

# AUSTRALIAN LAW REFORM COMMISSION

## Section 1: Agency overview and resources

### 1.1 STRATEGIC DIRECTION

The Australian Law Reform Commission (ALRC) supports the Attorney-General and the Australian Government in the maintenance and improvement of Australia's system of law and justice by contributing to the process of law reform in Australia.

Under the *Australian Law Reform Commission Act 1996* the ALRC's ongoing function is to undertake inquiries on matters referred to it by the Attorney-General and to review Commonwealth laws relevant to those matters in order to systematically develop and reform the law. In pursuing this function, the ALRC provides the government with timely reports outlining recommendations for law reform that contribute to the government's objective of achieving an equitable and accessible system of federal justice and harmonisation of Australia's laws and practices.

The ALRC's major priority in 2009–10 will be to complete the inquiries referred to it by the Attorney-General. Priorities in future years will be determined by the reform agenda and timeframe of the government and the specific inquiries that are referred to the ALRC by the Attorney-General. During 2009, the ALRC is undertaking two inquiries: an inquiry into Commonwealth secrecy laws and an inquiry into Royal Commissions.

The ALRC will continue to provide strategic advice to the Attorney-General on issues arising out of its current and previous work and on possible areas for law reform in Australia. The ALRC will develop its online resources and use online communication strategies to expand access to its information and programs and to streamline its processes.

Members of the ALRC will speak at conferences, seminars and meetings of professional and community groups about the work of the ALRC and law reform processes generally and will undertake other consultative and educational activities. As the ALRC's recommendations must represent international best practice, the ALRC will continue to engage with other law reform and expert bodies internationally to share information and ideas and to benchmark ALRC practices and procedures.

Where the ALRC has made relevant recommendations or has acquired special expertise or experience, it will also continue to make submissions to inquiries undertaken by other bodies, especially Parliamentary Committees, on the law reform issues raised in those inquiries.

## 1.2 AGENCY RESOURCE STATEMENT

Table 1.1 shows the total resources from all origins. The table summarises how resources will be applied by outcome.

**Table 1.1: Agency resource statement—Budget estimates for 2009–10 as at Budget, May 2009**

Source	Estimate of prior year amounts available in 2009–10 (\$'000)	+ Proposed at Budget 2009–10 (\$'000)	= Total estimate 2009–10 (\$'000)	Actual available appropriation 2008–09 (\$'000)
<b>Opening balance/reserves at bank</b>	1,547		1,547	1,589
<b>REVENUE FROM GOVERNMENT</b>				
<b>Ordinary annual services</b>				
Outcome 1: Informed government decisions about the development, reform and harmonisation of Australian laws and related processes through research, analysis, reports and community consultation and education		3,387 <sup>1</sup>	3,387	3,360
<b>Total ordinary annual services</b>		<b>3,387</b>	<b>3,387</b>	<b>3,360</b>
<b>Total funds from government</b>		<b>3,387</b>	<b>3,387</b>	<b>3,360</b>
<b>FUNDS FROM OTHER SOURCES</b>				
Interest		141	141	135
Sale of goods and services		20	20	20
Other		5	5	5
<b>Total funds from other sources</b>		<b>166</b>	<b>166</b>	<b>160</b>
<b>Total net resourcing for agency</b>	<b>1,547</b>	<b>3,553</b>	<b>3,553</b>	<b>3,520</b>

All figures are GST exclusive.

The ALRC is not directly appropriated as it is a *Commonwealth Authorities and Companies Act 1997* body. Appropriations are made to the relevant *Financial Management and Accountability Act 1997* agency, the Attorney-General's Department, which are then paid to the ALRC and are considered 'departmental' for all purposes.

1. Appropriation Bill (No. 1) 2008–09.

## 1.3 BUDGET MEASURES

The ALRC does not have any new Budget measures.

