

## 7.1 Financial Statements



### INDEPENDENT AUDITOR'S REPORT

To the Minister for Health and Ageing

#### Scope

I have audited the accompanying financial statements of the National Blood Authority for the year ended 30 June 2008, which comprise: a Statement by the Chief Executive Officer and Chief Finance Officer; Income Statement; Balance Sheet; Statement of Changes in Equity; Cash Flow Statement; Schedules of Commitments, Contingencies and Administered Items and the Notes to and Forming Part of the Financial Statements, including the Summary of Significant Accounting Policies.

#### *The Responsibility of the Chief Executive for the Financial Statements*

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

#### *Auditor's Responsibility*

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

In making those risk assessments, the auditor considers internal control relevant to the National Blood Authority preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the National Blood Authority internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the National Blood Authority Chief Executive, as well as evaluating the overall presentation of the financial statements.

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

#### Independence

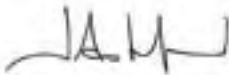
In conducting the audit, I have followed the independence requirements of the Australian National Audit Office, which incorporate the requirements of the Australian accounting profession.

#### Auditor's Opinion

In my opinion, the financial statements of the National Blood Authority:

- (a) have been prepared in accordance with the Finance Minister's Orders made under the *Financial Management and Accountability Act 1997*, and the Australian Accounting Standards (including the Australian Accounting Interpretations); and
- (b) give a true and fair view of the matters required by the Finance Minister's Orders including the National Blood Authority's financial position as at 30 June 2008 and its financial performance and its cash flows for the year then ended.

Australian National Audit Office



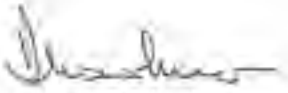
Jocelyn Ashford  
Executive Director  
Delegate of the Auditor-General  
Canberra  
13 August 2008

**National Blood Authority  
Financial Statements  
For the year ended 30 June 2008**

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**Statement by the Chief Executive Officer and Chief Finance Officer**

In our opinion, the attached financial statements for the year ended 30 June 2008 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.



A J Turner  
Chief Executive Officer

13 August 2008



S J Cochrane  
Chief Finance Officer

13 August 2008

**NATIONAL BLOOD AUTHORITY**  
**INCOME STATEMENT**  
*for the year ended 30 June 2008*

	Notes	2008 \$'000	2007 \$'000
<b>INCOME</b>			
<b>Revenue</b>			
Revenue from Government	3A	5 993	6 065
Sale of goods and rendering of services	3B	<u>4 294</u>	<u>4 064</u>
<b>Total revenue</b>		<b><u>10 287</u></b>	<b><u>10 129</u></b>
<b>Gains</b>			
Other gains	3C	<u>114</u>	<u>96</u>
<b>Total gains</b>		<b><u>114</u></b>	<b><u>96</u></b>
<b>Total income</b>		<b><u>10 401</u></b>	<b><u>10 225</u></b>
<b>EXPENSES</b>			
<b>Operating expenses</b>			
Employee benefits	4A	5 826	5 712
Suppliers	4B	2 621	2 941
Depreciation and amortisation	4C	554	284
Write-down and impairment of assets	4D	20	111
Losses from asset sales	4E	-	11
<b>Total expenses</b>		<b><u>9 021</u></b>	<b><u>9 059</u></b>
<b>Surplus</b>		<b><u>1 380</u></b>	<b><u>1 166</u></b>

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

**NATIONAL BLOOD AUTHORITY**  
**BALANCE SHEET**  
*as at 30 June 2008*

	Notes	2008 \$'000	2007 \$'000
<b>ASSETS</b>			
<b>Financial assets</b>			
Cash	5A, 9	63	53
Trade and other receivables	5B	9 252	9 242
<b>Total financial assets</b>		<u>9 315</u>	<u>9 295</u>
<b>Non-financial assets</b>			
Leasehold improvements	6A, 6D	144	228
Infrastructure, plant and equipment	6B, 6D	726	240
Intangibles	6C, 6D	1 689	805
Other non-financial assets	6E	67	17
<b>Total non-financial assets</b>		<u>2 626</u>	<u>1 290</u>
<b>Total assets</b>		<u><u>11 941</u></u>	<u><u>10 585</u></u>
<b>LIABILITIES</b>			
<b>Payables</b>			
Suppliers	7A	999	659
Other payables	7B	3 042	3 691
<b>Total payables</b>		<u>4 041</u>	<u>4 350</u>
<b>Provisions</b>			
Employee provisions	8	1 012	969
<b>Total provisions</b>		<u>1 012</u>	<u>969</u>
<b>Total liabilities</b>		<u><u>5 053</u></u>	<u><u>5 319</u></u>
<b>NET ASSETS</b>		<u><u>6 888</u></u>	<u><u>5 266</u></u>
<b>EQUITY</b>			
Reserves		15	15
Contributed equity		812	812
Retained earnings		6 061	4 439
<b>TOTAL EQUITY</b>		<u><u>6 888</u></u>	<u><u>5 266</u></u>
Current assets		9 382	9 312
Non-current assets		2 559	1 273
Current liabilities		4 927	5 040
Non-current liabilities		126	279

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

NATIONAL BLOOD AUTHORITY  
STATEMENT OF CHANGES IN EQUITY  
as at 30 June 2008

Item	Retained Earnings		Asset Revaluation Reserve		Other Reserves			Contributed Equity/Capital		Total Equity	
	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000	2006-07 \$'000	2005-06 \$'000	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000	
<b>Opening balance</b>											
Balance carried forward from previous period	4 439	3 273	15	21	-	-	812	406	5 266	3 700	
Adjustment for errors	242	-	-	-	-	-	-	-	242	-	
Adjustment for changes in accounting policy	-	-	-	-	-	-	-	-	-	-	
<b>Adjusted opening balance</b>	<b>4 681</b>	<b>3 273</b>	<b>15</b>	<b>21</b>	-	-	<b>812</b>	<b>406</b>	<b>5 508</b>	<b>3 700</b>	
<b>Income and expense</b>											
Revaluation adjustment	-	-	-	(6)	-	-	-	-	-	(6)	
<b>Subtotal income and expenses recognised Directly in Equity</b>	<b>4 681</b>	<b>3 273</b>	<b>15</b>	<b>15</b>	-	-	<b>812</b>	<b>406</b>	<b>5 508</b>	<b>3 694</b>	
Surplus for the year	1 380	1 166	-	-	-	-	-	-	1 380	1 166	
<b>Total income and expenses</b>	<b>6 061</b>	<b>4 439</b>	<b>15</b>	<b>15</b>	-	-	<b>812</b>	<b>406</b>	<b>6 888</b>	<b>4 860</b>	
<b>Transactions with owners</b>											
Contributions by owners	-	-	-	-	-	-	-	-	-	-	
Appropriation (equity injection)	-	-	-	-	-	-	-	406	-	406	
<b>Subtotal transactions with owners</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>406</b>	<b>-</b>	<b>406</b>	
Transfers between equity components	-	-	-	-	-	-	-	-	-	-	
<b>Closing balance as at 30 June</b>	<b>6 061</b>	<b>4 439</b>	<b>15</b>	<b>15</b>	-	-	<b>812</b>	<b>812</b>	<b>6 888</b>	<b>5 266</b>	

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

**NATIONAL BLOOD AUTHORITY**  
**CASHFLOW STATEMENT**  
*for the year ended 30 June 2008*

	Notes	2008 \$'000	2007 \$'000
<b>OPERATING ACTIVITIES</b>			
<b>Cash received</b>			
Appropriations		5 993	6 065
Goods and services		3 637	4 053
Net GST received		<u>463</u>	<u>381</u>
<b>Total cash received</b>		<b>10 093</b>	<b>10 499</b>
<b>Cash used</b>			
Employees		5 816	5 692
Suppliers		<u>2 555</u>	<u>3 182</u>
<b>Total cash used</b>		<b>8 371</b>	<b>8 874</b>
<b>Net cash flows from operating activities</b>	9	<b><u>1 722</u></b>	<b><u>1 625</u></b>
<b>INVESTING ACTIVITIES</b>			
<b>Cash used</b>			
Purchase of infrastructure, plant and equipment		1 308	171
Purchase of intangibles - work in progress		<u>417</u>	<u>669</u>
<b>Total cash used</b>		<b>1 725</b>	<b>840</b>
<b>Net cash flows (used by) investing activities</b>		<b><u>(1 725)</u></b>	<b><u>(840)</u></b>
<b>FINANCING ACTIVITIES</b>			
<b>Cash received</b>			
Appropriations - contributed equity		<u>317</u>	<u>495</u>
<b>Total cash received</b>		<b>317</b>	<b>495</b>
<b>Net cash flows from financing activities</b>		<b><u>317</u></b>	<b><u>495</u></b>
<b>Net increase in cash held</b>		<b><u>314</u></b>	<b><u>1 280</u></b>
Cash at the beginning of the reporting period		<u>53</u>	<u>61</u>
Cash transferred to the Official Public Account		<u>(304)</u>	<u>(1 288)</u>
<b>Cash at end of the reporting period</b>	5A	<b><u>63</u></b>	<b><u>53</u></b>

