

PORTFOLIO ADDITIONAL
ESTIMATES STATEMENTS

2002-03

TREASURY PORTFOLIO

© Commonwealth of Australia 2002

ISBN 0 642 74179 4

This work is copyright. Apart from any use as permitted under the *Copyright Act 1968*, no part may be reproduced by any process without prior written permission from the Commonwealth available from the Department of Communications, Information Technology and the Arts. Requests and inquiries concerning reproduction and rights should be addressed to:

The Commonwealth Copyright Administration
Intellectual Property Branch
Department of Communications, Information Technology and the Arts
GPO Box 2154
CANBERRA ACT 2601

Or posted at:

<http://www.dcita.gov.au/cca>

Printed by CanPrint Communications Pty Limited



TREASURER

PARLIAMENT HOUSE
CANBERRA 2600

President of the Senate
Australian Senate
Parliament House
CANBERRA ACT 2600

Speaker
House of Representatives
Parliament House
CANBERRA ACT 2600

Dear Mr President
Dear Mr Speaker

I hereby submit Portfolio Additional Estimates Statements in support of the 2002-03 Additional Estimates for the Treasury Portfolio.

These statements have been developed, and are submitted to the Parliament, as a statement on the funding requirements being sought for the portfolio.

I present these statements by virtue of my ministerial responsibility for accountability to the Parliament and, through it, the public.

Yours sincerely

A handwritten signature in black ink that reads 'P Costello'. The signature is written in a cursive style with a large, stylized 'P'.

Peter Costello

Table of Contents

PART A: USER GUIDE

Introduction.....	ix
Structure of the Portfolio Additional Estimates Statements.....	ix
Styles and conventions used.....	x
Enquiries.....	x

PART B: PORTFOLIO OVERVIEW

Portfolio Overview.....	3
-------------------------	---

PART C: AGENCY ADDITIONAL ESTIMATES STATEMENTS

Department of the Treasury.....	9
Australian Bureau of Statistics.....	35
Australian Competition and Consumer Commission.....	49
Australian Office of Financial Management.....	69
Australian Securities and Investments Commission.....	89
Australian Taxation Office.....	107

GLOSSARY	127
-----------------------	-----

INDEX	131
--------------------	-----

PART A

User Guide

User Guide

INTRODUCTION

The purpose of the Treasury Portfolio Additional Estimates Statements (PAES), like that of the Portfolio Budget Statements, is to inform Senators and Members of Parliament of the proposed allocation of resources to Government outcomes by agencies within the portfolio. They also facilitate understanding of the proposed appropriations in Appropriation Bills (Nos 3 and 4) 2002-03.

STRUCTURE OF THE PORTFOLIO ADDITIONAL ESTIMATES STATEMENTS

The PAES are presented in three parts with subsections.

Part A: User guide

Provides an introduction explaining the purpose of the PAES as well as information in relation to the styles and conventions used.

Part B: Portfolio overview

Provides an overview of the portfolio. The structure of the portfolio outcomes is depicted in a chart that outlines the structure of the outcomes to which the portfolio contributes.

Part C: Agency additional estimates statements

For each agency within the portfolio that has an impact on Additional Estimates a statement is presented under the name of the agency.

Section 1: Overview, variations and measures

This section details the link between the resources appropriated and their application to the outputs, which contribute, to the achievement of outcomes and the impact of any post Budget measures.

Section 2: Revisions to outcomes and outputs

This section details changes to planned Government outcomes and the contributing administered items and agency outputs.

Section 3: Budgeted financial statements

This section contains the four budgeted financial statements in accrual format covering budget year, previous year and the three outyears for each agency.

Appendices 1 and 2

This section is presented for those agencies that have changes to its departmental and administered revenue which are a direct result of additional estimates, or changes to its estimates of expenses from Special Appropriations.

A glossary is provided at the end of the document.

STYLES AND CONVENTIONS USED

(a) The following notations may be used:

- nil

na not applicable (unless otherwise specified)

\$m \$ million

(b) Figures in tables and in the text may be rounded. Discrepancies in tables between totals and sums of components are due to rounding.

ENQUIRIES

Should you have any enquiries regarding this publication please contact Mr Tony Murcutt, Manager, Budget Accounting in the Department of the Treasury on (02) 6263 2111.

A copy of this document can be located on the Budget website at: <http://www.budget.gov.au>

PART B

Portfolio Overview

PORTFOLIO OVERVIEW

The Treasury portfolio undertakes a range of activities aimed at achieving strong sustainable economic growth and the improved wellbeing of Australians. This entails the provision of policy advice to portfolio Ministers which seeks to promote a sound macroeconomic environment; effective government spending and taxation arrangements; and well functioning markets. It also entails the effective implementation and administration of policies that fall within the portfolio Ministers' responsibilities.

The **Department of the Treasury** produces outputs directed at the achievement of the foregoing outcomes under four output groups – Macroeconomic, Fiscal, Revenue and Markets.

Macroeconomic group outputs include: domestic economic policy advice and forecasting; and international economic policy advice and assessment.

Fiscal group outputs include: budget policy advice and coordination; Commonwealth-State financial policy advice; and industry, environment and social policy advice.

Revenue group output is: taxation and income support policy advice.

Markets group outputs include: foreign investment policy advice and administration; financial system and corporate governance policy advice; competition and consumer policy advice; and actuarial services. In addition, the Royal Australian Mint is responsible for producing Australia's circulating coin and like products.

The **Australian Bureau of Statistics (ABS)** is Australia's official statistical agency. Outputs are directed at informed decision making, research and discussion within governments and the community, based on the provision of a high quality, objective and responsive national statistical service. Its outputs principally relate to the production of economic, population and social statistics.

The **Australian Competition and Consumer Commission (ACCC)** outputs are directed at enhanced social and economic welfare of the Australian community by fostering competitive, efficient, fair and informed Australian markets. Outputs are: compliance with competition, fair trading and consumer protection laws and appropriate remedies when the law is not followed; and competitive market structures and informed behaviour.

The **Australian Office of Financial Management (AOFM)** is responsible for the management of the Commonwealth's net debt portfolio. Its output – debt management – is directed at ensuring that the Commonwealth net debt portfolio is managed at least cost subject to the Government's policies and risk references.

The **Australian Prudential Regulation Authority (APRA)** is the financial supervisor responsible for prudentially regulating the banking, other deposit-taking, insurance and superannuation industries. Outputs aim at enhanced public confidence in Australia's financial institutions through a framework of prudential regulation which balances financial safety and efficiency, competition, contestability and competitive neutrality.

The **Australian Securities and Investments Commission (ASIC)** is the independent government body that enforces and administers the Corporations Law and Consumer Protection Law for investments, life and general insurance, superannuation and banking (except lending). Its outputs aim at a fair and efficient financial market characterised by integrity and transparency and supporting confident and informed participation of investors and consumers. Outputs include: policy and guidance about the laws administered by ASIC; comprehensive and accurate information on companies and corporate activity; compliance, monitoring and licensing of participants in the financial system to protect consumer interests and ensure market integrity; and enforcement activity to give effect to the laws administered by ASIC.

The **Australian Taxation Office (ATO)** outputs are directed at effectively managed and shaped systems that support and fund services for Australians and give effect to social and economic policy through the tax, superannuation, excise and other related systems. Outputs include: shape, design and build administrative systems; management of revenue collection and transfers; compliance assurance and support – revenue collection; compliance assurance and support for transfers and regulation of superannuation funds compliance with retirement income standards; and services to governments and agencies.

The **Corporations and Markets Advisory Committee (CAMAC)** outputs are directed at confident and informed participation of investors and consumers in the financial system. Outputs include: recommendations to the responsible Minister on the Corporations Law; and the annual report, discussion papers and reports of the Committee.

The **National Competition Council (NCC)** is an independent advisory body for all Australian governments involved in implementing the National Competition Policy. Its outputs are aimed at the achievement of effective and fair competition reforms and better use of Australia's infrastructure for the benefit of the community. Outputs include: advice provided to governments on competition policy and infrastructure access issues; and clear, accessible public information on competition policy.

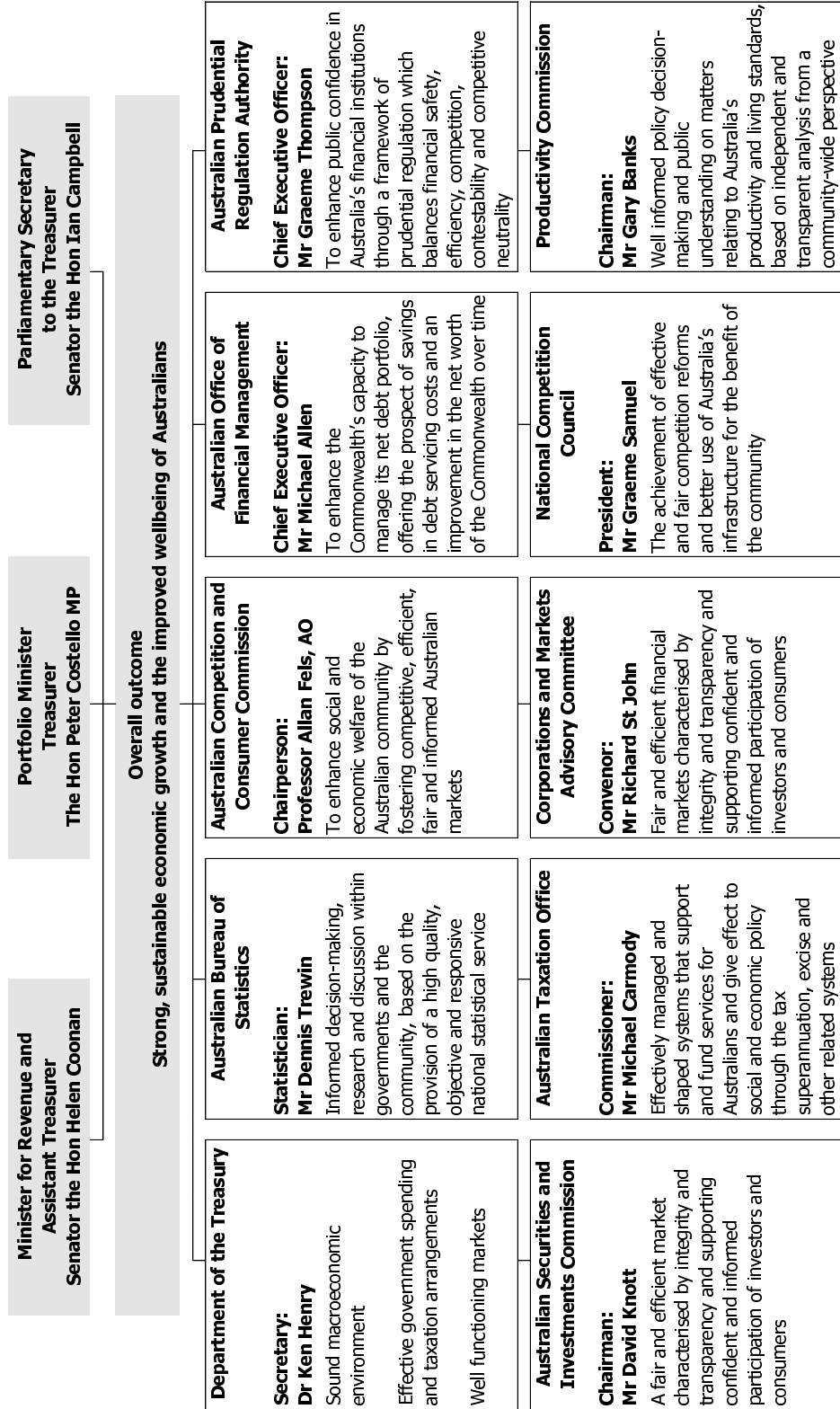
The **Productivity Commission (PC)** contributes to well informed policy decision-making and public understanding on matters relating to Australia's productivity and living standards, based on independent and transparent analysis from a community-wide perspective. Outputs include or relate to: government commissioned projects; performance reporting and other services to government bodies; regulation review activities; competitive neutrality complaints activities; and supporting research and activities and statutory annual reporting.

Additional estimates and variations — portfolio level

Additional estimates are being sought for the Department of the Treasury, the Australian Bureau of Statistics, the Australian Competition and Consumer Commission, the Australian Office of Financial Management, the Australian Securities and Investments Commission and the Australian Taxation Office. Explanations of variations for these agencies are detailed in their respective sections in the PAES.

