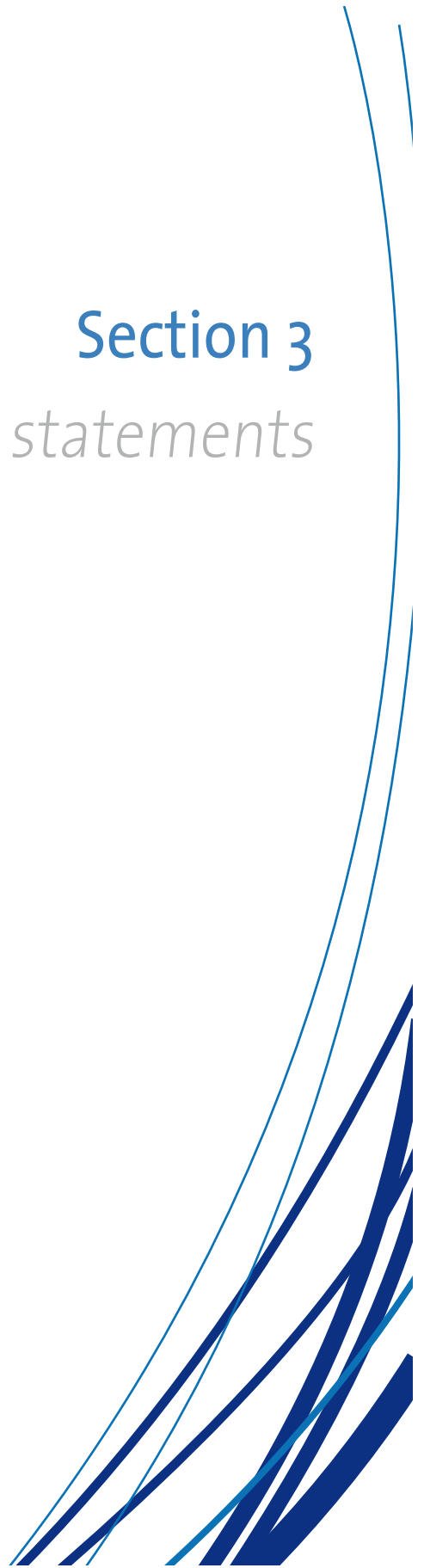


## Section 3

# *Financial statements*





## **INDEPENDENT AUDITOR'S REPORT**

### **To the Minister for Finance and Deregulation**

#### **Report on Financial Statements**

I have audited the accompanying financial statements of ComSuper for the year ended 30 June 2011, which comprise: a Statement by the Chief Executive Officer and Chief Financial Officer; Statement of Comprehensive Income; Balance Sheet; Statement of Changes in Equity; Cash Flow Statement; Schedule of Commitments; Schedule of Asset Additions; and Notes to and forming part of the financial statements.

#### **Chief Executive Officer's Responsibility for the Financial Statements**

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

#### ***Auditor's Responsibility***

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to ComSuper's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of ComSuper's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Chief Executive Officer of ComSuper, 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 my audit, I have followed the independence requirements of the Australian National Audit Office, which incorporate the requirements of the Australian accounting profession.

***Opinion***

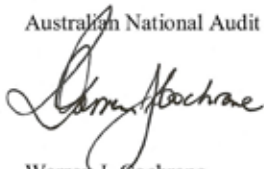
In my opinion, the financial statements of ComSuper :

- (a) have been prepared in accordance with the Finance Minister's Orders made under the *Financial Management and Accountability Act 1997*, including the Australian Accounting Standards; and
- (b) give a true and fair view of the matters required by the Finance Minister's Orders including ComSuper's financial position as at 30 June 2011 and of its financial performance and cash flows for the year then ended.

**Report on Other Legal and Regulatory Requirements**

As described in notes 14 and 15 to the financial statements, ComSuper has recently become aware there is an increased risk of a breach of section 83 of the Constitution where payments are made from special appropriations and special accounts in circumstances where the payments do not accord with conditions included in the relevant legislation.

Australian National Audit Office



Warren J. Cochrane  
Group Executive Director  
Delegate of the Auditor-General

Canberra

31 August 2011

**COMSUPER**

**STATEMENT BY THE CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER**

In our opinion, the attached financial statements for the year ended 30 June 2011 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.



Peter Cormack  
Chief Executive Officer  
31 August 2011



Chris Ramsden  
Chief Financial Officer  
31 August 2011

**COMSUPER**  
**STATEMENT OF COMPREHENSIVE INCOME**  
*for the period ended 30 June 2011*

	Notes	2011 \$'000	2010 \$'000
<b>EXPENSES</b>			
Employee benefits	3A	48,917	47,605
Suppliers	3B	21,524	22,933
Depreciation and amortisation	3C	9,471	7,572
Write-down and impairment of assets	3D	554	739
Losses from asset sales	3E	-	20
Finance costs	3F	216	262
Other	3G	4,304	5,480
<b>Total expenses</b>		<b>84,986</b>	<b>84,611</b>
<b>LESS:</b>			
<b>OWN-SOURCE INCOME</b>			
<b>Own-source revenue</b>			
Sale of goods and rendering of services	4A	86,064	86,061
Rental income	4B	-	6
<b>Total own-source revenue</b>		<b>86,064</b>	<b>86,067</b>
<b>Gains</b>			
Resources received free of charge	4C	91	85
Sale of assets	4D	5	-
<b>Total gains</b>		<b>96</b>	<b>85</b>
<b>Total own-source income</b>		<b>86,160</b>	<b>86,152</b>
<b>Net cost of services</b>		<b>1,174</b>	<b>1,541</b>
Revenue from Government	4E	776	2,433
<b>Surplus before income tax on continuing operations</b>		<b>1,950</b>	<b>3,974</b>
<b>Surplus after income tax</b>		<b>1,950</b>	<b>3,974</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
Changes in asset revaluation reserves		518	-
<b>Total other comprehensive income after income tax</b>		<b>518</b>	<b>-</b>
<b>Total comprehensive income</b>		<b>2,468</b>	<b>3,974</b>

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

**COMSUPER**  
**BALANCE SHEET**  
*as at 30 June 2011*

	Notes	2011 \$'000	2010 \$'000
<b>ASSETS</b>			
<b>Financial Assets</b>			
Cash and cash equivalents	5A	3,828	4,308
Trade and other receivables	5B	21,012	18,118
<b>Total financial assets</b>		<u>24,840</u>	<u>22,426</u>
<b>Non-Financial Assets</b>			
Leasehold improvements	6A,C	1,919	1,798
Property, plant and equipment	6B,C	3,529	2,765
Intangibles	6D,E	12,826	20,365
Other	6F	1,307	1,430
<b>Total non-financial assets</b>		<u>19,581</u>	<u>26,358</u>
<b>Total assets</b>		<u>44,421</u>	<u>48,784</u>
<b>LIABILITIES</b>			
<b>Payables</b>			
Suppliers	7A	(4,730)	(6,414)
Other	7B	(1,051)	(4,812)
<b>Total payables</b>		<u>(5,781)</u>	<u>(11,226)</u>
<b>Provisions</b>			
Employee provisions	8A	(10,597)	(11,504)
Other	8B	(3,037)	(3,516)
<b>Total provisions</b>		<u>(13,634)</u>	<u>(15,020)</u>
<b>Total liabilities</b>		<u>(19,415)</u>	<u>(26,246)</u>
<b>Net assets</b>		<u>25,006</u>	<u>22,538</u>
<b>EQUITY</b>			
<b>Parent Entity Interest</b>			
Contributed equity		10,683	10,683
Asset revaluation reserve		551	33
Retained surplus MSB Board	18	1,511	837
Retained surplus ComSuper		12,261	10,985
<b>Total parent equity interest</b>		<u>25,006</u>	<u>22,538</u>
<b>Total equity</b>		<u>25,006</u>	<u>22,538</u>

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

**COMSUPER**  
**STATEMENT OF CHANGES IN EQUITY**  
*for the period ended 30 June 2011*

	ComSuper retained earnings		MSB retained earnings		Asset revaluation reserve		Contributed equity/ capital		Total equity	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Opening balance</b>										
Balance carried forward from previous period	10,985	7,100	837	748	33	33	10,683	10,003	22,538	17,884
<b>Adjusted opening balance</b>	<b>10,985</b>	<b>7,100</b>	<b>837</b>	<b>748</b>	<b>33</b>	<b>33</b>	<b>10,683</b>	<b>10,003</b>	<b>22,538</b>	<b>17,884</b>
<b>Comprehensive income</b>										
Other comprehensive income	-	-	-	-	518	-	-	-	518	-
Surplus for the period	1,276	3,885	674	89	-	-	-	-	1,950	3,974
<b>Total comprehensive income</b>	<b>1,276</b>	<b>3,885</b>	<b>674</b>	<b>89</b>	<b>518</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,468</b>	<b>3,974</b>
<b>Transactions with owners</b>										
<b>Contributions by owners</b>										
Equity injection - Appropriations	-	-	-	-	-	-	-	680	-	680
<b>Sub-total transaction with owners</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>680</b>	<b>-</b>	<b>680</b>
<b>Closing balance as at 30 June</b>	<b>12,261</b>	<b>10,985</b>	<b>1,511</b>	<b>837</b>	<b>551</b>	<b>33</b>	<b>10,683</b>	<b>10,683</b>	<b>25,006</b>	<b>22,538</b>

