443 |

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

| | 2003-04 | 2002-03 |
|---|------------------|------------------|
| | \$ | \$ |
| Buildings on freehold land | 660,251 | 612,717 |
| Leasehold improvements | 90,104 | 78,890 |
| Infrastructure, plant and equipment | 556,256 | 381,985 |
| Computer software | 58,505 | 49,469 |
| Trade marks | 422 | 1,382 |
| <i>Total depreciation and amortisation</i> | 1,365,538 | 1,124,443 |

Note 5D – Write-down of Assets

| | | |
|--|---------------|--------------|
| Financial Assets | | |
| Bad and doubtful debts expense | 33,169 | 506 |
| Non-Financial Assets | | |
| Plant and equipment – write off | 53,302 | 1,893 |
| Intangibles – write off | 6,626 | - |
| Inventories – write up | (2,608) | - |
| <i>Total write-down of assets</i> | 90,489 | 2,399 |

Note 5E – Net Foreign Exchange Loss

| | | |
|---|--------|--------|
| Net foreign exchange loss (non-speculative) | 54,826 | 43,178 |
|---|--------|--------|

Note 6 – Borrowing Costs Expense

Note 6A – Borrowing Costs Expense

| | | |
|--------|--------|---|
| Leases | 26,526 | - |
|--------|--------|---|

Note 7 - Financial Assets

Note 7A – Cash

| | 2003-04 | 2002-03 |
|--------------------------------|------------------|------------------|
| | \$ | \$ |
| Departmental (Special Account) | 2,364,286 | 3,102,740 |
| Total cash | 2,364,286 | 3,102,740 |

Note 7B – Receivables

| | | |
|--|----------------|------------------|
| Goods and services | 828,198 | 1,120,088 |
| Less: Provision for doubtful debts | (42,859) | (67,162) |
| | 785,339 | 1,052,926 |
| GST receivable from the Australian Taxation Office | 29,165 | 241,037 |
| Total receivables (net) | 814,504 | 1,293,963 |

All receivables are current assets.

Receivables (gross) are aged as follows:

| | | |
|----------------------------------|----------------|------------------|
| Not overdue | 428,820 | 505,929 |
| Overdue by: | | |
| ▪ Less than 30 days | 208,761 | 384,239 |
| ▪ 30 to 60 days | 67,293 | 251,406 |
| ▪ 60 to 90 days | 55,916 | 61,474 |
| ▪ more than 90 days | 96,573 | 158,077 |
| | 428,543 | 855,196 |
| Total receivables (gross) | 857,363 | 1,361,125 |

The provision for doubtful debts is aged as follows:

| | | |
|---|---------------|---------------|
| Overdue by: | | |
| ▪ more than 90 days | 42,859 | 67,162 |
| Total provision for doubtful debts | 42,859 | 67,162 |

Note 7C – Accrued Revenue

| | | |
|-------------------------------|----------------|----------------|
| Other | 298,315 | 214,732 |
| Total accrued revenues | 298,315 | 214,732 |

Note 8 – Non-Financial Assets

Note 8A – Land and Buildings

Freehold land

| | | |
|---------------------------------------|------------------|------------------|
| - at 2002-2003 valuation (fair value) | - | 2,500,000 |
| - at 2003-2004 valuation (fair value) | 3,000,000 | - |
| Total freehold land | 3,000,000 | 2,500,000 |

| | 2003-04 \$ | 2002-03 \$ |
|--|-------------------------|-------------------------|
| <i>Buildings on freehold land</i> | | |
| - at cost | 567,492 | 144,094 |
| - Accumulated depreciation | (50,207) | (1,337) |
| | <u>517,285</u> | <u>142,757</u> |
| - at 2002-2003 valuation (fair value) | 6,975,300 | 6,975,300 |
| - Accumulated depreciation | (1,222,761) | (611,380) |
| | <u>5,752,539</u> | <u>6,363,920</u> |
| <i>Total buildings on freehold land</i> | <u>6,269,824</u> | <u>6,506,677</u> |
| <i>Leasehold improvements</i> | | |
| - at cost | 551,307 | - |
| - Accumulated depreciation | (37,188) | - |
| | <u>514,119</u> | <u>-</u> |
| - at 2002-2003 valuation (fair value) | - | 147,100 |
| - Accumulated depreciation | - | (78,890) |
| | <u>-</u> | <u>68,210</u> |
| <i>Total leasehold improvements</i> | <u>514,119</u> | <u>68,210</u> |
| <i>Total Land and Buildings</i> | <u>9,783,943</u> | <u>9,074,887</u> |