There are no additional estimates variations for the Australian Prudential Regulation Authority, the Corporations and Markets Advisory Committee, the National Competition Council and the Productivity Commission.

Map 1: Structure of outcomes for the portfolio



PART C

Agency Additional Estimates Statements

	Page
Department of the Treasury	9
Australian Bureau of Statistics.....	35
Australian Competition and Consumer Commission.....	49
Australian Office of Financial Management.....	69
Australian Securities and Investments Commission.....	89
Australian Taxation Office	107

DEPARTMENT OF THE TREASURY

Section 1: Overview, variations and measures

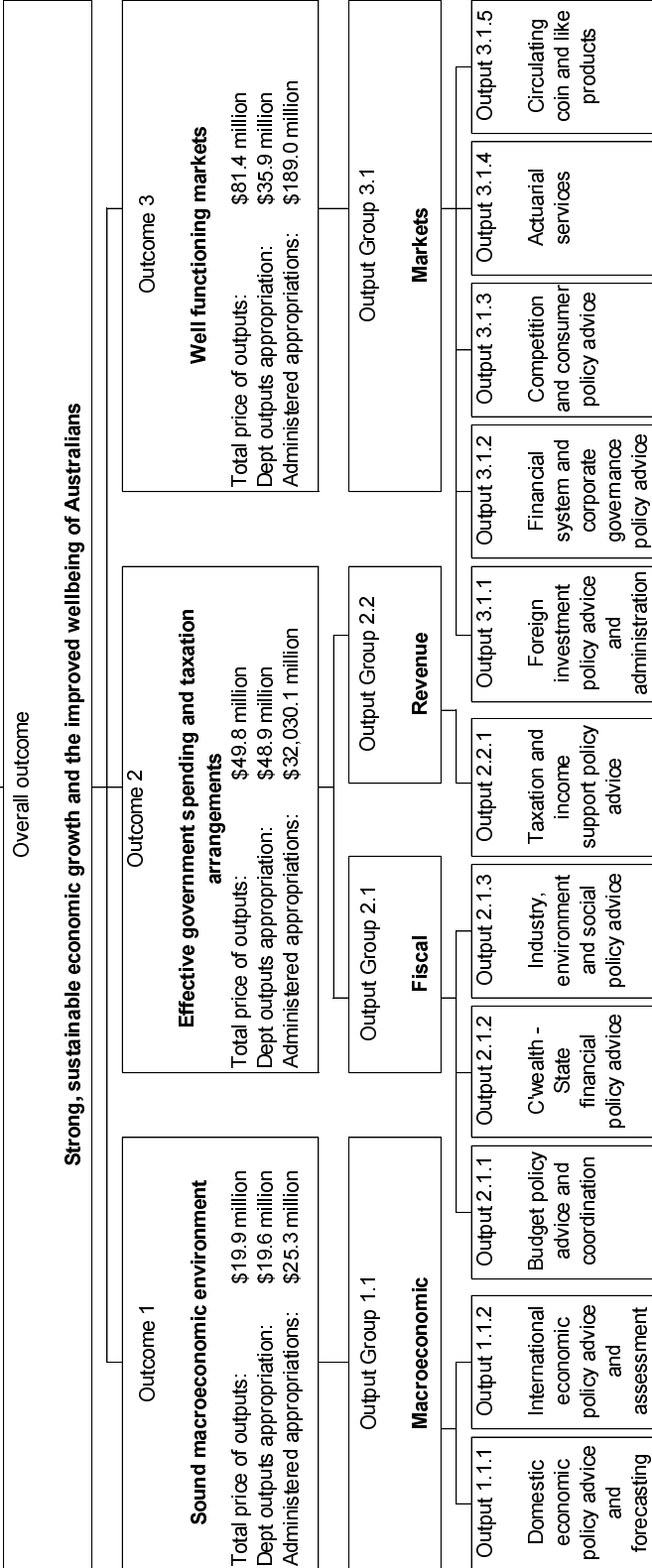
OVERVIEW

There has been no change to the overview included in the *2002-03 Portfolio Budget Statements* (page 9).

Map 2: Outcomes and output groups

Department of the Treasury
Secretary: Dr Ken Henry

Total price of outputs: \$151.1 million
 Departmental outcomes appropriation: \$104.4 million
 Total administered appropriations: \$32,244.4 million



ADDITIONAL ESTIMATES AND VARIATIONS TO OUTCOMES

The Department of the Treasury is seeking \$5.677 million in departmental outputs for the Principles Based Review of the Law of Negligence (\$0.4 million), the Review of competition provisions of the Trade Practices Act (\$0.65 million), initial establishment costs for temporary terrorism risk insurance cover (\$2 million), revised parameters (\$0.096 million), and Capital Use Charge (CUC) (\$2.531 million) in Appropriation Bill (No. 3) 2002-03.

The Department of the Treasury is also seeking \$29.998 million in administered expenses for the additional \$7,000 First Home Owners Scheme in Appropriation Bill (No. 4) 2002-03.

Explanations for these and other variations are detailed below.

Measures

Outcome 2 — Effective government spending and taxation arrangements

	2002-03	2003-04	2004-05	2005-06
	\$'000	\$'000	\$'000	\$'000
Outcome 2				
Variation in Budget Balancing Assistance - application of GST to Compulsory Third Party insurance	14,100	9,200	2,600	3,000
Variation in Budget Balancing Assistance - Government response to the Report of the Inquiry into the Definition of Charities and Related Organisations	-	-	700	800

Note: These variations are funded through Special Appropriations.

Variation in Budget Balancing Assistance — application of GST to Compulsory Third Party insurance

The Government will amend the GST law to ensure that the original policy intent, in respect of Compulsory Third Party (CTP) insurance, is met by:

- ensuring that GST registered taxpayers are able to claim input tax credits on CTP insurance policies that commence on or after 1 July 2003, including those paid before 1 July 2003;
- allowing CTP insurers, making payments under a settlement sharing arrangement, the ability to claim a decreasing adjustment on payment of settlement amounts; and
- allowing CTP insurers operating no-fault and nominal defendant schemes access to a decreasing adjustment on payment of settlement amounts to people injured as a result of a motor vehicle accident.

Variation in Budget Balancing Assistance — Government response to the Report of the Inquiry into the Definition of Charities and Related Organisations

On 29 August 2002, the Government announced its response to the Report of the Inquiry into the Definition of Charities and Related Organisations. As part of that response, the Government has decided to enact a definition of a charity for the purpose of administration of Commonwealth laws, expected to take effect from 1 July 2004.

The administration of the reforms is estimated to cost \$4.4 million in 2002-03 and \$1.3 million ongoing for the administration of the reforms. These costs will be absorbed within the existing resources of the Australian Taxation Office. This measure is estimated to have a small impact on GST revenue.

Outcome 3 — Well functioning markets

	2002-03 \$'000	2003-04 \$'000	2004-05 \$'000	2005-06 \$'000
Outcome 3				
Additional funding for the Review of the <i>Trade Practices Act 1974</i>	650	-	-	-
Funding for Principles Based Review of the Law of Negligence	400	-	-	-
Terrorism insurance - commercial cover	2,000	-	-	-

Additional funding for the Review of the *Trade Practices Act 1974*

The Government will provide additional funding to cover costs relating to the Review of the *Trade Practices Act 1974*. The Review is undertaking a comprehensive investigation of the competition provisions (Part IV) of the *Trade Practices Act 1974*, and their administration. This measure is an extension of the funding of \$0.6 million provided for the Review in the 2002-03 Budget.

Funding for Principles Based Review of the Law of Negligence

The Government has provided funding of \$0.4 million to meet the costs of the Principles Based Review of the Law of Negligence. The Review was jointly established by the Commonwealth, State and Territory governments to provide a platform for governments to reform the law of negligence relating to personal injury or death. The Review was completed on 30 September 2002.

Terrorism insurance — commercial cover

The Government has announced a scheme for temporary terrorism risk insurance cover until market coverage resumes. The scheme will commence on 1 July 2003 and will be managed by the statutory authority to be established for that purpose. The costs to the authority will be met by the scheme once it has commenced operation. Funding will be provided to the Department of the Treasury in 2002-03 to meet up to \$2 million in establishment costs prior to that date. Establishment costs are expected to include legal and other specialist advice, as well as possibly some preliminary staffing and Board costs.

Further details may be found in the Treasurer's Press Release No.064 of 25 October 2002.

Other variations to appropriations

Departmental

Treasury is seeking an additional \$0.096 million in departmental outputs as a result of revised parameters. This, along with a reallocation of corporate cost distribution, has an impact on Treasury's three outcomes.

A CUC of eleven per cent is imposed by the Government on net departmental assets. Treasury is seeking the adjusted CUC for 2001-02 of \$1.281 million and \$1.25 million for 2002-03.

Administered

Treasury is seeking an additional \$29.998 million for the Additional First Home Owners Scheme (FHOS). The Government agreed to fund all expenditure on the additional FHOS incurred by the States and Territories as a result of the Government's decision to increase the FHOS grant from \$7,000 to \$14,000 for eligible first home owners contracting between 9 March 2001 and 31 December 2001 to buy or build new homes. This was originally estimated to cost \$30.002 million in 2002-03.

As a result of greater than anticipated demand for the programme and the Government's decision to extend the additional grant to contracts made between 1 January 2002 and 30 June 2002 (at a reduced rate of \$3,000), additional funds of \$29.998 million are required under Appropriation Bill (No. 4) 2002-03.

MEASURES: AGENCY SUMMARY

Table 1.1: Summary of measures since the 2002-03 Budget

Measure	Outcome	Output Groups affected	2002-03 appropriations budget \$'000			2003-04 appropriations forward estimate \$'000			2004-05 appropriations forward estimate \$'000			2005-06 appropriations forward estimate \$'000		
			Admin items	Dept outputs	Total	Admin items	Dept outputs	Total	Admin items	Dept outputs	Total	Admin items	Dept outputs	Total
Variation in Budget														
Balancing Assistance - application of GST to Compulsory Third Party insurance	2	2.1	14,100	-	14,100	9,200	-	9,200	2,600	-	2,600	3,000	-	3,000
Variation in Budget														
Balancing Assistance - Government response to the Report of the Inquiry into the Definition of Charities and Related Organisations	2	2.1	-	-	-	-	-	-	700	-	700	800	-	800

Note: These variations are funded through Special Appropriations.

Table 1.1: Summary of measures since the 2002-03 Budget (continued)

Measure	Outcome	Output Groups affected	2002-03 appropriations budget \$'000		2003-04 appropriations forward estimate \$'000		2004-05 appropriations forward estimate \$'000		2005-06 appropriations forward estimate \$'000	
			Admin items	Dept outputs	Total	Admin items	Dept outputs	Total	Admin items	Dept outputs
Additional funding for the Review of the <i>Trade Practices Act 1974</i>	3	3.1	-	650	650	-	-	-	-	-
Funding for Principles Based Review of the Law of Negligence	3	3.1	-	400	400	-	-	-	-	-
Terrorism insurance - commercial cover	3	3.1	-	2,000	2,000	-	-	-	-	-

BREAKDOWN OF ADDITIONAL ESTIMATES BY APPROPRIATION BILL

Table 1.2: Appropriation Bill (No. 3) 2002-03

	2001-02 available \$'000	2002-03 budget \$'000	2002-03 revised \$'000	Additional estimates \$'000	Reduced estimates \$'000
ADMINISTERED ITEMS					
Outcome 3					
Well functioning markets	12,000	11,000	11,000	-	-
Total	12,000	11,000	11,000	-	-
DEPARTMENTAL OUTPUTS					
Outcome 1					
Sound macroeconomic environment	20,310	18,928	19,612	684	-
Outcome 2					
Effective government spending and taxation arrangements	31,616	49,791	48,924	(867)	-
Outcome 3					
Well functioning markets	35,483	30,065	35,925	5,860	-
Total	87,409	98,784	104,461	5,677	-
Total administered and departmental	99,409	109,784	115,461	5,677	-

Note: Variations of additional estimates between outcomes are a result of internal reallocations.