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

**COMSUPER**  
**CASH FLOW STATEMENT**  
*for the period ended 30 June 2011*

	Notes	2011 \$'000	2010 \$'000
<b>OPERATING ACTIVITIES</b>			
<b>Cash received</b>			
Appropriations		776	2,433
Sale of goods and rendering of services		79,502	89,074
Net GST received		<u>1,768</u>	<u>2,302</u>
<b>Total cash received</b>		<u><b>82,046</b></u>	<u><b>93,809</b></u>
<b>Cash used</b>			
Employees		<u>(48,885)</u>	<u>(47,493)</u>
Suppliers		<u>(30,826)</u>	<u>(29,958)</u>
<b>Total cash used</b>		<u><b>(79,711)</b></u>	<u><b>(77,451)</b></u>
<b>Net cash from operating activities</b>	<b>9</b>	<u><b>2,335</b></u>	<u><b>16,358</b></u>
<b>INVESTING ACTIVITIES</b>			
<b>Cash received</b>			
Proceeds from sales of property, plant and equipment		<u>5</u>	<u>-</u>
<b>Total cash received</b>		<u><b>5</b></u>	<u><b>-</b></u>
<b>Cash used</b>			
Purchase of property, plant and equipment		<u>(1,455)</u>	<u>(1,571)</u>
Purchase of intangibles		<u>(1,366)</u>	<u>(5,694)</u>
<b>Total cash used</b>		<u><b>(2,821)</b></u>	<u><b>(7,265)</b></u>
<b>Net cash used by investing activities</b>		<u><b>(2,816)</b></u>	<u><b>(7,265)</b></u>
<b>FINANCING ACTIVITIES</b>			
<b>Cash received</b>			
Contributed equity		<u>-</u>	<u>680</u>
<b>Total cash received</b>		<u><b>-</b></u>	<u><b>680</b></u>
<b>Cash used</b>			
Cash to Official Public Account		<u>-</u>	<u>(6,618)</u>
<b>Total cash used</b>		<u><b>-</b></u>	<u><b>(6,618)</b></u>
<b>Net cash used by financing activities</b>		<u><b>-</b></u>	<u><b>(5,938)</b></u>
<b>Net increase (decrease) in cash held</b>		<u><b>(480)</b></u>	<u><b>3,155</b></u>
Cash and cash equivalents at the beginning of the reporting period		<u>4,308</u>	<u>1,153</u>
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>5A</b>	<u><b>3,828</b></u>	<u><b>4,308</b></u>

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

**COMSUPER  
SCHEDULE OF COMMITMENTS**

as at 30 June 2011

	2011 \$'000	2010 \$'000
<b>BY TYPE</b>		
<b>Commitments receivable</b>		
Net GST recoverable on commitments <sup>1</sup>	1,920	2,367
<b>Total commitments receivable</b>	<u>1,920</u>	<u>2,367</u>
<b>Other commitments</b>		
Operating leases <sup>2</sup>	(20,811)	(25,597)
Other <sup>3</sup>	(311)	(444)
<b>Total other commitments</b>	<u>(21,122)</u>	<u>(26,041)</u>
<b>Net commitments by type</b>	<u>(19,202)</u>	<u>(23,674)</u>
<b>BY MATURITY</b>		
<b>Commitments receivable</b>		
<b>Other commitments receivable</b>		
One year or less	437	430
From one to five years	1,483	1,937
<b>Total other commitments receivable</b>	<u>1,920</u>	<u>2,367</u>
<b>Commitments payable</b>		
<b>Operating lease commitments</b>		
One year or less	(4,720)	(4,603)
From one to five years	(16,091)	(20,994)
<b>Total operating lease commitments</b>	<u>(20,811)</u>	<u>(25,597)</u>
<b>Other commitments</b>		
One year or less	(84)	(133)
From one to five years	(227)	(311)
<b>Total other commitments</b>	<u>(311)</u>	<u>(444)</u>
<b>Net commitments by maturity</b>	<u>(19,202)</u>	<u>(23,674)</u>

Notes:

<sup>1</sup>Commitments are GST inclusive where relevant.

<sup>2</sup>Operating leases included are effectively non-cancellable.

<sup>3</sup>Other commitments are primarily for operational activities.

Nature of lease	General description of leasing arrangements
Office accommodation	Lease payments are subject to annual increases of 3.6%. The current lease was signed in June 2007 for eight years, four months.
Motor vehicle leases	No contingent rentals exist. There are no renewal or purchase options available to ComSuper.

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

**COMSUPER**  
**SCHEDULE OF ASSET ADDITIONS**  
*for the period ended 30 June 2011*

**The following non-financial non-current assets were added in 2010-11:**

	Leasehold Improvements & equipment	Property, plant & equipment	Intangibles	Total
	\$'000	\$'000	\$'000	\$'000
<b>Additions funded in the current year</b>				
By purchase - appropriation ordinary annual services	702	753	1,366	2,821
Departmental capital budget	702	753	1,366	2,821
<b>Total additions</b>				

**The following non-financial non-current assets were added in 2009-10:**

	Leasehold Improvements & equipment	Property, plant & equipment	Intangibles	Total
	\$'000	\$'000	\$'000	\$'000
<b>Additions funded in the current year</b>				
By purchase - appropriation ordinary annual services	-	1,571	5,694	7,265
Departmental capital budget	-	1,571	5,694	7,265
<b>Total additions</b>				

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

**Notes to and forming part of the Financial Statements**

*for the year ended 30 June 2011*

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- Note 11. Senior Executive Remuneration
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**Notes to and forming part of the Financial Statements**

for the year ended 30 June 2011

**Note 1: Summary of Significant Accounting Policies**

**1.1 Objectives of ComSuper**

ComSuper is an Australian Government controlled entity operating under the Commonwealth Superannuation Administration Special Account. The objective of ComSuper is to administer the principle defined benefit and defined contribution superannuation schemes applying to Commonwealth civilian employees and Defence Force Members. In undertaking these roles ComSuper meets performance standards agreed with relevant stakeholders and complies with the superannuation regulatory framework, schemes legislation, and trust deeds as well as Government policy in regard to the operations of business units.

ComSuper is structured to meet the following outcome:

Outcome 1: Access to Australian Government superannuation benefits and information, through developing members' understanding of the schemes, processing contributions, supporting investment processes, paying benefits and managing member details, for Australian Public Servants and Defence Force members, on behalf of Trustee Boards.

ComSuper activities contributing toward this outcome are classified as either Departmental or Administered. Departmental activities involve the use of assets, liabilities, revenues and expenses controlled or incurred by ComSuper in its own right. Administered activities involve the management or oversight by ComSuper, on behalf of the Government, of items controlled or incurred by the Government. These Departmental activities are identified under Program 1.1 Superannuation Administration Services.

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

During 2010-11, the majority of ComSuper's activities were funded through direct charges:

- for general scheme administration services
- other services provided to the Boards of Trustees and the DFRDB Authority.

ComSuper received \$0.776m in 2010-11 (\$2.433m 2009-10) Departmental appropriation.

Legislative Change

In June 2011, new legislation was enacted with direct relevance to ComSuper and its operations. The *ComSuper Act 2011* streamlined and updated ComSuper's previous legislative arrangements including replacing the position of Commissioner for Superannuation with the Chief Executive Officer of ComSuper. The *Governance of the Australian Government Superannuation Schemes Act 2011* effectively merged the previous trustee bodies under a single new trustee organisation – the Commonwealth Superannuation Corporation. The *Superannuation Legislation (Consequential and Transitional Provisions) Act 2011* made the necessary transitional and consequential amendments across a range of legislation relating to the changes made under the first two Acts. ComSuper continues as the mandated provider of administration services to the principal Australian Public Service and Military superannuation schemes, although one part of ComSuper's operations is in the process of being outsourced to an external provider – see below.