## 1.4 TRANSITION FROM OUTCOMES AND OUTPUTS TO OUTCOMES AND PROGRAMS

From the 2009–10 Budget, all General Government Sector (GGS) entities will be reporting on a program basis. Figure 2 outlines the transition from the 2008–09 Budget year (as at Additional Estimates), which was presented in administered items, outputs and output groups, to the program reporting framework used for the 2009–10 Budget. The table also captures revisions made to the ALRC’s outcome statement under the Operation Sunlight Outcome Statements Review.

**Figure 2: Transition table**

2008–09 Budget year	2009–10 Budget year
Outcome 1: The development and reform of aspects of the laws of Australia to ensure that they are equitable, modern, fair and efficient	Outcome 1: Informed government decisions about the development, reform and harmonisation of Australian laws and related processes through research, analysis, reports and community consultation and education
Output Group 1.1: Reports and community consultation documents	Program 1.1: Conducting inquiries into aspects of Australian laws and related processes for the purposes of law reform
Output Group 1.2: Information and education services to enhance community consultation and participation in the law reform process	Program 1.2: Community education about law reform

## Section 2: Outcomes and planned performance

### 2.1 OUTCOMES AND PERFORMANCE INFORMATION

Government outcomes are the intended results, impacts or consequences of actions by the government on the Australian community. Agencies deliver programs, which are the government actions taken to deliver the stated outcomes. Agencies are required to identify the programs that contribute to government outcomes over the Budget and forward years.

The ALRC’s outcome is described below together with its related programs, specifying the performance indicators and targets used to assess and monitor the performance of the ALRC in achieving government outcomes.

**Outcome 1: Informed government decisions about the development, reform and harmonisation of Australian laws and related processes through research, analysis, reports and community consultation and education**

**Outcome 1 strategy**

The ALRC conducts inquiries into areas of law reform referred to it by the Attorney-General. The ALRC normally works on two inquiries a year. In conducting its inquiries, the ALRC consults broadly with relevant stakeholders and experts interested in each area under review and comprehensively researches and analyses the legal, social and economic issues raised during the course of these consultations. As required by the *Australian Law Reform Commission Act 1996*, the ALRC also has regard to relevant international obligations; the potential impact of its recommendations on the costs of getting access to and dispensing justice; and personal rights and liberties, ensuring that citizens are not unduly dependent on administrative rather than judicial decisions.

As part of the inquiry process, the ALRC produces consultation papers that present issues and raise proposals for reform. The ALRC calls on the community to respond to the issues and proposals raised through both formal submission processes as well as more informal feedback mechanisms, such as online discussion forums, phone-ins and focus groups where appropriate. These external contributions and the ALRC's own research inform the preparation of a final report with recommendations for the government's consideration for each inquiry. The purpose of these final reports is to assist the government to make informed decisions about reforming the law and related processes.

The ALRC also provides consultation documents—issues papers and discussion papers—in hard copy, in a downloadable format and on CD-ROM in order to make them as accessible as possible to the broader community.

The ALRC's strategies for achieving maximum engagement in the law reform process for legal, expert and stakeholder communities, as well as the general public, include:

- publishing its journal *Reform*, which provides an overview of current debates and fosters further discussion and information exchange within the community
- developing the ALRC internship program to provide law students with experience of the practice of law reform, including a new stream for Indigenous law students, and
- providing new ways for the broader community to participate directly in the inquiry process, such as through online discussion forums and simplified submission processes.

To achieve international best practice, the ALRC shares information and ideas with other law reform and expert bodies internationally to benchmark the ALRC’s practices and procedures.

External factors that may affect the ALRC’s abilities to achieve its outcome include the government’s reform agenda and timelines, which influence both the number and scope of inquiries that are referred to the ALRC. The ALRC’s work is highly dependent on a wide range of public and private stakeholders and the quality and timeliness of their contributions.

### Outcome 1 budgeted expenses and resources

Table 2.1 provides an overview of the total expenses for Outcome 1, by program.