Note 8B – Infrastructure, Plant and Equipment

Infrastructure Plant and Equipment

| | | |
|---|-------------------------|-------------------------|
| - at cost | 2,058,583 | 415,881 |
| - Accumulated depreciation | (234,055) | (13,925) |
| | <u>1,824,528</u> | <u>401,956</u> |
| - at 2002-2003 valuation (fair value) | 2,652,669 | 2,707,096 |
| - Accumulated depreciation | (684,551) | (366,933) |
| | <u>1,968,118</u> | <u>2,340,163</u> |
| <i>Total Infrastructure, Plant and Equipment</i> | <u>3,792,646</u> | <u>2,742,119</u> |

Note 8C – Intangibles

| | | |
|---|-----------------------|-----------------------|
| Computer software (externally acquired) - at cost | 488,460 | 403,848 |
| Accumulated amortisation | (107,974) | (49,469) |
| Total computer software | <u>380,486</u> | <u>354,379</u> |
| Trademarks | 4,619 | 13,039 |
| Accumulated amortisation | (1,151) | (2,524) |
| Total trademarks | <u>3,468</u> | <u>10,515</u> |
| <i>Total intangibles</i> | <u>383,954</u> | <u>364,894</u> |

All revaluations are independent and are done in accordance with the revaluation policy stated at Note 1. In 2002-2003 the revaluations were done by an independent valuer T. Noble (AAPI). The values were reviewed in 2004 to ensure that they did not differ materially from up to date fair values. An adjustment was made to freehold land – a revaluation increment of \$500,000 was taken to the asset revaluation reserve.

Note 8D – Analysis of Property, Infrastructure, Plant and Equipment and Intangibles

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

| Item | Land | Buildings on Freehold land | Buildings – Leasehold Improvements | Total Buildings | Total Land and Buildings | Infrastructure, Plant and Equipment | Intangibles | TOTAL |
|---------------------------------------|-----------|----------------------------|------------------------------------|-----------------|--------------------------|-------------------------------------|-------------|-------------|
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| As at 1 July 2003 | | | | | | | | |
| Gross book value | 2,500,000 | 7,119,394 | 147,100 | 7,266,494 | 9,766,494 | 3,122,977 | 416,886 | 13,306,357 |
| Accumulated depreciation/amortisation | n/a | (612,717) | (78,890) | (691,607) | (691,607) | (380,858) | (51,992) | (1,124,457) |
| Net book value | 2,500,000 | 6,506,677 | 68,210 | 6,574,887 | 9,074,887 | 2,742,119 | 364,894 | 12,181,900 |
| Additions | | | | | | | | |
| By purchase | - | 423,398 | 551,307 | 974,705 | 974,705 | 1,644,791 | 84,613 | 2,704,109 |
| Net revaluation increment | 500,000 | - | - | - | 500,000 | - | - | 500,000 |
| Depreciation/amortisation expense | - | (660,251) | (90,104) | (750,355) | (750,355) | (556,256) | (58,927) | (1,365,538) |
| Disposals | | | | | | | | |
| Other disposals | - | - | (15,294) | (15,294) | (15,294) | (38,008) | (6,626) | (59,928) |
| As at 30 June 2004 | | | | | | | | |
| Gross book value | 3,000,000 | 7,542,792 | 551,307 | 8,094,099 | 11,094,099 | 4,711,252 | 493,079 | 16,298,430 |
| Accumulated depreciation/amortisation | - | (1,272,968) | (37,188) | (1,310,156) | (1,310,156) | (918,606) | (109,125) | (2,337,887) |
| Net book value | 3,000,000 | 6,269,824 | 514,119 | 6,783,943 | 9,783,943 | 3,792,646 | 383,954 | 13,960,543 |