Superannuation Administration Reform Program

During 2010-11, ComSuper and relevant stakeholders made good progress on the Superannuation Administration Reform Program of work. As at 30 June 2011:

- Following a tender process, the CEO of ComSuper signed a contract with Pillar Administration for the delivery of administration services in relation to the PSSap scheme. Good progress is being made in the transition process and Pillar is expected to commence operations in late 2011.
- ComSuper completed a major upgrade to our IT infrastructure and our business continuity and disaster recovery capability.
- Scoping and preparatory work was undertaken in relation to improving our administration systems, data quality, and process and organisational arrangements.

**Notes to and forming part of the Financial Statements***for the year ended 30 June 2011***1.2 Basis of Preparation of the Financial Statements**

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

The financial statements have been prepared in accordance with:

- a) Finance Minister's Orders (FMOs) for reporting periods ending on or after 1 July 2010; and
- b) Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period.

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

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

Unless an alternative treatment is specifically required by an accounting standard or the FMOs, assets and liabilities are recognised in the balance sheet when and only when it is probable that future economic benefits will flow to the entity 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 executor contracts are not recognised unless required by an accounting standard. Liabilities and assets that are unrecognised are reported in the schedule of commitments or the schedule of contingencies.

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

**1.3 Significant Accounting Judgements and Estimates**

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 New Australian Accounting Standards***Adoption of New Australian Accounting Standard Requirements*

New standards/revised standards/interpretations/amending standards that were issued prior to the signing of the statement by the CEO and CFO and are applicable to the current reporting period did not have a financial impact, and are not expected to have a future financial impact on ComSuper.

No accounting standard has been adopted earlier than the application date as stated in the standard.

*Future Australian Accounting Standard Requirements*

Other new standards/revised standards/interpretations/amending standards that were issued prior to the signing of the statement by the CEO and CFO and are applicable to the future reporting period are not expected to have a future financial impact on ComSuper.

## Notes to and forming part of the Financial Statements

for the year ended 30 June 2011

### 1.5 Revenue

Fee revenue constitutes the majority of ComSupers revenue, which is paid by Australian Government agencies and some agencies with residual memberships in the schemes. This revenue is recognised progressively throughout the year as the revenue becomes payable.

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

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

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

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

Revenue from the sale of goods is recognised when:

- a) the risks and rewards of ownership have been transferred to the buyer;
- b) ComSuper retains no managerial involvement or effective control over the goods;
- c) the revenue and transaction costs incurred can be reliably measured; and
- d) it is probable that the economic benefits associated with the transaction will flow to ComSuper.

Interest revenue is recognised using the effective interest method as set out in AASB 139 *Financial Instruments: Recognition and Measurement*.

#### Rendering of Services

Under the terms of the Memorandum of Understanding between the Department of Finance and Deregulation (Finance) and ComSuper, the superannuation administration service fees are reviewed annually and a recommendation is made to the Minister for Finance and Deregulation for approval. A new schedule of service fees is required for the following civilian superannuation schemes:

- the Commonwealth Superannuation Scheme (CSS)
- Public Sector Superannuation Scheme (PSS)
- the Public Sector Superannuation accumulation plan (PSSap).

A separate fee schedule has been negotiated with the Department of Defence for the Military Superannuation and Benefits (MSB) and Defence Force Retirement and Death Benefits schemes (DFRDB).

These fees are all held in the Commonwealth Superannuation Administration Special Account. A special account is an appropriation mechanism that notionally sets aside an amount within the Consolidated Revenue Fund (CRF) to be expended for specific purposes. The amount of the appropriation is limited to the balance of the special account.

#### Revenue from Government

Amounts appropriated for departmental programs for the year (adjusted for any formal additions and reductions) are recognised as revenue when ComSuper 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.

#### Parental Leave Payments Scheme

Amounts received under the Parental Leave Payments Scheme by ComSuper not yet paid to employees were presented gross as cash and a liability (payable). The total amount received under this scheme is disclosed as a footnote to the Note 4E: Revenue from Government.

**Notes to and forming part of the Financial Statements**  
for the year ended 30 June 2011

**1.6 Gains**

Resources Received Free of Charge

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

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

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

Sale of Assets

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

**1.7 Transactions with the Government as Owner**

Equity Injections

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

Restructuring of Administrative Arrangements

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

**1.8 Employee Benefits**

Liabilities for ‘short-term employee benefits’ (as defined in AASB 119 *Employee Benefits*) and termination benefits due within twelve months of the end of reporting period are measured at their nominal amounts.

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

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

**Notes to and forming part of the Financial Statements**

*for the year ended 30 June 2011*

Leave

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

The leave liabilities are calculated on the basis of employees' remuneration at the estimated salary rates that will be applied at the time the leave is taken, including the ComSuper'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 as at 30 June 2011 has been determined by reference to the work of an actuary. The estimate of the present value of the liability takes into account attrition rates and pay increases through promotion and inflation.

Separation and Redundancy

Provision is made for separation and redundancy benefit payments. ComSuper recognises a provision for termination when it has developed a detailed formal plan for the terminations and has informed those employees affected that it will carry out the terminations.

Superannuation

ComSuper's staff are members of the CSS, PSS or PSSap, or such other scheme as choice allows.

The CSS and PSS are defined benefit schemes for the Australian Government. The PSSap is a defined contribution scheme.

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.

ComSuper 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 ComSuper's employees. ComSuper accounts for the contributions as if they were contributions to defined contribution plans.

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

**1.9 Cash**

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

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

## Notes to and forming part of the Financial Statements

for the year ended 30 June 2011

### 1.10 Financial Assets

ComSuper classifies its financial assets in the following categories:

- a) 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 through the expected life of the financial asset, or, where appropriate, a shorter period.

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

#### Loans and Other Receivables

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

#### Impairment of Financial Assets

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

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

### 1.11 Financial Liabilities

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities. Financial liabilities are recognised and derecognised upon 'trade date'.

#### Other Financial Liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. These liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

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

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).

**Notes to and forming part of the Financial Statements**

*for the year ended 30 June 2011*

**1.12 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.

**1.13 Acquisition of Assets**

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

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

**1.14 Property, Plant and Equipment**

Asset Recognition Threshold

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

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 ‘makegood’ provisions in property leases taken up by ComSuper where there exists an obligation to restore the property to its original condition. ComSuper currently has no provision for ‘makegood’.

Revaluations

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

Asset Class	Fair value measured at
Leasehold improvements	Depreciated replacement cost
Property, plant and equipment	Market selling price

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

**Notes to and forming part of the Financial Statements***for the year ended 30 June 2011*

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

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

Depreciation

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

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

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

	2011	2010
Leasehold improvements	Lease term	Lease term
Plant and Equipment	3 to 10 years	3 to 10 years

All heritage and cultural assets have indefinite useful lives and are not depreciated.

Impairment

All assets were assessed for impairment at 30 June 2011. 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 ComSuper were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

Derecognition

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

## Notes to and forming part of the Financial Statements

for the year ended 30 June 2011

### 1.15 Intangibles

ComSuper'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 ComSuper's software are 3 to 10 years (2009-10: 3 to 10 years).

Purchases or internally developed intangibles are recognised initially at cost in the Balance Sheet, except for purchases costing less than \$50,000 or internally developed assets costing less than \$100,000, which are expensed in the year of acquisition (other than where they form part of a group of similar items which are significant in total).

All software assets were assessed for indications of impairment as at 30 June 2011.

### 1.16 Taxation / Competitive Neutrality

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

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

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

### 1.17 Changes in Accounting Policy

No changes in accounting policies were applicable for the current year.

### 1.18 Reporting of Administered Activities

The *Financial Management and Accountability Orders (Financial Statements for reporting periods ending on or after 1 July 2010)* require disclosure where one entity has drawn against a special appropriation which is the responsibility of another entity.

Administered assets, liabilities, revenues and expenses are those items which are controlled by the Government and are managed or over sighted by ComSuper on its behalf including:

- Superannuation benefit payments
- Superannuation employer contributions.

In addition to ComSuper, the entities responsible for managing the appropriations, Department of Finance and Deregulation (Finance), Department of Defence (Defence) and AusAID will make separate disclosures of the contributions and unfunded benefits paid under the CSS, PSS, PSSap, MSBS and DFRDB Schemes.

Finance has responsibility to account for the Commonwealth's activities in relation to the CSS, PSS and PSSap.

Finance has responsibility for managing the legislation and has delegated third party drawing rights for the appropriations under the following Acts:

- Superannuation Act 1922;
- Superannuation Act 1976;
- Superannuation Act 1990;
- Superannuation Act 2005.
- Same Sex Relationships (Equal Treatment in Commonwealth Laws - Superannuation) Act 2008.

