Appendix 9: Financial statements for the year ended 30 June 2012

Australian National
Audit Office

INDEPENDENT AUDITOR'S REPORT

To the Parliamentary Secretary for Health and Ageing

I have audited the accompanying financial statements of the Australian Radiation Protection and Nuclear Safety Agency for the year ended 30 June 2012, which comprise: a Statement by the Chief Executive and Chief Financial Officer; Statement of Comprehensive Income; Balance Sheet; Statement of Changes in Equity; Cash Flow Statement; Schedule of Commitments; Schedule of Contingencies; and Notes to and Forming Part of the Financial Statements including a Summary of Significant Accounting Policies.

Chief Executive's Responsibility for the Financial Statements

The Chief Executive of the Australian Radiation Protection and Nuclear Safety Agency is responsible for the preparation of financial statements that give a true and fair view in accordance with the Finance Minister's Orders made under the *Financial Management and Accountability Act 1997*, including the Australian Accounting Standards, and for such internal control as is necessary to enable the preparation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on the financial statements based on my audit. I have conducted my audit in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards. These auditing standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about 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 Australian Radiation Protection and Nuclear Safety Agency's preparation of the financial statements that give a true and fair view 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 Australian Radiation Protection and Nuclear Safety Agency's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Chief Executive of the Australian Radiation Protection and Nuclear Safety Agency, as well as evaluating the overall presentation of the financial statements.

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Phone (02) 6203 7300 Fax (02) 6203 7777

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

Independence

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

Opinion

In my opinion, the financial statements of the Australian Radiation Protection and Nuclear Safety Agency:

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

(b) give a true and fair view of the matters required by the Finance Minister's Orders including the Australian Radiation Protection and Nuclear Safety Agency's financial position as at 30 June 2012 and of its financial performance and cash flows for the year then ended.

Australian National Audit Office

S. Buchanan

Serena Buchanan
Audit Principal

Delegate of the Auditor-General
Canberra

14 September 2012

Australian Radiation Protection and Nuclear Safety Agency (ARPANSA)

Financial Statements - 30 June 2012

STATEMENT BY THE CHIEF EXECUTIVE AND CHIEF FINANCIAL OFFICER

In our opinion, the attached financial statements for the year ended 30 June 2012 are based on properly maintained financial records and give a true and fair view of the matters required by the Finance Minister's Orders made under the *Financial Management and Accountability Act 1997*, as amended.

Signed....................	Signed....................
Carl-Magnus Larsson Chief Executive	George Savvides Chief Financial Officer
14 September 2012	14 September 2012

ARPANSA
STATEMENT OF COMPREHENSIVE INCOME
for the period ended 30 June 2012

	Notes	2012 $	2011 $
EXPENSES			
Employee benefits	3A	**17,917,929**	16,381,820
Suppliers expenses	3B	**8,502,966**	10,798,810
Depreciation and amortisation	3C	**2,542,795**	2,361,065
Write-down and impairment of assets	3D	**172,509**	15,645
Foreign exchange losses	3E	**535**	658
Total expenses		**29,136,734**	29,557,998
LESS:			
OWN-SOURCE INCOME			
Own-source revenue			
Sale of goods and rendering of services	4A	**6,715,124**	9,612,120
Licence fees	4B	**3,839,420**	3,827,912
Total own-source revenue		**10,554,544**	13,440,032
Gains			
Other gains	4C	**54,250**	53,000
Total gains		**54,250**	53,000
Total own-source income		**10,608,794**	13,493,032
Net cost of (contribution by) services		**18,527,940**	16,064,966
Revenue from Government	4D	**16,130,000**	13,735,130
Deficit		**(2,397,940)**	(2,329,836)
OTHER COMPREHENSIVE INCOME			
Changes in asset revaluation reserves		**3,431,286**	429,000
Total other comprehensive income		**3,431,286**	429,000
Total comprehensive income		**1,033,346**	(1,900,836)

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

ARPANSA
BALANCE SHEET
as at 30 June 2012

	Notes	2012 $	2011 $
ASSETS			
Financial Assets			
Cash and cash equivalents	5A	**1,655,881**	1,601,552
Trade and other receivables	5B	**1,610,080**	4,851,866
Other financial assets	5C	**81,703**	395,323
Total financial assets		**3,347,664**	6,848,741
Non-Financial Assets			
Land and buildings	6A	**19,229,600**	12,731,828
Property, plant and equipment	6B,6F	**6,702,310**	7,004,296
Intangibles	6C,6G	**798,005**	838,911
Inventories	6D	**1,489,587**	1,718,336
Other non-financial assets	6E	**459,488**	497,198
Total non-financial assets		**28,678,990**	22,790,569
Total assets		**32,026,654**	29,639,310
LIABILITIES			
Payables			
Suppliers	7A	**1,378,077**	1,839,516
Other payables	7B	**1,821,394**	2,848,878
Total payables		**3,199,471**	4,688,394
Provisions			
Employee provisions	8	**5,228,201**	4,738,280
Total provisions		**5,228,201**	4,738,280
Total liabilities		**8,427,672**	9,426,674
Net assets		**23,598,982**	20,212,636
EQUITY			
Contributed equity		**9,120,000**	6,767,000
Reserves		**9,129,779**	5,698,493
Retained surplus		**5,349,203**	7,747,143
Total equity		**23,598,982**	20,212,636

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

ARPANSA
STATEMENT OF CHANGES IN EQUITY
for the period ended 30 June 2012

	Retained Earnings		Asset Revaluation Reserves		Contributed Equity/Capital		Total Equity	
	2012	2011	**2012**	2011	**2012**	2011	**2012**	2011
	$	$	**$**	$	**$**	$	**$**	$
Opening balance								
Balance carried forward from previous period	**7,747,143**	10,076,979	**5,698,493**	5,269,493	**6,767,000**	4,624,000	**20,212,636**	19,970,472
Adjusted opening balance	**7,747,143**	10,076,979	**5,698,493**	5,269,493	**6,767,000**	4,624,000	**20,212,636**	19,970,472
Comprehensive income								
Other comprehensive income - Changes in asset revaluation reserves	**-**	-	**3,431,286**	429,000	**-**	-	**3,431,286**	429,000
Deficit for the period	**(2,397,940)**	(2,329,836)					**(2,397,940)**	(2,329,836)
Total comprehensive income	**(2,397,940)**	(2,329,836)	**3,431,286**	429,000	**-**	-	**1,033,346**	(1,900,836)
Contributions by Owners								
Departmental capital budget	**-**	-	**-**	-	**2,353,000**	2,143,000	**2,353,000**	2,143,000
Sub-total transactions with owners	**-**	-	**-**	-	**2,353,000**	2,143,000	**2,353,000**	2,143,000
Closing balance as at 30 June	**5,349,203**	7,747,143	**9,129,779**	5,698,493	**9,120,000**	6,767,000	**23,598,982**	20,212,636