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

NATIONAL BLOOD AUTHORITY  
SCHEDULE OF COMMITMENTS AND CONTINGENCIES  
as at 30 June 2008

SCHEDULE OF COMMITMENTS	2008 \$'000	2007 \$'000
<b>BY TYPE</b>		
<b>Capital commitments</b>		
Infrastructure, plant and equipment	-	954
Intangibles	373	-
Other capital commitments	-	661
<b>Total capital commitments</b>	<b>373</b>	<b>1 615</b>
<b>Other commitments</b>		
Operating leases <sup>1</sup>	630	994
Other commitments	918	1 172
<b>Total other commitments</b>	<b>1 548</b>	<b>2 166</b>
<b>Commitments receivable</b>		
GST recoverable on commitments	175	344
<b>Total commitments receivable</b>	<b>175</b>	<b>344</b>
<b>Net commitments by type</b>	<b>1 746</b>	<b>3 437</b>
<b>BY MATURITY</b>		
<b>Capital commitments</b>		
One year or less	195	1 615
From one to five years	178	-
<b>Total capital commitments</b>	<b>373</b>	<b>1 615</b>
<b>Operating lease commitments</b>		
One year or less	504	420
From one to five years	126	574
<b>Total operating lease commitments</b>	<b>630</b>	<b>994</b>
<b>Other commitments payable</b>		
One year or less	799	892
From one to five years	119	280
<b>Total other commitments payable</b>	<b>918</b>	<b>1 172</b>
<b>Other commitments receivable</b>		
One year or less	136	266
From one to five years	39	78
<b>Total other commitments receivable</b>	<b>175</b>	<b>344</b>
<b>Net commitments by maturity</b>	<b>1 746</b>	<b>3 437</b>

NB: Commitments are GST inclusive where relevant.

<sup>1</sup> Operating leases included are effectively non cancellable and comprise:

Nature of lease	General description of leasing arrangement
Lease for office accommodation	The current lease for office accommodation expires on 31 October 2009. At 30 June 2008, no future lease agreement has been signed.
Agreements for the provision of motor vehicles to senior executive officers	Non-contingent rentals exist. There are no renewal or purchase options available to the Authority.

SCHEDULE OF CONTINGENCIES

Quantifiable Contingencies

The National Blood Authority office accommodation sustained water damage in February 2007 following a hail storm that affected many buildings in Canberra city. The insurance claim for material damage and consequential loss has been submitted to Comcover for approval and subsequent payment. To date, the NBA has been advised by the claim assessors that \$249,409 for material damage has been validated and recommended to Comcover for payment and this has been recognised in the 2007-08 statements. The NBA's claim of \$170,129 for consequential loss is still under review with the insurance assessors. It is expected that this will be finalised in the 2008-09 financial year at which time the claim will be submitted to Comcover for approval. At that time it will be recognised in the financial statements.

Unquantifiable but material contingencies are disclosed in **Note 13: Contingent Liabilities and Assets**

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

NATIONAL BLOOD AUTHORITY  
SCHEDULE OF ADMINISTERED ITEMS

	Notes	2008 \$'000	2007 \$'000
<b>Income administered on behalf of Government</b> <i>for the year ended 30 June 2008</i>			
<b>Revenue</b>			
<b>Non-taxation revenues</b>			
State and Territory contributions	15	268 500	223 957
Other sources of non-taxation revenues	15	-	22 990
<b>Total non-taxation revenues</b>		<u>268 500</u>	<u>246 947</u>
<b>Total revenues administered on behalf of Government</b>		<u>268 500</u>	<u>246 947</u>
<b>Expenses administered on behalf of Government</b> <i>for the year ended 30 June 2008</i>			
Grants	16	385 029	305 770
Suppliers	16	340 322	303 080
<b>Total expenses administered on behalf of Government</b>		<u>725 351</u>	<u>608 850</u>

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

NATIONAL BLOOD AUTHORITY  
SCHEDULE OF ADMINISTERED ITEMS (continued)

		2008	2007
	Notes	\$'000	\$'000
<b>Assets administered on behalf of Government</b>			
<i>as at 30 June 2008</i>			
<b>Financial assets</b>			
Cash		-	-
Receivables	17A	11 103	8 375
<b>Total financial assets</b>		<b>11 103</b>	<b>8 375</b>
<b>Non-financial assets</b>			
Inventories	17B	60 364	65 249
Intangibles	17C	296	-
Other non-financial assets	17D	-	10 071
<b>Total non-financial assets</b>		<b>60 660</b>	<b>75 320</b>
<b>Total assets administered on behalf of Government</b>		<b>71 763</b>	<b>83 695</b>
<b>Liabilities administered on behalf of Government</b>			
<i>as at 30 June 2008</i>			
<b>Payables</b>			
Suppliers	18A	34 518	28 331
Unearned income	18B	20 083	35 012
<b>Total liabilities administered on behalf of Government</b>		<b>54 601</b>	<b>63 343</b>

NATIONAL BLOOD AUTHORITY  
SCHEDULE OF ADMINISTERED ITEMS (continued)

	Notes	2008 \$'000	2007 \$'000
<b>Administered Cash Flows</b>			
<i>for the year ended 30 June 2008</i>			
<b>OPERATING ACTIVITIES</b>			
<b>Cash received</b>			
State and Territory contributions		253 316	237 644
Net GST Received		69 469	63 344
Other		-	-
<b>Total cash received</b>		<u>322 785</u>	<u>300 988</u>
<b>Cash used</b>			
Grant Payments		423 318	336 347
Suppliers		352 030	363 323
<b>Total cash used</b>		<u>775 348</u>	<u>699 670</u>
<b>Net cash flows (used by) operating activities</b>		<u>(452 563)</u>	<u>(398 682)</u>
<b>INVESTING ACTIVITIES</b>			
<b>Cash used</b>			
Purchase of intangibles		296	-
<b>Total cash used</b>		<u>296</u>	<u>-</u>
<b>Net cash flows (used by) investing activities</b>		<u>( 296)</u>	<u>-</u>
<b>Net (decrease) in cash held</b>		<u>(452 859)</u>	<u>(398 682)</u>
Cash at the beginning of the reporting period		-	-
Cash from Official Public Account for:			
Appropriations		-	-
Special account		775 644	699 670
		<u>775 644</u>	<u>699 670</u>
Cash to Official Public Account for:			
Appropriations		-	-
Special account		322 785	300 988
		<u>322 785</u>	<u>300 988</u>
<b>Cash at end of the reporting period</b>		<u>-</u>	<u>-</u>

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

NATIONAL BLOOD AUTHORITY  
SCHEDULE OF ADMINISTERED ITEMS (continued)

	2008 \$'000	2007 \$'000
<b>Administered Commitments</b> <i>as at 30 June 2008</i>		
<b>BY TYPE</b>		
<b>Capital commitments</b>		
Intangibles	1 071	-
<b>Total capital commitments</b>	<b>1 071</b>	<b>-</b>
<b>Other commitments</b>		
Other commitments <sup>1</sup>	919 967	1 606 633
<b>Total other commitments</b>	<b>919 967</b>	<b>1 606 633</b>
<b>Commitments receivable</b>		
GST recoverable on commitments	83 731	146 058
<b>Total commitments receivable</b>	<b>83 731</b>	<b>146 058</b>
<b>Net commitments by type</b>	<b>837 307</b>	<b>1 460 575</b>
<b>BY MATURITY</b>		
<b>Capital commitments</b>		
One year or less	330	-
From one to five years	741	-
<b>Total capital commitments</b>	<b>1 071</b>	<b>-</b>
<b>Other commitments</b>		
One year or less	771 354	692 831
From one to five years	148 613	913 802
<b>Total other commitments <sup>1</sup></b>	<b>919 967</b>	<b>1 606 633</b>
<b>Commitments receivable</b>		
One year or less	70 153	62 985
From one to five years	13 578	83 072
<b>Total commitments receivable</b>	<b>83 731</b>	<b>146 058</b>
<b>Net commitments by maturity</b>	<b>837 307</b>	<b>1 460 575</b>
NB: All commitments are GST inclusive where relevant		
<sup>1</sup> Other commitments relate to amounts payable under agreements or contracts in respect of which the grantee or supplier has yet to provide goods or services for blood or blood related products required under the agreement or contract to meet demand under the National Supply Plan and Budget.		

**NATIONAL BLOOD AUTHORITY**  
**SCHEDULE OF ADMINISTERED ITEMS (continued)**

**Administered Contingencies**

*as at 30 June 2008*

There were no quantifiable administered contingent liabilities as at 30 June 2008.

Unquantifiable but material contingencies are disclosed in **Note 20: Administered Contingent Liabilities**.

**Statement of Activities Administered on Behalf of Government**

The major activities of the National Blood Authority are directed towards managing national blood arrangements, ensuring sufficient supply and to provide a new focus on the safety and quality of blood products and services.

The NBA manages and coordinates Australia's blood supply in accordance with the National Blood Agreement agreed by the Commonwealth, States and Territories. Under this agreement, the Commonwealth contributes 63 per cent of overall costs in the blood sector and the States and Territories are providing 37 per cent. The funding for blood and blood products is funded from a special account established under the National Blood Authority Act 2003. The Act also established a special appropriation held by the Department of Health and Ageing, under the Financial Management and Accountability Act 1997.