**Table 2.1: Budgeted expenses and resources for Outcome 1**

<b>Outcome 1: Informed government decisions about the development, reform and harmonisation of Australian laws and related processes through research, analysis, reports and community consultation and education</b>	<b>2008–09 Estimated actual expenses (\$'000)</b>	<b>2009–10 Estimated expenses (\$'000)</b>
<b>Program 1.1: Conducting inquiries into aspects of Australian law and related processes for the purposes of law reform</b>		
Revenue from government		
Ordinary annual services (Appropriation Bill No. 1)	3,191	3,175
Revenues from other independent sources	140	146
<b>Total for Program 1.1</b>	<b>3,331</b>	<b>3,321</b>
<b>Program 1.2: Community education about law reform</b>		
Revenue from government		
Ordinary annual services (Appropriation Bill No. 1)	169	212
Revenues from other independent sources	20	20
<b>Total for Program 1.2</b>	<b>189</b>	<b>232</b>
<b>Outcome 1 totals by resource type</b>		
Revenue from government		
Ordinary annual services (Appropriation Bill No. 1)	3,360	3,387
Revenues from other independent sources	160	166
<b>Total expenses for Outcome 1</b>	<b>3,520</b>	<b>3,553</b>
	<b>2008–09</b>	<b>2009–10</b>
<b>Average staffing level (number)</b>	18	18

Note: Departmental appropriation splits and totals are indicative estimates and may change in the course of the Budget year as government priorities change.

## Contributions to Outcome 1

### Program 1.1 Conducting inquiries into aspects of Australian law and related processes for the purposes of law reform

#### Program objective

The program objective is to contribute to the Australian Government's commitment to a fairer and just Australia through the development of an effective and appropriate body of Australian law by facilitating informed decision-making by the government on priority law reform issues.

#### Program 1.1 expenses

	2008–09 Revised budget	2009–10 Budget	2010–11 Forward year 1	2011–12 Forward year 2	2012–13 Forward year 3
Annual departmental expenses	3,191	3,175	3,195	3,210	3,220
Expenses not requiring appropriation in the Budget year	140	146	100	100	100
<b>Total program expenses</b>	<b>3,331</b>	<b>3,321</b>	<b>3,295</b>	<b>3,310</b>	<b>3,320</b>

#### Program 1.1 deliverables

The ALRC will:

- conduct inquiries referred by the government within the stipulated timeframe
- undertake extensive broad-based community consultation with relevant stakeholders and experts interested in each area of law under review and report on the consultation process
- produce consultation documents, including issues papers and discussion papers—as well as final reports—for each inquiry. Each report contains research, analysis and recommendations to assist the government to make informed decisions about the development, reform and harmonisation of Australian laws and related processes
- constitute an expert advisory committee for each inquiry to assist in analysis and in the formulation of key recommendations. Advisory committees provide advice and assistance to the ALRC in identifying the key issues and provide quality assurance in the research and consultation effort. Advisory committees also assist with the development of reform proposals and final recommendations as each inquiry progresses, and
- call for formal submissions at each consultation phase and seek information and responses to the questions and proposals presented by the ALRC.

	2008–09 Revised budget	2009–10 Budget	2010–11 Forward year 1	2011–12 Forward year 2	2012–13 Forward year 3
<b>Deliverables</b>					
Inquiries	2	2	2	2	2
Final reports	2	2	2	2	2
Consultation papers	3	3	3	3	3
Advisory committees	2	3	3	3	3
Consultation meetings	70	70	70	70	70

### Program 1.1 key performance indicators

The ALRC will measure the success of Program 1.1 in delivering its objective through two key performance indicators:

- the level of implementation of ALRC reports by government and other bodies, substantially or partially, and
- the number of citations or references to ALRC reports and recommendations in parliamentary debates, in court citations and decisions, in academic and other publications, and in media reportage.