Table 1.3: Appropriation Bill (No. 4) 2002-03

	2001-02 available \$'000	2002-03 budget \$'000	2002-03 revised \$'000	Additional estimates \$'000	Reduced estimates \$'000
SPECIFIC PAYMENTS TO THE STATES AND TERRITORIES					
Outcome 2					
Effective government spending and taxation arrangements	351,658	44,702	74,700	29,998	-
Outcome 3					
Well functioning markets	147,622	153,084	153,084	-	-
Total	499,280	197,786	227,784	29,998	-
Equity injections and loans					
Administered capital	9,661	7,330	7,330	-	-
Total	508,941	205,116	235,114	29,998	-

SUMMARY OF STAFFING CHANGES

Table 1.4: Average staffing level (ASL)

	2002-03 budget	2002-03 revised	variation
Outcome 1			
Sound macroeconomic environment	126	119	(7)
Outcome 2			
Effective government spending and taxation arrangements	369	368	(1)
Outcome 3			
Well functioning markets	300	330	30
Total	795	817	22

VARIATIONS TO REVENUE FROM OTHER SOURCES THROUGH NET ANNOTATED (SECTION 31) RECEIPTS

Table 1.5: Changes to net annotated appropriations (Section 31) receipts

	2002-03 total approp budget \$'000	2002-03 total approp revised \$'000	Receipts from independent sources budget \$'000	Receipts from independent sources revised \$'000	Variation in non-govt revenue \$'000
Outcome 1					
Sound macroeconomic environment	18,928	19,612	431	354	(77)
Outcome 2					
Effective government spending and taxation arrangements	49,791	48,924	971	941	(30)
Outcome 3					
Well functioning markets	30,065	35,925	45,522	45,407	(115)
Total	98,784	104,461	46,924	46,702	(222)

Note: Variations of non-government revenue between outcomes are a result of revised estimates and internal reallocations.

Section 2: Revisions to outcomes and outputs

OUTCOMES AND OUTPUT GROUPS

There has been no change to Treasury's outcomes since the *2002-03 Portfolio Budget Statements*, however there have been changes to Treasury's outputs and output groups.

Treasury implemented a new output structure from 1 July 2002 to reflect a better alignment of its capabilities with the Government's strategic policy objects. As a result of these changes Treasury now has four output groups (previously three) and some minor name and function changes to reflect the rearrangement.

A map detailing the changes is shown on the following page.

Revised performance information and level of achievement — 2002-03

The variation in funding for Treasury's three outcomes will not effect the performance information since the *2002-03 Portfolio Budget Statements* (pages 18, 24 and 30).

Map 3: Outcomes and output groups

	Structure as per the <i>2002-03 Portfolio Budget Statements</i>	New structure
Outcome 1 Output Group 1.1 Output 1.1.1 Output 1.1.2	Sound macroeconomic environment Economic Domestic economic policy advice and forecasting International economic policy advice and assessment	Sound macroeconomic environment Macroeconomic Domestic economic policy advice and forecasting International economic policy advice and assessment
Outcome 2 Output Group 2.1 Output 2.1.1 Output 2.1.2 Output 2.1.3 Output 2.1.4	Effective government spending and taxation arrangements Budget Budget policy advice and coordination Commonwealth-State financial policy advice Industry policy advice Taxation and income support policy advice	Effective government spending and taxation arrangements Fiscal Budget policy advice and coordination Commonwealth-State financial policy advice Industry, environment and social policy advice
Output Group 2.2 Output 2.2.1		Revenue Taxation and income support policy advice
Outcome 3 Output Group 3.1 Output 3.1.1 Output 3.1.2 Output 3.1.3 Output 3.1.4 Output 3.1.5	Well functioning markets Markets Foreign investment policy advice and administration Financial system and markets policy advice Business and consumer policy advice Actuarial services Circulating coin and like products	Well functioning markets Markets Foreign investment policy advice and administration Financial system and corporate governance policy advice Competition and consumer policy advice Actuarial services Circulating coin and like products

Section 3: Budgeted Financial Statements

Budgeted departmental statement of financial performance

This statement provides a picture of the expected financial results for the Department of the Treasury by identifying full accrual expenses, revenues and Capital Use Charge, which highlights whether the Department is operating at a sustainable level.

Budgeted departmental statement of financial position

This statement shows the financial position of the Department of the Treasury. It enables decision makers to track the management of assets and liabilities.

Budgeted departmental statement of cash flows

Budgeted cash flows, as reflected in the statement of cash flows, provide important information on the extent and nature of cash flows by categorising them into expected cash flows from operating activities, investing activities and financing activities.

Departmental capital budget statement

Shows all planned departmental capital expenditure (capital expenditure on non-financial assets), whether funded either through capital appropriations for additional equity or borrowings, or from funds from internal sources.

Departmental non financial assets — summary of movement

Shows budgeted acquisitions and disposals of non-financial assets during the Budget year.

NOTES OF ADMINISTERED ACTIVITY

Details of transactions administered by the Department of the Treasury on behalf of the Commonwealth are shown in the following notes.

Note of budgeted administered financial performance

This note identifies revenues and expenses administered on behalf of the Government. It also discloses administered revenues from government and transfers to the Public Account.

Note of budgeted administered financial position

This note shows the assets and liabilities administered on behalf of the Government.

Note of budgeted administered cash flows

This note shows cash flows administered on behalf of the Government.

Note of administered capital budget

This note shows details of planned administered capital expenditure.

**Table 3.1: Budgeted departmental statement of financial performance
(for the period ended 30 June)**

	2001-02 actual \$'000	2002-03 revised budget \$'000	2003-04 forward estimate \$'000	2004-05 forward estimate \$'000	2005-06 forward estimate \$'000
Revenues from ordinary activities					
Revenue from government	87,409	104,461	99,962	99,250	102,057
Sales of goods and services	67,696	45,843	47,672	48,909	48,909
Interest and dividends	1,495	508	730	730	730
Proceeds from sales of assets	8	46	47	47	47
Net foreign exchange gains	-	-	-	-	-
Other	677	305	316	316	316
Total revenues from ordinary activities	157,285	151,163	148,727	149,252	152,059
Expenses from ordinary activities (excluding borrowing costs expense)					
Employees	51,726	62,217	63,432	62,265	64,004
Suppliers	85,175	82,285	80,979	82,028	83,096
Grants	-	-	-	-	-
Depreciation and amortisation	3,968	3,230	3,416	4,059	4,059
Write-down of assets	2,191	-	-	-	-
Value of assets sold	-	-	-	-	-
Net foreign exchange losses	-	-	-	-	-
Other	2,005	-	-	-	-
Total expenses from ordinary activities (excluding borrowing costs expense)	145,065	147,732	147,827	148,352	151,159
Borrowing costs expense	749	-	-	-	-
Net surplus or deficit from ordinary activities	11,471	3,431	900	900	900
Gain or loss on extraordinary items	-	-	-	-	-
Income tax expenses	(603)	(450)	(450)	(450)	(450)
Net decrease in asset revaluation reserve	(96)	-	-	-	-
Net surplus or deficit	10,772	2,981	450	450	450
Capital Use Charge	1,681	4,954	2,183	1,966	1,772
Net surplus or deficit after Capital Use Charge	9,091	(1,973)	(1,733)	(1,516)	(1,322)

**Table 3.2: Budget departmental statement of financial position
(as at 30 June)**

	2001-02 actual \$'000	2002-03 revised budget \$'000	2003-04 forward estimate \$'000	2004-05 forward estimate \$'000	2005-06 forward estimate \$'000
ASSETS					
Financial assets					
Cash	10,432	10,187	9,230	8,334	8,334
Receivables	2,310	2,640	2,947	4,534	4,634
Investments	8,000	8,000	8,000	8,000	8,000
Accrued revenues	-	67	67	67	67
Other	-	-	-	-	-
Total financial assets	20,742	20,894	20,244	20,935	21,035
Non-financial assets					
Land and buildings	-	-	-	-	-
Infrastructure, plant and equipment	17,217	16,100	16,226	15,652	15,652
Inventories	17,222	18,386	17,986	17,986	17,986
Intangibles	2,436	2,323	2,281	2,296	2,296
Other	6,852	6,060	6,024	5,989	5,989
Total non-financial assets	43,727	42,869	42,517	41,923	41,923
Total assets	64,469	63,763	62,761	62,858	62,958
LIABILITIES					
Debt					
Loans	-	-	-	-	-
Leases	736	1,098	671	244	244
Deposits	-	-	-	-	-
Overdrafts	-	-	-	-	-
Other	-	-	-	-	-
Total debt	736	1,098	671	244	244
Provisions and payables					
Employees	17,020	17,675	18,776	19,860	19,960
Suppliers	5,655	8,374	10,766	13,784	15,556
Grants	-	-	-	-	-
Other	7,004	5,693	5,418	5,416	5,416
Total provisions and payables	29,679	31,742	34,960	39,060	40,932
Total liabilities	30,415	32,840	35,631	39,304	41,176
EQUITY					
Capital	4,076	4,076	4,076	4,076	4,076
Reserves	3,618	3,618	3,618	3,618	3,618
Accumulated surpluses or deficits	26,360	23,229	19,436	15,860	14,088
Total equity	34,054	30,923	27,130	23,554	21,782
Current liabilities	20,689	22,331	24,229	26,727	28,000
Non-current liabilities	9,726	10,509	11,402	12,577	13,176
Current assets	44,816	44,315	43,619	43,686	43,756
Non-current assets	19,653	19,448	19,142	19,172	19,202

**Table 3.3: Budgeted departmental statement of cash flows
(for the period ended 30 June)**

	2001-02 actual \$'000	2002-03 revised budget \$'000	2003-04 forward estimate \$'000	2004-05 forward estimate \$'000	2005-06 forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations for outputs	87,409	104,461	99,962	99,250	102,057
Sales of goods and services	72,250	46,098	47,927	49,164	49,164
Interest	1,421	180	180	180	180
Other	2,665	646	658	658	658
Total cash received	163,745	151,385	148,727	149,252	152,059
Cash used					
Employees	51,143	61,056	62,257	61,868	63,490
Suppliers	98,985	83,064	81,189	82,259	82,183
Interest	749	-	-	-	-
Other	-	-	-	-	-
Total cash used	150,877	144,120	143,446	144,127	145,673
Net cash from operating activities	12,868	7,265	5,281	5,125	6,386
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of property, plant and equipment	42	46	47	47	47
Investment activities	5,000	-	-	-	-
Other	620	-	-	-	-
Total cash received	5,662	46	47	47	47
Cash used					
Purchases of property, plant and equipment	3,489	2,000	3,500	3,500	4,059
Total cash used	3,489	2,000	3,500	3,500	4,059
Net cash from investing activities	2,173	(1,954)	(3,453)	(3,453)	(4,012)
FINANCING ACTIVITIES					
Cash received					
Other	3,303	-	-	-	-
Total cash received	3,303	-	-	-	-
Cash used					
Repayments of debt	10,895	-	-	-	-
Capital use and dividends paid	1,681	4,954	2,183	1,966	1,772
Other	159	-	-	-	-
Total cash used	12,735	4,954	2,183	1,966	1,772
Net cash from financing activities	(9,432)	(4,954)	(2,183)	(1,966)	(1,772)
Net increase (decrease) in cash held	5,609	357	(355)	(294)	602
Cash at the beginning of the reporting period	4,823	10,432	10,789	10,434	10,140
Cash at the end of the reporting period	10,432	10,789	10,434	10,140	10,742

Table 3.4: Departmental capital budget statement

	2001-02 actual \$'000	2002-03 revised budget \$'000	2003-04 forward estimate \$'000	2004-05 forward estimate \$'000	2005-06 forward estimate \$'000
PURCHASE OF NON-CURRENT ASSETS					
Funded internally by departmental resources	3,489	2,000	3,500	3,500	4,059
Total	3,489	2,000	3,500	3,500	4,059

Table 3.5: Departmental non-financial assets — summary of movement (Budget year 2002-03)