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

ARPANSA
CASH FLOW STATEMENT
for the period ended 30 June 2012

	Notes	2012 $	2011 $
OPERATING ACTIVITIES			
Cash received			
Appropriations		18,085,130	13,982,000
Sales of goods and rendering of services		12,148,793	14,259,184
Net GST received		763,107	233,595
Total cash received		30,997,030	28,474,779
Cash used			
Employees		(17,443,603)	(15,849,540)
Suppliers		(10,512,005)	(10,590,038)
Total cash used		(27,955,608)	(26,439,578)
Net cash from operating activities	9	3,041,422	2,035,201
INVESTING ACTIVITIES			
Cash used			
Purchase of property, plant, equipment and intangibles		(5,340,093)	(5,418,553)
Total cash used		(5,340,093)	(5,418,553)
Net cash (used by) investing activities		(5,340,093)	(5,418,553)
FINANCING ACTIVITIES			
Cash received			
Contributed equity		2,353,000	2,143,000
Total cash received		2,353,000	2,143,000
Net cash from financing activities		2,353,000	2,143,000
Net (decrease) increase in cash held		54,329	(1,240,352)
Cash and cash equivalents at the beginning of the reporting period		1,601,552	2,841,904
Cash and cash equivalents at the end of the reporting period	5A	1,655,881	1,601,552

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

ARPANSA
SCHEDULE OF COMMITMENTS
as at 30 June 2012

	2012	2011
BY TYPE	**$**	$
Commitments receivable		
GST recoverable on commitments	**(181,696)**	(361,781)
Total commitments receivable	**(181,696)**	(361,781)
Capital commitments		
Land and buildings	**-**	1,349,541
Infrastructure, plant and equipment	**501,871**	744,938
Total capital commitments	**501,871**	2,094,479
Other commitments		
Operating leases	**661,752**	1,036,486
Other commitments	**835,036**	848,620
Total other commitments	**1,496,788**	1,885,106
Net commitments by type	**1,816,963**	3,617,804
BY MATURITY		
Other commitments receivable		
One year or less	**(152,741)**	(301,510)
From one to five years	**(28,955)**	(60,271)
Total other commitments receivable	**(181,696)**	(361,781)
Commitments payable		
Capital commitments		
One year or less	**501,871**	2,094,479
From one to five years	**-**	-
Total capital commitments	**501,871**	2,094,479
Operating lease commitments		
One year or less	**395,002**	400,885
From one to five years	**266,750**	635,601
Total operating lease commitments	**661,752**	1,036,486
Other commitments		
One year or less	**783,283**	821,245
From one to five years	**51,753**	27,374
Total other commitments	**835,036**	848,619
Net commitments by maturity	**1,816,963**	3,617,803

NB: Commitments are GST inclusive where relevant.

Land and buildings - contractual payments for buildings under construction

Infrastructure plant and equipment - contractual payments for computer and scientific equipment

Operating leases are effectively non-cancellable and comprise:

Leases for office accommodation.

Lease payments are subject to annual increase as per the lease. The lease term is 4 years.

Agreements for the provision of motor vehicles to senior executive officers.

No contingent rentals exist. There are no renewal or purchase options available to the Agency.

Other commitments - contracts for the procurement of goods and services

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

ARPANSA

SCHEDULE OF CONTINGENCIES

as at 30 June 2012

	2012	2011
	$	$
Total contingent assets	**-**	-
Total contingent liabilities	**-**	-
Net contingent assets (liabilities)	**-**	-

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

Note 1: Summary of Significant Accounting Policies

1.1 Objectives of the Australian Radiation Protection and Nuclear Safety Agency (ARPANSA)

ARPANSA is an Australian Government controlled entity. It is a not-for-profit entity. The objectives of ARPANSA are described in the body of this Annual Report.

The Agency is structured to meet one Outcome:
"Protection of people and the environment through radiation protection and nuclear safety research, policy, advice, codes, standards, sevices and regulation."

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

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

1.2 Basis of Preparation of the Financial Report

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

The financial statements and notes have been prepared in accordance with:

a) Finance Minister's Orders (or FMOs) for reporting periods ending on or after 1 July 2011; and

b) Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period.

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

The financial statements are presented in Australian dollars and values are rounded to the nearest dollar.

Unless an alternative treatment is specifically required by an accounting standard or the FMOs, assets and liabilities are recognised in the balance sheet when and only when it is probable that future economic benefits will flow to the Agency or future sacrifice of economic benefits will be required and the amounts of the assets or liabilities can be reliably measured. However, assets and liabilities arising under executor contract are not recognised unless required by an accounting standard. Liabilities and assets that are unrecognised are reported in the schedule of commitments or the schedule of contingencies.

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

1.3 Significant Accounting Judgements and Estimates

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

- The fair value of land has been taken to be the market value of similar land as determined by an independent valuer. However, ARPANSA's buildings are purpose built and may in fact realise more or less in the market and hence are valued at depreciated replacement cost.
- The long service leave liability is calculated using the shorthand method developed by the Australian Government Actuary. This method is impacted by fluctuations in the Commonwealth Government 10 year Treasury Bond rate.

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

1.4 Changes in Australian Accounting Standards

Adoption of new Australian Accounting Standard requirements

No accounting standard has been adopted earlier than the application date stated in the standard. New standards, revised or amending standards and interpretations that were issued prior to the signing of the statement by the chief executive and chief financial officer and are applicable to the current reporting period did not have a financial impact, and are not expected to have a future financial impact on the Agency.

Future Australian Accounting Standard requirements

New standards, revised or amending standards and interpretations that were issued prior to the signing of the statement by the Chief Executive and Chief Financial Officer and are applicable to the future reporting period are not expected to have a future financial impact on the Agency.

1.5 Revenue

Revenue from Government

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

Section 56 (3) of the *Australian Radiation Protection and Nuclear Safety Act 1998* (the Act), requires that money appropriated by the Parliament be transferred to the special account (notes 5A and 16 refer).

Appropriations receivable are recognised at their nominal amounts.

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 applications 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 Types of Revenue

Revenue from the sale of goods is recognised when:

a) The risks and rewards of ownership have been transferred to the buyer;

b) The Agency retains no managerial involvement nor effective control over the goods;

c) The revenue and transaction costs incurred can be reliably measured; and

d) It is probable that the economic benefits associated with the transaction will flow to the Agency.

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

a) The amount of revenue, stage of completion and transaction costs incurred can be reliably measured; and

b) The probable economic benefits associated with the transaction will flow to the Agency.

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

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

The Agency has received an amount of $42,545 (2011: $0) under the Parental Leave Payments Scheme.

1.6 Gains

Resources Received Free of Charge

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

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

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

Sale of Assets

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

1.7 Transactions with the Government as Owner

Equity Injections

Amounts appropriated which are designated as 'equity injections' for a year (less any formal reductions) and Departmental Capital Budgets (DCBs) are recognised directly in contributed equity.

Restructuring of Administrative Arrangements

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

1.8 Employee Benefits

Liabilities for 'short-term employee benefits' (as defined in AASB 119 *Employee Benefits*) and termination benefits due within twelve months of the end of the reporting period 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.

Other long-term employee benefit liabilities are measured as net total of the present value of the defined benefit obligation at the end of the reporting period minus the fair value at the end of the reporting period of plan assets (if any) out of which the obligations are to be settled directly.