TABLE B – Assets at valuation

| Item | Land | Buildings on Freehold Land | Buildings – Leasehold Improvements | Total Buildings | Total Land and Buildings | Plant and Equipment | TOTAL |
|---|------------------|----------------------------|------------------------------------|------------------|--------------------------|---------------------|-------------------|
| As at 30 June 2004 | | | | | | | |
| Gross value | \$ 3,000,000 | 6,975,300 | - | 6,975,300 | 9,975,300 | 2,652,669 | \$ 12,627,969 |
| Accumulated depreciation / amortisation | - | (1,222,761) | - | (1,222,761) | (1,222,761) | (684,551) | (1,907,312) |
| Net book value | 3,000,000 | 5,752,539 | - | 5,752,539 | 8,752,539 | 1,968,118 | 10,720,657 |
| As at 30 June 2003 | | | | | | | |
| Gross value | 2,500,000 | 6,975,300 | 147,100 | 7,122,400 | 9,622,400 | 2,707,096 | 12,329,496 |
| Accumulated depreciation / amortisation | n/a | (611,380) | (78,890) | (690,270) | (690,270) | (366,933) | (1,057,203) |
| Net book value | 2,500,000 | 6,363,920 | 68,210 | 6,432,130 | 8,932,130 | 2,340,163 | 11,272,293 |

Note 8E – Inventories

| | 2003-04 | 2002-03 |
|--|------------------|------------------|
| | \$ | \$ |
| Inventories not held for sale (cost) – radiation measuring devices and consumables | 1,499,530 | 1,475,536 |
| Inventories held for sale (cost) - radiation monitors | 53,953 | 34,114 |
| <i>Total inventories</i> | 1,553,483 | 1,509,650 |

All inventories are current assets.

Note 8F – Other Non-Financial Assets

| | | |
|-------------|---------|---------|
| Prepayments | 203,930 | 106,818 |
|-------------|---------|---------|

All prepayments are current assets.

Note 9 – Provisions

Note 9A – Employee Provisions

| | | |
|--|------------------|------------------|
| Salaries and wages | - | 207,995 |
| Leave | 3,982,542 | 4,104,797 |
| Superannuation | - | 37,359 |
| <i>Aggregate employee benefit liability</i> | 3,982,542 | 4,350,151 |

| | | |
|-------------|-----------|-----------|
| Current | 680,124 | 1,577,463 |
| Non-current | 3,302,418 | 2,772,688 |

Note 10 – Payables

Note 10A – Supplier Payables

| | | |
|-----------------|---------|-----------|
| Trade creditors | 866,569 | 3,019,817 |
|-----------------|---------|-----------|

All supplier payables are current liabilities.

Note 10B – Other Payables

| | | |
|----------------------|-------|--------|
| Prepayments received | 8,950 | 10,593 |
|----------------------|-------|--------|

All other payables are current liabilities.

Note 11 – Interest Bearing Liabilities

Note 11A – Leases

| | 2003-04 | 2002-03 |
|------------------------------------|-----------------------|----------|
| | \$ | \$ |
| Finance Lease commitments | | |
| Payable: | | |
| Within one year | 358,257 | - |
| In one to five years | 723,854 | - |
| Minimum lease payments | <u>1,082,111</u> | - |
| Deduct: future finance charges | <u>(91,631)</u> | - |
| <i>Net lease liability</i> | <u>990,480</u> | - |
| Lease liability is represented by: | | |
| Current | 310,064 | - |
| Non-current | 680,416 | - |
| <i>Net lease liability</i> | <u>990,480</u> | - |

Finance leases exist in relation to certain major IT assets. The leases are non-cancellable and for fixed terms averaging three years with a maximum of five years.

