28. Financial instruments (continued)

No financial assets have had their terms renegotiated so as to prevent them from being past due or impaired, and are stated at the carrying amounts as indicated. Aging of past due or impaired financial instruments are disclosed in the Credit, Liquidity and Interest Risk table at the end of this note.

2008 Financial assets past due but not impaired

	Contractual Repricing/Maturity Date:						
		Overdue					
	Not overdue	Less than 30 days	30-60 days	61-90 days	More than 90 days	Total Overdue	Total financial assets
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Financial assets							
Receivables	51,055	7	2	-	172	181	51,236
Total	**51,055**	**7**	**2**	**-**	**172**	**181**	**51,236**

2007 Financial assets past due but not impaired

	Contractual Repricing/Maturity Date:						
		Overdue					
	Not overdue	Less than 30 days	30-60 days	61-90 days	More than 90 days	Total Overdue	Total financial assets
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Financial assets							
Receivables	60,336	827	-	5	920	1,752	62,088
Total	**60,336**	**827**	**-**	**5**	**920**	**1,752**	**62,088**

2008 Impaired financial assets

	Contractual Repricing/Maturity Date:						
		Overdue					
	Not overdue	Less than 30 days	30-60 days	61-90 days	More than 90 days	Total Overdue	Total financial assets
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Financial assets							
Receivables	4	4	-	4	388	396	400
Total	**4**	**4**	**-**	**4**	**388**	**396**	**400**

2007 Impaired financial assets

	Contractual Repricing/Maturity Date:						
		Overdue					
	Not overdue	Less than 30 days	30-60 days	61-90 days	More than 90 days	Total Overdue	Total financial assets
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Financial assets							
Receivables	4	-	-	-	384	384	388
Total	**4**	**-**	**-**	**-**	**384**	**384**	**388**

28. Financial instruments (continued)

(c) Liquidity risk

Property Services Group is exposed to liquidity risk through its trading in the normal course of business.

Property Services Group manages liquidity risk through the use of the Liquidity Management Strategy. This strategy aims to reduce the exposure to liquidity risk by ensuring Property Services Group has sufficient funds available to meet employee and supplier obligations at all times. This is achieved by ensuring that minimum levels of cash are held within the various bank accounts so as to match the expected duration of the various employee and supplier liabilities.

The following table sets out the liquidity risk of financial liabilities held by the Property Services Group. It represents the contractual maturity of financial liabilities, calculated based on cash flows relating to the repayment of the principal amount outstanding at balance date.

		2008 Payable in			
		<1 year	1-5 years	> 5 years	Total
Category	**Notes**	**$'000**	**$'000**	**$'000**	**$'000**
Financial liabilities					
Payables	20	3,170	-	-	3,170
Deposits held	22	11,237	-	-	11,237
Total		**14,408**	**-**	**-**	**14,408**

		2007 Payable in			
		<1 year	1-5 years	> 5 years	Total
Category	**Notes**	**$'000**	**$'000**	**$'000**	**$'000**
Financial liabilities					
Payables	20	4,035	-	-	4,035
Deposits held	22	5,682	-	-	5,682
Total		**9,718**	**-**	**-**	**9,718**

(d) Market risk

Property Services Group does not trade in foreign currency and is not materially exposed to commodity price changes. Property Services Group is exposed to interest rate risk through its cash deposited in interest bearing accounts. Details have been disclosed in the liquidity and interest risk tables. Property Services Group does not undertake any hedging in relation to interest risk and manages its risk as per the liquidity risk management strategy.

Interest rate sensitivity analysis

The following interest rate sensitivity analysis is based on a report similar to that which would be provided to management, depicting the outcome to profit and loss should there be a 50 basis points movement in interest rates from the year end rates applicable to the financial assets and liabilities. It assumes that the rate would be held constant over the financial year, with the change occurring at the beginning of the financial year.

At reporting date if the interest rates had been 50 basis points lower, Property Services Group would have a net profit increase of $346,617 (2007: decrease $421,271). This is attributable to Property Services Group's exposure to variable interest rates for its deposits in interest bearing accounts.

28. Financial instruments (continued)

If the interest rates had been 50 basis points higher, Property Services Group would have had a net profit increase of $2,011,896 (2007: increase $1,121,748), attributable to Property Services Group's variable interest rate deposits in interest bearing accounts.

Fair Value

The fair value of cash and cash equivalents, receivables and payables approximate their carrying value.

29. Leases - as lessor

The Department of Natural Resources and Water acts as an agent on behalf of Property Services Group in administering the finance and operating leases of Property Services Group in accordance with the *Land Act 1994*. These leases are recognised in the financial statements in accordance with Note 1(n).

(a) Finance leases

Freeholding leases of land are issued to persons who elect to pay the purchase price for the land by annual instalments over the term of the lease. Freehold title transfers to the lessee when the purchase price is fully paid. The leases can be paid out at any time during their term without penalty. However, penalty interest is charged for any late payment.