	Land \$'000	Buildings \$'000	Total land and buildings \$'000	Specialist military equipment \$'000	Other infrastructure plant and equipment \$'000	Total infrastructure plant and equipment \$'000	Intangibles \$'000	Total \$'000
Carrying amount at the start of year	-	-	-	-	17,217	17,217	2,436	19,653
Additions	-	-	-	-	1,667	1,667	333	2,000
Disposals	-	-	-	-	-	-	-	-
Revaluation increments	-	-	-	-	-	-	-	-
Recoverable amount write-downs	-	-	-	-	-	-	-	-
Net transfers free of charge	-	-	-	-	-	-	-	-
Depreciation/amortisation expense	-	-	-	-	(2,784)	(2,784)	(446)	(3,230)
Write-off of assets	-	-	-	-	-	-	-	-
Carrying amount at the end of year	-	-	-	-	16,100	16,100	2,323	18,423
Total additions	-	-	-	-	1,667	1,667	333	2,000
Self funded	-	-	-	-	-	-	-	-
Appropriations	-	-	-	-	1,667	1,667	333	2,000
Total	-	-	-	-	1,667	1,667	333	2,000

**Table 3.6: Note of budgeted administered financial performance
(for the period ended 30 June)**

	2001-02 actual \$'000	2002-03 revised budget \$'000	2003-04 forward estimate \$'000	2004-05 forward estimate \$'000	2005-06 forward estimate \$'000
REVENUES					
Taxation					
Goods and services tax	-	(29,940,000)	(31,230,000)	(32,920,000)	(34,710,000)
Other taxes, fees and fines	-	-	-	-	-
Total taxation	-	(29,940,000)	(31,230,000)	(32,920,000)	(34,710,000)
Non-taxation					
Revenue from government	28,778,795	32,244,462	33,007,011	34,458,638	36,456,607
Sales of goods and services	473,133	562,955	570,900	582,300	595,000
Interest and dividends	2,847,381	1,811,868	1,607,991	1,603,637	1,600,479
Net foreign exchange gains	-	-	-	-	-
Other sources of non-taxation revenues	287,929	150,579	162,368	164,751	163,365
Total non-taxation	32,387,238	34,769,864	35,348,270	36,809,326	38,815,451
Total revenues administered on behalf of government	32,387,238	4,829,864	4,118,270	3,889,326	4,105,451
EXPENSES					
Grants	32,469,203	2,553,189	1,951,471	1,714,168	1,923,137
Net foreign exchange movements	9,417	46,216	-	-	-
Net write-down of assets	-	(100,000)	(100,000)	(100,000)	(100,000)
Other	11,868	61,273	35,540	34,470	33,470
Borrowing costs	28,401	-	-	-	-
Total expenses administered on behalf of government	32,518,889	2,560,678	1,887,011	1,648,638	1,856,607

**Table 3.7: Note of budgeted administered financial position
(as at 30 June)**

	2001-02 actual \$'000	2002-03 revised budget \$'000	2003-04 forward estimate \$'000	2004-05 forward estimate \$'000	2005-06 forward estimate \$'000
ASSETS					
Financial assets					
Cash	8,041	8,041	8,041	8,041	8,041
Receivables	206,868	(524,889)	(791,457)	(1,020,395)	(1,184,844)
Investments	16,314,239	16,528,931	16,528,931	16,528,931	16,528,931
Other	-	900	1,000	1,000	1,000
Total financial assets	16,529,148	16,012,983	15,746,515	15,517,577	15,353,128
Non-financial assets					
Other	2,129	817	327	110	31
Total non-financial assets	2,129	817	327	110	31
Total assets administered on behalf of government	16,531,277	16,013,800	15,746,842	15,517,687	15,353,159
LIABILITIES					
Interest bearing liabilities					
Loans	4,941,937	4,689,700	4,685,044	4,680,389	4,678,117
Other	1,100,175	1,131,390	1,131,390	1,131,390	1,131,390
Total interest bearing liabilities	6,042,112	5,821,090	5,816,434	5,811,779	5,809,507
Provisions and payables					
Grants	1,014,650	376,050	281,814	225,171	183,749
Other	(277,206)	(300,476)	(312,845)	(321,447)	(323,871)
Total provisions and payables	737,444	75,574	(31,031)	(96,276)	(140,122)
Total liabilities administered on behalf of government	6,779,556	5,896,664	5,785,403	5,715,503	5,669,385
Current liabilities	28,103	27,746	20,815	15,965	11,556
Non-current liabilities	6,751,453	5,868,918	5,764,588	5,699,538	5,657,829
Current assets	(165,313)	(167,495)	(256,762)	(333,456)	(388,547)
Non-current assets	16,696,590	16,181,295	16,003,604	15,851,143	15,741,706

**Table 3.8: Note of budgeted administered cash flows
(for the period ended 30 June)**

	2001-02 actual \$'000	2002-03 revised budget \$'000	2003-04 forward estimate \$'000	2004-05 forward estimate \$'000	2005-06 forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Cash from Official Public Account	32,459,855	32,395,489	33,098,747	34,512,781	36,495,529
Interest and dividends	2,889,441	1,825,004	1,607,991	1,603,637	1,600,479
Other	665,049	1,020,049	726,803	744,143	756,743
Total cash received	36,014,345	35,240,542	35,433,541	36,860,561	38,852,751
Cash used					
Grants	31,967,611	2,703,758	2,043,207	1,768,311	1,962,059
Cash to Official Public Account	3,548,922	2,845,053	2,334,794	2,347,780	2,357,222
Other	150,614	29,691,731	31,055,540	32,744,470	34,533,470
Total cash used	35,667,147	35,240,542	35,433,541	36,860,561	38,852,751
Net cash from operating activities	347,198	-	-	-	-
INVESTING ACTIVITIES					
Cash received					
Cash from Official Public Account	-	11,986	11,889	11,888	4,772
Total cash received	-	11,986	11,889	11,888	4,772
Cash used					
Other	342,867	11,986	11,889	11,888	4,772
Total cash used	342,867	11,986	11,889	11,888	4,772
Net cash from investing activities	(342,867)	-	-	-	-
FINANCING ACTIVITIES					
Cash received					
Other	2,339	49,246	64,051	64,051	14,804
Total cash received	2,339	49,246	64,051	64,051	14,804
Cash used					
Cash to Official Public Account	-	49,246	64,051	64,051	14,804
Return of GST appropriations to the Official Public Account	1,228	-	-	-	-
Total cash used	1,228	49,246	64,051	64,051	14,804
Net cash from financing activities	1,111	-	-	-	-
Net increase (decrease) in cash held					
Cash at beginning of reporting period	2,599	8,041	8,041	8,041	8,041
Administered cash at end of reporting period	8,041	8,041	8,041	8,041	8,041

Table 3.9: Note of administered capital budget

	2001-02 actual \$'000	2002-03 revised budget \$'000	2003-04 forward estimate \$'000	2004-05 forward estimate \$'000	2005-06 forward estimate \$'000
CAPITAL APPROPRIATIONS					
Administered capital	9,505	7,330	7,233	7,233	4,772
Special appropriations	-	632,967	96,392	58,798	38,922
Total	9,505	640,297	103,625	66,031	43,694
Represented by:					
Purchase of financial assets	-	-	-	-	-
Other items	9,505	640,297	103,625	66,031	43,694
Total	9,505	640,297	103,625	66,031	43,694

NOTES TO THE FINANCIAL STATEMENTS

Basis of accounting

The Department of the Treasury's budget statements are prepared in compliance with Australian Accounting Standards, Accounting Guidance Releases and having regard to Statements of Accounting Concepts.

Under the Commonwealth's accrual budgeting framework, and consistent with Australian Accounting Standards, transactions that agencies control (departmental transactions) are separately budgeted for and reported on from transactions agencies do not have control over (administered transactions). This ensures that agencies are only held accountable for the transactions over which they have control.

Departmental

Departmental assets, liabilities, revenues and expenses in relation to an agency are those which are controlled by the agency. Departmental expenses include employee and supplier expenses and other administrative costs that are incurred by the agency in providing its goods and services.

There are no substantial variations to the notes outlined in the *2002-03 Portfolio Budget Statements* and *The Treasury Annual Report 2001-02*.

Administered

Administered items are revenues, expenses, assets or liabilities which are managed by an agency on behalf of the Government according to set Government directions. Administered expenses include subsidies, grants, and personal benefit payments and administered revenues include taxes, fees, fines and excises.

There are no substantial variations to the notes outlined in the *2002-03 Portfolio Budget Statements* and *The Treasury Annual Report 2001-02*.

Appendices 1 and 2

Appendix 1

Departmental and administered revenue

	2002-03 budget estimate \$'000	2002-03 revised estimate \$'000
DEPARTMENTAL REVENUE		
Non-appropriation departmental revenue		
Departmental section 31 receipts	3,042	4,680
Royal Australian Mint revenue	43,882	42,022
Total non-appropriation departmental revenue	46,924	46,702
Appropriation revenue	98,784	104,461
Total departmental revenue	145,708	151,163
ADMINISTERED REVENUE		
Non-appropriation administered revenue		
<i>A New Tax System</i> <i>(Commonwealth-State Financial Arrangements) Act 1999 —</i>		
GST revenue payments	(29,690,000)	(29,940,000)
Interest and dividends	1,811,868	1,811,868
Foreign exchange gains	-	-
GST administration fees	558,600	562,955
Housing Loans Insurance Corporation — recoveries from old book stock and premiums	8,763	11,286
Other	-	(11,181)
Postal services regulation	1,000	1,000
Receipts under the <i>International Monetary Agreements Act 1947</i>	47,587	61,335
Royal Australian Mint — monies in excess of requirements	107,138	87,239
Seigniorage payments — Gold Corporation	1,300	900
Total non-appropriation administered revenue	(27,153,744)	(27,414,598)
Administered appropriation revenue	32,095,501	32,244,462
Total administered revenue	4,941,757	4,829,864
Total estimated revenue	5,087,465	4,981,027

Appendix 2**Estimates of expenses from special appropriations**

	2002-03 budget estimate \$'000	2002-03 revised estimate \$'000
ESTIMATED EXPENSES		
<i>International Monetary Agreements Act 1947</i>	123,887	71,489
<i>A New Tax System (Commonwealth-State Financial Arrangements) Act 1999</i>	2,480,998	2,225,405
<i>Superannuation Industry (Supervision) Act 1993</i>	-	25,000
Total estimated expenses	2,604,885	2,321,894

AUSTRALIAN BUREAU OF STATISTICS

Section 1: Overview, variations and measures

OVERVIEW

There has been no change to the overview included in the *2002-03 Portfolio Budget Statements* (page 49).

ADDITIONAL ESTIMATES AND VARIATIONS TO OUTCOMES

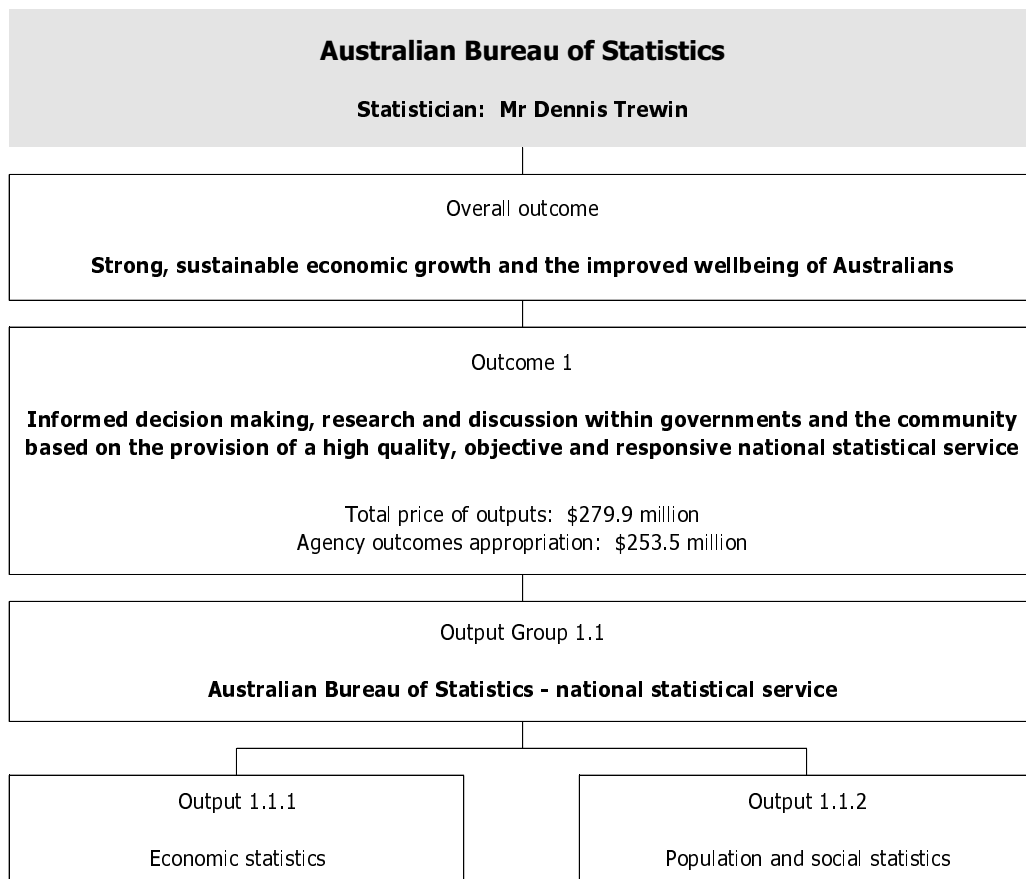
Measures

The Australian Bureau of Statistics (ABS) has no measures since the 2002-03 Budget.