**Notes to and forming part of the Financial Statements***for the year ended 30 June 2011*

In addition, ComSuper has been delegated third party drawing rights by Finance for the funding of legal and incidental costs of superannuation claims. These are appropriated under *Appropriation Act (No. 1) 2010-2011*, *Appropriation Act (No. 2) 2010-2011*, *Appropriation Act (No. 3) 2010-2011*, and *Appropriation Act (No. 4) 2010-2011*.

The funded components of the CSS and PSS Schemes are reported in their respective financial statements.

*DFRB, DFRDB and MSB Schemes*

The Defence has responsibility for managing the legislation and has delegated third party drawing rights for the appropriations under the following Acts:

- Defence Forces Retirement Benefits Act 1948
- Defence Force Retirement and Death Benefits Act 1973; and
- Military Superannuation Benefits Act 1991.

The funded components of MSBS are reported in the MSBS financial statements. The DFRB and DFRDB are unfunded Schemes.

*AusAID*

AusAID has delegated third party drawing rights to ComSuper in respect of Papua New Guinea Superannuation Schemes which are appropriated in *Appropriation Act (No. 1) 2010-2011* and *Appropriation Act (No. 3) 2010-2011*. ComSuper manages the payment of Pensions under these schemes on behalf of AusAID.

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

Revenue collected by ComSuper for use by the Government rather than the Agency is Administered Revenue. Collections are transferred to the Official Public Account (OPA) maintained by Finance. Conversely, cash is drawn from the OPA to make payments under Parliamentary appropriations on behalf of Government.

*Special Accounts*

In accordance with the *Financial Management and Accountability (Abolition of 26 Special Accounts) Determination 2011/01* the following ComSuper Special Accounts were abolished on 30 June 2011:

- Other Trust Money
- Services for other Governments and Non-Agency Bodies Accounts.

In accordance with *Financial Management and Accountability Determination 2011/05 – Services for Other Entities and Trust Moneys – ComSuper Special Account Establishment 2011* the following ComSuper Special Account was established with effect from 1 July 2011:

- Services for Other Entities and Trust Moneys – ComSuper.

**Notes to and forming part of the Financial Statements**  
*for the year ended 30 June 2011*

**Note 2: Events after the Reporting Period**

No events occurred after the balance sheet date.

**Notes to and forming part of the Financial Statements**  
for the year ended 30 June 2011

	2011	2010
	\$'000	\$'000
<b>Note 3: Expenses</b>		
<b><u>Note 3A: Employee Benefits</u></b>		
Wages and salaries	(36,905)	(36,311)
Superannuation:		
Defined benefit plans	(4,517)	(4,645)
Defined contributions plans	(2,496)	(2,116)
Leave and other entitlements	(4,391)	(3,880)
Separation and redundancies	(608)	(653)
<b>Total employee benefits</b>	<b><u>(48,917)</u></b>	<b><u>(47,605)</u></b>
<b><u>Note 3B: Supplier</u></b>		
<b>Goods and services</b>		
Contractors/consultants	(4,644)	(5,998)
Information Technology	(5,437)	(4,602)
Printing/stationery	(1,412)	(1,870)
Property (other than rent)	(1,185)	(1,265)
Other	(4,655)	(5,023)
<b>Total goods and services</b>	<b><u>(17,333)</u></b>	<b><u>(18,758)</u></b>
<b>Goods and services are made up of:</b>		
Provision of goods - external parties	(1,401)	(1,797)
Rendering of services - related entities	(2,090)	(918)
Rendering of services - external parties	(13,842)	(16,043)
<b>Total goods and services</b>	<b><u>(17,333)</u></b>	<b><u>(18,758)</u></b>
<b>Other supplier</b>		
<b>Operating lease rentals - external parties:</b>		
Minimum lease payments	(4,213)	(4,204)
Onerous rent	713	688
Sublease	-	(6)
Workers compensation expenses	(691)	(653)
<b>Total other supplier expense</b>	<b><u>(4,191)</u></b>	<b><u>(4,175)</u></b>
<b>Total supplier</b>	<b><u>(21,524)</u></b>	<b><u>(22,933)</u></b>
<b><u>Note 3C: Depreciation and Amortisation</u></b>		
<b>Depreciation:</b>		
Property, plant and equipment	(1,091)	(1,079)
Leasehold improvements	(841)	(779)
<b>Total depreciation</b>	<b><u>(1,932)</u></b>	<b><u>(1,858)</u></b>
<b>Amortisation:</b>		
Intangibles	(7,539)	(5,714)
<b>Total amortisation</b>	<b><u>(7,539)</u></b>	<b><u>(5,714)</u></b>
<b>Total depreciation and amortisation</b>	<b><u>(9,471)</u></b>	<b><u>(7,572)</u></b>
<b><u>Note 3D: Write-down and Impairment of Assets</u></b>		
<b>Asset write-downs and impairments from:</b>		
Property, plant and equipment	(14)	(349)
Land and buildings	(3)	-
Intangibles - software	(535)	(390)
Other	(2)	-
<b>Total write-down and impairment of assets</b>	<b><u>(554)</u></b>	<b><u>(739)</u></b>

**Notes to and forming part of the Financial Statements**  
*for the year ended 30 June 2011*

	<b>2011</b>	2010
	<b>\$'000</b>	\$'000
<b>Note 3: Expenses (continued)</b>		
<b><u>Note 3E: Losses from Asset Sales</u></b>		
<b>Property, plant and equipment:</b>		
Carrying value of assets sold	-	(20)
<b>Total losses from assets sales</b>	<u>-</u>	<u>(20)</u>
<b><u>Note 3F: Finance Costs</u></b>		
Other interest payments	<u>(216)</u>	<u>(262)</u>
<b>Total finance costs</b>	<u>(216)</u>	<u>(262)</u>
<b><u>Note 3G: Other Expenses</u></b>		
ARIA Board	<u>(4,304)</u>	<u>(5,480)</u>
<b>Total other expenses</b>	<u>(4,304)</u>	<u>(5,480)</u>

**Notes to and forming part of the Financial Statements**  
for the year ended 30 June 2011

	<b>2011</b>	2010
<b>Note 4: Income</b>	<b>\$'000</b>	\$'000

**OWN-SOURCE REVENUE**

**Note 4A: Sale of Goods and Rendering of Services**

Rendering of services - related entities	81,064	79,931
Other fees and reimbursements	5,000	6,130
<b>Total sale of goods and rendering of services</b>	<b>86,064</b>	<b>86,061</b>

**Note 4B: Rental Income**

Operating lease:		
Sublease	-	6
<b>Total rental income</b>	<b>-</b>	<b>6</b>

**GAINS**

**Note 4C: Other Gains**

Resources received free of charge	91	85
<b>Total other gains</b>	<b>91</b>	<b>85</b>

**Note 4D: Sale of Assets**

Proceeds from sale	5	-
<b>Net gain from sale of assets</b>	<b>5</b>	<b>-</b>

**REVENUE FROM GOVERNMENT**

**Note 4E: Revenue from Government**

<b>Appropriations:</b>		
Departmental appropriation	776	2,433
<b>Total revenue from Government</b>	<b>776</b>	<b>2,433</b>

ComSuper received \$0 (2010: \$0) under the Paid Parental Leave Scheme in 2010-11.

**Notes to and forming part of the Financial Statements**  
for the year ended 30 June 2011

	2011	2010
	\$'000	\$'000
<b>Note 5: Financial Assets</b>		
<b><u>Note 5A: Cash and Cash Equivalents</u></b>		
Cash on hand or on deposit	3,828	4,308
<b>Total cash and cash equivalents</b>	<u>3,828</u>	<u>4,308</u>
<b><u>Note 5B: Trade and Other Receivables</u></b>		
<b>Goods and Services:</b>		
Goods and services - related entities	2,987	322
Goods and services - external parties	189	388
<b>Total receivables for goods and services</b>	<u>3,176</u>	<u>710</u>
<b>Appropriations receivable:</b>		
Special account receivable:		
Monies held in the Official Public Account	17,514	17,024
<b>Total appropriations receivable</b>	<u>17,514</u>	<u>17,024</u>
<b>Other receivables:</b>		
GST receivable from the Australian Taxation Office	253	279
Reimbursements	69	105
<b>Total other receivables</b>	<u>322</u>	<u>384</u>
<b>Total trade and other receivables (gross)</b>	<u>21,012</u>	<u>18,118</u>

All receivables are expected to be recovered within 12 months.

**Receivables are aged as follows:**

Not overdue	19,658	18,095
Overdue by:		
0 to 30 days	-	5
30 to 60 days	550	8
61 to 90 days	532	-
More than 90 days	272	10
<b>Total receivables (gross)</b>	<u>21,012</u>	<u>18,118</u>

No indicators of impairment were found for financial assets (2010: nil).