	2008–09 Revised budget	2009–10 Budget target	2010–11 Forward year 1	2011–12 Forward year 2	2012–13 Forward year 3
<b>Key performance indicators</b>					
Implementation of reports	80%	80%	80%	80%	80%
Citations and mentions	50	40	40	40	40
Media reportage	430	250	250	250	250
Final reports distributed in hard copy	1,300	800	800	800	800
Final reports accessed online— discreet hits	57,000	40,000	40,000	40,000	40,000
Consultation papers accessed online	74,000	50,000	50,000	50,000	50,000
Consultation papers distributed in hard copy	600	600	600	600	600

### Program 1.2 Community education about law reform

#### Program objective

The program objective is to improve the community's understanding of and participation in law reform processes so that the proposals put to government for consideration are informed by community attitudes, debate and discussion.

<b>Program 1.2 expenses</b>					
<b>(\$'000)</b>	<b>2008–09 Revised budget</b>	<b>2009–10 Budget</b>	<b>2010–11 Forward year 1</b>	<b>2011–12 Forward year 2</b>	<b>2012–13 Forward year 3</b>
Annual departmental expenses	169	212	256	276	200
Expenses not requiring appropriation in the Budget year	20	20	20	20	18
<b>Total program expenses</b>	<b>189</b>	<b>232</b>	<b>276</b>	<b>296</b>	<b>218</b>

### **Program 1.2 deliverables**

The ALRC will:

- increase its use of web-based consultation to broaden community access to ALRC activities
- publish its journal, *Reform*, exploring topical and important areas of law reform and distribute it throughout the community
- provide internship opportunities to law students from around Australia, and expand this program to include a targeted Indigenous internship stream
- foster law reform debate and discussion through the annual Kirby Cup law reform debating competition
- expand its educational processes to include online discussion forums and other means of encouraging community participation in the ALRC's activities, and
- present at public conferences, seminars and parliamentary inquiries, ensuring that the work of the ALRC is publicly debated and discussed and contributes to the community's knowledge about the government's law reform agenda.

<b>Deliverables</b>	<b>2008–09 Revised budget</b>	<b>2009–10 Budget</b>	<b>2010–11 Forward year 1</b>	<b>2011–12 Forward year 2</b>	<b>2012–13 Forward year 3</b>
<i>Reform</i> journals	2	2	2	2	2
Internships offered	10	12	12	12	12
Kirby Cup competition	1	1	1	1	1
Online discussion forums	2	2	2	2	2
Presentations and information sessions	20	20	20	20	20

**Program 1.2 key performance indicators**

The effectiveness of the ALRC’s community education program will be measured through the following key performance indicators:

- readership of ALRC journals and consultation papers (distributed and accessed via the ALRC’s website)
- the number of speaking engagements at public events including law reform conferences and seminars, and the number of articles and papers published about areas of law reform that are the subject of its inquiries
- the ALRC’s reports and recommendations are discussed and referred to in a wide range of media
- visits to the ALRC’s website and its online discussion forums continue to show a high level of activity and engagement in all aspects of the ALRC’s activities, and
- outreach activities are evidenced to engage law students in the process of law reform by the number of students participating the these activities.

<b>Key performance indicator</b>	<b>2008–09 Revised budget</b>	<b>2009–10 Budget target</b>	<b>2010–11 Forward year 1</b>	<b>2011–12 Forward year 2</b>	<b>2012–13 Forward year 3</b>
<i>Reform</i> journals distributed in hard copy	1,200	1,200	1,200	1,200	1,200
Applications received for internships	15	15	15	15	15
Articles written for external publications	10	10	10	10	10
Presentations and speaking engagements	45	25	25	25	25
Media interviews	50	35	35	35	35
Website visits—distinct hosts served	40,000	30,000	30,000	30,000	30,000

## Section 3: Explanatory tables and budgeted financial statements

Section 3 presents explanatory tables and budgeted financial statements that provide a comprehensive snapshot of agency finances for the Budget year 2009–10. It explains how Budget plans are incorporated into the financial statements and provides further details of the reconciliation between appropriations and program expenses.