Note 12 – Equity

Note 12A – Analysis of Equity

| Item | Accumulated Results | | Asset Revaluation Reserve | | Contributed Equity | | TOTAL EQUITY | |
|--------------------------------------|---------------------|------------------|---------------------------|------------------|--------------------|----------------|-------------------|-------------------|
| | 2003-04 \$ | 2002-03 \$ | 2003-04 \$ | 2002-03 \$ | 2003-04 \$ | 2002-03 \$ | 2003-04 \$ | 2002-03 \$ |
| Opening balance as at 1 July | 6,149,869 | 8,130,314 | 4,355,373 | 295,466 | 524,000 | 524,000 | 11,029,242 | 8,949,780 |
| Net surplus/(deficit) | 1,817,278 | (957,445) | - | - | - | - | 1,817,278 | (957,445) |
| Net revaluation increment | - | - | 500,000 | 4,059,907 | - | - | 500,000 | 4,059,907 |
| Transactions with Owner: | | | | | | | | |
| Distributions to owner: | | | | | | | | |
| Capital use charge | - | (1,023,000) | - | - | - | - | - | (1,023,000) |
| Closing balance as at 30 June | 7,967,147 | 6,149,869 | 4,855,373 | 4,355,373 | 524,000 | 524,000 | 13,346,520 | 11,029,242 |

Note 13 – Cash Flow Reconciliation

| Reconciliation of cash per Statement of Financial Position to Statement of Cash Flows | 2003-04 | 2002-03 |
|--|----------------|----------------|
| | \$ | \$ |
| • Cash at year end per Statement of Cash Flows | 2,364,286 | 3,102,740 |
| • Statement of Financial Position items comprising above cash: 'Financial Assets - Cash' | 2,364,286 | 3,102,740 |

Reconciliation of operating surplus (deficit) to net cash provided by operating activities:

| | | |
|--|------------------|----------------|
| Net surplus (deficit) | 1,817,278 | (957,445) |
| Depreciation/amortisation | 1,365,538 | 1,124,443 |
| Write down of assets | 30,561 | 1,893 |
| Loss on disposal of non-current assets | 59,928 | 6,389 |
| Property, plant, equipment and intangibles taken on | - | (53,980) |
| Property, plant, equipment taken on via finance lease | (1,122,155) | - |
| Decrease (increase) in net receivables | 479,459 | (213,341) |
| Decrease (increase) in accrued revenues | 83,583 | 925 |
| Increase in inventories | (43,833) | (2,047) |
| Increase in prepayments | (97,112) | 13,606 |
| Increase in employee provisions | (367,609) | 499,298 |
| Prior year adjustments | (20,363) | - |
| Increase (decrease) in supplier payables | (2,153,248) | 2,320,655 |
| Increase (decrease) in unearned income | (1,643) | (1,826,037) |
| Increase (decrease) in lease liabilities | 990,480 | - |
| <i>Net cash from (used by) operating activities</i> | 1,020,864 | 914,359 |

Note 14 – Remuneration of Auditors

Financial statement audit services are provided free of charge to ARPANSA. The fair value of audit services provided was:

| | |
|---------------|---------------|
| 35,000 | 35,000 |
|---------------|---------------|

No other services were provided by the Auditor-General.

Note 15 – Average Staffing Level

Average staffing levels for ARPANSA in 2003-04 was 121.55 and 123.8 for 2002-03.