Other variations to appropriations

The ABS is seeking additional price of outputs funding of \$0.397 million for coverage of increased Capital Use Charge as a result of the flow-on effects to net assets from the 2001-02 operating result, and coverage for indexation.

Map 2: Outcomes and output groups



BREAKDOWN OF ADDITIONAL ESTIMATES BY APPROPRIATION BILL**Table 1.2: Appropriation Bill (No. 3) 2002-03**

	2001-02 available \$'000	2002-03 budget \$'000	2002-03 revised \$'000	Additional estimates \$'000	Reduced estimates \$'000
AGENCY OUTPUTS					
Outcome 1					
Informed decision making, research and discussion within governments and the community based on the provision of a high quality, objective and responsive national statistical service	354,920	253,104	253,501	397	-
Total	354,920	253,104	253,501	397	-

Table 1.3: Appropriation Bill (No. 4) 2002-03

	2001-02 available \$'000	2002-03 budget \$'000	2002-03 revised \$'000	Additional estimates \$'000	Reduced estimates \$'000
Equity injections and loans					
Equity injections and loans	13,200	-	-	-	-
Carryover from previous year	-	-	-	-	-
Administered capital	-	-	-	-	-
Total	13,200	-	-	-	-

SUMMARY OF STAFFING CHANGES

Table 1.4: Average Staffing Level (ASL)

	2002-03 budget	2002-03 revised	variation
Outcome 1			
Informed decision making, research and discussion within governments and the community based on the provision of a high quality, objective and responsive national statistical service	2,944	2,944	-
Total	2,944	2,944	-

VARIATIONS TO REVENUE FROM OTHER SOURCES THROUGH NET ANNOTATED (SECTION 31) RECEIPTS

Table 1.5: Changes to net annotated appropriations (Section 31) receipts

	2002-03 total approp budget \$'000	2002-03 total approp revised \$'000	Receipts from independent sources budget \$'000	Receipts from independent sources revised \$'000	Variation in non-govt revenue \$'000
Outcome 1					
Informed decision making, research and discussion within governments and the community based on the provision of a high quality, objective and responsive national statistical service	253,104	253,501	29,519	26,403	(3,116)
Total	253,104	253,501	29,519	26,403	(3,116)

Section 2: Revisions to outcomes and outputs

OUTCOMES AND OUTPUT GROUPS

The Australian Bureau of Statistics (ABS) has not made any changes to its outcome or outputs since the *2002-03 Portfolio Budget Statements*.

Revised performance information and level of achievement — 2002-03

The ABS has not made any changes to its performance information since the *2002-03 Portfolio Budget Statements*.

Section 3: Budgeted Financial Statements

Budgeted agency statement of financial performance

This statement provides a picture of the expected financial results for the Australian Bureau of Statistics (ABS) by identifying full accrual expenses and revenues.

Budgeted agency statement of financial position

This statement shows the financial position of the ABS. It enables decision makers to track the management of the agency's assets and liabilities.

Budgeted agency statement of cash flows

This statement provides information on the extent and nature of budgeted cash flows, categorized into expected cash flows from operating activities, investing activities and financing activities.

Agency capital budget statement

This statement shows all proposed capital expenditure on non-financial assets, whether funded either through capital appropriations (equity or borrowings) or from internally sourced funds.

Agency non-financial assets — summary of movement

This statement shows the budgeted movement in the ABS's non-financial assets for 2002-03 Budget year.

**Table 3.1: Budgeted agency statement of financial performance
(for the period ended 30 June)**

	2001-02 actual \$'000	2002-03 revised budget \$'000	2003-04 forward estimate \$'000	2004-05 forward estimate \$'000	2005-06 forward estimate \$'000
Revenues from ordinary activities					
Revenue from government	354,920	253,501	252,378	267,815	303,687
Sales of goods and services	18,087	25,673	19,007	17,335	17,195
Interest	793	432	432	432	432
Dividends	-	-	-	-	-
Proceeds from sales of assets	213	208	204	292	204
Net foreign exchange gains	-	-	-	-	-
Other	532	90	90	90	90
Total revenues from ordinary activities	374,545	279,904	272,111	285,964	321,608
Expenses from ordinary activities (excluding borrowing costs expense)					
Employees	242,477	177,433	174,503	176,510	189,918
Suppliers	83,519	62,934	56,716	70,507	91,594
Grants	-	-	-	-	-
Depreciation and amortisation	27,234	28,580	29,613	28,843	30,413
Write-down of assets	4,871	22	9	12	13
Value of assets sold	968	-	-	-	-
Net foreign exchange losses	-	-	-	-	-
Other	4,204	-	-	-	-
Total expenses from ordinary activities (excluding borrowing costs expense)	363,273	268,969	260,841	275,872	311,938
Borrowing costs expense	689	981	818	645	532
Net surplus or deficit from ordinary activities	363,962	269,950	261,659	276,517	312,470
Gain or loss on extraordinary items	-	-	-	-	-
Net surplus or deficit	10,583	9,954	10,452	9,447	9,138
Capital Use Charge	6,711	7,022	7,362	7,569	7,725
Net surplus or deficit after Capital Use Charge	3,872	2,932	3,090	1,878	1,413

**Table 3.2: Budget agency statement of financial position
(as at 30 June)**

	2001-02 actual \$'000	2002-03 revised budget \$'000	2003-04 forward estimate \$'000	2004-05 forward estimate \$'000	2005-06 forward estimate \$'000
ASSETS					
Financial assets					
Cash	23,036	16,726	13,192	9,844	1,567
Receivables	6,688	2,909	2,201	2,105	2,296
Investments	-	-	-	-	-
Accrued revenues	148	311	311	311	311
Other	-	-	-	-	-
Total financial assets	29,872	19,946	15,704	12,260	4,174
Non-financial assets					
Land and buildings	-	-	-	-	-
Infrastructure, plant and equipment	53,294	45,638	47,889	45,722	55,674
Inventories	48	48	48	48	48
Intangibles	74,425	76,273	76,949	77,871	78,244
Other	6,855	6,573	6,206	5,839	5,472
Total non-financial assets	134,622	128,532	131,092	129,480	139,438
Total assets	164,494	148,478	146,796	141,740	143,612
LIABILITIES					
Debt					
Loans	12,201	11,150	10,033	8,846	7,585
Leases	4,835	3,688	1,346	606	434
Deposits	-	-	-	-	-
Overdrafts	-	-	-	-	-
Other	735	-	-	-	-
Total debt	17,771	14,838	11,379	9,452	8,019
Provisions and payables					
Employees	68,001	60,955	61,176	56,080	56,108
Suppliers	11,726	5,636	5,012	5,303	7,183
Grants	-	-	-	-	-
Other	6,088	3,209	2,299	2,097	2,081
Total provisions and payables	85,815	69,800	68,487	63,480	65,372
Total liabilities	103,586	84,638	79,866	72,932	73,391
EQUITY					
Capital	11,250	11,250	11,250	11,250	11,250
Reserves	8,685	8,685	8,685	8,685	8,685
Accumulated surpluses or deficits	40,973	43,905	46,995	48,873	50,286
Total equity	60,908	63,840	66,930	68,808	70,221
Current liabilities	53,709	37,013	34,316	28,912	30,653
Non-current liabilities	49,877	47,625	45,550	44,020	42,738
Current assets	36,775	26,567	21,958	18,147	9,694
Non-current assets	127,719	121,911	124,838	123,593	133,918

**Table 3.3: Budgeted agency statement of cash flows
(for the period ended 30 June)**

	2001-02 actual \$'000	2002-03 revised budget \$'000	2003-04 forward estimate \$'000	2004-05 forward estimate \$'000	2005-06 forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations for outputs	354,920	253,501	252,378	267,815	303,687
Sales of goods and services	19,917	26,815	18,728	17,291	17,180
Interest	739	432	432	432	432
Other	10,964	8,920	7,169	7,544	9,833
Total cash received	386,540	289,668	278,707	293,082	331,132
Cash used					
Employees	237,522	184,479	174,282	181,606	189,889
Suppliers	82,181	69,003	57,236	69,788	89,259
Interest	689	981	818	645	531
Other	9,583	8,968	7,102	7,618	10,038
Total cash used	329,975	263,431	239,438	259,657	289,717
Net cash from operating activities	56,565	26,237	39,269	33,425	41,415
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of property, plant and equipment	643	208	204	292	204
Total cash received	643	208	204	292	204
Cash used					
Purchases of property, plant and equipment	39,171	22,785	32,540	27,598	40,738
Total cash used	39,171	22,785	32,540	27,598	40,738
Net cash from investing activities	(38,528)	(22,577)	(32,336)	(27,306)	(40,534)
FINANCING ACTIVITIES					
Cash received					
Proceeds from debt	13,200	-	-	-	-
Total cash received	13,200	-	-	-	-
Cash used					
Repayments of debt	3,157	2,948	3,106	1,897	1,433
Capital use and dividends paid	6,774	7,022	7,362	7,569	7,725
Total cash used	9,931	9,970	10,468	9,466	9,158
Net cash from financing activities	3,269	(9,970)	(10,468)	(9,466)	(9,158)
Net increase (decrease) in cash held	21,306	(6,310)	(3,535)	(3,347)	(8,277)
Cash at the beginning of the reporting period	1,730	23,036	16,726	13,191	9,844
Cash at the end of the reporting period	23,036	16,726	13,191	9,844	1,567

Table 3.4: Agency capital budget statement

	2001-02 actual \$'000	2002-03 revised budget \$'000	2003-04 forward estimate \$'000	2004-05 forward estimate \$'000	2005-06 forward estimate \$'000
CAPITAL APPROPRIATIONS					
Total equity injections	-	-	-	-	-
Total loans	13,200	-	-	-	-
Represented by					
Purchase of non-current assets	13,200	-	-	-	-
Other	-	-	-	-	-
Total	13,200	-	-	-	-
PURCHASE OF NON-CURRENT ASSETS					
Funded by capital appropriation	-	-	-	-	-
Funded internally by agency resources	25,971	22,785	32,540	27,598	40,738
Total	25,971	22,785	32,540	27,598	40,738

Table 3.5: Agency non-financial assets — summary of movement (Budget year 2002-03)

	Land	Buildings	Total land and buildings	Specialist military equipment	Other infrastructure plant and equipment	Total infrastructure plant and equipment	Intangibles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at the start of year	-	-	-	-	53,294	53,294	74,425	127,719
Additions	-	-	-	-	7,347	7,347	15,438	22,785
Disposals	-	-	-	-	(8,918)	(8,918)	(2,100)	(11,018)
Revaluation increments	-	-	-	-	-	-	-	-
Recoverable amount write-downs	-	-	-	-	-	-	-	-
Net transfers free of charge	-	-	-	-	-	-	-	-
Depreciation/amortisation expense	-	-	-	-	(14,991)	(14,991)	(13,590)	(28,580)
Write-off of assets	-	-	-	-	8,905	8,905	2,100	11,005
Carrying amount at the end of year	-	-	-	-	45,638	45,638	76,273	121,910
Total additions	-	-	-	-	7,347	7,347	15,438	22,785
Self funded	-	-	-	-	7,347	7,347	15,438	22,785
Appropriations	-	-	-	-	-	-	-	-
Total	-	-	-	-	7,347	7,347	15,438	22,785

NOTES TO THE FINANCIAL STATEMENTS

Basis of accounting

The agency budgeted statements are prepared in compliance with Australian Accounting Standards, Accounting Guidance Releases and having regard to Statements of Accounting Concepts.