Details of planned activities for the year can be found in the Agency Portfolio Budget and Portfolio Additional Estimates for 2007 - 08 which have been tabled in Parliament.

NATIONAL BLOOD AUTHORITY  
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
 for the year ended 30 June 2008

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## NATIONAL BLOOD AUTHORITY NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2008

### NOTE 1 Summary of Significant Accounting Policies

#### 1.1 Objectives of the National Blood Authority

The National Blood Authority (NBA) is an Australian Public Service organisation and was established on 1 July 2003 with the principal role of managing national blood arrangements, ensuring sufficient supply and providing a new focus on the quality and appropriateness of blood products.

The NBA manages and coordinates Australia's blood supply in accordance with the National Blood Agreement agreed by the Australian Government, States and Territories. Under this agreement, the Australian Government contributes 63 per cent of overall costs in the blood sector and the States and Territories provide 37 per cent. The funding for blood and blood products is funded from a special account established under the *National Blood Authority Act 2003*. This Act also established a special appropriation held by the Department of Health and Ageing, under the *Financial Management and Accountability Act 1997*.

The Authority contributes to the Department of Health and Ageing Portfolio Outcome 13 - Acute Care, under the following outcome and output group:

Outcome	Administered Items and Output Groups
Australia's blood supply is secure and well managed.	Output Group 1 – Meet product demand through effective planning and the management of supply arrangements.

The NBA's activities contributing to this outcome are classified as either departmental or administered. Departmental activities involve the use of assets, liabilities, revenues and expenses controlled or incurred by the NBA in its own right. Administered activities involve the management or oversight by the NBA, on behalf of the Government, of items controlled or incurred by the Government.

The continued existence of the NBA in its present form, and with its present programs, is dependent on Government policy and on continuing appropriations by Parliament and contributions from States and Territories for the NBA's administration and programs.

#### 1.2 Basis of Preparation of the Financial Statements

The Financial Statements and notes are required by Section 49 of the *Financial Management and Accountability Act 1997* and are a General Purpose Financial Report.

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

- Finance Minister's Orders (FMO's) for reporting periods ending on or after 1 July 2007; and
- Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period.

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

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

## NATIONAL BLOOD AUTHORITY NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2008

### 1.2 Basis of Preparation of the Financial Statements (cont..)

Unless an alternative treatment is specifically required by an Accounting Standard or the FMO's, assets and liabilities are recognised in the Balance Sheet when and only when it is probable that future economic benefits will flow to the NBA or a future sacrifice of economic benefits will be required and the amounts of the assets or liabilities can be reliably measured. However, assets and liabilities arising under agreements equally proportionately unperformed are not recognised unless required by an Accounting Standard. Liabilities and assets that are unrealised are reported in the Schedule of Commitments and the Schedule of Contingencies (other than unquantifiable or remote contingencies, which are reported at Note 13).

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

Administered revenues, expenses, assets and liabilities and cash flows reported in the Schedule of Administered Items and related notes are accounted for on the same basis and using the same policies as for departmental items.

### 1.3 Significant Accounting Judgments and Estimates

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 Statement of Compliance

#### *Adoption of new Australian Accounting Standard requirements*

No Accounting Standard has been adopted earlier than the application date as stated in the Standard. The following new Standards are applicable to the current reporting period:

#### *Financial Instrument Disclosure*

AASB 7 *Financial Instruments: Disclosures* is effective for reporting periods beginning on or after 1 January 2007 (the 2007-08 financial year) and amends the disclosure requirements for financial instruments. In general AASB 7 requires greater disclosure than that previously required. Associated with the introduction of AASB 7 a number of accounting standards were amended to reference the new standard or remove the present disclosure requirements through 2005-10 Amendments to Australian Accounting Standards [AASB 132, AASB 101, AASB 114, AASB 117, AASB 133, AASB 139, AASB 1, AASB 4, AASB 1023 & AASB 1038]. These changes have no financial impact but will affect the disclosure presented in future financial reports.

The following new standards, amendments to standards or interpretations for the current financial year have no material financial impact on the NBA:

- 2007-4 *Amendments to Australian Accounting Standards arising from ED 151 and Other Amendments and Erratum: Proportionate Consolidation*
- 2007-7 *Amendments to Australian Accounting Standards*
- UIG Interpretation 11 AASB 2 – *Group and Treasury Share Transactions* and 2007-1 *Amendments to Australian Accounting Standards arising from AASB Interpretation 11*

**NATIONAL BLOOD AUTHORITY**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
*for the year ended 30 June 2008*

**1.4 Statement of Compliance (cont.)**

*Future Australian Accounting Standard Requirements*

The following new standards, amendments to standards or interpretations have been issued by the Australian Accounting Standards Board but are effective for future reporting periods. It is estimated that the impact of adopting these pronouncements when effective will have no material financial impact on future reporting periods:

- AASB Interpretation 12 *Service Concession Arrangements* and 2007-2 *Amendments to Australian Accounting Standards arising from AASB Interpretation 12*
- AASB 8 *Operating Segments* and 2007-3 *Amendments to Australian Accounting Standards arising from AASB 8*
- 2007-6 *Amendments to Australian Accounting Standards arising from AASB 123*
- AASB Interpretation 13 *Customer Loyalty Programmes*
- AASB Interpretation 14 *AASB 119 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction*

*Other*

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

- *AASB 1049 Financial Reporting of General Government Sectors by Governments*

AASB 1049 specifies the reporting requirements for the General Government Sector. The FMOs do not apply to this reporting or the consolidated financial statements of the Australian Government.

**1.5 Revenue**

*Revenues from Government*

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

Appropriations receivable are recognised at their nominal amounts.

*Other Types of Revenue*

Revenue from the sale of goods is recognised when:

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

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

- the amount of revenue, stage of completion and transaction costs incurred can be reliably measured; and
- the probable economic benefits with the transaction will flow to the NBA.

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

## NATIONAL BLOOD AUTHORITY NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2008

### 1.5 Revenue (cont..)

#### *Section 31 Revenue*

Section 83 of the Constitution, prescribes that monies are not to be drawn down from the Treasury, except under an appropriation by law. Further, under Section 31 of the *Financial Management and Accountability Act 1997*, an agreement may be made with the Finance Minister which specifies the type of receipts that are not included in the Appropriation Acts, but may be deemed to be appropriated.

The NBA receives monies from a number of sources, other than appropriations, and those revenues that are stipulated within the *National Blood Authority Act 2003*. The NBA has a Net Appropriation instrument that allows the NBA to retain and spend these receipts.

### 1.6 Gains

#### *Other 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 resources would have been purchased if they had not been donated. Use of those resources is recognised as an expense.

Contributions of assets at no cost of acquisition or for nominal consideration are recognised as gains at their fair value when the asset qualifies for recognition, unless received from another government agency as a consequence of a restructuring of administrative arrangements.

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

#### *Sale of Assets*

Gains from the disposal of non-current assets are recognised when control of the assets has passed to the buyer.

### 1.7 Transactions with the Government as Owner

#### *Restructuring of Administrative Arrangements*

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

#### *Equity injections*

Amounts appropriated which are designated as 'equity injections' for a year (less any formal reductions) are recognised directly in Contributed Equity in that year.

## NATIONAL BLOOD AUTHORITY NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2008

### 1.8 Employee Benefits

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

Liabilities for 'short-term employee benefits' (as defined in AASB 119) and termination benefits due within twelve months of balance date are measured at their nominal amounts.

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

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

#### *Leave*

The liability for employee entitlements 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 NBA is estimated to be less than the annual entitlement for sick leave.

The leave liabilities are calculated on the basis of employees' remuneration, including the NBA'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 all employees at 30 June 2008. In determining the present value of the liability, the NBA has taken into account attrition rates and pay increases through promotion and inflation.

#### *Superannuation*

Staff of the NBA are members of the Commonwealth Superannuation Scheme (CSS), the Public Sector Superannuation Scheme (PSS), the PSS Accumulation Plan (PSSap), the Australian Government Employee Superannuation Trust (AGEST) or other non-government superannuation funds. The CSS and PSS are defined benefit schemes for the Commonwealth. The PSSap, AGEST and the non-government superannuation funds are defined contribution schemes.

From 1 July 2005, new employees are eligible to join the PSSap scheme.

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

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.

**NATIONAL BLOOD AUTHORITY**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
*for the year ended 30 June 2008*

### 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 non-current 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. The NBA has no finance leases as at 30 June 2008.

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 Cash

Cash includes notes and coins held and any deposits in bank accounts with an original maturity of 3 months or less that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value. Cash is recognised at its nominal amount.

### 1.11 Financial Assets

The NBA classifies its financial assets as 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 upon 'trade date'.

#### *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 over the expected life of the financial asset, or, where appropriate, a shorter period.

Income is recognised on an effective interest rate basis.

#### *Loans and Receivables*

Trade Receivables, appropriations and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. They are included in current assets and are measured at amortised cost using the effective interest method less impairment.

#### *Impairment of Financial Assets*

Financial assets are assessed for impairment at each balance date.