**Notes to and forming part of the Financial Statements**  
for the year ended 30 June 2011

	<b>2011</b>	2010
	<b>\$'000</b>	\$'000
<b>Note 6: Non-Financial Assets</b>		
<b><u>Note 6A: Leasehold Improvements</u></b>		
<b>Leasehold improvements:</b>		
Fair value	<b>2,861</b>	7,045
Accumulated depreciation	-	(4,122)
Accumulated impairment losses	<b>(942)</b>	(1,125)
<b>Total leasehold improvements</b>	<b><u>1,919</u></b>	<u>1,798</u>
<b><u>Note 6B: Property, Plant and Equipment</u></b>		
<b>Property, plant and equipment:</b>		
Fair value	<b>3,554</b>	5,945
Accumulated depreciation	<b>(25)</b>	(3,180)
<b>Total plant and equipment</b>	<b><u>3,529</u></b>	<u>2,765</u>

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

The MSB Board undertook a revaluation of their asset classes during 2009-2010. A revaluation increment was recorded for items of plant and equipment including office equipment and furniture and fittings in 2010-11.

ComSuper undertook a revaluation of their asset classes during 2010-2011. A revaluation increment was recorded for property, plant and equipment and leasehold improvements.

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2011

Note 6: Non-Financial Assets (continued)

**Note 6C: Reconciliation of the Opening and Closing Balances of Property, Plant and Equipment (2010-11)**

	Property, Plant and Equipment \$'000	Leasehold Improvements \$'000	Total \$'000
<b>As at 1 July 2010</b>			
Gross book value	5,945	7,045	12,990
Accumulated depreciation and impairment	(3,180)	(5,247)	(8,427)
<b>Net book value 1 July 2010</b>	<b>2,765</b>	<b>1,798</b>	<b>4,563</b>
Additions*	753	702	1,455
Revaluations and impairments recognised in other comprehensive income	273	245	518
Depreciation expense	(1,091)	(841)	(1,932)
Other movements	12	18	30
Disposals:			
Plant and equipment	(14)	(3)	(17)
Other	-	-	-
Reclassification	831	-	831
<b>Net book value 30 June 2011</b>	<b>3,529</b>	<b>1,919</b>	<b>5,448</b>
<b>Net book value as of 30 June 2011 represented by:</b>			
Gross book value	3,554	2,861	6,415
Accumulated impairment	-	(942)	(942)
Accumulated depreciation	(25)	-	(25)
	<b>3,529</b>	<b>1,919</b>	<b>5,448</b>

\* Disaggregated additions information are disclosed in the Schedule of Asset Additions.

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2011

Note 6: Non-Financial Assets (continued)

**Note 6C (Cont'd): Reconciliation of the Opening and Closing Balances of Property, Plant and Equipment (2009-10)**

	Property, Plant and Equipment \$'000	Leasehold Improvements \$'000	Total \$'000
<b>As at 1 July 2009</b>			
Gross book value	7,560	7,045	14,605
Accumulated depreciation and impairment	(4,911)	(4,468)	(9,379)
<b>Net book value 1 July 2009</b>	<b>2,649</b>	<b>2,577</b>	<b>5,226</b>
Additions*	1,571	-	1,571
Write down	(349)	-	(349)
Depreciation expense	(1,079)	(779)	(1,858)
Other movements	329	-	329
Disposals:			
Plant and equipment	(3,166)	-	(3,166)
Other (accumulated depreciation)	2,810	-	2,810
<b>Net book value 30 June 2010</b>	<b>2,765</b>	<b>1,798</b>	<b>4,563</b>
<b>Net book value as of 30 June 2010 represented by:</b>			
Gross book value	5,945	7,045	12,990
Accumulated impairment	-	(1,125)	(1,125)
Accumulated depreciation	(3,180)	(4,122)	(7,302)
	<b>2,765</b>	<b>1,798</b>	<b>4,563</b>

\* Disaggregated additions information are disclosed in the Schedule of Asset Additions.

**Notes to and forming part of the Financial Statements**  
*for the year ended 30 June 2011*

	<b>2011</b>	2010
	<b>\$'000</b>	\$'000
<b>Note 6: Non-Financial Assets (continued)</b>		
<b><u>Note 6D: Intangibles</u></b>		
<b>Computer software:</b>		
Internally developed - in progress	528	3,515
Internally developed - in use	29,161	26,872
Purchased	15,184	13,951
<b>Total computer software</b>	<b>44,873</b>	44,338
Accumulated amortisation and impairment	<b>(32,047)</b>	<b>(23,973)</b>
<b>Total computer software</b>	<b>12,826</b>	20,365
<b>Total intangibles</b>	<b>12,826</b>	20,365

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2011

Note 6: Non-Financial Assets (continued)

Note 6F: Reconciliation of the Opening and Closing Balances of Intangibles (2010-11)

	Computer software internally developed \$'000	Computer software purchased \$'000	Total \$'000
<b>As at 1 July 2010</b>			
Gross book value	30,387	13,951	44,338
Accumulated amortisation and impairment	(12,130)	(11,843)	(23,973)
<b>Net book value 1 July 2010</b>	<b>18,257</b>	<b>2,108</b>	<b>20,365</b>
Additions*	134	1,232	1,366
Impairments recognised in the operating result	(535)	-	(535)
Amortisation	(6,237)	(1,302)	(7,539)
Reclassification	(831)	-	(831)
<b>Net book value 30 June 2011</b>	<b>10,788</b>	<b>2,038</b>	<b>12,826</b>
<b>Net book value as of 30 June 2011 represented by:</b>			
Gross book value	29,690	15,183	44,873
Accumulated amortisation and impairment	(18,902)	(13,145)	(32,047)
	<b>10,788</b>	<b>2,038</b>	<b>12,826</b>

\* Disaggregated additions information are disclosed in the Schedule of Asset Additions.

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2011

Note 6: Non-Financial Assets (continued)

Note 6E (Cont'd): Reconciliation of the Opening and Closing Balances of Intangibles (2009-10)

	Computer software internally developed \$'000	Computer software purchased \$'000	Total \$'000
<b>As at 1 July 2009</b>			
Gross book value	25,302	13,342	38,644
Accumulated amortisation and impairment	(7,341)	(10,506)	(17,847)
<b>Net book value 1 July 2009</b>	<b>17,961</b>	<b>2,836</b>	<b>20,797</b>
Additions*	5,085	609	5,694
Amortisation	(4,425)	(1,289)	(5,714)
Impairments recognised in the operating result	(390)	-	(390)
Other adjustments	26	(48)	(22)
<b>Net book value 30 June 2010</b>	<b>18,257</b>	<b>2,108</b>	<b>20,365</b>
<b>Net book value as of 30 June 2010 represented by:</b>			
Gross book value	30,387	13,951	44,338
Accumulated amortisation and impairment	(12,130)	(11,843)	(23,973)
	<b>18,257</b>	<b>2,108</b>	<b>20,365</b>

\* Disaggregated additions information are disclosed in the Schedule of Asset Additions.

**Notes to and forming part of the Financial Statements**  
*for the year ended 30 June 2011*

	2011	2010
	\$'000	\$'000
<b>Note 6: Non-Financial Assets (continued)</b>		
<b><u>Note 6F: Other Non-Financial Assets</u></b>		
Prepayments	<u>1,307</u>	<u>1,430</u>
<b>Total other non-financial assets</b>	<u>1,307</u>	<u>1,430</u>
<b>Total other non-financial assets - are expected to be recovered in:</b>		
No more than 12 months	<u>1,307</u>	<u>1,430</u>
<b>Total other non-financial assets</b>	<u>1,307</u>	<u>1,430</u>

**Notes to and forming part of the Financial Statements**  
for the year ended 30 June 2011

	2011	2010
	\$'000	\$'000
<b>Note 7: Payables</b>		
<b><u>Note 7A: Suppliers</u></b>		
Trade creditors	(908)	(1,807)
Accrued expenses	(2,579)	(3,462)
Operating lease rentals	(1,243)	(1,145)
<b>Total supplier payables</b>	<u>(4,730)</u>	<u>(6,414)</u>
<b>Supplier payables expected to be settled within 12 months:</b>		
Related entities	(799)	(504)
External parties	(2,732)	(4,765)
<b>Total supplier payables</b>	<u>(3,531)</u>	<u>(5,269)</u>
<b>Supplier payables expected to be settled in greater than 12 months:</b>		
Related entities	-	-
External parties	(1,199)	(1,145)
<b>Total supplier payables</b>	<u>(1,199)</u>	<u>(1,145)</u>
Settlement is usually made within 30 days.		
<b><u>Note 7B: Other Payables</u></b>		
Revenue received in advance	(26)	(3,789)
Salaries and wages	(854)	(832)
Superannuation	(157)	(146)
Other	(14)	(45)
<b>Total other payables</b>	<u>(1,051)</u>	<u>(4,812)</u>
<b>Total other payables are expected to be settled in:</b>		
No more than 12 months	(1,051)	(4,812)
<b>Total other payables</b>	<u>(1,051)</u>	<u>(4,812)</u>