Note 16 – Financial Instruments

Note 16A – Terms, conditions and accounting policies

| Financial Instrument | Notes | Accounting Policies and Methods (including recognition criteria and measurement basis) | Nature of underlying instrument (including significant terms & conditions affecting the amount, timing and certainty of cash flows) |
|------------------------------------|--------------|--|---|
| <i>Financial Assets</i> | | Financial assets are recognised when control over future economic benefits is established and the amount of the benefit can be reliably measured. | |
| Cash | 7A | Deposits are recognised at their nominal amounts. | ARPANSA operates a Departmental bank account with the Reserve Bank of Australia. |
| Receivables for goods and services | 7B | These receivables are recognised at the nominal amounts due less any provision for bad and doubtful debts. Collectability of debts is reviewed at balance date. Provisions are made when collection of the debt is judged to be less rather than more likely. | Receivables are with entities both internal and external to the Commonwealth legal entity. |
| Accrued revenues | 7C | Revenue is accrued as it is earned. | As for receivables. |
| <i>Financial liabilities</i> | | Financial liabilities are recognised when a present obligation to another party is entered into and the amount of the liability can be reliably measured. | |
| Trade creditors | 10A | Creditors and accruals are recognised at their nominal amounts, being the amounts at which the liabilities will be settled. Liabilities are recognised to the extent that the goods or services have been received (and irrespective of having been invoiced). | Creditors are entities that are both internal and external to the Commonwealth legal entity. Settlement is usually made net 30 days. |
| Other Payables | 10B | Other payables are recognised at their nominal amounts, being the amounts at which the liabilities will be settled. Liabilities are recognised to the extent that the goods or services have been received (and irrespective of having been invoiced). | As for trade creditors. |
| Lease Liabilities | 11A | Lease liabilities are recognised at the present value of the minimum lease payments at the beginning of the lease. The discount rates used are estimates of the interest rates implicit in the lease. | At reporting date ARPANSA had finance leases with terms of up to 5 years, with an option to extend for a further term. The interest rate used to discount the minimum lease payments is ARPANSA's incremental borrowing rate of 5.2%. The lease liabilities are secured by the leased assets. |

Note 16B – Interest Rate Risk

| Financial Instrument | Notes | Floating Interest Rate | | Fixed Interest Rate Maturing In 1 Year or Less | | Non Interest Bearing | | Total | | Weighted Average Effective Interest Rate | |
|--|-------|------------------------|---------------|--|---------------|----------------------|---------------|-------------------|-------------------|--|--------------|
| | | 2003-04 \$ | 2002-03 \$ | 2003-04 \$ | 2002-03 \$ | 2003-04 \$ | 2002-03 \$ | 2003-04 \$ | 2002-03 \$ | 2003-04 % | 2002-03 % |
| Financial Assets | | | | | | | | | | | |
| Cash at bank | 7A | - | 3,102,740 | - | - | 2,364,286 | - | 2,364,286 | 3,102,740 | n/a | 3.9 |
| Receivables for goods and services (net) | 7B | - | - | - | - | 814,504 | 1,293,963 | 814,504 | 1,293,963 | n/a | n/a |
| Accrued revenue | 7C | - | - | - | - | 298,315 | 214,732 | 298,315 | 214,732 | n/a | n/a |
| Total | | - | 3,102,740 | - | - | 3,477,105 | 1,508,695 | 3,477,105 | 4,611,435 | n/a | n/a |
| Total Assets | | | | | | | | 19,195,061 | 18,409,803 | | |

| | | | | | | | | | | | |
|------------------------------|-----|---|---|---|---|-----------|-----------|------------------|------------------|-----|-----|
| Financial Liabilities | | | | | | | | | | | |
| Trade creditors | 10A | - | - | - | - | 866,569 | 3,019,817 | 866,569 | 3,019,817 | n/a | n/a |
| Other payables | 10B | - | - | - | - | 8,950 | 10,593 | 8,950 | 10,593 | n/a | n/a |
| Finance lease liabilities | 11A | - | - | - | - | 990,480 | - | 990,480 | - | 5.2 | n/a |
| Total | | - | - | - | - | 1,865,999 | 3,030,410 | 1,865,999 | 3,030,410 | n/a | n/a |
| Total Liabilities | | | | | | | | 5,848,541 | 7,380,561 | | |

Note 16C – Net Fair Values of Financial Assets and Liabilities

Financial assets

The net fair values of cash, receivables for goods and services and accrued revenues approximate their carrying amounts.

Financial liabilities

The net fair values of trade creditors and other payables approximate their carrying amounts.