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

## NATIONAL BLOOD AUTHORITY NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2008

### 1.12 Financial Liabilities

Financial liabilities are classified as other financial liabilities. Financial liabilities are recognised and derecognised upon 'trade date'.

#### *Supplier and Other Payables*

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).

### 1.13 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.

### 1.14 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 revenues at their fair value at the date of acquisition, unless acquired as a consequence of restructuring of administrative arrangements. In the latter case, assets are initially recognised as contributions by owners at the amounts at which they were recognised in the transferor Agency's accounts immediately prior to the restructuring.

### 1.15 Property, Plant and Equipment (PP&E)

#### *Asset Recognition Threshold*

Purchases of property, plant and equipment are recognised initially at cost in the balance sheet, except for purchases costing less than the thresholds listed below for each class of asset, 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).

<i>Asset class</i>	<i>Recognition Threshold</i>
Infrastructure, Plant and Equipment	\$2,000
Purchased Software	\$5,000
Leasehold improvements	\$10,000
Internally Developed Software	\$50,000

The initial cost of an asset includes an estimate of the cost of dismantling and removing the item and restoring the site on which it is located. This is particularly relevant to 'make good' provisions in property leases taken up by the NBA where there exists an obligation to restore the property to its original condition. These costs are included in the value of the NBA's leasehold improvements with a corresponding provision for the 'make good' recognised.

**NATIONAL BLOOD AUTHORITY**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

for the year ended 30 June 2008

**1.15 Property, Plant and Equipment (PP&E) (cont..)**

*Revaluations*

Basis

All valuations are conducted by an independent qualified valuer and are undertaken by the Australian Valuation Office.

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

<i>Asset class</i>	<i>Fair value measured at:</i>
Leasehold improvements	Depreciated replacement cost
Infrastructure, plant & equipment	Market selling price

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

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

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

Frequency

An assessment is undertaken annually by the NBA to ensure that asset carrying amounts do not materially differ from fair value. The Australian Valuation Office has advised the NBA that there is no material difference between the current carrying amount and the fair value as at 30 June 2008.

Depreciation

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

Depreciation rates (useful lives) and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate. Residual values are re-estimated for a change in prices only when assets are revalued. Depreciation rates applying to each class of depreciable asset are based on the following useful lives:

<i>Asset class</i>	<i>2007 - 08</i>	<i>2006 - 07</i>
Infrastructure, Plant and Equipment	3 to 7 years	3 to 7 years
Leasehold improvements	Lease term	Lease term

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

**NATIONAL BLOOD AUTHORITY  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

*for the year ended 30 June 2008*

*Capitalisation*

In the prior year an amount of \$241,979 related to the purchase of infrastructure, plant and equipment was recorded as an expense when it should have been capitalised. This has been corrected in the current year by means of an adjustment through retained earnings. This was an isolated instance which was an error in accounting treatment in the prior year.

**1.16 Impairment of Non-Current Assets**

All assets were assessed for impairment at 30 June 2008. 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 the NBA were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

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

**1.17 Intangibles**

The NBA's intangibles comprise internally developed software and purchased software for internal use. These assets are carried at cost less accumulated amortisation and accumulated impairment losses.

Software is amortised on a straight-line basis over its anticipated useful life. The useful lives of the NBA's software are:

Type	2007 - 08	2006 - 07
Purchased software	3 years	3 years
Internally developed software	3 years	3 years

All software assets are assessed for indications of impairment at each balance date. As at 30 June 2008 there were no indicators of impairment of intangibles.

**1.18 Taxation**

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

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

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

**NATIONAL BLOOD AUTHORITY**  
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*for the year ended 30 June 2008*

### 1.19 Reporting of Administered Activities

Administered revenues, expenses, assets, liabilities and cash flows are disclosed in the Schedule of Administered Items and related Notes.

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

#### *Administered Cash Transfers to and from Official Public Account*

Revenue collected by the NBA for use by the Government rather than the NBA is administered revenue. Collections are transferred to the Official Public Account (OPA) maintained by the Department of Finance and Deregulation. Conversely, cash is drawn from the OPA to make payments under Parliamentary appropriation on behalf of Government. These transfers to and from the OPA are adjustments to the administered cash held by the NBA on behalf of the Government and reported as such in the Statement of Cash Flows in the Schedule of Administered Items and in the Administered Reconciliation Table in Note 19. The Schedule of Administered Items largely reflects the Government's transactions, through the NBA, with parties outside the Government.

#### *Revenue*

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

Administered fee revenue is recognised when access occurs. Collectability of debts is reviewed at balance date. Allowances are made when collection of the debt is judged to be less rather than more likely.

Amounts appropriated during the year for administered interest are recognised in the Balance Sheet.

#### *Grants*

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

#### *Unearned Income*

In the prior year an amount of \$2,002,440 related to unearned income from the Commonwealth was recorded as unearned income from the States & Territories. In the current year, the comparative figure has been adjusted accordingly. This was an isolated instance which was an error in reporting in the prior year.

#### *Inventories of Blood and Blood Related Products*

The Australian Government controls the National Reserve of Blood and Blood Related Products (the "Reserve"). There are three significant input costs to the Reserve:

- Collection costs of raw plasma product provided by the Australian Red Cross Blood Service (ARCBS);
- Purchase costs paid to CSL Limited (CSL) for the plasma product; and
- Purchase costs paid to other suppliers for blood related products.

Since the establishment of the NBA, processes have been put in place that allow for the collection of data to enable measurement of these costs. A costing methodology has been agreed and will be reviewed annually to ensure reliability and appropriateness.

**NATIONAL BLOOD AUTHORITY  
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*for the year ended 30 June 2008*

**1.19 Reporting of Administered Activities (cont..)**

The NBA negotiated and implemented new arrangements with CSL in December 2004. These arrangements formalised the control of an inventory buffer, known as Post Payment Inventory of Blood Products ("PoPI"), held at CSL for use by governments.

The Australian Government now controls PoPI and from 2004-05 it has been disclosed in the financial statements for the NBA. There are two significant input costs to PoPI:

- Collection costs of raw plasma product provided by the ARCBS; and
- Purchase costs paid to CSL Ltd for the plasma product.

The NBA negotiated and implemented new arrangements with the ARCBS in August 2006. These arrangements formalised the control of the inventory held by ARCBS on behalf of the NBA for distribution to approved recipients.

The Australian Government now controls ARCBS inventory and from 2006-07 it has been disclosed in the financial statements for the NBA. There are three significant input costs to ARCBS Inventory:

- Collection costs of raw plasma product provided by the ARCBS;
- Purchase costs paid to CSL Ltd for the plasma product; and
- Purchase costs paid to other suppliers for blood related products.

Inventories are valued at the lower of cost and replacement cost per the requirements of Accounting Standard AASB 102. A costing methodology has been agreed and will be reviewed annually to ensure reliability and appropriateness.

Movements in the Reserve, PoPI and ARCBS are funded from the Australian Government and State and Territories as per the National Blood Agreement.

*National Managed Fund*

The National Managed Fund was established to manage the liability risks of the ARCBS in relation to the provision of blood and blood products. The National Managed Fund was reported in 2003-04 by the Department of Health and Ageing under "Services for Other Governments and Non-Departmental Bodies Special Account". The NBA now manages this fund on behalf of the Australian Government and States and Territories. To facilitate the transfer of the fund to the NBA a special account under Section 20 of the *Financial Management and Accountability (FMA) Act 1997* was established, and this fund was transferred to the NBA for reporting.

The Fund came into effect on 1 July 2000 and to date, no claims have been made against the fund. The balance of the fund as at 30 June 2008 is \$51,817,761. Refer to Note 23.

*Indemnities*

The maximum amounts payable under the indemnities given is disclosed in the Schedule of Administered Items – Contingencies. At the time of completion of the Financial Statements, there was no reason to believe that the indemnities would be called upon, and no recognition of any liability was therefore required.

NATIONAL BLOOD AUTHORITY  
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NOTE 2 Events after the Balance Sheet Date

There were no significant events occurring after 30 June 2008.