**Notes to and forming part of the Financial Statements**  
for the year ended 30 June 2011

<b>Note 8: Provisions</b>	<b>2011</b> <b>\$'000</b>	2010 \$'000
<b>Note 8A: Employee Provisions</b>		
Leave	<u>(10,597)</u>	<u>(11,504)</u>
<b>Total employee provisions</b>	<b><u>(10,597)</u></b>	<b><u>(11,504)</u></b>
<b>Employee provisions are expected to be settled in:</b>		
No more than 12 months	(3,117)	(4,216)
More than 12 months	<u>(7,480)</u>	<u>(7,288)</u>
<b>Total employee provisions</b>	<b><u>(10,597)</u></b>	<b><u>(11,504)</u></b>
<b>Note 8B: Other Provisions</b>		
Provision for restoration obligations	(28)	(9)
Provision for onerous rent	<u>(3,009)</u>	<u>(3,507)</u>
<b>Total other provisions</b>	<b><u>(3,037)</u></b>	<b><u>(3,516)</u></b>
<b>Other provisions are expected to be settled in:</b>		
No more than 12 months	(585)	(534)
More than 12 months	<u>(2,452)</u>	<u>(2,982)</u>
<b>Total other provisions</b>	<b><u>(3,037)</u></b>	<b><u>(3,516)</u></b>

	Provision for onerous rent \$'000	Provision for restoration \$'000	Total
<b>Carrying amount 1 July 2010</b>	<b>(3,507)</b>	<b>(9)</b>	<b>(3,516)</b>
Additional provisions made	-	(19)	(19)
Amounts used	282	-	282
Amounts reversed	-	-	-
Unwinding of discount or change in discount rate	216	-	216
<b>Closing Balance 2011</b>	<b>(3,009)</b>	<b>(28)</b>	<b>(3,037)</b>

Provision for restoration obligations (make good) relates to the MSB Board accommodation 'end-of-lease' provision.

**Notes to and forming part of the Financial Statements**

for the year ended 30 June 2011

	2011	2010
	\$'000	\$'000
<b>Note 9: Cash Flow Reconciliation</b>		
<b>Reconciliation of cash and cash equivalents as per Balance Sheet to Cash Flow Statement</b>		
<b>Cash and cash equivalents as per:</b>		
Cash flow statement	3,828	4,308
Balance sheet	3,828	4,308
<b>Difference</b>	<u>-</u>	<u>-</u>
<b>Reconciliation of net cost of services to net cash from operating activities:</b>		
Net cost of services	1,174	1,541
Add revenue from Government	776	2,433
<b>Adjustments for non-cash items</b>		
Depreciation / amortisation	9,471	7,572
Net write down and impairment of non-financial assets	554	739
Gain on disposal of assets	-	20
<b>Changes in assets/liabilities</b>		
(Increase)/decrease in net receivables	(2,897)	99
(Increase)/decrease in prepayments	122	(187)
Increase/(decrease) in supplier payables	(1,717)	2,292
Increase/(decrease) in other payables	(3,765)	2,200
Increase/(decrease) in employee provisions	(906)	75
Increase/(decrease) in other provisions	(477)	(426)
<b>Net cash from operating activities</b>	<u>2,335</u>	<u>16,358</u>

**Note 10: Contingent Liabilities and Assets**

**Quantifiable Contingencies**

ComSuper is not aware of any events that require it to report quantifiable contingencies.

**Unquantifiable Contingencies**

ComSuper is not aware of any events that require it to report unquantifiable contingencies.

**Significant Remote Contingencies**

The entity had no significant remote contingencies.

**Notes to and forming part of the Financial Statements**  
for the year ended 30 June 2011

	2011	2010
<b>Note 11: Senior Executive Remuneration</b>	<b>\$</b>	<b>\$</b>

**Note 11A: Senior Executive Remuneration Expense for the Reporting Period**

**Short-term employee benefits:**

Salary	1,250,905	1,486,763
Annual leave accrued	24,748	40,629
Performance bonuses	65,000	58,300
Other major categories	170,514	238,418
<b>Total short-term employee benefits</b>	<b>1,511,167</b>	<b>1,824,110</b>

**Post-employment benefits:**

Superannuation	262,952	324,708
<b>Total post-employment benefits</b>	<b>262,952</b>	<b>324,708</b>

**Other long-term benefits:**

Long-service leave	45,036	35,561
<b>Total other long-term benefits</b>	<b>45,036</b>	<b>35,561</b>

Termination benefits	150,880	161,546
<b>Total</b>	<b>150,880</b>	<b>161,546</b>

**Notes:**

- Note 11A was prepared on an accrual basis (so the performance bonus expenses disclosed above differ from the cash 'Bonus paid' in Note 11B).
- Note 11A excludes acting arrangements and part-year service where remuneration expensed was less than \$150,000.

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2011

Note 11: Senior Executive Remuneration (continued)

Note 11B: Average Annual Remuneration Packages and Bonus Paid for Substantive Senior Executives as at the end of the Reporting Period

Fixed Elements and Bonus Paid <sup>1</sup>	as at 30 June 2011				as at 30 June 2010				
	Senior Executives	Fixed elements			Senior Executives	Fixed elements			Bonus paid <sup>2</sup>
		No.	Salary	Allowances		Total	Bonus paid <sup>2</sup>	Salary	
		\$	\$	\$	No.	\$	\$	\$	\$
Total remuneration (including part-time arrangements):									
\$180,000 to \$209,999	-	-	-	-	2	142,000	49,830	191,830	-
\$210,000 to \$239,999	3	150,993	72,600	223,593	4	158,196	64,035	222,231	5,015
\$240,000 to \$269,999	1	169,950	85,034	254,984	1	180,000	83,068	263,068	15,000
\$300,000 to \$329,999	1	273,665	51,115	324,780	1	247,511	68,665	316,176	13,340
<b>Total</b>	<b>5</b>				<b>8</b>				

Notes:

1. This table reports on substantive senior executives who are employed by the entity as at the end of the reporting period. Fixed elements are based on the employment agreement of each individual - each row represents an average annualised figure (based on headcount) for the individuals in that remuneration package band (i.e. the 'Total' column).
2. Represents average actual bonuses paid during the reporting period. The 'Bonus paid' is excluded from the 'Total' calculation, (for the purpose of determining remuneration package bands). The 'Bonus paid' within a particular band may vary between financial years due to factors such as individuals commencing with or leaving the entity during the financial year.
3. The allowances in Note 11 B include superannuation, variable allowance and leave entitlements. Please note that leave entitlements include the value of leave accrued less the value of leave taken during the 2010-11 financial year.

Note 11C: Other Highly Paid Staff

During the reporting period, there were no employees whose salary plus performance bonus were \$150,000 or more.

**Notes to and forming part of the Financial Statements**  
*for the year ended 30 June 2011*

	2011	2010
<b>Note 12: Remuneration of Auditors</b>	<b>\$</b>	<b>\$</b>

Financial statement audit services were provided free of charge to ComSuper.

**The fair value of the services provided**

Australian National Audit Office	<u>90,760</u>	<u>85,500</u>
<b>Total</b>	<b><u>90,760</u></b>	<b><u>85,500</u></b>

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

**Notes to and forming part of the Financial Statements**  
for the year ended 30 June 2011

Note 13: Financial Instruments	Notes	2011 \$'000	2010 \$'000
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**Note 13A: Categories of Financial Instruments**

**Financial Assets**

**Loans and receivables**

Cash and cash equivalents	5A	3,828	4,308
Trade and other receivables	5B	3,176	710
Reimbursements	5B	69	105
<b>Total</b>		<b>7,073</b>	<b>5,123</b>
<b>Carrying amount of financial assets</b>		<b>7,073</b>	<b>5,123</b>

**Financial Liabilities**

**At amortised cost:**

Trade creditors	7A	(908)	(1,807)
Accrued expenses	7A	(2,579)	(3,462)
Operating lease payables	7A	(1,243)	(1,145)
Other	7B	(14)	(45)
<b>Total</b>		<b>(4,744)</b>	<b>(6,459)</b>
<b>Carrying amount of financial liabilities</b>		<b>(4,744)</b>	<b>(6,459)</b>

**Note 13B: Net Income and Expense from Financial Assets**

There is no interest income from financial assets not at fair value from profit or loss in the financial year ending 30 June 2011 (2010: nil).