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 Agency is estimated to be less than the annual entitlement for sick leave.

The leave liabilities are calculated on the basis of employees' remuneration at the estimates salary rates that will be applied at the time the leave will be taken, including the Agency'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 2012. The estimate of the present value of the liability takes into account attrition rates and pay increases through promotion and inflation.

Superannuation

The majority of staff of ARPANSA are members of the Commonwealth Superannuation Scheme (CSS), the Public Sector Superannuation Scheme (PSS) or the PSS accumulation plan (PSSap), and the Australian Government Employee Superannuation Trust (AGEST). There are a small number of staff covered under various other superannuation schemes.

The CSS and PSS are defined benefit schemes for the Australian Government. The PSSap is a defined contribution scheme. The AGEST Superannuation Trust is an industry fund which was previously the Australian Government Default Superannuation fund for non-ongoing employees.

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

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

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

1.9 Leases

A distinction is made between finance leases and operating leases. Finance leases effectively transfer from the lessor to the lessee substantially all the risks and rewards incidental to ownership of leased assets. An operating lease is a lease that is not a finance lease. In operating leases, the lessor effectively retains substantially all such risks and benefits.

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

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

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

1.10 Borrowing Costs

All borrowing costs are expensed as incurred.

1.11 Cash

Cash is recognised at its nominal amount. Cash and cash equivalents includes:

- a) cash on hand;
- b) cash held by outsiders; and
- c) cash in special accounts.

1.12 Financial assets

The Agency classifies its financial assets in the following categories:

a) financial assets at fair value through profit or loss;
b) held-to-maturity investments;
c) available-for-sale financial assets; and
d) loans and receivables.

The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. Financial assets are recognised and derecognised at transaction date. ARPANSA only holds "loans and receivables"

Effective Interest Method

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

Income is recognised on an effective interest rate basis except for financial assets that are recognised at fair value through profit or loss.

Loans and receivables

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less impairment. Interest is recognised by applying the effective interest rate.

Impairment of Financial Assets

Financial assets are assessed for impairment at the end of each reporting period.

Financial assets held at amortised cost - if there is objective evidence that an impairment loss has been incurred for loans and receivables or held to maturity investments held at amortised cost, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate. The carrying amount is reduced by way of an allowance account. The loss is recognised in the statement of comprehensive income.

Available for sale financial assets - if there is objective evidence that an impairment loss on an available-for-sale financial asset has been incurred, the amount of the difference between its cost, less principal repayments and amortisation, and its current fair value, less any impairment loss previously recognised in expenses, is transferred from equity to the statement of comprehensive income.

Financial assets held at cost - If there is objective evidence that an impairment loss has been incurred, the amount of the impairment loss is the difference between the carrying amount of the asset and the present value of the estimated future cash flows discounted at the current market rate for similar assets.

1.13 Financial liabilities

Financial liabilities are classified as either financial liabilities "at fair value through profit or loss" or 'other liabilities'. Financial liabilities are recognised and derecognised at transaction date. The Agency only holds "other liabilities"

Other Liabilities

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

1.14 Contingent Liabilities and Contingent Assets

Contingent liabilities and contingent assets are not recognised in the balance sheet but are reported in the relevant schedules and notes. They may arise from uncertainty as to the existence of a liability or asset, or represent an asset or liability in respect of which the amount cannot be reliably measured. Contingent assets are disclosed when settlement is probable but not virtually certain and contingent liabilities are disclosed when settlement is greater than remote.

1.15 Acquisition of Assets

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

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

1.16 Property, Plant and Equipment

Asset Recognition Threshold

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

Revaluations

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

Asset class	Fair value measured at:
Land	Market value
Buildings exc. leasehold improvements	Depreciated replacement cost
Leasehold improvements	Depreciated replacement cost
Plant & equipment	Market value

Following initial recognition at cost, property plant and equipment are carried at fair value less subsequent accumulated depreciation and accumulated impairment losses. Valuations are conducted with sufficient frequency to ensure that the carrying amounts of assets do not differ materially from the assets' fair values as at the reporting date. The regularity of independent valuations depends upon the volatility of movements in market values for the relevant assets.

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

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

Depreciation

Depreciable property plant and equipment assets, apart from computer equipment, are written-off to their estimated residual values over their estimated useful lives to ARPANSA, using the straight-line method of depreciation. Computer equipment is depreciated using the reducing balance method, as the resulting depreciation pattern more accurately reflects the reduction in fair value over the life of these assets. Leasehold improvements are depreciated using the straight line method over the lesser of the estimated useful life of the improvements or the unexpired period of the lease.

Depreciation rates (useful lives), residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate.

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

	2012	2011
Buildings on freehold land	**6 years to 32 years**	6 years to 32 years
Leasehold improvements	**Lease term**	Lease term
Plant and equipment	**3 years to 27 years**	3 years to 27 years

Impairment

All assets were assessed for impairment at 30 June 2012. Where indications of impairment exist, the asset's recoverable amount is estimated and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount.

The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset's ability to generate future cash flows, and the asset would be replaced if ARPANSA were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

1.17 Intangibles

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

Intangibles are amortised on a straight-line basis over their anticipated useful life. The useful lives of ARPANSA's intangibles are 5 to 14 years (2010-11: 5 to 14 years).

All intangibles assets were assessed for indications of impairment as at 30 June 2012.

1.18 Inventories

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

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

a) raw materials and stores – purchase cost on a first-in-first-out basis; and

b) finished goods and work in progress – cost of direct materials and labour plus attributable costs that can be allocated on a reasonable basis.

Inventories acquired at no cost or nominal consideration are measured at current replacement cost at the date of acquisition.

1.19 Taxation

The Agency is exempt from all forms of taxation except Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST).

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

a) where the amount of GST incurred is not recoverable from the Australian

b) for receivables and payables.

Note 2: Events after the Reporting Period

No events after the reporting period have occurred that would significantly affect the ongoing structure or financial activities of the Agency

Note 3: Expenses

	2012	2011
	$	$
Note 3A: Employee benefits		
Wages and salaries	**12,212,147**	11,465,140
Superannuation - defined contribution	**1,964,210**	1,850,465
Superannuation - defined benefit	**374,919**	311,737
Leave and other entitlements	**2,942,803**	2,545,187
Separation and redundancies	**423,850**	209,291
Total employee benefits	**17,917,929**	16,381,820

	2012	2011
Note 3B: Suppliers		
Goods and services		
Audit fees	**150,447**	156,803
Committees	**125,751**	143,315
Communications	**719,994**	736,593
Construction and maintenance - CTBT	**386,029**	2,766,876
Contractors/Consultants	**736,798**	880,596
Information technology	**763,248**	498,020
Insurance	**485,793**	420,498
Laboratory	**239,177**	176,361
Postage and freight	**169,173**	193,412
Reference material & subscriptions	**267,836**	239,826
Repair and maintenance	**399,439**	388,661
Training and conferences	**312,830**	254,672
Travel	**1,488,740**	1,572,934
Utilities	**470,004**	451,447
Other goods and services	**1,323,185**	1,481,305
Total goods and services	**8,038,444**	10,361,319
Provision of goods – external parties	**1,764,919**	1,510,718
Rendering of services – related entities	**1,635,034**	1,434,049
Rendering of services – external parties	**4,638,491**	7,416,552
Total goods and services	**8,038,444**	10,361,319
Other supplier expenses		
Operating lease rentals - external entity		
Minimum lease payments	**409,707**	381,300
Workers compensation premiums	**54,815**	56,191
Total other supplier expenses	**464,522**	437,491
Total supplier expenses	**8,502,966**	10,798,810