### **3.1 EXPLANATORY TABLES**

#### **3.1.1 Movement of administered funds between years**

The ALRC has no administered funds.

#### **3.1.2 Special accounts**

The ALRC has no special accounts.

#### **3.1.3 Australian Government Indigenous Expenditure**

The ALRC has no Indigenous-specific expenses.

### **3.2 BUDGETED FINANCIAL STATEMENTS**

#### **3.2.1 Differences in agency resourcing and financial statements**

There is no significant difference between the agency resourcing and financial statements.

#### **3.2.2 Analysis of budgeted financial statements**

The ALRC has budgeted for a break-even operating result in 2009–10.

Total revenue is estimated to be \$3.553m, including \$3.387m from government and \$0.166 from other sources. Interest on cash in the ALRC's bank accounts is the most significant other source of revenue for the ALRC.

Expenses are estimated to be \$3.553m in 2009–10, comprising \$2.377m in employee expenses, \$1.121m in payments to suppliers and \$0.055m in depreciation and amortisation.

### 3.2.3 Budgeted financial statements tables

**Table 3.2.1: Budgeted departmental comprehensive income statement  
(for the period ended 30 June)**

	Estimated actual 2008–09 (\$'000)	Budget estimate 2009–10 (\$'000)	Forward estimate 2010–11 (\$'000)	Forward estimate 2011–12 (\$'000)	Forward estimate 2012–13 (\$'000)
<b>EXPENSES</b>					
Employee benefits	2,337	2,377	2,413	2,441	2,478
Suppliers	1,128	1,121	1,103	1,110	1,000
Depreciation and amortisation	55	55	55	55	55
Finance costs	–	–	–	–	5
<b>Total expenses</b>	<b>3,520</b>	<b>3,553</b>	<b>3,571</b>	<b>3,606</b>	<b>3,538</b>
<b>LESS:</b>					
<b>OWN-SOURCE INCOME</b>					
<b>Revenue</b>					
Sale of goods and rendering of services	20	20	20	20	20
Interest	135	141	145	150	90
Other revenue	5	5	5	5	5
<b>Total revenue</b>	<b>160</b>	<b>166</b>	<b>170</b>	<b>175</b>	<b>115</b>
<b>Total own-source income</b>	<b>160</b>	<b>166</b>	<b>170</b>	<b>175</b>	<b>115</b>
<b>Net cost of (contribution by) services</b>	<b>3,360</b>	<b>3,387</b>	<b>3,401</b>	<b>3,431</b>	<b>3,423</b>
Revenue from government	3,360	3,387	3,401	3,431	3,423
<b>Surplus (deficit)</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Surplus (deficit) attributable to the Australian Government</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>

Prepared on Australian Accounting Standards basis.

Table 3.2.2: Budgeted departmental balance sheet (as at 30 June)