NATIONAL BLOOD AUTHORITY  
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
 for the year ended 30 June 2008

	2008 \$'000	2007 \$'000
<b>NOTE 3 Income</b>		
<b>Revenues</b>		
<u>Note 3A - Revenue from Government</u>		
Appropriations:		
Departmental outputs	5 993	6 065
<i>Total revenue from government</i>	<u>5 993</u>	<u>6 065</u>
 <u>Note 3B - Sale of goods and rendering of services</u>		
Rendering of services	4 294	4 064
<i>Total sale of goods and rendering of services</i>	<u>4 294</u>	<u>4 064</u>
 Rendering of services to:		
Related entities	634	347
External entities	3 660	3 717
<i>Total rendering of services</i>	<u>4 294</u>	<u>4 064</u>
 <b>Gains</b>		
<u>Note 3C - Other gains</u>		
Resources received free of charge	114	96

NATIONAL BLOOD AUTHORITY  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
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	2008 \$'000	2007 \$'000
<b>NOTE 4 Operating Expenses</b>		
<u>Note 4A - Employee benefits</u>		
Wages and salaries	3 514	3 456
Superannuation:		
Defined contribution plans	222	181
Defined benefit plans	426	441
Leave and other entitlements	787	768
Other employee expenses	877	866
<b>Total employee expenses</b>	<b>5 826</b>	<b>5 712</b>
<u>Note 4B - Suppliers</u>		
Provision of goods - external entities	196	151
Rendering of services - related entities	161	183
Rendering of services - external entities	1 872	2 197
Operating lease rentals - minimum lease payments	354	332
Workers compensation premiums	38	78
<b>Total supplier expenses</b>	<b>2 621</b>	<b>2 941</b>
<u>Note 4C - Depreciation and amortisation</u>		
The aggregate amounts of depreciation or amortisation expensed during the reporting period for each class of depreciable asset are as follows:		
<i>(i) Depreciation</i>		
Infrastructure, plant and equipment	339	99
Leasehold improvements	99	83
<b>Total Depreciation</b>	<b>438</b>	<b>182</b>
<i>(ii) Amortisation</i>		
Intangibles - Computer software	116	102
<b>Total depreciation and amortisation</b>	<b>554</b>	<b>284</b>
No depreciation or amortisation was allocated to the carrying amounts of other assets		
<u>Note 4D - Write-down and impairment of assets</u>		
Asset Write-downs from:		
Impairment of infrastructure, plant and equipment	20	75
Revaluation Decrements - non-financial assets:		
Leasehold improvements	-	31
Infrastructure, plant and equipment	-	5
<b>Total write-down and impairment of assets</b>	<b>20</b>	<b>111</b>
<u>Note 4E - Losses from asset sales</u>		
<b>Infrastructure, plant and equipment</b>		
Proceeds from sale	-	( 18)
Carrying value of assets sold	-	29
<b>Total losses from asset sales</b>	<b>-</b>	<b>11</b>

NATIONAL BLOOD AUTHORITY  
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
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	2008 \$'000	2007 \$'000
<b>NOTE 5 Financial Assets</b>		
<u>Note 5A - Cash</u>		
Cash at bank - Special Account	63	53
<b>Total cash</b>	<u>63</u>	<u>53</u>
<u>Note 5B - Trade and other receivables</u>		
Goods and services	<u>250</u>	<u>240</u>
GST receivable from ATO	116	103
Appropriation receivable for existing outputs	-	317
Special Account - cash held in the OPA	<u>8 886</u>	<u>8 582</u>
<b>Total receivables (net)</b>	<u>9 252</u>	<u>9 242</u>
All receivables are current assets. No provision for doubtful debts is required.		
All receivables are with entities external to the entity. Credit terms are net 30 days (2006-07: 30 days).		
Receivables (gross) are aged as follows:		
Not overdue	8 886	8 899
Overdue by less than 30 days	<u>366</u>	<u>343</u>
<b>Total receivables (gross)</b>	<u>9 252</u>	<u>9 242</u>

NATIONAL BLOOD AUTHORITY  
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	2008 \$'000	2007 \$'000
<b>NOTE 6 Non-Financial Assets</b>		
<u>Note 6A - Leasehold improvements</u>		
- at fair value	243	228
- accumulated depreciation	( 99)	-
<b>Total leasehold improvements (non-current)</b>	<u>144</u>	<u>228</u>

No indicators of impairment were found for leasehold improvements.

<u>Note 6B - Infrastructure, plant and equipment</u>		
- gross carrying value (at fair value)	1 061	241
- accumulated depreciation	( 335)	( 1)
<b>Total infrastructure, plant and equipment (non-current)</b>	<u>726</u>	<u>240</u>

All revaluations are conducted in accordance with the revaluation policy stated at Note 1.

No revaluation decrements for leasehold improvements (2007: decrement of \$31,000) or for infrastructure, plant and equipment (2007: decrement of \$11,000) were credited to the asset revaluation reserve by asset class and included in the equity section of the balance sheet; no increments/decrements were expensed.

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

<u>Note 6C - Intangibles</u>		
Computer software - at cost		
Internally developed - in progress	1 437	766
Internally developed - in use	39	39
Purchased - in use	533	204
<b>Total computer software</b>	<u>2 009</u>	<u>1 009</u>
Accumulated amortisation - internally developed	( 39)	( 39)
Accumulated amortisation - purchased	( 281)	( 165)
<b>Total accumulated amortisation</b>	<u>( 320)</u>	<u>( 204)</u>
<b>Total intangibles (non-current)</b>	<u>1 689</u>	<u>805</u>

No indicators of impairment were found for intangible assets.

NATIONAL BLOOD AUTHORITY  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
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NOTE 6 Non-Financial Assets (cont.)

Note 6D - Analysis of property, plant and equipment and intangibles

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

Item	Leasehold improvements	Infrastructure plant and equipment	Intangibles - Computer software internally developed	Intangibles - Computer software purchased
	\$'000	\$'000	\$'000	\$'000
<b>As at 1 July 2007</b>				
Gross book value	228	241	39	204
Accumulated depreciation/amortisation	-	( 1)	( 39)	( 165)
<b>Net book value 1 July 2007</b>	<b>228</b>	<b>240</b>	<b>-</b>	<b>39</b>
<b>Additions:</b>				
By purchase/internally developed	15	845	-	329
Revaluations and impairments through equity	-	-	-	-
Depreciation/amortisation expense	( 99)	( 339)	-	( 116)
<b>Disposals:</b>				
Other disposals	-	( 20)	-	-
<b>Net book value 30 June 2008</b>	<b>144</b>	<b>726</b>	<b>-</b>	<b>252</b>
<b>Net book value as of 30 June 2008 represented by:</b>				
Gross book value	243	1 061	39	533
Accumulated depreciation/amortisation	( 99)	( 335)	( 39)	( 281)
<b>Closing Net book value</b>	<b>144</b>	<b>726</b>	<b>-</b>	<b>252</b>
Internally developed software - in progress	-	-	1 437	-
<b>Total of all assets</b>	<b>144</b>	<b>726</b>	<b>1 437</b>	<b>252</b>

Table B - Reconciliation of the opening and closing balances of property, plant and equipment, and intangibles (2006-07)

Item	Leasehold improvements	Infrastructure plant and equipment	Intangibles - Computer software internally developed	Intangibles - Computer software purchased
	\$'000	\$'000	\$'000	\$'000
<b>As at 1 July 2006</b>				
Gross book value	324	317	39	288
Accumulated depreciation/amortisation	-	-	( 32)	( 175)
<b>Net book value 1 July 2006</b>	<b>324</b>	<b>317</b>	<b>7</b>	<b>113</b>
<b>Additions:</b>				
By purchase/internally developed	18	136	-	22
Revaluations and impairments through equity	( 31)	( 11)	-	-
Depreciation/amortisation expense	( 83)	( 99)	( 7)	( 95)
<b>Disposals:</b>				
Other disposals	-	( 103)	-	( 1)
<b>Net book value 30 June 2007</b>	<b>228</b>	<b>240</b>	<b>-</b>	<b>39</b>
<b>Net book value as of 30 June 2007 represented by:</b>				
Gross book value	228	241	39	204
Accumulated depreciation/amortisation	-	( 1)	( 39)	( 165)
<b>Closing Net book value</b>	<b>228</b>	<b>240</b>	<b>-</b>	<b>39</b>
Internally developed software - in progress	-	-	766	-
<b>Total of all assets</b>	<b>228</b>	<b>240</b>	<b>766</b>	<b>39</b>

NATIONAL BLOOD AUTHORITY  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
for the year ended 30 June 2008

	2008 \$'000	2007 \$'000
<b>NOTE 6 Non-Financial Assets (cont..)</b>		
<u>Note 6E - Other non-financial assets</u>		
Prepayments	<u>67</u>	<u>17</u>

All other non-financial assets are current assets.  
No indicators of impairment were found for other non-financial assets.

**NOTE 7 Payables**

<u>Note 7A - Suppliers</u>		
Trade creditors	<u>999</u>	<u>659</u>
<b>Total supplier payables</b>	<u>999</u>	<u>659</u>

All supplier payables are current liabilities.  
Settlement is usually made net 30 days from receipt of invoice.

Note 7B - Other payables

Unearned revenue from States and Territories	2 892	2 996
Unearned revenue - S31 receipts	<u>150</u>	<u>695</u>
<b>Total other payables</b>	<u>3 042</u>	<u>3 691</u>

All other payables are current liabilities.

**NOTE 8 Provisions**

<u>Note 8 - Employee provisions</u>		
Salaries and wages	55	39
Leave	<u>957</u>	<u>930</u>
<b>Total employee provisions</b>	<u>1 012</u>	<u>969</u>

Employee provisions are represented by:

Current	886	690
Non-current	<u>126</u>	<u>279</u>
<b>Total employee provisions</b>	<u>1 012</u>	<u>969</u>

The classification of current employee provisions includes amounts for which there is not an unconditional right to defer settlement by one year, hence in the case of employee provisions the above classification does not represent the amount expected to be settled within one year of reporting date. Employee provisions expected to be settled in twelve months from the reporting date is \$283,458 (2007: \$303,435), and in excess of one year \$185,396 (2007: \$149,901).