As part of the 2002-03 *Mid-Year Economic Fiscal Outlook* (MYEFO) and Additional Estimates process, the Australian Bureau of Statistics undertook a comprehensive review of its budget estimates with the aim of refining these estimates.

Changes to Appropriation Estimates since the 2002-03 *Portfolio Budget Statements* relate to adjustments for the revised parameters and the interest revenue earned from devolved banking arrangements.

Revisions to component items are based upon the 2001-02 audited financial statements and revised budget data used in developing the accrual budgets.

Appendix 1

Appendix 1

Agency and administered revenue

	2002-03 budget estimate \$'000	2002-03 revised estimate \$'000
AGENCY REVENUE		
Non-appropriation agency revenue		
Sales of goods and services	28,794	25,673
Interest	432	432
Proceeds from sales of assets	202	208
Other	91	90
Total non-appropriation agency revenue	29,519	26,403
Appropriation revenue	253,104	253,501
Total agency revenue	282,623	279,904

AUSTRALIAN COMPETITION AND CONSUMER COMMISSION

Section 1: Overview, variations and measures

OVERVIEW

There has been no change to the overview included in the *2002-03 Portfolio Budget Statements* (page 69).

ADDITIONAL ESTIMATES AND VARIATIONS TO OUTCOMES

The following variations contributed to a net increase in agency outputs of \$0.7 million for the Australian Competition and Consumer Commission (ACCC).

MEASURES

Outcome 1 — To enhance social and economic welfare of the Australian community by fostering competitive, efficient, fair and informed Australian markets

	2002-03 \$'000	2003-04 \$'000	2004-05 \$'000	2005-06 \$'000
Outcome 1				
Increased regulatory oversight of Australia Post	200	900	600	600
Medical Indemnity Insurance Assistance Package	500	-	-	-

Increased regulatory oversight of Australia Post

Additional resourcing will be provided to the Australian Competition and Consumer Commission to develop record keeping rules to ensure Australia Post (AP) is not inappropriately cross subsidising its retail services and to inquire into disputes and make recommendations in relation to AP's bulk interconnection service.

Additional resourcing will also be provided to the Australian Communications Authority to calculate the cost of AP's community service obligations and to monitor and report on quality of service issues.

Further details may be found in the Minister for Communications, Information Technology and the Arts' Press Release No. 253/02 of 14 November 2002.

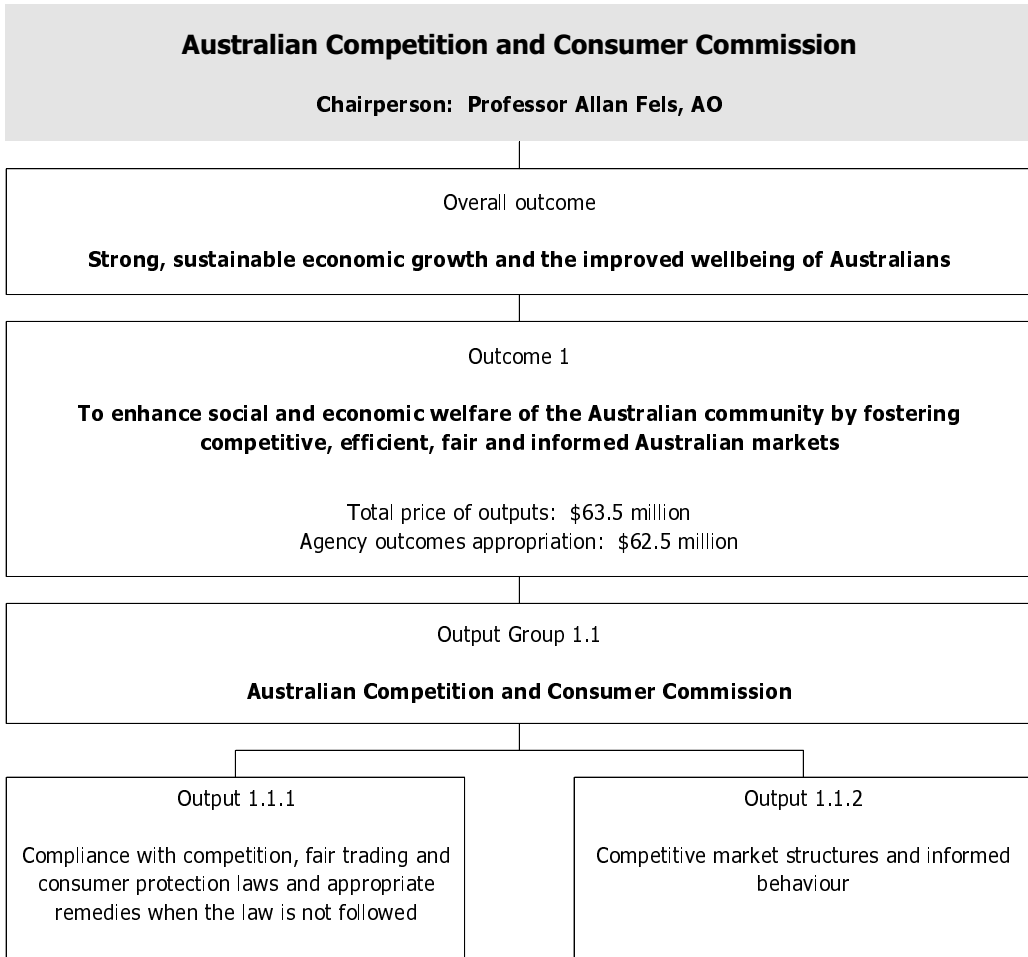
Medical Indemnity Insurance Assistance Package

The Government has decided to provide additional funding of \$0.5 million in 2002-03 for the Australian Competition and Consumer Commission to monitor medical indemnity insurance premiums following implementation of the Government's package of measures.

Included within this additional funding is \$246.5 million over four years to the Department of Health and Ageing to implement the Government's package of measures for providing assistance to doctors, United Medical Protection Limited and the medical indemnity insurance industry generally.

This package was announced in the Prime Minister's Press Release of 23 October 2002 and is aimed at ensuring key private medical services, including in rural and regional areas, are maintained, and providing a new framework for the provision of medical indemnity insurance in Australia.

Map 2: Outcomes and output groups



MEASURES: AUSTRALIAN COMPETITION AND CONSUMER COMMISSION

Table 1.1: Summary of measures since the 2002-03 Budget

Measure	Outcome	Output Groups affected	2002-03			2003-04			2004-05			2005-06		
			Admin items	Dept outputs	Total	Admin items	Dept outputs	Total	Admin items	Dept outputs	Total	Admin items	Dept outputs	Total
Increased regulatory oversight of Australia Post	1	1.1	-	200	200	-	900	900	-	600	600	-	600	600
Medical Indemnity Insurance Assistance Package	1	1.1	-	500	500	-	-	-	-	-	-	-	-	-
Total			-	700	700	-	900	900	-	600	600	-	600	600

BREAKDOWN OF ADDITIONAL ESTIMATES BY APPROPRIATION BILL

Table 1.2: Appropriation Bill (No. 3) 2002-03

	2001-02 available \$'000	2002-03 budget \$'000	2002-03 revised \$'000	Additional estimates \$'000	Reduced estimates \$'000
AGENCY OUTPUTS					
Outcome 1					
To enhance social and economic welfare of the Australian community by fostering competitive, efficient, fair and informed Australian markets	83,400	61,800	62,500	700	-
Total	83,400	61,800	62,500	700	-

Section 2: Revisions to outcomes and outputs

OUTCOMES AND OUTPUT GROUPS

The Australian Competition and Consumer Commission (ACCC) has not made any changes to its outcome or outputs since the *2002-03 Portfolio Budget Statements*.

Revised performance information and level of achievement — 2002-03

The ACCC has not made any changes to its performance information since the *2002-03 Portfolio Budget Statements*.

Section 3: Budgeted Financial Statements

AGENCY FINANCIAL STATEMENTS

Budgeted agency statement of financial performance

This statement provides a picture of the expected financial results for the Australian Competition and Consumer Commission (ACCC) by identifying full accrual expenses and revenues, which highlights whether the ACCC is operating at a sustainable level.

Budgeted agency statement of financial position

This statement shows the financial position of the ACCC. It enables decision makers to track the management of the ACCC's assets and liabilities.

Budgeted agency statement of cash flows

This statement identifies expected cash flows from operating activities, investing activities and financing activities.

Agency non-financial assets — summary of movement

This statement shows the movement in the ACCC's non-financial assets over the Budget year 2002-03.

NOTES OF ADMINISTERED ACTIVITY

Details of transactions administered by ACCC on behalf of the Commonwealth are shown in the following notes.

Note of budgeted administered financial performance

This note identifies revenues and expenses administered on behalf of the Government. It also discloses administered revenues from government and transfers to the Public Account.

Note of budgeted administered financial position

This note shows the assets and liabilities administered on behalf of the Government.

Note of budgeted administered cash flows

This note shows cash flows administered on behalf of the Government.

**Table 3.1: Budgeted agency statement of financial performance
(for the period ended 30 June)**

	2001-02 actual \$'000	2002-03 revised budget \$'000	2003-04 forward estimate \$'000	2004-05 forward estimate \$'000	2005-06 forward estimate \$'000
Revenues from ordinary activities					
Revenue from government	83,400	62,500	58,600	58,500	57,921
Sales of goods and services	390	400	400	400	400
Interest	730	506	571	632	697
Other	60	50	50	50	50
Total revenues from ordinary activities	84,580	63,456	59,621	59,582	59,068
Expenses from ordinary activities (excluding borrowing costs expense)					
Employees	33,859	27,822	29,338	31,039	30,819
Suppliers	35,991	32,652	27,414	26,172	25,991
Depreciation and amortisation	2,011	1,243	1,332	1,377	1,377
Net loss on sales of assets	315	-	-	-	-
Interest	-	-	-	-	-
Total expenses from ordinary activities (excluding borrowing costs expense)	72,176	61,717	58,084	58,588	58,187
Borrowing costs expense	110	70	70	70	70
Net surplus or deficit from ordinary activities	12,294	1,669	1,467	924	811
Gain or loss on extraordinary items	-	-	-	-	-
Net surplus or deficit	12,294	1,669	1,467	924	811
Capital Use Charge	-	-	-	-	-
Net surplus or deficit after Capital Use Charge	12,294	1,669	1,467	924	811

**Table 3.2: Budget agency statement of financial position
(as at 30 June)**

	2001-02 actual \$'000	2002-03 revised budget \$'000	2003-04 forward estimate \$'000	2004-05 forward estimate \$'000	2005-06 forward estimate \$'000
ASSETS					
Financial assets					
Cash	3,707	8,795	7,710	6,533	5,789
Receivables	989	235	235	235	235
Investments	12,671	6,482	7,812	9,204	10,659
Total financial assets	17,367	15,512	15,757	15,972	16,683
Non-financial assets					
Land and buildings	2,462	3,472	3,965	5,043	5,043
Infrastructure, plant and equipment	1,743	836	1,994	1,654	1,654
Inventories	103	95	95	95	95
Intangibles	787	930	960	991	991
Other	1,335	2,328	2,328	2,328	2,328
Total non-financial assets	6,430	7,661	9,342	10,111	10,111
Total assets	23,797	23,173	25,099	26,083	26,794
LIABILITIES					
Debt					
Leases	995	1,260	1,498	1,498	1,498
Other	593	-	-	-	-
Total debt	1,588	1,260	1,498	1,498	1,498
Provisions and payables					
Employees	9,703	7,543	7,959	8,397	8,312
Suppliers	6,510	6,704	6,509	6,131	6,116
Total provisions and payables	16,213	14,247	14,468	14,528	14,428
Total liabilities	17,801	15,507	15,966	16,026	15,926
EQUITY					
Capital	3,100	3,100	3,100	3,100	3,100
Reserves	1,052	1,052	1,052	1,052	1,052
Accumulated surpluses or deficits	1,844	3,514	4,981	5,905	6,716
Total equity	5,996	7,666	9,133	10,057	10,868
Current liabilities	14,272	12,739	12,877	12,849	12,766
Non-current liabilities	3,529	2,768	3,089	3,177	3,160
Current assets	17,367	15,512	15,757	15,972	16,683
Non-current assets	6,430	7,661	9,342	10,111	10,111