**Note 13C: Net Income and Expense from Financial Liabilities**

There is no interest expense from financial liabilities not at fair value from profit or loss in the financial year ending 30 June 2011 (2010: nil).

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2011

Note 13: Financial Instruments (continued)

Note 13D: Fair Value of Financial Instruments

	Notes	Carrying Amount 2011 \$'000	Fair Value 2011 \$'000	Carrying Amount 2010 \$'000	Fair Value 2010 \$'000
<b>Financial Assets</b>					
Loans and receivables:					
Cash at Bank	5A	3,828	3,828	4,308	4,308
Receivables for goods and services	5B	3,176	3,176	710	710
Reimbursements	5B	69	69	105	105
<b>Total</b>		<b>7,073</b>	<b>7,073</b>	<b>5,123</b>	<b>5,123</b>
<b>Financial Liabilities</b>					
Other liabilities:					
Trade creditors	7A	(908)	(908)	(1,807)	(1,807)
Accrued expenses	7A	(2,579)	(2,579)	(3,462)	(3,462)
Operating lease payables	7A	(1,243)	(1,243)	(1,145)	(1,145)
Other	7B	(14)	(14)	(45)	(45)
<b>Total</b>		<b>(4,744)</b>	<b>(4,744)</b>	<b>(6,459)</b>	<b>(6,459)</b>

**Notes to and forming part of the Financial Statements**  
for the year ended 30 June 2011

**Note 13: Financial Instruments (continued)**

**Note 13E: Credit Risk**

ComSuper was exposed to minimal credit risk as loans and receivables were cash and trade receivables. The maximum exposure to credit risk was the risk that arises from potential default of a debtor. This amount was equal to the total amount of trade receivables (2011: \$3,176,000 and 2010: \$710,000).

ComSuper manages its credit risk by following up the majority of debtors which are Commonwealth agencies before the due date to ensure payment. In addition, ComSuper has policies and procedures in place that guide employee debt recovery techniques.

ComSuper holds no collateral to mitigate credit risk.

**Credit quality of financial instruments not past due or individually determined as impaired**

	Not past due nor impaired 2011 \$'000	Not past due nor impaired 2010 \$'000	Past due or impaired 2011 \$'000	Past due or impaired 2010 \$'000
Loans and receivables:				
Cash and cash equivalents	3,828	4,308	-	-
Receivables for goods and services	1,822	687	1,354	23
Reimbursements	69	105	-	-
<b>Total</b>	<b>5,719</b>	<b>5,100</b>	<b>1,354</b>	<b>23</b>

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

	0 to 30 days \$'000	31 to 60 days \$'000	61 to 90 days \$'000	90+ days \$'000	Total \$'000
Loans and receivables:					
Receivables for goods and services	-	550	532	272	1,354
<b>Total</b>	<b>-</b>	<b>550</b>	<b>532</b>	<b>272</b>	<b>1,354</b>

**Ageing of financial assets that were past due but not impaired for 2010**

	0 to 30 days \$'000	31 to 60 days \$'000	61 to 90 days \$'000	90+ days \$'000	Total \$'000
Loans and receivables:					
Receivables for goods and services	5	8	-	10	23
<b>Total</b>	<b>5</b>	<b>8</b>	<b>-</b>	<b>10</b>	<b>23</b>

**Notes to and forming part of the Financial Statements***for the year ended 30 June 2011***Note 13: Financial Instruments (continued)****Note 13F: Liquidity Risk**

ComSuper's financial liabilities are suppliers and other payables. The exposure to liquidity risk is based on the notion that ComSuper will encounter difficulty in meeting its obligations associated with financial liabilities. This is highly unlikely due to appropriation funding for specific projects and internal policies and procedures put in place to ensure there are appropriate resources to meet its financial obligations.

**Maturities for non-derivative financial liabilities 2011**

	within 1 year \$'000	1 to 4 years \$'000	Total \$'000
<b>Other Liabilities</b>			
Trade creditors	(908)	-	(908)
Accrued expenses	(2,579)	-	(2,579)
Operating lease payables	(44)	(1,199)	(1,243)
Employee deposits	(14)	-	(14)
<b>Total</b>	<b>(3,545)</b>	<b>(1,199)</b>	<b>(4,744)</b>

**Maturities for non-derivative financial liabilities 2010**

	within 1 year \$'000	1 to 2 years \$'000	Total \$'000
<b>Other Liabilities</b>			
Trade creditors	(1,807)	-	(1,807)
Accrued expenses	(3,462)	-	(3,462)
Operating lease payables	-	(1,145)	(1,145)
Employee deposits	(45)	-	(45)
<b>Total</b>	<b>(5,314)</b>	<b>(1,145)</b>	<b>(6,459)</b>

During 2010-11 the majority of ComSuper's activities were funded through direct charges for scheme administration services and other services provided to the Boards of Trustees and the DFRDB Authority. ComSuper also receives appropriation from the Australian Government for depreciation associated with Simplified Superannuation Initiatives. ComSuper manages its budgeted funds to ensure it has adequate funds to meet payments as they fall due. In addition, ComSuper has procedures in place to ensure timely payments are made when due and has no past experience of default.

**Note 13G: Market Risk**

ComSuper holds basic financial instruments that do not expose the agency to market risks such as interest rate risk, currency risk or other price risk.

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2011

Note 14: Appropriations

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

	2010-11 Appropriations						Total appropriation \$'000	Appropriation applied in 2011 (current and prior years) \$'000	Variance \$'000
	Appropriation Act		FMA Act						
	Annual Appropriations reduced \$'000	AFM \$'000	Section 30 \$'000	Section 31 \$'000	Section 32 \$'000	Section 33 \$'000			
<b>DEPARTMENTAL</b>									
Ordinary annual services	776	-	-	-	-	776	(776)	-	
<b>Total departmental</b>	776	-	-	-	-	776	(776)	-	

	2009-10 Appropriations						Total appropriation \$'000	Appropriation applied in 2010 (current and prior years) \$'000	Variance \$'000
	Appropriation Act		FMA Act						
	Annual appropriation \$'000	Appropriations reduced \$'000	AFM \$'000	Section 30 \$'000	Section 31 \$'000	Section 32 \$'000			
<b>DEPARTMENTAL</b>									
Ordinary annual services	2,103	-	-	-	-	2,103	2,433	330	
<b>Other services</b>	-	-	-	-	-	-	680	680	
<b>Total departmental</b>	2,103	-	-	-	-	2,103	3,113	1,010	

**Notes to and forming part of the Financial Statements**  
for the year ended 30 June 2011

**Note 14: Appropriations (continued)**

**Table B: Special Appropriations (Recoverable GST exclusive)**

ComSuper has recently become aware that there is an increased risk of non-compliance with Section 83 of the Constitution where payments are made from special appropriations and special accounts in circumstances where the payments do not accord with conditions included in the relevant legislation.

ComSuper will investigate these circumstances and any impact on its special appropriations shown below, seeking legal advice as appropriate.

Authority	Type	Purpose	Appropriation applied 2011 \$'000	2010 \$'000
Superannuation Act 1922, Administered	Unlimited Amount	An Act to provide superannuation benefits for persons employed by the Commonwealth and by certain Commonwealth Authorities and to make provision for the families of those persons.	(143,680)	(148,774)
Superannuation Act 1976, Administered	Unlimited Amount	An Act to make provision for and in relation to an occupational superannuation scheme, known as the Commonwealth Superannuation Scheme, for persons employed by the Commonwealth and for certain other persons.	(3,861,178)	(3,547,539)
Superannuation Act 1990, Administered	Unlimited Amount	An Act to make provision for and in relation to an occupational superannuation scheme for persons employed by the Commonwealth, and for certain other persons.	(910,497)	(731,420)
Superannuation Act 2005, Administered	Unlimited Amount	An Act to make provision for and in relation to an occupational superannuation scheme for persons employed by the Commonwealth, and for certain other persons.	(37)	(12)
Same Sex Relationships (Equal Treatment in Commonwealth Laws - Superannuation) Act 2008, Administered	Unlimited Amount	An Act to address discrimination against same-sex couples and their children in Commonwealth laws, and for other purposes.	(158)	-
Defence Forces Retirement Benefits Act 1948, Administered	Unlimited Amount	An Act to provide Retirement Benefits for Members of the Defence Force of the Commonwealth, and for other purposes.	(64,766)	(64,092)
Defence Force Retirement & Death Benefits Act 1973, Administered	Unlimited Amount	An Act to make provision for and in relation to a Scheme for Retirement and Death Benefits for Members of the Defence Force.	(1,417,827)	(1,319,897)
Military Superannuation and Benefits Act 1991, Administered	Unlimited Amount	An Act to make provision for and in relation to an occupational superannuation scheme for, and the payment of other benefits to, members of the Defence Force, and for related purposes.	(313,141)	(234,663)
Financial Management and Accountability Act 1997 Section 28, Administered	Refund	Repayments required or permitted by law (where no other appropriation for repayment exists).	(1,368)	(7)
Financial Management and Accountability Act 1997 Section 30, Administered	Repayment	Repayments to the Commonwealth.	7,229	4,676
<b>Total</b>			<b>(6,705,423)</b>	<b>(6,041,728)</b>

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2011

Note 14: Appropriations (continued)

Table C: Disclosure by Agent in Relation to Annual and Special Appropriations ('Recoverable GST exclusive')

	Department of Finance and Deregulation \$'000	Department of Defence \$'000
<b>2010-11</b>		
Total receipts	4,916,918	1,795,734
Total payments	(4,916,918)	(1,795,734)
<b>2009-10</b>		
Total receipts	4,427,752	1,618,652
Total payments	(4,427,752)	(1,618,652)

During the year ComSuper made payments under the Superannuation Act 1922, Superannuation Act 1976, Superannuation Act 1990 and Superannuation Act 2005. The authority to make payments under these Acts is granted by the Department of Finance and Deregulation.