NATIONAL BLOOD AUTHORITY  
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
 for the year ended 30 June 2008

	2008 \$'000	2007 \$'000
<b>NOTE 9 Cash Flow Reconciliation</b>		
<b>Reconciliation of cash as per Balance Sheet to Cash Flow Statement</b>		
Report cash as per:		
Cash Flow Statement	63	53
Balance Sheet	<u>63</u>	<u>53</u>
Difference	<u>-</u>	<u>-</u>
<b>Reconciliation of operating result to net cash from operating activities:</b>		
Operating result	1 380	1 166
Depreciation/amortisation	554	284
Revaluation reserve increment	-	( 6)
Adjustment for errors in retained earnings	242	-
Gains on disposal of assets	-	-
<b>Changes in assets and liabilities:</b>		
Decrease/(increase) in receivables	15	( 227)
Decrease/(increase) in non-financial assets	89	154
Increase/(decrease) in employee liabilities	43	69
Increase/(decrease) in supplier liabilities	48	( 23)
Increase/(decrease) in other liabilities	<u>( 649)</u>	<u>208</u>
<b>Net cash from operating activities</b>	<u><u>1 722</u></u>	<u><u>1 625</u></u>

NATIONAL BLOOD AUTHORITY  
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
 for the year ended 30 June 2008

NOTE 10 Senior Executive Remuneration

	2008 Number	2007 Number
The number of senior executives who received or were due to receive total remuneration of \$130,000 or more:		
\$130 000 to 144 999	-	1
\$160 000 to 174 999	-	1
\$175 000 to 189 999	3	-
\$190 000 to \$204 999	-	1
\$220 000 to \$234 999	1	-
\$280 000 to \$294 999	1	1
	<u>5</u>	<u>4</u>
	\$	\$
The aggregate amount of total monies expended and accrued by the organisation relevant to the employment of senior executives shown above.	1 070 842	799 496
This includes salaries, employer superannuation contributions to CSS, PSS and PSSap, accrued leave and performance bonuses.		
The aggregate amount of separation and redundancy/termination benefit payments during the year to executives shown above.	-	-
In 2007-08 some executives were employed for part of the year due to staff leaving.		

NOTE 11 Remuneration of Auditors

Financial statement audit services are provided free of charge to the NBA.

The fair value of the services provided was:

	2008 \$'000	2007 \$'000
	<u>114</u>	<u>96</u>
	<u>114</u>	<u>96</u>

No other services were provided by the Auditor-General.

NOTE 12 Average Staffing Levels

The average staffing levels for the NBA at balance date were:

	2008 Number	2007 Number
	<u>49</u>	<u>50</u>

**NATIONAL BLOOD AUTHORITY**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
for the year ended 30 June 2008

**NOTE 13     Contingent Liabilities and Assets**

Quantifiable Contingencies

The Schedule of Contingencies in the Financial Report reports a contingent asset as at 30 June 2008 in respect of an outstanding insurance claim with Comcover for damage to the NBA premises of \$170,129. The NBA is expecting that the claim will be finalised in the 2008-09 financial year. The estimate is based on the full amount of the claim submitted by the NBA to the insurance assessors.

Unquantifiable Contingencies

There are no unquantifiable contingent assets or liabilities in this reporting period.

Remote Contingencies

The Australian Government has indemnified the lessor of the National Blood Authority's premises for negligent acts committed by the National Blood Authority up to the value of \$1,000,000.

NATIONAL BLOOD AUTHORITY  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
for the year ended 30 June 2008

NOTE 14 Financial Instruments

NOTE 14A Terms, conditions and accounting policies

Financial Instrument	Notes	Accounting Policies and Methods (including recognition criteria and measurement basis)	Nature of underlying instrument (including significant terms and conditions affecting the amount, timing and certainty of cash flow)
Financial Assets		Financial assets are recognised when control over future economic benefits is established and the amount of the benefit can be reliably measured.	
Cash	5A	Deposits are recognised at their nominal amounts.	Monies in the Authority's bank accounts were from States and Territories and the Australian Government. Government contributions were swept to the Official Public Account and held as a special account.
Receivables for goods and services	5B	These receivables are recognised at the nominal amounts due less any provision for bad or doubtful debts. Collectability of debts is reviewed at balance date. Provisions are made when collection of debt is judged to be less rather than more likely.	All receivables are with States and Territories and the Australian Government. Credit terms are net 30 days.
Financial Liabilities		Financial liabilities are recognised when a present obligation to another party is entered into and the amount of the liability can be reliably measured.	
Trade and other creditors	7A	Creditors and accruals are recognised at their nominal amounts, being the amounts at which the liabilities will be settled. Liabilities are recognised to the extent the goods and services have been received (and irrespective of having been invoiced).	

2008	2007
\$'000	\$'000

NOTE 14B Categories of Financial Instruments

Financial Assets

Loans and receivables

Cash at Bank	63	53
Trade and other receivables	366	343
<b>Carrying amount of financial assets</b>	<b>429</b>	<b>396</b>

Financial Liabilities

At amortised cost:

Trade and other creditors	999	659
<b>Carrying amount of financial liabilities</b>	<b>999</b>	<b>659</b>

**NATIONAL BLOOD AUTHORITY**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
for the year ended 30 June 2008

**NOTE 14 Financial Instruments (cont.)**

Note 14C Fair value of financial instruments

**Financial instruments**

The fair values of all financial instruments approximate their carrying amounts.

**Financial assets**

The fair values of all monetary financial assets approximate their carrying amounts.

**Financial liabilities**

The fair values of all monetary financial liabilities approximate their carrying amounts. All financial liabilities are current, therefore a maturity analysis is not required.

Note 14D Credit Risk

The NBA is exposed to minimal credit risk as loans and receivables are cash and trade receivables. The maximum exposure to credit risk at reporting date in relation to each class of recognised financial assets is the carrying amount of those assets as indicated in the Balance Sheet.

The NBA has no significant exposures to any concentrations of credit risk.

Note 14E Liquidity Risk

The NBA's financial liabilities consist of trade and other creditors. The exposure to liquidity risk is based on the notion that the NBA will encounter difficulty in meeting its obligations associated with financial liabilities. This is highly unlikely due to appropriation funding and mechanisms available to the NBA (e.g. Advance to the Finance Minister) and internal policies and procedures put in place to ensure there are appropriate resources to meet its financial obligations.

Note 14F Market Risk

The NBA holds basic financial instruments that do not expose it to certain market risks. The NBA is not exposed to 'Interest rate risk', 'Currency risk' or 'Other price risk'.

NATIONAL BLOOD AUTHORITY  
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
 for the year ended 30 June 2008

	2008	2007
<b>NOTE 15</b> <b>Income Administered on Behalf of Government</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Revenue</b>		
State and Territory contributions	268 500	223 957
Contributions of assets	-	22 990
<b><i>Total income administered on behalf of Government</i></b>	<b><u>268 500</u></b>	<b><u>246 947</u></b>
<b>NOTE 16</b> <b>Expenses Administered on Behalf of Government</b>		
<u>Note 16A: Grants</u>		
Private sector - non-profit organisations	385 029	305 770
The nature of the grant is a Deed for the provision of services relating to blood and blood related products.		
<b><i>Total grants</i></b>	<b><u>385 029</u></b>	<b><u>305 770</u></b>
<u>Note 16B: Suppliers</u>		
Provision of goods and services - external parties	340 322	303 080
<b><i>Total suppliers</i></b>	<b><u>340 322</u></b>	<b><u>303 080</u></b>

**NATIONAL BLOOD AUTHORITY**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
for the year ended 30 June 2008

	2008	2007
	\$'000	\$'000
<b>NOTE 17 Assets Administered on Behalf of Government</b>		
<b>Financial assets</b>		
<u>Note 17A - Receivables</u>		
Goods and services receivable	1 605	515
GST receivable from ATO	9 498	7 860
<b>Total receivables (net)</b>	<b>11 103</b>	<b>8 375</b>
All receivables are current assets		
<i>Receivables (gross) are aged as follows:</i>		
Not overdue	11 103	8 375
<b>Total receivables (gross)</b>	<b>11 103</b>	<b>8 375</b>
Goods and receivables are with entities external to the Australian government. Credit terms are net 30 days from date of invoice (2007: 30 days).		
<b>Non-financial assets</b>		
<u>Note 17B - Inventory</u>		
National Reserve inventory held for distribution	28 816	31 035
Other inventory held for distribution	31 548	34 214
<b>Total inventory</b>	<b>60 364</b>	<b>65 249</b>
<u>Note 17C - Intangibles</u>		
Computer software - at cost:		
Internally developed - in progress	296	-
2007-08 is the first year that this asset has been developed therefore no reconciliation of opening and closing balances of intangibles is disclosed.		
<u>Note 17D - Other non-financial assets</u>		
Prepayments	-	10 071
<b>NOTE 18 Liabilities Administered on Behalf of Government</b>		
<u>Note 18A - Suppliers</u>		
Trade Creditors	34 518	28 331
<u>Note 18B - Unearned income</u>		
Unearned income - States and Territories	19 877	34 806
Unearned income - other	206	206
<b>Total payables</b>	<b>20 083</b>	<b>35 012</b>
All liabilities are expected to be settled within 12 months of balance date.		