**Table 3.3: Budgeted agency statement of cash flows
(for the period ended 30 June)**

	2001-02 actual \$'000	2002-03 revised budget \$'000	2003-04 forward estimate \$'000	2004-05 forward estimate \$'000	2005-06 forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations for outputs	83,400	62,500	58,600	58,500	57,921
Sales of goods and services	979	1,154	400	400	400
Interest	724	506	571	632	697
Total cash received	85,103	64,160	59,571	59,532	59,018
Cash used					
Employees	32,765	29,982	28,922	30,601	30,904
Suppliers	65,487	33,426	27,629	26,570	26,026
Total cash used	98,252	63,408	56,551	57,171	56,930
Net cash from operating activities	(13,149)	752	3,020	2,361	2,088
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of property, plant and equipment	9	-	-	-	-
Withdrawals from deposits	-	6,189	-	-	-
Total cash received	9	6,189	-	-	-
Cash used					
Purchases of property, plant and equipment	1,882	1,853	2,775	2,146	1,377
Investment in deposits	12,671	-	1,330	1,392	1,455
Total cash used	14,553	1,853	4,105	3,538	2,832
Net cash from investing activities	(14,544)	4,336	(4,105)	(3,538)	(2,832)
Net increase (decrease) in cash held	2,307	5,088	(1,085)	(1,177)	(744)
Cash at the beginning of the reporting period	1,400	3,707	8,795	7,710	6,533
Cash at the end of the reporting period	3,707	8,795	7,710	6,533	5,789

Table 3.5: Agency non-financial assets — summary of movement (Budget year 2002-03)

	Land	Buildings	Total land and buildings	Specialist military equipment	Other infrastructure plant and equipment	Total infrastructure plant and equipment	Intangibles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at the start of year	-	2,462	2,462	-	1,743	1,743	787	4,992
Additions	-	1,400	1,400	-	-	-	453	1,853
Disposals	-	-	-	-	(364)	(364)	-	(364)
Revaluation increments	-	-	-	-	-	-	-	-
Recoverable amount write-downs	-	-	-	-	-	-	-	-
Net transfers free of charge	-	-	-	-	-	-	-	-
Depreciation/amortisation expense	-	(390)	(390)	-	(543)	(543)	(310)	(1,243)
Write-off of assets	-	-	-	-	-	-	-	-
Carrying amount at the end of year	-	3,472	3,472	-	836	836	930	5,238
Total additions								
Self funded	-	1,400	1,400	-	-	-	453	1,853
Appropriations	-	-	-	-	-	-	-	-
Total	-	1,400	1,400	-	-	-	453	1,853

**Table 3.6: Note of budgeted administered financial performance
(for the period ended 30 June)**

	2001-02 actual \$'000	2002-03 revised budget \$'000	2003-04 forward estimate \$'000	2004-05 forward estimate \$'000	2005-06 forward estimate \$'000
REVENUES					
Non-taxation					
Other sources of non-taxation revenues	7,152	10,000	10,000	10,000	10,000
Total non-taxation	7,152	10,000	10,000	10,000	10,000
Total revenues administered on behalf of government	7,152	10,000	10,000	10,000	10,000
EXPENSES					
Net write-down of assets	-	200	200	200	200
Total expenses administered on behalf of government	-	200	200	200	200

**Table 3.7: Note of budgeted administered financial position
(as at 30 June)**

	2001-02 actual \$'000	2002-03 revised budget \$'000	2003-04 forward estimate \$'000	2004-05 forward estimate \$'000	2005-06 forward estimate \$'000
ASSETS					
Financial assets					
Cash	3	-	-	-	-
Receivables	7,138	2,000	2,000	2,000	2,000
Total financial assets	7,141	2,000	2,000	2,000	2,000
Total assets administered on behalf of government	7,141	2,000	2,000	2,000	2,000
LIABILITIES					
Provisions and payables					
Other	331	200	200	200	200
Total provisions and payables	331	200	200	200	200
Total liabilities administered on behalf of government	331	200	200	200	200
Current liabilities	331	200	200	200	200
Non-current liabilities	-	-	-	-	-
Current assets	7,141	2,000	2,000	2,000	2,000
Non-current assets	-	-	-	-	-

**Table 3.8: Note of budgeted administered cash flows
(for the period ended 30 June)**

	2001-02 actual \$'000	2002-03 revised budget \$'000	2003-04 forward estimate \$'000	2004-05 forward estimate \$'000	2005-06 forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Other taxes, fees and fines	3,806	14,797	9,790	9,790	9,790
Other	11	10	10	10	10
Total cash received	3,817	14,807	9,800	9,800	9,800
Net cash from operating activities	3,817	14,807	9,800	9,800	9,800
INVESTING ACTIVITIES					
Cash used					
Cash to Official Public Account	3,814	14,810	9,800	9,800	9,800
Total cash used	3,814	14,810	9,800	9,800	9,800
Net cash from investing activities	(3,814)	(14,810)	(9,800)	(9,800)	(9,800)
Net increase (decrease) in cash held	3	(3)	-	-	-
Cash at beginning of reporting period	-	3	-	-	-
Administered cash at end of reporting period	3	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

Basis of accounting

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

Agency and administered items

Agency assets, liabilities, revenues and expenses are those items that are controlled by the ACCC. They are used by the ACCC in producing its outputs, including:

- computers, plant and equipment used in providing goods and services;
- liabilities for employee entitlements;
- revenues from appropriations or independent sources in payment of outputs; and
- employee, supplier and depreciation expenses incurred in producing Commission outputs.

Administered items are those items which are controlled by the Government and managed or oversighted by the ACCC on behalf of the Government. These administered items managed or controlled by the ACCC include authorisation fees, fines and costs.

The purpose of the separation of agency and administered items is to enable the assessment of administrative efficiency of the agency in providing goods and services.

Revenue from government

Revenue from government are revenues relating to the core operating activities of the ACCC. Policies for accounting for revenue from government follow:

Agency appropriations

Since 1 July 1999, the Commonwealth Budget has been prepared under an accruals framework.

Appropriations to the ACCC for its agency outputs are recognised as revenue to the extent they have been received into the ACCC's bank account or are entitled to be received by the ACCC at year end.

Resources received free of charge

Services received free of charge are recognised in the statement of financial performance as revenue 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.

Other revenue

Revenue from the sale of goods is recognised upon the delivery of goods to customers. Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Administered revenue includes fines and costs, which are recognised as per the court judgement orders. Authorisation fees are recognised when the application is received.

Leases

A distinction is made between finance leases which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to ownership of leased non-current assets and operating leases under which the lessor effectively retains substantially all such risks and benefits.

Where a non-current asset is acquired by means of a finance lease, the asset is capitalised at the present value of minimum lease payments at the inception of the lease and a liability recognised for the same amount. Leased assets are amortised over the period of the lease. Lease payments are allocated between the principal component and the interest expense.

Operating lease payments are charged to the statement of operating performance on a basis which is representative of the pattern of benefits derived from the lease assets.

Receivables

Court costs, which are awarded, are not considered as receivables or as creditors, as the case may be, until the costs have been agreed by the concerned parties.

A provision is raised for any doubtful debts based on a review of the collectability of all outstanding accounts as at year end.

Bad debts are written off during the year in which they are identified.

Property, plant and equipment

Asset recognition threshold

Purchases of property, plant and equipment are recognised initially at cost in the statement of financial position, except for purchases costing less than \$1,000, 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).

Revaluations

Schedule 1 requires that buildings, infrastructure, plant and equipment be revalued progressively in accordance with the 'deprival' method of valuation in successive three year cycles.

The ACCC revalued all its assets (except intangibles) on 1 July 1999. The current revaluation cycle commenced in 1999-2000. The ACCC is currently having its assets revalued in accordance with its revaluation strategy. However, no revaluation adjustments have been factored into the current budget estimates.

The ACCC is implementing the requirements of Schedule 1 as follows:

- leasehold improvements were revalued as at 1 July 1999 at depreciated replacement cost;
- plant and equipment (including furniture and fittings, office equipment and computer equipment excluding software) assets, were revalued as at 1 July 1999 at deprival value; and
- intangibles (software) have not been revalued.

Depreciation and amortisation

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

Depreciation/amortisation rates (useful lives) and methods are reviewed at each balance date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate. Residual values are re-estimated for a change in prices only when assets are revalued.

Depreciation and amortisation rates apply to each class of depreciable asset are as follows:

Asset class	Total useful life
Fitout	Lesser of the term of the lease or 10 years
Furniture and fittings	10 years
Office equipment	5 years
Computer hardware	3 years
Computer software	3 to 7 years

Appendix 1

Appendix 1

Agency and administered revenue

	2002-03 budget estimate \$'000	2002-03 revised estimate \$'000
AGENCY REVENUE		
Non-appropriation agency revenue		
Sales of goods and services	390	400
Interest	730	506
Resources free of charge	60	50
Total non-appropriation agency revenue	1,180	956
Appropriation revenue	61,800	62,500
Total agency revenue	62,980	63,456
ADMINISTERED REVENUE		
Non-appropriation administered revenue		
Fines and costs	6,780	9,490
Authorisation fees	361	500
Other	11	10
Total non-appropriation administered revenue	7,152	10,000
Total estimated revenue	70,132	73,456

AUSTRALIAN OFFICE OF FINANCIAL MANAGEMENT

Section 1: Overview, variations and measures

OVERVIEW

There has been no change to the overview included in the *2002-03 Portfolio Budget Statements* (page 93).

ADDITIONAL ESTIMATES AND VARIATIONS TO OUTCOMES

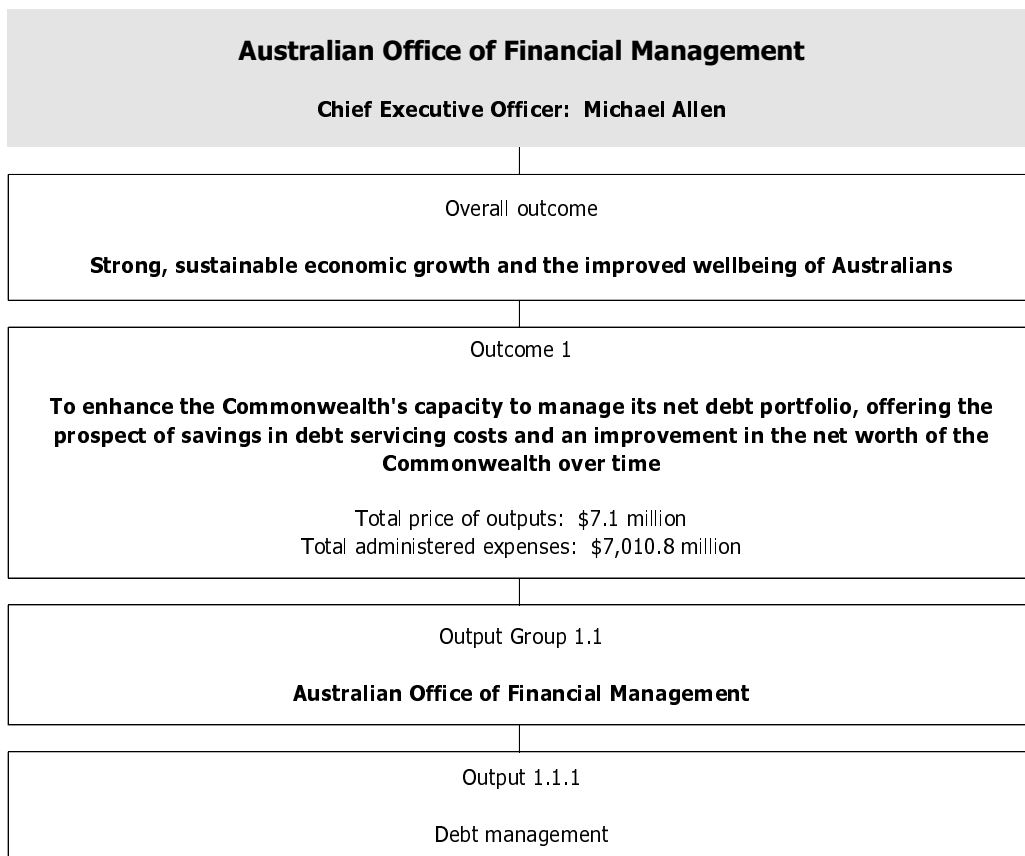
Measures

The Australian Office of Financial Management (AOFM) has no measures since the 2002-03 Budget.