	2012	2011
Note 3C: Depreciation and amortisation		
Depreciation:		
Infrastructure, plant and equipment	**1,332,400**	1,266,406
Buildings	**861,024**	788,768
Total depreciation	**2,193,424**	2,055,174
Amortisation:		
Intangibles:		
Computer software	**349,041**	305,561
Other	**330**	330
Total amortisation	**349,371**	305,891
Total depreciation and amortisation	**2,542,795**	2,361,065

	2012	2011
Note 3D: Write-down and impairment of assets		
Impairment on financial assets	**246**	9,306
Property, plant and equipment - write-off	**44,483**	5,238
Computer software - write-off	**-**	1,101
Inventories - write-off	**87,970**	-
Revaluation decrement -Infrastructure, plant and equipment	**39,810**	-
Total write-down and impairment of assets	**172,509**	15,645

	2012	2011
Note 3E: Foreign exchange losses		
Non-speculative	**535**	658
Total foreign exchange losses	**535**	658

Note 4: Income

	2012	2011
Own-source revenue	**$**	$
Note 4A: Sale of goods and rendering of services		
Scientific services - PRMS	**2,529,588**	2,503,791
Construction and maintenance contracts - CTBT	**1,449,170**	4,822,779
Other scientific services	**2,736,366**	2,285,550
Total sale of goods and rendering of services	**6,715,124**	9,612,120
Provision of goods - related entities	**5,552**	6,623
Provision of goods - external parties	**353,731**	428,579
Rendering of services - related entities	**1,133,323**	1,029,075
Rendering of services - external parties	**5,222,518**	8,147,843
Total sale of goods and rendering of services	**6,715,124**	9,612,120
Note 4B: Licence fees		
Application fees	**32,198**	66,143
Annual charges	**3,807,222**	3,761,769
Total licence fees	**3,839,420**	3,827,912
Gains		
Note 4C: Other gains		
Resources received free of charge - ANAO audit fees	**54,250**	53,000
Total other gains	**54,250**	53,000
Revenue from Government		
Note 4D: Revenue from Government		
Appropriation:		
Departmental appropriation	**16,130,000**	13,735,130
Total revenue from Government	**16,130,000**	13,735,130

The Agency has received $42,454 (2011: $0) under the Parental Leave Payments Scheme.

Note 5: Financial Assets

	2012	2011
	$	$
Note 5A: Cash and cash equivalents		
Special accounts	**1,627,194**	1,598,552
Cash on hand or on deposit	**28,687**	3,000
Total cash and cash equivalents	**1,655,881**	1,601,552
Note 5B: Trade and other receivables		
Goods and services	**956,995**	2,205,826
Appropriations receivable:		
for existing outputs	**580,000**	2,535,130
GST receivable from the Australian Taxation Office	**78,857**	147,752
Other receivables	**15,717**	3,958
Total trade and other receivables (gross)	**1,631,569**	4,892,666
Less impairment allowance account		
Goods and services	**(21,489)**	(40,800)
Total trade and other receivables (net)	**1,610,080**	4,851,866
Receivables are aged as follows:		
Not overdue	**1,525,012**	3,080,024
Overdue by:		
0 to 30 days	**93,722**	1,723,716
31 to 60 days	**12,647**	53,853
61 to 90 days	**188**	19,766
More than 90 days	**-**	15,307
Total receivables (gross)	**1,631,569**	4,892,666
The impairment allowance account is aged as follows:		
Overdue by:		
0 to 30 days	**8,654**	-
31 to 60 days	**12,647**	5,727
61 to 90 days	**188**	19,766
More than 90 days	**-**	15,307
Total impairment allowance account	**21,489**	40,800
Reconciliation of the impairment allowance account		
Goods and services		
Opening Balance	**40,800**	31,060
Amounts recovered and reversed	**1,413**	9,543
Amounts written off	**(20,970)**	(9,109)
Increase/decrease recognised in net surplus	**246**	9,306
Closing Balance	**21,489**	40,800
Note 5C: Other financial assets		
Accrued revenue	**81,703**	395,323
Total other financial assets	**81,703**	395,323

Total other financial assets are expected to be recovered in no more than 12 months

Note 6: Non-Financial Assets

	2012	2011
	$	$
Note 6A: Land and buildings		
Land at fair value	**4,500,000**	4,329,000
Buildings on freehold land:		
– work in progress	**-**	2,703,265
– fair value	**14,570,000**	7,207,498
– accumulated depreciation	**-**	(1,507,935)
Total buildings on freehold land	**14,570,000**	8,402,828
Leasehold improvements		
– fair value	**159,600**	331,471
– accumulated depreciation	**-**	(331,471)
Total leasehold improvements	**159,600**	-
Total land and buildings	**19,229,600**	12,731,828

Land and buildings at fair value were subject to a revaluation at 30 June 2012.
No indicators of impairment were found for land and buildings.
No land and buildings are expected to be sold or disposed of within the next 12 months.

Note 6: Non-Financial Assets (continued)

	2012	2011
	$	$
Note 6B: Property, plant and equipment		
Property, plant and equipment:		
– work in progress	**47,182**	-
– fair value	**6,655,128**	11,339,267
– accumulated depreciation	**-**	(4,334,971)
Total property, plant and equipment	**6,702,310**	7,004,296

Property, plant and equipment at fair value was subject to a revaluation at 30 June 2012.

No indicators of impairment were found for infrastructure, plant and equipment

No property, plant and equipment are expected to be sold or disposed of within the next 12 months.

Revaluations of non-financial assets

All revaluations are conducted in accordance with the revaluation policy stated at Note 1. On 30 June 2012 independent valuers from the Australian Valuation office conducted the revaluations.

Revaluation increments of $171,000 for land (2011: $429,000), $3,416,567 for buildings on freehold land (2011: $nil), and $159,600 for leasehold improvements (2011: $nil) and a decrement of $315,881 for property plant and equipment (2011: $nil) were made to the asset revaluation reserve by asset class and included in the equity section of the balance sheet; A decrement of $39,810 for property plant and equipment was expensed (2011: $nil).

Note 6C: Intangibles

	2012	2011
Computer software:		
Externally acquired	**1,359,725**	1,224,839
Accumulated amortisation	**(1,060,741)**	(914,584)
Internally developed – in progress	**66,007**	44,477
Internally developed – in use	**1,121,463**	969,413
Accumulated amortisation	**(689,278)**	(486,393)
Total computer software	**797,176**	837,752
Trademarks:		
Trademarks	**4,620**	4,620
Accumulated amortisation	**(3,791)**	(3,461)
Total trademarks	**829**	1,159
Total intangibles	**798,005**	838,911

No indicators of impairment were found for intangible assets.