NATIONAL BLOOD AUTHORITY  
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
 for the year ended 30 June 2008

NOTE 19 Administered Reconciliation Table	2008 \$'000	2007 \$'000
Opening administered assets less administered liabilities as at 1 July	20 352	( 18 429)
Plus Administered income	268 500	246 947
Less Administered expenses	<u>(725 351)</u>	<u>(608 850)</u>
	(436 499)	(380 332)
Revenues direct to Equity	836	-
Adjustments for errors	-	2 002
Administered transfers to/from Australian Government	( 34)	-
Transfers from OPA - Special Account	775 644	699 670
Transfers to OPA - Special Account	<u>(322 785)</u>	<u>(300 988)</u>
	453 661	400 684
Closing administered assets less administered liabilities as at 30 June	<u>17 162</u>	<u>20 352</u>

NATIONAL BLOOD AUTHORITY  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
for the year ended 30 June 2008

NOTE 20 Administered Contingent Liabilities and Assets

Unquantifiable Administered Contingencies

Under certain conditions the Australian Government and the States/Territories jointly provide indemnity for the ARCBS through a cost sharing arrangement for claims, both current and potential, regarding personal injury and loss of damage suffered by a recipient of certain blood products. The Australian Government's share of any liability is limited to sixty three percent of any agreed net cost.

Under previous agreements, the Australian Government has indemnified CSL for certain existing and potential claims made for personal injury, loss or damage suffered through therapeutic and diagnostic use of certain products manufactured by CSL. These indemnities survive the expiry of the agreements. No similar indemnities have been given to CSL under the new existing agreements.

The Deed of Agreement between the Australian Red Cross Society (ARCS) and the NBA in relation to the operation of the ARCBS includes certain indemnities and a limit of liability in favour of ARCS. These cover a defined set of potential business, product and employee risks and liabilities arising from the operations of ARCBS. The indemnities and limitation of liability only operate in the event of the expiry and non-renewal, or the earlier termination, of the Deed of Agreement, and only within a defined scope. They are also subject to appropriate limitations and conditions including in relation to mitigation, contributory fault, and the process of handling relevant claims.

Under the terms of a current supply agreement, the Australian Government has an obligation to seek to reach agreement with CSL, within certain parameters, on payments to be made to CSL in recognition of the unavoidable and unrecoverable fixed costs incurred by CSL in the production and supply of low volumes of certain products under that agreement. The amount of any payment cannot be quantified until agreement is reached.

NATIONAL BLOOD AUTHORITY  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
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NOTE 21 Administered Financial Instruments

NOTE 21A Terms, conditions and accounting policies

Financial Instrument	Notes	Accounting Policies and Methods (including recognition criteria and measurement basis)	Nature of underlying instrument (including significant terms and conditions affecting the amount, timing and certainty of cash flow)
Financial Assets		Financial assets are recognised when control over future economic benefits is established and the amount of the benefit can be reliably measured.	
Cash		Deposits are recognised at their nominal amounts.	Monies in the Authority's bank accounts were swept nightly into the Official Public Account and held as a Special account.
Receivables for goods and services	17A	These receivables are recognised at the nominal amounts due less any provision for bad or doubtful debts. Collectability of debts is reviewed at balance date. Provisions are made when collection of debt is judged to be less rather than more likely.	All receivables are with States and Territories and the Australian Government. Credit terms are net 30 days.
Financial Liabilities		Financial liabilities are recognised when a present obligation to another party is entered into and the amount of the liability can be reliably measured.	
Trade and other creditors	18A	Creditors and accruals are recognised at their nominal amounts, being the amounts at which the liabilities will be settled. Liabilities are recognised to the extent the goods and services have been received (and irrespective of having been invoiced).	

2008	2007
\$'000	\$'000

NOTE 21B Categories of Financial Instruments

Financial Assets

Loans and receivables

Trade and other receivables

11 103	8 375
--------	-------

11 103	8 375
--------	-------

Financial Liabilities

Other Liabilities

Trade and other creditors

34 518	28 331
--------	--------

34 518	28 331
--------	--------

NATIONAL BLOOD AUTHORITY  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
for the year ended 30 June 2008

NOTE 21 Administered Financial Instruments (continued)

Note 21C Fair value of financial instruments

**Financial assets**

The fair values of all monetary financial assets approximate their carrying amounts.

**Financial liabilities**

The fair values of all monetary financial liabilities approximate their carrying amounts.

Note 21D Credit Risk

The NBA is exposed to minimal credit risk as loans and receivables are cash and trade receivables. The maximum exposure to credit risk at reporting date in relation to each class of recognised financial assets is the carrying amount of those assets as indicated in the Balance Sheet.

The NBA has no significant exposures to any concentrations of credit risk.

Note 21E Liquidity Risk

The NBA's financial liabilities consist of trade and other creditors. The exposure to liquidity risk is based on the notion that the NBA will encounter difficulty in meeting its obligations associated with financial liabilities. This is highly unlikely due to special account funding and internal policies and procedures put in place to ensure there are appropriate resources to meet its financial obligations.

Note 21F Liquidity Risk

The NBA holds basic financial instruments that do not expose it to certain market risks. The NBA is not exposed to 'Interest rate risk', 'Currency risk' or 'Other price risk'.

NATIONAL BLOOD AUTHORITY  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
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Particulars	Administered Expenses		Departmental Outputs		Total	
	2008	2007	2008	2007	2008	2007
	\$	\$	\$	\$	\$	\$
Balance brought forward from previous period	-	-	-	-	-	-
Reductions of appropriations (prior years)	-	-	-	-	-	-
Adjusted balance brought forward from previous period	7 606 000	5 933 000	6 021 000	6 065 000	13 627 000	11 998 000
Appropriation Act (No. 1) 2007-08	-	-	-	-	-	-
Appropriation Act (No. 3) 2007-08	-	-	-	-	-	-
Departmental adjustments by the Finance Minister (Appropriation Acts)	-	-	-	-	-	-
Advance to the Finance Minister (Appropriation Act section 11)	-	-	-	-	-	-
Adjustment of appropriation on change of entity function (FMA section 32)	-	-	-	-	-	-
Reimbursements credited (FMA section 30)	-	-	-	-	-	-
Appropriation reduced by section 9 determinations (current year)	-	-	28 000	-	28 000	-
<b>Sub Total Annual Appropriations</b>	<b>7 606 000</b>	<b>5 933 000</b>	<b>5 993 000</b>	<b>6 065 000</b>	<b>13 599 000</b>	<b>11 998 000</b>
Appropriations to take account of recoverable GST (FMA section 30A)	-	-	-	-	-	-
Annotations to 'net appropriations' (FMA Section 31)	-	-	54 487	134 531	54 487	134 531
Appropriation lapsed or reduced	-	-	-	-	-	-
<b>Total appropriations available for payments</b>	<b>7 606 000</b>	<b>5 933 000</b>	<b>6 047 487</b>	<b>6 199 531</b>	<b>13 653 487</b>	<b>12 132 531</b>
Cash payments made during the year (GST inclusive)	-	-	-	-	-	-
Appropriations credited to Special Accounts (excluding GST)	7 606 000	5 933 000	6 047 487	6 199 531	13 653 487	12 132 531
<b>Balance of Authority to Draw Cash from the CRF for Ordinary Annual Services Appropriations</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Represented by	-	-	-	-	-	-
Cash at bank and on hand	-	-	-	-	-	-
Undrawn, unexpended appropriations	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

The comparative information for 2007 has been restated to remove the Special Account amounts that were included in the Appropriations note. The total reduction in the Balance of Authority to Draw Cash from the CRF brought forward from 2007 is as follows:

	Prior Year 2007	Corrected 2007
Administered	175 427 104	-
Departmental	8 634 860	-

NATIONAL BLOOD AUTHORITY  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
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	Equity		Total
	2008	2007	
<b>Note 22 Appropriations (cont.)</b>			
<b>Note 22B - Acquittal of Authority to Draw Cash from the Consolidated Revenue Fund for other than Ordinary Annual Services Appropriations</b>			
	2008	2007	
	\$	\$	\$
<b>Particulars</b>			
Balance brought forward from previous period (Appropriation Acts)	317 136	406 000	317 136
Reductions of appropriations (prior years)	-	-	-
Adjusted balance carried forward from previous period	317 136	406 000	317 136
Appropriation Act (No. 2) 2007-08	-	406 000	406 000
Appropriation Act (No. 4) 2007-08	-	-	-
Departmental Adjustments	-	-	-
Advance to the Finance Minister (Appropriation Act section 12)	-	-	-
Adjustment of appropriation on change of entity function (FMA section 32)	-	-	-
Refunds credited (FMA section 30)	-	-	-
Appropriation reduced by section 11 determinations (current year)	-	-	-
<b>Sub Total Annual Appropriations</b>	<b>317 136</b>	<b>812 000</b>	<b>317 136</b>
Appropriations to take account of recoverable GST (FMA section 30A)	-	-	-
<b>Total appropriations available for payments</b>	<b>317 136</b>	<b>812 000</b>	<b>317 136</b>
Cash payments made during the year (GST inclusive)	-	-	-
Appropriations credited to Special Accounts (GST exclusive)	317 136	494 864	317 136
<b>Balance of Authority to Draw Cash from the CRF for other than Ordinary Annual Services Appropriations</b>			
Represented by			
Cash at bank and on hand	-	317 136	-
Departmental appropriation receivable	-	-	-
Undrawn, unapplied administered appropriations	-	-	-
<b>Total</b>	<b>-</b>	<b>317 136</b>	<b>-</b>