During the year ComSuper also made payments under the Defence Forces Retirement Benefits Act 1948, Defence Forces Retirement and Death Benefits Act 1973 and Military Superannuation and Benefits Act 1991. The authority to make payments under these Acts is granted by the Department of Defence.

**Notes to and forming part of the Financial Statements**  
for the year ended 30 June 2011

**Note 15: Special Accounts**

ComSuper operates from the ComSuper Special Account (refer to Note 1).

<b>Special Account (Departmental)</b>	<b>2011</b>	<b>2010</b>
	<b>\$'000</b>	<b>\$'000</b>
Appropriation: <i>Financial Management and Accountability Act 1997</i> section 20.		
Establishing Instrument: Determination 2007/02- Issued June 06		
Purpose: For the receipt and expenditure of monies in connection with the provision of administration, accounting and other support services to or on behalf of the ARIA and MSB Board (including the transfers of the ARIA and MSB Boards' share of revenue).		
<b>Balance brought forward from previous period</b>	<b>21,331</b>	11,559
Appropriation for reporting period	776	3,113
Appropriations to take account of recoverable GST (FMA Act section 30A)	1,768	2,302
Other receipts	79,502	89,074
<b>Total increase</b>	<b>82,046</b>	94,489
<b>Available for payments</b>	<b>82,046</b>	94,489
Payments made to suppliers	82,035	84,717
<b>Total decrease</b>	<b>82,035</b>	84,717
<b>Total balance carried to the next period</b>	<b>21,342</b>	21,331

In addition to the Special Account under which ComSuper operates as a business unit, two other special accounts have been established to facilitate ComSuper's processing of superannuation benefits and associated superannuation surcharge liabilities.

ComSuper has recently become aware that there is an increased risk of non-compliance with Section 83 of the Constitution where payments are made from special appropriations and special accounts in circumstances where the payments do not accord with conditions included in the relevant legislation.

ComSuper will investigate these circumstances and any impact on its special appropriations shown below, seeking legal advice as appropriate.

<b>Services for Other Governments and Non Departmental Bodies (Administered)</b>	<b>2011</b>	<b>2010</b>
	<b>\$'000</b>	<b>\$'000</b>
Appropriation: <i>Financial Management and Accountability Act 1997</i> section 20.		
Establishing Instrument: Determination (F2006B11719) - Issued December 1997		
Purpose: For the receipt and expenditure of monies in connection with payments made on behalf of MSBS, CSS, and PSS.		
<b>Balance brought forward from previous period</b>	<b>5,497</b>	6,057
Other receipts	1,191,563	933,922
<b>Total increase</b>	<b>1,191,563</b>	933,922
<b>Available for payments</b>	<b>1,191,563</b>	933,922
Payments made	(1,196,928)	(934,482)
<b>Total decrease</b>	<b>(1,196,928)</b>	(934,482)
<b>Total balance carried to the next period</b>	<b>132</b>	5,497

**Notes to and forming part of the Financial Statements**  
for the year ended 30 June 2011

**Note 15: Special Accounts (continued)**

<b>Other Trust Monies (Administered)</b>	<b>2011</b>	<b>2010</b>
	<b>\$'000</b>	<b>\$'000</b>
Appropriation: <i>Financial Management and Accountability Act 1997</i> section 20.		
Establishing Instrument: Determination (F2006B11709) - Issued December 1997		
Purpose: For the receipt and expenditure of monies temporarily held on trust or otherwise for the benefit of a person other than the Commonwealth. The Trust monies represent returned benefits which have not yet been subsequently repaid to the member.		
<b>Balance brought forward from previous period</b>	<b>5,194</b>	<b>3,720</b>
Other receipts	<b>31,079</b>	<b>35,192</b>
<b>Total increase</b>	<b>31,079</b>	<b>35,192</b>
<b>Available for payments</b>	<b>31,079</b>	<b>35,192</b>
Payments made	<b>(29,798)</b>	<b>(33,718)</b>
<b>Total decrease</b>	<b>(29,798)</b>	<b>(33,718)</b>
<b>Total balance carried to the next period</b>	<b>6,475</b>	<b>5,194</b>

**Notes to and forming part of the Financial Statements**  
*for the year ended 30 June 2011*

	2011	2010
<b>Note 16: Compensation and Debt Relief</b>	<b>\$</b>	<b>\$</b>
<b>Compensation and Debt Relief - Departmental</b>		
Two payments were provided under the Compensation for Detriment caused by Defective Administration (CDDA) Scheme during the reporting period (2010: \$1,565).		
	<u><b>64</b></u>	<u>1,565</u>
	<u><b>64</b></u>	<u>1,565</u>

**Notes to and forming part of the Financial Statements**  
for the year ended 30 June 2011

**Note 17: Reporting of Outcomes**

ComSuper has one outcome and one program as described in Note 1.1

**Note 17A: Net Cost of Outcome Delivery**

	Outcome 1	
	2011 \$'000	2010 \$'000
<b>Expenses</b>		
Departmental	(84,986)	(84,611)
<b>Total</b>	<b>(84,986)</b>	<b>(84,611)</b>
Departmental:		
Revenue from Government	776	2,433
Services	86,064	86,061
Rental Income	-	6
Resources received free of charge	91	85
Sale of assets	5	-
<b>Total</b>	<b>86,936</b>	<b>88,585</b>
<b>Net cost of outcome delivery</b>	<b>1,950</b>	<b>3,974</b>

**Note 17B: Major Classes of Departmental Revenue, Expenses, Income, Assets and Liabilities by Outcome**

	Outcome 1	
	2011 \$'000	2010 \$'000
<b>Departmental Expenses:</b>		
Employees	(48,917)	(47,605)
Suppliers	(21,524)	(22,933)
Depreciation and amortisation	(9,471)	(7,572)
Other	(5,074)	(6,501)
<b>Total</b>	<b>(84,986)</b>	<b>(84,611)</b>
<b>Departmental Income:</b>		
Sale of goods and rendering of services	86,064	86,061
Rental income	-	6
Resources received free of charge	91	85
Sale of assets	5	-
Revenue from Government	776	2,433
<b>Total</b>	<b>86,936</b>	<b>88,585</b>
<b>Departmental Assets:</b>		
Cash and cash equivalents	(3,828)	(4,308)
Trade and other receivables	(21,012)	(18,118)
Leasehold improvements	(1,919)	(1,798)
Property, plant and equipment	(3,529)	(2,765)
Intangibles	(12,826)	(20,365)
Other	(1,307)	(1,430)
<b>Total</b>	<b>(44,421)</b>	<b>(48,784)</b>
<b>Departmental Liabilities:</b>		
Suppliers	(4,730)	(6,414)
Other	(1,051)	(4,812)
Employee provisions	(10,597)	(11,504)
Other	(3,037)	(3,516)
<b>Total</b>	<b>(19,415)</b>	<b>(26,246)</b>

**Notes to and forming part of the Financial Statements**  
*for the year ended 30 June 2011*

	<b>2011</b>	2010
<b>Note 18: Retained Surplus MSB Board</b>	<b>\$'000</b>	\$'000

ComSuper has separately reported a retained surplus of approximately \$1,511,000 (2010: \$837,000) relating to the MSB Board.

Balance carried forward from previous period	<b>837</b>	748
Surplus for the period	<b>674</b>	89
<b>Total retained surplus MSB Board</b>	<b><u>1,511</u></b>	<b><u>837</u></b>