No intangibles are expected to be sold or disposed of within the next 12 months.

Note 6: Non-Financial Assets (continued)

	2011	2010
	$	$
Note 6D: Inventories		
Inventories held for sale		
Finished goods	**56,993**	129,943
Inventories held for distribution	**1,432,594**	1,588,393
Total inventories	**1,489,587**	1,718,336

During 2011-12, $169,417 of inventory held for sale was recognised as an expense (2010-11: $68,602).

During 2011-12, $52,325, of inventory held for distribution was recognised as an expense (2010-11: $73,044).

Following valuation of inventories, no indicators of impairment were found.

All inventory is expected to be sold or distributed in the next 12 months.

Note 6E: Other non-financial assets

	2011	2010
Prepayments	**459,488**	497,198
Total other non-financial assets	**459,488**	497,198

Total other non-financial assets are expected to be recovered within 12 months

No indicators of impairment were found for other non-financial assets

Note 6: Non-Financial Assets (continued)

Note 6F: Analysis of property, plant and equipment

TABLE A – Reconciliation of the opening and closing balances of property, plant and equipment (2011-12)

	Land $	Buildings $	Leasehold Improvements $	PP & E $	Total $
As at 1 July 2011					
Gross book value	**4,329,000**	**9,910,763**	**331,471**	**11,339,268**	**25,910,502**
Accumulated depreciation and impairment	**-**	**(1,507,935)**	**(331,471)**	**(4,334,972)**	**(6,174,378)**
Net book value 1 July 2011	**4,329,000**	**8,402,828**	**-**	**7,004,296**	**19,736,124**
Additions:					
By purchase	**-**	**3,615,000**		**1,427,217**	**5,042,217**
Revaluations and impairments recognised in other comprehensive income	**171,000**	**3,416,567**	**159,600**	**(355,691)**	**3,391,476**
Depreciation expense	**-**	**(861,024)**		**(1,332,400)**	**(2,193,424)**
Disposals:					
Other disposals	**-**	**(3,371)**	**-**	**(41,112)**	**(44,483)**
Net book value 30 June 2012	**4,500,000**	**14,570,000**	**159,600**	**6,702,310**	**25,931,910**
Net book value as of 30 June 2012 represented by:					
Gross book value	**4,500,000**	**14,570,000**	**159,600**	**6,702,310**	**25,931,910**
Accumulated depreciation and impairment	**-**	**-**	**-**	**-**	**-**
	4,500,000	**14,570,000**	**159,600**	**6,702,310**	**25,931,910**

TABLE B – Reconciliation of the opening and closing balances of property, plant and equipment (2010-11)

	Land $	Buildings $	Leasehold Improvements $	PP & E $	Total $
As at 1 July 2010					
Gross book value	3,900,000	5,672,844	331,471	10,361,554	20,265,869
Accumulated depreciation and impairment		(719,167)	(331,471)	(3,095,752)	(4,146,390)
Net book value 1 July 2010	3,900,000	4,953,677	-	7,265,802	16,119,479
Additions:					
By purchase	-	4,237,919	-	1,010,138	5,248,057
Revaluations and impairments recognised in other comprehensive income	429,000	-	-	-	429,000
Depreciation expense	-	(788,768)	-	(1,266,406)	(2,055,174)
Disposals:					
Other disposals	-	-	-	(5,238)	(5,238)
Net book value 30 June 2011	4,329,000	8,402,828	-	7,004,296	19,736,124
Net book value as of 30 June 2011 represented by:					
Gross book value	4,329,000	9,910,763	331,471	11,339,268	25,910,502
Accumulated depreciation and impairment	-	(1,507,935)	(331,471)	(4,334,972)	(6,174,378)
	4,329,000	8,402,828	-	7,004,296	19,736,124

Note 6: Non-Financial Assets (continued)

Note 6G: Intangibles

TABLE A: Reconciliation of the opening and closing balances of intangibles (2011-12)

	Computer software internally developed $	Computer software purchased $	Other intangibles - Trademarks $	Total $
As at 1 July 2011				
Gross book value	**1,013,891**	**1,224,837**	**4,620**	**2,243,348**
Accumulated amortisation and impairment	**(486,393)**	**(914,584)**	**(3,461)**	**(1,404,438)**
Net book value 1 July 2011	**527,498**	**310,253**	**1,159**	**838,910**
Additions:				
By purchase	**107,573**	**200,892**	**-**	**308,465**
Amortisation	**(202,885)**	**(146,156)**	**(330)**	**(349,371)**
Disposals:				
Other disposals	**-**	**-**	**-**	**-**
Net book value 30 June 2012	**432,186**	**364,989**	**829**	**798,004**
Net book value as of 30 June 2012 represented by:				
Gross book value	**1,121,464**	**1,425,729**	**4,620**	**2,551,813**
Accumulated amortisation and impairment	**(689,278)**	**(1,060,740)**	**(3,791)**	**(1,753,809)**
	432,186	**364,989**	**829**	**798,004**

TABLE B: Reconciliation of the opening and closing balances of intangibles (2010-11)

	Computer software internally developed $	Computer software purchased $	Other intangibles - Trademarks $	Total $
As at 1 July 2010				
Gross book value	1,021,095	1,089,952	4,620	2,115,667
Accumulated amortisation and impairment	(363,824)	(762,717)	(3,131)	(1,129,672)
Net book value 1 July 2010	657,271	327,235	1,489	985,995
Gross book value adjustment	(7,204)	7,204	-	-
Additions:				
By purchase	-	159,907	-	159,907
Amortisation	(122,569)	(182,992)	(330)	(305,891)
Disposals:				
Other disposals	-	(1,101)	-	(1,101)
Net book value 30 June 2011	527,498	310,253	1,159	838,910
Net book value as of 30 June 2011 represented by:				
Gross book value	1,013,891	1,224,837	4,620	2,243,348
Accumulated amortisation and impairment	(486,393)	(914,584)	(3,461)	(1,404,438)
	527,498	310,253	1,159	838,910

Note 7: Payables

	2012	2011
	$	$
Note 7A: Suppliers		
Trade creditors and accruals	**1,370,994**	1,834,516
Operating lease rentals	**7,083**	5,000
Total supplier payables	**1,378,077**	1,839,516
Supplier payables expected to be settled within 12 months:		
External parties	**1,378,077**	1,839,516
Total supplier payables	**1,378,077**	1,839,516

Settlement is usually made within 30 days.