The net fair values of finance leases are based on discounted cash flows using current interest rates for liabilities with similar risk profiles.

Note 16D – Credit Risk Exposures

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

ARPANSA has no significant exposures to any concentrations of credit risk.

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

Note 17 – Appropriations

Note 17A – Acquittal of Authority to Draw Cash from the Consolidated Revenue Fund (Appropriations) from Acts 1 and 3

| Particulars | Departmental Outputs \$ | Total \$ |
|--|-------------------------------|-------------------|
| Year ended 30 June 2004 | | |
| Balance carried from previous year | 3,102,740 | 3,102,740 |
| Appropriation Act (No.1) 2003-2004 – basic appropriation | 13,912,000 | 13,912,000 |
| Appropriation Act (No.3) 2003-2004 – basic appropriation | 1,841,000 | 1,841,000 |
| Annotations to ‘net appropriations’ (FMA s 31) | 8,280,143 | 8,280,143 |
| Total Appropriations available for payments | 27,135,883 | 27,135,883 |
| Payments made (GST Inclusive) | 24,742,247 | 24,742,247 |
| Balance carried to next year | 2,393,636 | 2,364,286 |
| Represented by: | | |
| Cash at bank and on hand | 2,364,286 | 2,364,286 |
| Receivables – GST receivable from ATO | 29,350 | 29,350 |
| Total | 2,393,636 | 2,393,636 |
| Year ended 30 June 2003 | | |
| Available for payments 2003 | 18,628,489 | 18,628,489 |
| Payments made 2003 | 15,525,749 | 15,525,749 |
| Balance carried forward to 1 July 2003 | 3,102,740 | 3,102,740 |

FMA = Financial Management and Accountability Act 1997

Act 1=Appropriations Act (No.1) 2003-2004

Act 3= Appropriations Act (No.3) 2003-2004

The whole amount provided under this appropriation was credited to the ARPANSA Special Account.

Note 17B – ARPANSA Special Account

Legal authority – *ARPANS Act 1998 and Financial Management and Accountability Act 1997.*

The purpose of the Special Account is set out in the ARPANS Act at section 56(4):

“The purposes of the Special Account are to make payments:

- (a) to further the object of this Act (as set out in section 3); and
- (b) otherwise in connection with the performance of the CEO’s functions under this Act or the regulations.”

| | 2003-04 | 2002-03 |
|--|------------------|------------------|
| | \$ | \$ |
| Balance carried forward | 3,102,740 | 4,168,898 |
| Add: Appropriations credited during year | 15,753,000 | 10,657,000 |
| Plus other revenue credited during year | 9,326,825 | 6,413,467 |
| Plus GST receivable | 818,972 | 382,880 |
| Plus Capital injection | - | - |
| Total available for expenditure | 29,001,537 | 21,622,245 |
| Less: Payments made during the year | 26,637,251 | 18,519,505 |
| Appropriations available at year end | <u>2,364,286</u> | <u>3,102,740</u> |
| Cash at Bank | <u>2,364,286</u> | <u>3,102,740</u> |

ARPANSA's cash resources are represented by the ARPANSA Official Departmental Account held at the Reserve Bank of Australia. The transactions of those bank accounts were wholly contained in the Special Account at 30 June 2004. ARPANSA had full control over those cash resources. These financial statements comply with the full reporting requirements of Schedule 1, rather than just the limited financial statement reporting requirements for Special Accounts.

Note 18 – Reporting of Outcomes

All ARPANSA's transactions fall within Outcome 1 in the Health and Ageing Portfolio.