**NATIONAL BLOOD AUTHORITY**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
for the year ended 30 June 2008

	2008 \$	2007 \$
<b>NOTE 23 Special Accounts</b>		
<b>THE NATIONAL BLOOD ACCOUNT</b>		
<i>Legal Authority: Financial Management and Accountability Act 1997 section 21</i>		
<i>Purpose: The National Blood Authority was established on 1 July 2003 with the principal role of managing the national blood arrangements, ensuring sufficient supply and to provide a new focus on the safety and quality of blood and blood products. The funding for blood and blood products is funded from a special account established under the National Blood Authority Act 2003, section 40. The NBA's activities contributing to its outcome are classified as either departmental or administered. Departmental activities involve the use of assets, liabilities, revenues and expenses controlled by the agency in its own right. Administered activities involve the management or oversight by the NBA on behalf of the Government of items controlled or incurred by the Government.</i>		
<b><u>National Blood Account - Departmental</u></b>		
<b>Balance carried from previous period</b>	<b>8 634 860</b>	<b>7 351 785</b>
Appropriation Act (No.1)	5 993 000	6 065 000
Appropriation Act (No.2)	317 136	494 864
Other receipts - States and Territory contributions	3 582 202	3 918 299
Other receipts (FMA section 31)	54 487	134 531
GST credits (FMA section 30A)	462 538	380 733
<b>Total credits</b>	<b>19 044 223</b>	<b>18 345 212</b>
Payments made to employees	5 816 339	5 692 308
Payments made to suppliers	4 278 847	4 018 044
<b>Total debits</b>	<b>10 095 186</b>	<b>9 710 352</b>
<b>Balance carried to next period</b>	<b>8 949 037</b>	<b>8 634 860</b>
<i>Represented by:</i>		
Cash - held by the NBA	63 400	52 862
Cash - transferred to the Official Public Account	8 885 637	8 581 998
<b>Total balance carried to the next period</b>	<b>8 949 037</b>	<b>8 634 860</b>
<b><u>National Blood Account - Administered</u></b>		
<b>Balance carried from previous period</b>	<b>133 740 539</b>	<b>126 723 721</b>
Appropriation Act (No. 1)	5 276 000	3 952 000
Other receipts - Commonwealth contributions	438 427 887	401 748 158
Other receipts - States and Territory contributions	253 316 104	237 643 813
GST credits (FMA section 30A)	69 468 506	63 342 960
<b>Total credits</b>	<b>900 229 036</b>	<b>833 410 652</b>
Payments made to suppliers	775 643 773	699 670 113
<b>Total debits</b>	<b>775 643 773</b>	<b>699 670 113</b>
<b>Balance carried to next period</b>	<b>124 585 263</b>	<b>133 740 539</b>
<i>Represented by:</i>		
Cash - transferred to the Official Public Account	124 585 263	133 740 539
<b>Total balance carried to the next period</b>	<b>124 585 263</b>	<b>133 740 539</b>

A special account is a mechanism used to record amounts in the Consolidated Revenue Fund (CRF) that are set aside for specified purposes.

The CRF is appropriated for the purposes of the Special Account, up to the balance of the Special Account. Transactions on Special Accounts are recorded as credits (which increase the balance and related appropriation) or debits (which reduce the balance of the Special Account and the related appropriation). Special Accounts are not administered items and are therefore excluded from the Schedule of Administered Assets and Liabilities.

**NATIONAL BLOOD AUTHORITY**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
for the year ended 30 June 2008

	2008 \$	2007 \$
<b>NOTE 23 Special Accounts (cont.)</b>		
<b>NATIONAL MANAGED FUND (BLOOD AND BLOOD PRODUCTS)</b>		
<i>Legal Authority: Financial Management and Accountability Act 1997 section 20</i>		
<i>Purpose: For the receipt of monies and payment of all expenditure related to the management of blood and blood products liability claims against the Australian Red Cross Society (ARCS) in relation to the activities undertaken by the operating division of the ARCS known as the Australian Red Cross Blood Service.</i>		
<b><u>National Managed Fund (Blood and Blood Products) - Administered</u></b>		
<b>Balance carried from previous period</b>	41 686 565	31 740 889
Appropriation Act (No.1)	2 330 000	1 981 000
Other receipts - Commonwealth contributions	4 936 114	4 936 114
Other receipts - States and Territory contributions	2 915 483	2 900 372
Other receipts - External entities	175 890	175 890
GST credits (FMA section 30A)	-	1 386
<b>Total credits</b>	<b>52 044 052</b>	<b>41 735 651</b>
Payments made to suppliers	226 291	49 086
<b>Total debits</b>	<b>226 291</b>	<b>49 086</b>
<b>Balance carried to next period</b>	<b>51 817 761</b>	<b>41 686 565</b>
<b>Represented by:</b>		
Cash - transferred to the Official Public Account	51 817 761	41 686 565
<b>Total balance carried to the next period</b>	<b>51 817 761</b>	<b>41 686 565</b>

**OTHER TRUST MONEY SPECIAL ACCOUNT**

*Legal Authority: Financial Management and Accountability Act 1997 section 20*

*Purpose: For expenditure of monies temporarily held on trust or otherwise for the benefit of a person other than the Commonwealth.*

**Other Trust Money Special Account**

<b>Balance carried from previous period</b>	-	3 165
<b>Total credits</b>	-	3 165
Payments made	-	3 165
<b>Total debits</b>	-	3 165
<b>Balance carried to next period</b>	-	-
<b>Represented by:</b>		
Cash - transferred to the Official Public Account	-	-
<b>Total balance carried to the next period</b>	-	-

A special account is a mechanism used to record amounts in the Consolidated Revenue Fund (CRF) that are set aside for specified purposes.

The CRF is appropriated for the purposes of the Special Account, up to the balance of the Special Account. Transactions on Special Accounts are recorded as credits (which increase the balance and related appropriation) or debits (which reduce the balance of the Special Account and the related appropriation). Special Accounts are not administered items and are therefore excluded from the Schedule of Administered Assets and Liabilities.

**NATIONAL BLOOD AUTHORITY**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
*for the year ended 30 June 2008*

**NOTE 24 Compensation and Debt Relief**

**Administered**

No Act of Grace payments were made during the reporting period.

No waivers of amounts owing to the Australian Government were made pursuant to subsection 34 (1) of the *Financial Management and Accountability Act 1997*.

No ex gratia payments were made during the reporting period.

**Departmental**

No payments were made under the Defective Administration Scheme during the reporting period.

No payments were made under section 73 of the *Public Service Act 1999* during the reporting period.

NATIONAL BLOOD AUTHORITY  
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
 for the year ended 30 June 2008

Note 25 Reporting of Outcomes

Note 25A - Net Cost of Outcome Delivery

Particulars	Outcome 1	
	2008 \$'000	2007 \$'000
<b>Year ended 30 June 2008</b>		
Administered	725 351	608 850
Departmental	9 021	9 059
<b>Total expenses</b>	<b>734 372</b>	<b>617 909</b>
<i>Costs recovered from provision of goods and services to the non-government sector</i>		
Administered	268 500	246 947
Departmental	4 294	4 064
<b>Total costs recovered</b>	<b>272 794</b>	<b>251 011</b>
<b>Net cost/(contribution) of outcome</b>	<b>461 578</b>	<b>366 898</b>

The National Blood Authority operates under one outcome and one output. Transactions reported under this output are reported in the Income Statement and the Balance Sheet.

Note 25B - Major Classes of Departmental Revenues and Expenses by Output Groups and Outputs

Particulars	Output 1	
	2008 \$'000	2007 \$'000
<b>Year ended 30 June 2008</b>		
<b>Departmental expenses</b>		
Employees	5 826	5 712
Suppliers	2 621	2 941
Depreciation and amortisation	554	284
Other expenses	20	122
<b>Total departmental expenses</b>	<b>9 021</b>	<b>9 059</b>
<b>Funded by:</b>		
Revenues from government	5 993	6 065
Sales of goods and services	4 294	4 064
Other non-taxation revenue	114	96
<b>Total departmental revenues</b>	<b>10 401</b>	<b>10 225</b>

Note 25C - Major Classes of Administered Revenues and Expenses by Outcomes

Particulars	Outcome 1	
	2008 \$'000	2007 \$'000
<b>Year ended 30 June 2008</b>		
<b>Administered revenues</b>		
Sales of goods and services	268 500	223 957
Other non-taxation revenue	-	22 990
<b>Total Administered Revenues</b>	<b>268 500</b>	<b>246 947</b>
<b>Administered Expenses</b>		
Suppliers	340 322	303 080
Grants	385 029	305 770
<b>Total Administered Expenses</b>	<b>725 351</b>	<b>608 850</b>