	2012	2011
Note 7B: Other payables		
Salaries and wages	**353,656**	478,107
Superannuation	**61,014**	51,186
Separation and redundancies	**281,290**	209,291
Unearned income	**1,098,404**	1,620,294
GST payable to the Australian Taxation Office	**-**	-
Other	**27,030**	490,000
Total other payables	**1,821,394**	2,848,878
Other payables are expected to be settled in:		
No more than 12 months	**1,821,394**	2,639,587
More than 12 months	**-**	209,291
	1,821,394	2,848,878

Note 8: Provisions

	2012	2011
Employee provisions		
Leave	**5,228,201**	4,738,280
Total employee provisions	**5,228,201**	4,738,280
Employee provisions are expected to be settled in:		
No more than 12 months	**1,021,371**	938,560
More than 12 months	**4,206,830**	3,799,720
Total employee provisions	**5,228,201**	4,738,280

Note 9: Cash Flow Reconciliation

	2012	2011
	$	$
Reconciliation of cash and cash equivalents as per Balance Sheet to Cash Flow Statement		
Cash and cash equivalents as per:		
Cash Flow Statement	**1,655,881**	1,601,552
Balance Sheet	**1,655,881**	1,601,552
Difference	**-**	-
Reconciliation of net cost of services to net cash from operating activities:		
Net cost of services	**(2,397,940)**	(2,329,836)
Adjustments for non-cash items		
Depreciation /amortisation	**2,542,795**	2,361,065
Revaluation decrement	**39,810**	-
Net write down of non-financial assets	**132,453**	6,339
Changes in assets / liabilities		
(Increase) / decrease in net receivables	**3,241,785**	410,069
(Increase) / decrease in inventories	**140,779**	(13,694)
(Increase) / decrease in prepayments	**27,122**	(204,000)
(Increase) / decrease in accrued revenue	**313,620**	(18,678)
Increase / (decrease) in employee provisions	**489,921**	43,798
Increase / (decrease) in supplier payables	**(461,438)**	1,238,758
Increase / (decrease) in other payables	**(1,027,485)**	541,380
Net cash from operating activities	**3,041,422**	2,035,201

Note 10: Contingent Liabilities and Assets

As at 30 June 2012, and 30 June 2011 ARPANSA had no quantifiable, unquantifiable or significant remote contingencies.

Note 11: Executive Remuneration

Note 11A: Senior Executive Remuneration Expense for the reporting period

	2012 $	2011 $
Short-term employee benefits:		
Salary	**785,790**	867,187
Annual leave accrued	**28,040**	20,053
Performance bonuses	**-**	31,000
Motor vehicle and other allowances	**101,512**	123,806
Total Short-term employee benefits	**915,342**	1,042,046
Post-employment benefits		
Superannuation	**146,132**	138,910
Total post-employment benefits	**146,132**	138,910
Other long-term benefits		
Long-service leave	**56,162**	64,092
Total other long-term benefits	**56,162**	64,092
Termination benefits	**-**	890,944
Total	**1,117,636**	2,135,992

Notes:

1. Note 11A was prepared on an accrual basis (so the performance bonus expenses disclosed above may differ from the cash "Bonus paid" in Note 11B).

2. Note 11A excludes acting arrangements and part-year service where remuneration expensed for a senior executive was less than $150,000

Note 11: Executive Remuneration (continued)

Note 11B: Average Annual Reportable Remuneration Paid to Substantive Senior Executives During the Reporting Period

2012						
Average annual reportable remuneration[1]	**Senior Executives No.**	**Reportable salary[2] $**	**Contributed superannuation[3] $**	**Reportable allowance[4] $**	**Bonus paid[5] $**	**Total $**
Total remuneration (including part-time arrangements):						
$180,000 to $209,999	**1**	**169,964**	**24,176**	**158**	**-**	**194,298**
$210,000 to $239,999	**1**	**154,419**	**75,338**	**256**	**-**	**230,013**
$240,000 to $269,999	**1**	**226,180**	**33,946**	**-**	**-**	**260,126**
$300,000 to $329,999	**1**	**272,539**	**32,254**	**-**	**-**	**304,793**
Total	**4**					

2011						
Average annual reportable remuneration[1]	**Senior Executives No.**	**Reportable salary[2] $**	**Contributed superannuation[3] $**	**Reportable allowance[4] $**	**Bonus paid[5] $**	**Total $**
Total remuneration (including part-time arrangements):						
$210,000 to $239,999	1	147,006	74,921	256	8,000	230,183
$240,000 to $269,999	2	219,646	31,952	77	4,000	255,675
$270,000 to $299,999	1	244,598	22,876	205	15,000	282,679
Total	4					

Notes:

1. This table reports substantive senior executives who received remuneration during the reporting period. Each row is an averaged figure based on headcount for individuals in the band.

2. 'Reportable salary' includes the following:
   a) gross payments (less any bonuses paid, which are separated out and disclosed in the 'bonus paid' column);
   b) reportable fringe benefits (at the net amount prior to 'grossing up' to account for tax benefits); and
   c) exempt foreign employment income.

3. The 'contributed superannuation' amount is the average actual superannuation contributions paid to senior executives in that reportable remuneration band during the reporting period, including any salary sacrificed amounts, as per the individuals' payment summary].

4. 'Reportable allowances' are the average actual allowances paid as per the 'total allowances' line on individuals' payment summaries.

5. 'Bonus paid' represents average actual bonuses paid during the reporting period in that reportable remuneration band. The 'bonus paid' within a particular band may vary between financial years due to various factors such as individuals commencing with or leaving the entity during the financial year.

6. Various salary sacrifice arrangements were available to senior executives including superannuation, motor vehicle and expense payment fringe benefits. Salary sacrifice benefits are reported in the 'reportable salary' column, excluding salary sacrificed superannuation, which is reported in the 'contributed superannuation' column.

Note 11: Executive Remuneration (continued)

Note 11C: Other Highly Paid Staff

	2012					
Average annual reportable remuneration[1]	**Staff**	**Reportable salary[2]**	**Contributed superannuation[3]**	**Reportable allowance[4]**	**Bonus paid[5]**	**Total**
	No.	**$**	**$**	**$**	**$**	**$**
Total remuneration (including part-time arrangements):						
$150,000 to $179,999	**8**	**109,862**	**47,692**	**117**	**2,750**	**160,421**
$180,000 to $209,999	**1**	**168,154**	**22,656**	**388**	**1,000**	**192,198**
$210,000 to $239,999	**1**	**188,269**	**27,098**	**582**	**1,000**	**216,949**
Total	**10**					

	2011					
Average annual reportable remuneration[1]	**Staff**	**Reportable salary[2]**	**Contributed superannuation[3]**	**Reportable allowance[4]**	**Bonus paid[5]**	**Total**
	No.	**$**	**$**	**$**	**$**	**$**
Total remuneration (including part-time arrangements):						
$150,000 to $179,999	5	121,668	34,979	246	1,220	158,113
$180,000 to $209,999	3	138,068	55,378	154	2,350	195,950
Total	8					

Notes:

1. This table reports substantive senior executives who received remuneration during the reporting period. Each row is an averaged figure based on headcount for individuals in the band.

2. 'Reportable salary' includes the following:
   a) gross payments (less any bonuses paid, which are separated out and disclosed in the 'bonus paid' column);
   b) reportable fringe benefits (at the net amount prior to 'grossing up' to account for tax benefits); and
   c) exempt foreign employment income.

3. The 'contributed superannuation' amount is the average actual superannuation contributions paid to senior executives in that reportable remuneration band during the reporting period, including any salary sacrificed amounts, as per the individuals' payment summary].