	Estimated actual 2008–09 (\$'000)	Budget estimate 2009–10 (\$'000)	Forward estimate 2010–11 (\$'000)	Forward estimate 2011–12 (\$'000)	Forward estimate 2012–13 (\$'000)
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash and cash equivalents	1,547	1,467	1,300	1,050	1,000
Trade and other receivables	25	25	25	25	25
<b>Total financial assets</b>	<b>1,572</b>	<b>1,492</b>	<b>1,325</b>	<b>1,075</b>	<b>1,025</b>
<b>Non-financial assets</b>					
Land and buildings	21	14	8	2	2
Infrastructure, plant and equipment	215	210	205	200	200
Other	60	50	50	50	50
<b>Total non-financial assets</b>	<b>296</b>	<b>274</b>	<b>263</b>	<b>252</b>	<b>252</b>
<b>Total assets</b>	<b>1,868</b>	<b>1,766</b>	<b>1,588</b>	<b>1,327</b>	<b>1,277</b>
<b>LIABILITIES</b>					
<b>Provisions</b>					
Employees	680	620	620	620	620
Other	96	100	105	110	110
<b>Total provisions</b>	<b>776</b>	<b>720</b>	<b>725</b>	<b>730</b>	<b>730</b>
<b>Payables</b>					
Suppliers	50	50	50	50	50
<b>Total payables</b>	<b>50</b>	<b>50</b>	<b>50</b>	<b>50</b>	<b>50</b>
<b>Total liabilities</b>	<b>826</b>	<b>770</b>	<b>775</b>	<b>780</b>	<b>780</b>
<b>Net assets</b>	<b>1,042</b>	<b>996</b>	<b>813</b>	<b>547</b>	<b>497</b>
<b>EQUITY*</b>					
<b>Parent entity interest</b>					
Reserves	62	62	62	62	62
Retained surpluses or accumulated deficits	980	934	751	485	435
<b>Total parent entity interest</b>	<b>1,042</b>	<b>996</b>	<b>813</b>	<b>547</b>	<b>497</b>
<b>Total equity</b>	<b>1,042</b>	<b>996</b>	<b>813</b>	<b>547</b>	<b>497</b>
<b>Current assets</b>	<b>1,572</b>	<b>1,492</b>	<b>1,325</b>	<b>1,075</b>	<b>1,025</b>
<b>Non-current assets</b>	<b>296</b>	<b>274</b>	<b>263</b>	<b>252</b>	<b>252</b>
<b>Current liabilities</b>	<b>730</b>	<b>670</b>	<b>670</b>	<b>670</b>	<b>670</b>
<b>Non-current liabilities</b>	<b>96</b>	<b>100</b>	<b>105</b>	<b>110</b>	<b>110</b>

\* 'Equity' is the residual interest in assets after deduction of liabilities.

Prepared on Australian Accounting Standards basis.

**Table 3.2.3: Budgeted departmental statement of cash flows  
(for the period ended 30 June)**

	Estimated actual 2008–09 (\$'000)	Budget estimate 2009–10 (\$'000)	Forward estimate 2010–11 (\$'000)	Forward estimate 2011–12 (\$'000)	Forward estimate 2012–13 (\$'000)
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Goods and services	20	20	20	20	20
Appropriations	3,360	3,387	3,401	3,431	3,423
Interest	135	141	145	150	90
Other	5	5	5	5	5
<b>Total cash received</b>	<b>3,520</b>	<b>3,553</b>	<b>3,571</b>	<b>3,606</b>	<b>3,538</b>
<b>Cash used</b>					
Employees	2,341	2,413	2,450	2,536	2,506
Suppliers	1,171	1,170	1,213	1,270	1,032
<b>Total cash used</b>	<b>3,512</b>	<b>3,583</b>	<b>3,663</b>	<b>3,806</b>	<b>3,538</b>
<b>Net cash from (used by) operating activities</b>	<b>8</b>	<b>(30)</b>	<b>(92)</b>	<b>(200)</b>	<b>–</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash used</b>					
Purchase of property, plant and equipment	50	50	75	50	50
<b>Total cash used</b>	<b>50</b>	<b>50</b>	<b>75</b>	<b>50</b>	<b>50</b>
<b>Net cash from (used by) investing activities</b>	<b>(50)</b>	<b>(50)</b>	<b>(75)</b>	<b>(50)</b>	<b>(50)</b>
<b>Net increase (decrease) in cash held</b>	<b>(42)</b>	<b>(80)</b>	<b>(167)</b>	<b>(250)</b>	<b>(50)</b>
Cash at beginning of reporting period	1,589	1,547	1,467	1,300	1,050
<b>Cash at end of reporting period</b>	<b>1,547</b>	<b>1,467</b>	<b>1,300</b>	<b>1,050</b>	<b>1,000</b>

Prepared on Australian Accounting Standards basis.