Note: 18A – Net Cost of Outcome Delivery

| | Outcome 1 | |
|--|-------------------|-------------------|
| | 2004 | 2003 |
| | \$ | \$ |
| Departmental expenses | 22,196,039 | 19,620,934 |
| Total expenses | 22,196,039 | 19,620,934 |
| <i>Costs recovered from provision of goods and services to the non-government sector</i> | | |
| Departmental | 4,609,247 | 4,681,629 |
| Total costs recovered | 4,609,247 | 4,681,629 |
| Departmental | | |
| Interest on cash deposits | - | 125,542 |
| Revenue from disposal of assets | - | 2,970 |
| Other – Net foreign exchange gain /(loss) | (54,826) | (43,178) |
| Licence fee revenue from related entities | 3,443,272 | 2,998,190 |
| Total departmental | 3,388,446 | 3,083,524 |
| Net Cost/(contribution) of outcome | 14,198,346 | 11,855,781 |

Note 18B – Major Classes of Departmental Revenue and Expense by Output Group

| Outcome 1 | Outcome Total | |
|------------------------------------|-------------------|-------------------|
| | 2004 | 2003 |
| | \$ | \$ |
| Departmental expenses | | |
| Employees | 11,111,174 | 9,703,646 |
| Suppliers | 9,628,838 | 8,781,087 |
| Depreciation and amortisation | 1,365,538 | 1,124,443 |
| Other expenses | 90,489 | 11,758 |
| Total departmental expenses | 22,196,039 | 19,620,934 |
| Funded by: | | |
| Revenues from government | 15,788,000 | 10,692,000 |
| Sales of goods and services | 4,836,871 | 4,887,965 |
| Other non-taxation revenues | 3,388,446 | 3,083,524 |
| Total departmental revenues | 24,013,317 | 18,663,489 |

Note 19 – Executive Remuneration

| | 2003-04 | 2002-03 |
|---|------------------------|----------------------|
| The number of executive officers who receive or were due to receive total remuneration of \$100,000 or more: | Number | Number |
| \$110,000 to \$119,999 | - | 2 |
| \$120,000 to \$129,999 | - | 3 |
| \$130,000 to \$139,999 | 1 | - |
| \$140,000 to \$149,999 | 1 | - |
| \$150,000 to \$159,999 | 2 | - |
| \$160,000 to \$169,999 | 1 | - |
| \$210,000 to \$219,999 | - | 1 |
| \$220,000 to \$229,999 | 1 | - |
| \$230,000 to \$239,999 | 1 | - |
| The aggregate amount of total remuneration of executives shown above. | \$1,219,617 | \$825,923 |
| The aggregate amount of separation and redundancy/termination benefit payments during the year to executives shown above. | \$104,286 | Nil |

Note 20 – Contingent Liabilities and Assets

As at 30 June 2004, ARPANSA had no quantifiable, unquantifiable, or remote contingencies.

Note 21 – Specific Payments Disclosures

No ‘Act of Grace’ payments were made during the reporting period (2003: Nil).

No waivers of amounts owing to the Commonwealth were made pursuant to subsection 34(1) of the *Financial Management and Accountability Act 1997* (2003: Nil).

One payment totalling \$50,000, was made under s73 of the *Public Service Act 1999* during the reporting period (2003: Nil).

No ex-gratia payments were made during the reporting period (2003: Nil).

No payments were made under the “defective Administration Scheme” during the reporting period (2003: Nil).



INDEPENDENT AUDIT REPORT

To the Minister for Health and Ageing

Scope

The financial statements comprise:

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

of the Australian Radiation Protection and Nuclear Safety Agency for the year ended 30 June 2004.

The Agency's Chief Executive Officer is responsible for the preparation and true and fair presentation of the financial statements in accordance with the Finance Minister's Orders made under the *Financial Management and Accountability Act 1997*. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial statements.

Audit Approach

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

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

Procedures were performed to assess whether, in all material respects, the financial statements present fairly, in accordance with the Finance Minister's Orders, Accounting Standards and other mandatory financial reporting requirements in Australia, a view which is

consistent with my understanding of the Agency's financial position, and of its performance as represented by the Statements of Financial Performance and Cash Flows.

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

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

Independence

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

Audit Opinion

In my opinion, the financial statements:

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

Australian National Audit Office



P Hinchey
Senior Director

Delegate of the Auditor-General
Sydney
6 September 2004

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