4. 'Reportable allowances' are the average actual allowances paid as per the 'total allowances' line on individuals' payment summaries.

5. 'Bonus paid' represents average actual bonuses paid during the reporting period in that reportable remuneration band. The 'bonus paid' within a particular band may vary between financial years due to various factors such as individuals commencing with or leaving the entity during the financial year.

6. Various salary sacrifice arrangements were available to senior executives including superannuation, motor vehicle and expense payment fringe benefits. Salary sacrifice benefits are reported in the 'reportable salary' column, excluding salary sacrificed superannuation, which is reported in the 'contributed superannuation' column.

Note 12: Remuneration of Auditors

	2012	2011
	$	$
Financial statement audit services were provided free of charge to the Agency.		
The fair value of the audit services provided was:	**54,250**	53,000
	54,250	53,000

No other services were provided by the auditors of the financial statements.

Note 13: Compensation and Debt Relief

No payment was provided in special circumstances relating to APS employment pursuant to section 73 of the *Public Service Act 1999* (PS Act) during the reporting period. (2011: One payment made).	-	100,000

Note 14: Financial Instruments

	2012	2011
	$	$
Note 14A: Categories of financial instruments		
Financial assets		
Loans and receivables		
Cash and cash equivalents	**1,655,881**	1,601,552
Trade receivables	**956,995**	2,205,826
Carrying amount of financial assets	**2,612,876**	3,807,378
Financial liabilities		
Other liabilities		
Trade creditors	**1,035,892**	781,577
Carrying amount of financial liabilities	**1,035,892**	781,577

Note 14: Financial Instruments (continued)

Note 14B: Credit risk

ARPANSA is exposed to minimal credit risk as loans and receivables are cash and trade receivables. The maximum exposure to credit risk is the risk that arises from potential default of a debtor. This amount is equal to the total amount of trade receivables (2012: $956,999 and 2011:$2,205,826). ARPANSA has assessed the risk of the default on payment and has allocated $21,489 in 2012 (2011: $40,800) to an impairment allowance account.

ARPANSA has policies and procedures that guide employees' debt recovery techniques that are to be applied when debts are past due.

ARPANSA holds no collateral to mitigate against credit risk

The table below shows the credit quality of financial instruments not past due or individually determined as impaired.

	Not Past Due Nor Impaired 2012 $	Not Past Due Nor Impaired 2011 $	**Past due or impaired 2012 $**	Past due or impaired 2011 $
Cash and cash equivalent	**1,655,881**	1,601,552	**-**	-
Trade receivables (gross)	**850,438**	393,184	**106,557**	1,812,642
Total	**2,506,319**	1,994,736	**106,557**	1,812,642

Ageing of financial assets that are past due but not impaired for 2012

	0 to 30 days $	**31 to 60 days $**	**61 to 90 days $**	**90+ days $**	**Total $**
Loans and receivables					
Trade receivables (gross)	**93,722**	**12,647**	**188**	**-**	**106,557**
Total	**93,722**	**12,647**	**188**	**-**	**106,557**

Ageing of financial assets that are past due but not impaired for 2011

	0 to 30 days $	**31 to 60 days $**	**61 to 90 days $**	**90+ days $**	**Total $**
Loans and receivables					
Trade receivables (gross)	1,723,716	53,853	19,766	15,307	1,812,642
Total	1,723,716	53,853	19,766	15,307	1,812,642

Note 14: Financial Instruments (continued)

Note 14C: Liquidity risk

ARPANSA's financial liabilities are trade creditors. The majority of ARPANSA's funding is appropriated from the Australian Government. The Agency manages its budgeted funds to ensure it has adequate funds to meet payments as they fall due. In addition, ARPANSA has policies in place to ensure timely payments are made when due and has no past experience of default. ARPANSA does not expect to have difficulty meeting its financial liabilities as and when they become due and payable.

The following tables illustrates the maturities for non-derivative financial liabilities.

	within 1 year 2012 $'000	**1 to 5 years 2012 $'000**	**> 5 years 2012 $'000**	**Total 2012 $'000**
Trade creditors	**1,035,892**	**-**	**-**	**1,035,892**
Total	**1,035,892**	**-**	**-**	**1,035,892**

	within 1 year 2011 $'000	1 to 5 years 2011 $'000	> 5 years 2011 $'000	Total 2011 $'000
Trade creditors	781,577	-	-	781,577
Total	781,577	-	-	781,577

ARPANSA has no derivative financial liabilities in both the current and prior year

Note 14D: Market Risk

Currency Risk

ARPANSA's exposure to "Currency Risk" is minimal as only a small number of contracts are in currencies other than Australian Dollars.

Interest Rate Risk

ARPANSA's financial instruments are not exposed to interest rate risk.

Other Price Risk

ARPANSA's financial instruments are not exposed to other price risk.

Note 15: Appropriations

In accordance with section 56 of the *Australian Radiation Protection and Nuclear Safety Act 1998,* all monies received by ARPANSA are to be paid into the ARPANSA Special Account. Pursuant to this section, all monies paid into this Account are automatically appropriated for the use of ARPANSA.

Table A: Annual Appropriations ('Recoverable GST exclusive')

	2012 Appropriations			Appropriation applied in 2012 (current and prior years)	Variance
	Appropriation Act				
	Annual Appropriation	Appropriations reduced(1)	Total appropriation		
	$	$	$	$	$
DEPARTMENTAL					
Ordinary annual services	**18,483,000**	**-**	**18,483,000**	**(21,018,130)**	**(2,535,130)**
Other services					
Equity	-	-	-	-	-
Total departmental	**18,483,000**	**-**	**18,483,000**	**(21,018,130)**	**(2,535,130)**

Notes:

1. Appropriations reduced under Appropriation Acts (Nos. 1,3 and 5) 2011-12: sections 10,11, 12 and 15 and under Appropriation Acts (Nos. 2,4 and 6) 2011-12: sections 12,13, 14 and 17. Departmental appropriations do not lapse at financial year-end. However, the responsible Minister may decide that part or all of a departmental appropriation is not required and request the Finance Minister to reduce that appropriation. The reduction in the appropriation is effected by the Finance Minister's determination and is disallowable by Parliament.

	2011 Appropriations			Appropriation applied in 2011 (current and prior years)	Variance
	Appropriation Act				
	Annual Appropriation	Appropriations reduced(1)	Total appropriation		
	$	$	$	$	$
DEPARTMENTAL					
Ordinary annual services	**15,941,000**	**(62,870)**	**15,878,130**	**(18,660,130)**	**(2,782,000)**
Other services					
Equity	-	-	-	-	-
Total departmental	**15,941,000**	**(62,870)**	**15,878,130**	**(18,660,130)**	**(2,782,000)**

Notes:

1. Appropriations reduced under Appropriation Acts (Nos. 1,3 and 5) 2010-11: sections 10,11, 12 and 15 and under Appropriation Acts (Nos. 2,4 and 6) 2010-11: sections 12,13, 14 and 17. Departmental appropriations do not lapse at financial year-end. However, the responsible Minister may decide that part or all of a departmental appropriation is not required and request the Finance Minister to reduce that appropriation. The reduction in the appropriation is effected by the Finance Minister's determination and is disallowable by Parliament. On 30 June 2011, the Finance Minister determined a reduction in departmental appropriations following a request by the Minister for Health and Ageing. The amount of the reduction determined under Appropriation Act No.1 2010-2011 was: $62,870.

