

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2001

### **Sale of Australian Airlines**

The Commonwealth has indemnified Board Members and officials of Australian Airlines Ltd against false or misleading information provided by the Commonwealth relating to the airline's operation resulting in litigation from prospective purchasers. The indemnity is open-ended and was issued on 28 May 1991.

The Commonwealth has indemnified employees of Australian Airlines Ltd against any civil action arising out of the disclosure of information. The indemnity is open-ended and was issued on 19 November 1991.

The Commonwealth has indemnified CS First Boston Australia Ltd against loss caused in proper performance of services. The indemnity is open-ended and was issued on 16 May 1991.

### **Australian Law Reform Commission (ALRC) employees**

Notice of potential claims under the Commonwealth Funds Management (CFM) share sale agreement has been received from the Commonwealth Bank in relation to an action brought against CFM (among others) as successor to the former Superannuation Fund Investment Trust by certain employees of the Australian Law Reform Commission in respect of their superannuation entitlements. The Commonwealth has exercised its right to take over the defence of the action. The financial effect of this claim cannot be quantified at this stage.

### **Davis Samuel Case**

The Department is subject to a counter claim in relation to legal action before the Courts. This matter is subject to sufficient uncertainty that it is not possible to quantify the amount, if any, of the liability. The Department is defending this case and believes no liability will arise.

### **Commonwealth shareholding in the Australian Submarine Corporation Pty Ltd**

An indemnity was issued to Barry AC Hilson and BACH Pty Ltd in relation to liabilities arising from assistance provided to the Commonwealth during the conduct of a review of the Commonwealth's shareholding in the Australian Submarine Corporation Pty Ltd. This indemnity is ongoing.

## NOTE 34

### POST BALANCE DATE EVENTS

Pursuant to the settlement of the DASFLEET tied contract (refer note 6(a)), future leases of motor vehicles will be treated as operating leases.