Freeholding leases are set over a 10 year term, except for several 20 year leases and one 30 year lease. At balance date, more than 50% of the leases are due to expire within the next five years.

The interest rate implicit in the freeholding leases is 6% except for several older leases which are interest-free.

Future minimum lease payments receivable under the freeholding leases together with their present value, are as follows:

	Minimum future lease payments receivable		Present value of minimum future lease payments receivable	
	2008	2007	2008	2007
	$'000	$'000	$'000	$'000
Not later than 1 year	5,929	5,595	5,600	5,282
Later than 1 year and not later than 5 years	20,536	19,439	16,908	15,722
Later than 5 years	14,791	13,468	9,525	9,261
Total minimum future lease receivables	41,256	38,502	32,033	30,265
Less unearned finance interest income	9,223	8,237		
Present value of total minimum future lease receivables	**32,033**	**30,265**	**32,033**	**30,265**
Included in Note 16 of these financial statements as:				
Current finance lease debtors			5,600	5,282
Non-current finance lease debtors			26,433	24,983
Carrying amount at 30 June			**32,033**	**30,265**

(b) Operating leases

Fixed term leases and ongoing perpetual leases are issued for commercial and industrial use of land by a lessee. An annual rent is payable on 1 September each year, and is based on the unimproved value of the land, multiplied by the rental category percentage rate - 5%. Unimproved value is assessed annually by the Department of Natural Resources and Water, therefore rent is variable unless otherwise fixed in the conditions of the lease. Penalty interest is charged for any late payment.

Upon expiry of the lease, the lessee loses the right to possession of the land and any improvements located thereon unless otherwise stated in the conditions of the lease. The lease may be cancelled after giving reasonable notice to the lessee if the lessee is in breach of the conditions of the lease including failure to comply with statutory requirements or failure to pay rent by a due date. The lessee may voluntary surrender the lease, provided rents have been paid in full.

In calculating minimum future lease receivables, it is assumed that property values will increase at 10% annually and that perpetual leases will continue for a further 15 years.

Future minimum lease payments receivable under the operating leases are as follows:

	Minimum future lease payments receivable	
	2008	**2007**
	$'000	**$'000**
Not later than 1 year	12,341	9,609
Later than 1 year and not later than 5 years	56,022	43,511
Later than 5 Years	203,598	157,944
Total minimum future lease receivables	**271,961**	**211,064**

30. Correction of error

Land revaluation reserve error

In prior years an error was made in that the revaluation reserve on land assets sold was not transferred to retained surpluses. The revaluation reserve, retained surplus and deferred tax liability have been corrected resulting in the following amounts being restated:

	As reported	**Restated**
	$'000	**$'000**
Revaluation reserve 30 June 2006	186,189	186,189
Transfer revaluation reserve of assets sold prior to 30 June 2006 to retained surpluses	-	(18,144)
	186,189	168,045
Revaluation increments 2006-07	7,588	7,960
Transfer revaluation reserve of assets sold 2006-07 to retained surpluses	-	(8,558)
Revaluation reserve 30 June 2007	**193,777**	**167,447**
Deferred income tax related to items charged or credited directly to equity		
Income tax expense reported in equity	**83,447**	**71,750**

30. Correction of error (continued)

Building revaluation reserve error

In 2006-07 an error was made in calculating the revaluation reserve on building assets. The balance at 1 July 2006 was calculated at $nil and 2006-07 revaluation increments were taken to the revaluation reserve. However, accumulated devaluations remained and as a result the 2006-07 increments should have been taken to the income statement as reversal of prior year devaluation expenses. The comparative figure for building revaluation reserve has been adjusted and the 2006-07 revaluation increase of $800,000 taken to the income statement as a gain on reversal of devaluation expense.

Income tax equivalent error

Prior period errors were made accounting for income tax equivalent including income tax expense, income tax payable and deferred tax assets. The errors made are largely attributable to temporary differences on property, plant and equipment, capital gains not recognised and differences between accounting for income tax and the actual income tax return submitted to the Australian Taxation Office. Adjustments have been made to the comparatives figures and the following amounts have been restated:

	As reported $'000	Adjustments $'000	Restated $'000
Income tax expense	6,460	2,622	9,082
Income tax payable	4,908	9,086	13,994
Deferred tax asset	1,835	3,070	4,905

Income tax expense adjustment comprises:	
Actual income tax return for 2006-07	654
Capital gains on land sold	3,668
Recognition of temporary differences attributable to land	(89)
Recognition of temporary differences attributable to buildings	(1,611)
	2,622
Income tax payable adjustment comprises:	
Actual income tax return for 2006-07	2,037
Capital gains on land sold adjustment against retained earnings	3,380
Capital gains on land sold adjustment against income tax expense	3,668
	9,085
Deferred tax asset adjustment comprises:	
Actual income tax return for 2006-07	1,459
Recognition of temporary differences attributable to buildings	1,611
	3,070

31. Events occurring after balance date

No events have occurred since balance date which are expected to have a material impact upon the financial position and performance of the Property Services Group.