Note 15: Appropriations (continued)

Table B: Departmental Capital Budgets ('Recoverable GST exclusive')

	2012 Capital Budget Appropriations				
	Appropriation Act				
	Annual Capital Budget $	**Appropriations reduced(2) $**	**Total Capital Budget Appropriations $**	**Payments for non-financial assets(3) $'000**	**Payments for other purposes $'000**
DEPARTMENTAL					
Ordinary annual services - Departmental Capital Budget(1)	**2,353,000**	**-**	**2,353,000**	**2,353,000**	**-**

Notes:

1. Departmental Capital Budgets are appropriated through Appropriation Acts (No.1,3,5). They form part of ordinary annual services, and are not separately identified in the Appropriation Acts. For more information on ordinary annual services appropriations, please see Table A: Annual appropriations.
2. Appropriations reduced under Appropriation Acts (No.1,3,5) 2011-12: sections 10, 11, 12 and 15 or via a determination by the Finance Minister.
3. Payments made on non-financial assets include purchases of assets, expenditure on assets which has been capitalised, costs incurred to make good an asset to its original condition, and the capital repayment component of finance leases.

	2011 Capital Budget Appropriations				
	Appropriation Act				
	Annual Capital Budget $'000	**Appropriations reduced(2) $'000**	**Total Capital Budget Appropriations $'000**	**Payments for non-financial assets(3) $'000**	**Payments for other purposes $'000**
DEPARTMENTAL					
Ordinary annual services - Departmental Capital Budget(1)	2,143,000	-	2,143,000	2,143,000	-

Notes:

1. Departmental Capital Budgets are appropriated through Appropriation Acts (No.1,3,5). They form part of ordinary annual services, and are not separately identified in the Appropriation Acts. For more information on ordinary annual services appropriations, please see Table A: Annual appropriations.
2. Appropriations reduced under Appropriation Acts (No.1,3,5) 2010-11: sections 10, 11, 12 and 15 or via a determination by the Finance Minister.
3. Payments made on non-financial assets include purchases of assets, expenditure on assets which has been capitalised, costs incurred to make good an asset to its original condition, and the capital repayment component of finance leases.

Note 15: Appropriations (continued)

Table C: Unspent Departmental Annual Appropriations ('Recoverable GST exclusive')

Authority	**2012** **$**	2011 $
Appropriation Act (No. 1) 2010-11	**-**	2,535,130
Appropriation Act (No. 1) 2011-12	**580,000**	-
Total	**580,000**	2,535,130

Note 16: Special Accounts

ARPANSA Special Account (Departmental)	2012 $	2011 $
Legal Authority: *ARPANS Act 1998; s56(4)*		
Appropriation: *Financial Management and Accountability Act 1997*; s21		
Purpose: 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."		
Balance brought forward from previous period	**1,601,552**	2,841,904
Appropriations for reporting period	**20,438,130**	16,125,000
GST credits (FMA Act s30A)	**763,107**	233,595
Other receipts	**12,148,793**	14,259,184
Total increase	**33,350,030**	30,617,779
Available for payments	**34,951,582**	33,459,683
Payments made to employees	**(17,443,603)**	(15,849,540)
Payments made to suppliers	**(15,852,098)**	(16,008,591)
Total decrease	**(33,295,701)**	(31,858,131)
Total Balance carried to next period	**1,655,881**	1,601,552

Note 17: Compliance with Statutory Conditions for Payments from the Consolidated Revenue Fund

Section 83 of the Constitution provides that no amount may be paid out of the Consolidated Revenue Fund except under an appropriation made by law. The Department of Finance and Deregulation provided information to all agencies in 2011 regarding the need for risk assessments in relation to compliance with statutory conditions on payments from special appropriations, including special accounts.

During 2011-12, the agency completed a review of possible exposure to risk of not compliance with statutory conditions on payments from appropriations. This involved:

- a review of the Australian Radiation Protection and Nuclear Safety Act 1998 and Australian Radiation Protection and Nuclear Safety Regulations 1999; and
- determining the risk of non-compliance by assessing the difficulty of administering the statutory conditions and assessing the extent to which existing payment systems and processes satisfy those conditions

The agency has only one special account involving statutory conditions for payment.

As at 30 June 2012 this work had been completed in respect of all amounts with statutory conditions for payment (representing $26.4m of total expenditure in 2011-12).

The work has identified no issues of compliance with Section 83

Note 18: Reporting of Outcomes

All ARPANSA's transactions fall within Outcome 1, "The Australian people and the environment are protected from the harmful effects of radiation"

Note 18A: Net cost of outcome delivery

	Outcome	
	2012	2011
	$	$
Departmental		
Expenses	**29,136,734**	29,557,998
Own-source income	**10,554,544**	13,440,032
Net cost of outcome delivery	**18,582,190**	16,117,966

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

Note 18B: Major classes of departmental expense, income, assets and liabilities by outcome

	Outcome	
	2012	2011
	$	$
Expenses		
Employees	**17,917,929**	16,381,820
Suppliers	**8,502,966**	10,798,810
Depreciation and amortisation	**2,542,795**	2,361,065
Write-down and impairment of assets	**172,509**	15,645
Other expenses	**535**	658
Total	**29,136,734**	29,557,998
Income		
Revenue from government	**16,130,000**	13,735,130
Sales of goods and services	**6,715,124**	9,612,120
Licence Fees	**3,839,420**	3,827,912
Other	**54,250**	53,000
Total	**26,738,794**	27,228,162
Assets		
Cash and cash equivalents	**1,655,881**	1,601,552
Trade and other receivables	**1,610,080**	4,851,866
Other financial assets	**81,703**	395,323
Land and buildings	**19,229,600**	12,731,828
Property, plant and equipment	**6,702,310**	7,004,296
Intangibles	**798,005**	838,911
Inventories	**1,489,587**	1,718,336
Other non-financial assets	**459,488**	497,198
Total	**32,026,654**	29,639,310
Liabilities		
Suppliers	**1,378,077**	1,839,516
Other payables	**1,821,394**	2,848,878
Employee provisions	**5,228,201**	4,738,280
Total	**8,427,672**	9,426,674

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

Note 19: Net Cash Appropriation Arrangements

	2012 $	2011 $
Total comprehensive income (loss) less depreciation/amortisation expenses previously funded through revenue appropriations *	**3,576,141**	460,229
Plus: depreciation/amortisation expenses previously funded through revenue appropriations		
Depreciation and amortisation expenses	**(2,542,795)**	(2,361,065)
Total Comprehensive Income as per the Statement of Comprehensive income	1,033,346	(1,900,836)

* From 2010-11, the Government introduced net cash appropriation arrangements, where revenue appropriations for depreciation/amortisation expenses ceased. Entities now receive a separate capital budget provided through equity appropriations. Capital budgets are to be appropriated in the period when cash payment for capital expenditure is required.