**Table 3.2.4: Departmental statement of changes in equity—summary of  
movement (Budget year 2009–10)**

	Retained earnings (\$'000)	Asset revaluation reserve (\$'000)	Total equity (\$'000)
<b>Opening balance as at 1 July 2009</b>			
Balance carried forward from previous period	934	62	996
<b>Income and expenses</b>			
Surplus (deficit) for the period	–	–	–
<b>Total income and expenses</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Estimated closing balance as at 30 June 2010</b>	<b>934</b>	<b>62</b>	<b>996</b>

Prepared on Australian Accounting Standards basis.

**Table 3.2.5: Departmental capital budget statement**

	Estimated actual 2008–09 (\$'000)	Budget estimate 2009–10 (\$'000)	Forward estimate 2010–11 (\$'000)	Forward estimate 2011–12 (\$'000)	Forward estimate 2012–13 (\$'000)
<b>CAPITAL APPROPRIATIONS</b>					
<b>Total capital appropriations</b>	–	–	–	–	–
<b>Represented by:</b>					
Purchase of non-financial assets	99	43	50	50	50
<b>Total represented by</b>	<b>99</b>	<b>43</b>	<b>50</b>	<b>50</b>	<b>50</b>
<b>ACQUISITION OF NON-FINANCIAL ASSETS</b>					
Funded internally from departmental resources <sup>1</sup>	99	43	50	50	50
<b>TOTAL</b>	<b>99</b>	<b>43</b>	<b>50</b>	<b>50</b>	<b>50</b>

Prepared on Australian Accounting Standards basis.

1. Includes annual and prior year appropriations

**Table 3.2.6: Statement of departmental asset movements (2009–10)**

	Buildings (\$'000)	Other infrastructure, plant & equipment (\$'000)	Total (\$'000)
<b>As at 1 July 2009</b>			
Gross book value	63	375	438
Accumulated depreciation/amortisation	23	185	208
<b>Opening net book balance</b>	<b>40</b>	<b>190</b>	<b>230</b>
<b>CAPITAL ASSET ADDITIONS</b>			
<b>Estimated expenditure on new or replacement assets</b>			
By purchase or internally developed	–	50	50
<b>Sub-total</b>	<b>–</b>	<b>50</b>	<b>50</b>
<b>Other movements</b>			
Depreciation/amortisation expense	26	30	56
<b>As at 30 June 2010</b>			
Gross book value	63	425	488
Accumulated depreciation/amortisation	49	215	264
<b>Closing net book balance</b>	<b>14</b>	<b>210</b>	<b>224</b>

Prepared on Australian Accounting Standards basis.

### **3.2.4 Notes to the financial statements**

#### **Basis of accounting**

The budgeted financial statements have been prepared on an accrual basis, in accordance with historical cost convention and consistent with Australian Accounting Standards.

Assets and liabilities are recognised in the ALRC's balance sheet when, and only when, it is probable that future economic benefits will flow and the amounts of the assets or liabilities can be reliably measured.

Revenue and expenses are recognised in the ALRC's income statement when, and only when, the flow or consumption or loss of economic benefits has occurred and can be reliably measured.

#### **Revenue from government**

Revenue from government relates to the core operating activities of the ALRC.

Appropriations for departmental programs are recognised as revenue.

#### **Revenue from sale of goods**

Revenue from the sale of goods (mainly publications) is recognised upon the delivery of goods to customers.

#### **Employee expenses**

Employee expenses consist of salaries, leave entitlements, redundancy expenses and superannuation.

#### **Cash**

Cash includes notes and coins held and any deposits held at call with a bank or other financial institution.

#### **Depreciation**

Depreciable property, plant and equipment are written off to their estimated residual values over their estimated useful lives to the ALRC using, in all cases, the straight-line method of depreciation. Useful lives are reviewed at each balance date.

#### **Property, plant and equipment**

Purchases of property, plant and equipment are recognised initially at cost in the balance sheet, except for purchases costing less than \$1,000, which are expensed in the year of acquisition. The \$1,000 threshold was selected because it facilitates efficient asset management and recording without greatly affecting asset values recognised.