Other variations to appropriations

The AOFM is seeking additional price of outputs funding of \$0.520 million. This relates to the Capital Use Charge of \$0.396 million, depreciation of \$0.118 million and an increase in parameters of \$0.006 million.

Map 2: Outcomes and output groups



BREAKDOWN OF ADDITIONAL ESTIMATES BY APPROPRIATION BILL

Table 1.2: Appropriation Bill (No. 3) 2002-03

	2001-02 available \$'000	2002-03 budget \$'000	2002-03 revised \$'000	Additional estimates \$'000	Reduced estimates \$'000
ADMINISTERED ITEMS					
Outcome 1					
To enhance the Commonwealth's capacity to manage its net debt portfolio, offering the prospect of savings in debt servicing costs and an improvement in the net worth of the Commonwealth over time.	3,995	2,792	2,792	-	-
Total	3,995	2,792	2,792	-	-
AGENCY OUTPUTS					
Outcome 1					
To enhance the Commonwealth's capacity to manage its net debt portfolio, offering the prospect of savings in debt servicing costs and an improvement in the net worth of the Commonwealth over time.	6,031	6,574	7,094	520	-
Total	6,031	6,574	7,094	520	-
Total administered and agency	10,026	9,366	9,886	520	-

SUMMARY OF STAFFING CHANGES

Table 1.4: Average Staffing Level (ASL)

	2002-03 budget	2002-03 revised	variation
Outcome 1			
To enhance the Commonwealth's capacity to manage its net debt portfolio, offering the prospect of savings in debt servicing costs and an improvement in the net worth of the Commonwealth over time.	37	37	-
Total	37	37	-

Section 2: Revisions to outcomes and outputs

OUTCOMES AND OUTPUT GROUPS

The Australian Office of Financial Management (AOFM) has not made any changes to its outcome or outputs since the *2002-03 Portfolio Budget Statements*.

Revised performance information and level of achievement — 2002-03

The AOFM has not made any changes to its performance information since the *2002-03 Portfolio Budget Statements*.

Section 3: Budgeted Financial Statements

Budgeted agency statement of financial performance

This statement provides a picture of the expected financial results for the Australian Office of Financial Management (AOFM) by identifying full accrual expenses and revenues.

Budgeted agency statement of financial position

This statement shows the financial position of the AOFM. It enables decision makers to track the management of the agency's assets and liabilities.

Budgeted agency statement of cash flows

This statement provides information on the amount and nature of budgeted cash flows, categorised into expected cash flows from operating activities, investing activities and financing activities.

Agency capital budget statement

This statement shows all proposed capital expenditure on non-financial assets, whether funded through capital appropriations (equity or borrowings) or from internally sourced funds.

Agency non-financial assets — summary of movement

This statement shows the budgeted movement in the AOFM's non-financial assets during the 2002-03 Budget year.

NOTES OF ADMINISTERED ACTIVITY

Details of transactions administered by AOFM on behalf of the Commonwealth are shown in the following notes.

Note of budgeted administered financial performance

This note identifies revenues and expenses administered on behalf of the Government. It also discloses administered revenues from government and transfers to the Public Account.

Note of budgeted administered financial position

This note shows the assets and liabilities administered on behalf of the Government.

Note of budgeted administered cash flows

This note shows cash flows administered on behalf of the Government.

**Table 3.1: Budgeted agency statement of financial performance
(for the period ended 30 June)**

	2001-02 actual \$'000	2002-03 revised budget \$'000	2003-04 forward estimate \$'000	2004-05 forward estimate \$'000	2005-06 forward estimate \$'000
Revenues from ordinary activities					
Revenue from government	6,167	7,094	7,087	7,082	7,081
Interest	81	20	20	20	20
Sales of goods and services	52	-	-	-	-
Total revenues from ordinary activities	6,300	7,114	7,107	7,102	7,101
Expenses from ordinary activities (excluding borrowing costs expense)					
Employees	2,979	3,921	3,983	3,980	3,980
Suppliers	1,961	1,775	1,706	1,704	1,703
Depreciation and amortisation	258	750	750	750	750
Total expenses from ordinary activities (excluding borrowing costs expense)	5,198	6,446	6,439	6,434	6,433
Net surplus or deficit from ordinary activities	1,102	668	668	668	668
Capital Use Charge	330	668	668	668	668
Net surplus or deficit after Capital Use Charge	772	-	-	-	-

**Table 3.2: Budget agency statement of financial position
(as at 30 June)**

	2001-02 actual \$'000	2002-03 revised budget \$'000	2003-04 forward estimate \$'000	2004-05 forward estimate \$'000	2005-06 forward estimate \$'000
ASSETS					
Financial assets					
Cash	494	1,428	2,357	3,287	4,216
Receivables	131	-	-	-	-
Investments	1,500	1,500	1,500	1,500	1,500
Accrued revenues	5	5	5	5	5
Total financial assets	2,130	2,933	3,862	4,792	5,721
Non-financial assets					
Infrastructure, plant and equipment	1,495	1,255	1,005	755	505
Intangibles	45	3,190	2,690	2,190	1,690
Other	737	-	-	-	-
Total non-financial assets	2,277	4,445	3,695	2,945	2,195
Total assets	4,407	7,378	7,557	7,737	7,916
LIABILITIES					
Provisions and payables					
Employees	918	1,053	1,232	1,412	1,591
Suppliers	353	250	250	250	250
Total provisions and payables	1,271	1,303	1,482	1,662	1,841
Total liabilities	1,271	1,303	1,482	1,662	1,841
EQUITY					
Capital	461	3,400	3,400	3,400	3,400
Accumulated surpluses or deficits	2,675	2,675	2,675	2,675	2,675
Total equity	3,136	6,075	6,075	6,075	6,075
Current liabilities	544	454	511	569	626
Non-current liabilities	727	849	971	1,093	1,215
Current assets	2,160	2,933	3,862	4,792	5,721
Non-current assets	2,247	4,445	3,695	2,945	2,195

**Table 3.3: Budgeted agency statement of cash flows
(for the period ended 30 June)**

	2001-02 actual \$'000	2002-03 revised budget \$'000	2003-04 forward estimate \$'000	2004-05 forward estimate \$'000	2005-06 forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations for outputs	6,031	7,094	7,087	7,082	7,081
Interest	84	20	20	20	20
Sales of goods and services	46	8	-	-	-
Total cash received	6,161	7,122	7,107	7,102	7,101
Cash used					
Employees	3,131	3,786	3,804	3,800	3,801
Suppliers	1,768	1,788	1,706	1,704	1,703
Other — GST	28	-	-	-	-
Total cash used	4,927	5,574	5,510	5,504	5,504
Net cash from operating activities	1,234	1,548	1,597	1,598	1,597
INVESTING ACTIVITIES					
Cash received					
Term deposits	500	-	-	-	-
Total cash received	500	-	-	-	-
Cash used					
Purchases of property, plant and equipment and intangibles	1,048	2,949	-	-	-
Total cash used	1,048	2,949	-	-	-
Net cash used by investing activities	(548)	(2,949)	-	-	-
FINANCING ACTIVITIES					
Cash received					
Appropriations — contributed equity	338	3,062	-	-	-
Total cash received	338	3,062	-	-	-
Cash used					
Capital use and dividends paid	1,405	727	668	668	668
Total cash used	1,405	727	668	668	668
Net cash from financing activities	(1,067)	2,335	(668)	(668)	(668)
Net increase (decrease) in cash held	(381)	934	929	930	929
Cash at the beginning of the reporting period	875	494	1,428	2,357	3,287
Cash at the end of the reporting period	494	1,428	2,357	3,287	4,216

Table 3.4: Agency capital budget statement

	2001-02 actual \$'000	2002-03 revised budget \$'000	2003-04 forward estimate \$'000	2004-05 forward estimate \$'000	2005-06 forward estimate \$'000
PURCHASE OF NON-CURRENT ASSETS					
Funded by capital appropriation	-	-	-	-	-
Funded internally by agency resources	1,048	2,949	-	-	-
Total	1,048	2,949	-	-	-

Table 3.5: Agency non-financial assets — summary of movement (Budget year 2002-03)

	Land	Buildings	Total land and buildings	Specialist military equipment	Other infrastructure plant and equipment	Total infrastructure plant and equipment	Intangibles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at the start of year	-	-	-	-	1,495	1,495	45	1,540
Additions	-	-	-	-	10	10	3,645	3,655
Disposals	-	-	-	-	-	-	-	-
Revaluation increments	-	-	-	-	-	-	-	-
Recoverable amount write-downs	-	-	-	-	-	-	-	-
Net transfers free of charge	-	-	-	-	-	-	-	-
Depreciation/amortisation expense	-	-	-	-	(250)	(250)	(500)	(750)
Write-off of assets	-	-	-	-	-	-	-	-
Carrying amount at the end of year	-	-	-	-	1,255	1,255	3,190	4,445
Total additions	-	-	-	-	10	10	3,645	3,655
Self funded	-	-	-	-	-	-	-	-
Appropriations	-	-	-	-	10	10	3,645	3,655
Total	-	-	-	-	10	10	3,645	3,655

**Table 3.6: Note of budgeted administered financial performance
(for the period ended 30 June)**

	2001-02 actual \$'000	2002-03 revised budget \$'000	2003-04 forward estimate \$'000	2004-05 forward estimate \$'000	2005-06 forward estimate \$'000
REVENUES					
Non-taxation					
Interest	3,047,318	2,715,744	2,211,392	2,096,438	2,165,385
Net foreign exchange gains	1,227,418	-	-	-	-
Other sources of non-taxation revenues	1,426	847	849	849	520
Total non-taxation	4,276,162	2,716,591	2,212,241	2,097,287	2,165,905
Total revenues administered on behalf of government	4,276,162	2,716,591	2,212,241	2,097,287	2,165,905
EXPENSES					
Grants	36,312	31,300	36,704	54,330	195,691
Interest and financing costs	6,988,277	6,580,403	5,329,322	4,678,699	3,821,355
Net foreign exchange losses	-	398,315	-	-	-
Debt assumption	140,087	-	-	-	-
Other	330	829	829	829	500
Total expenses administered on behalf of government	7,165,006	7,010,847	5,366,855	4,733,858	4,017,546

**Table 3.7: Note of budgeted administered financial position
(as at 30 June)**

	2001-02 actual \$'000	2002-03 revised budget \$'000	2003-04 forward estimate \$'000	2004-05 forward estimate \$'000	2005-06 forward estimate \$'000
ASSETS					
Financial assets					
Cash	73	73	73	73	73
Receivables	4,441,914	4,179,649	3,802,830	3,644,512	3,423,024
Investments	10,400,000	-	-	-	-
Accrued revenues	200,935	171,992	121,917	137,355	162,224
Total financial assets	15,042,922	4,351,714	3,924,820	3,781,940	3,585,321
Total assets administered on behalf of government	15,042,922	4,351,714	3,924,820	3,781,940	3,585,321
LIABILITIES					
Interest bearing liabilities					
Loans — Commonwealth securities	63,864,208	51,426,734	47,341,130	32,178,535	14,870,331
Other — swap principal	1,900,886	1,736,000	985,000	804,000	701,000
Total interest bearing liabilities	65,765,094	53,162,734	48,326,130	32,982,535	15,571,331
Provisions and payables					
Other — interest	2,923,657	3,048,346	3,050,108	3,130,805	2,472,512
Total provisions and payables	2,923,657	3,048,346	3,050,108	3,130,805	2,472,512
Total liabilities administered on behalf of government	68,688,751	56,211,080	51,376,238	36,113,340	18,043,843

**Table 3.8: Note of budgeted administered cash flows
(for the period ended 30 June)**

	2001-02 actual \$'000	2002-03 revised budget \$'000	2003-04 forward estimate \$'000	2004-05 forward estimate \$'000	2005-06 forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Cash from Official Public Account	5,503,475	6,196,587	5,427,264	4,682,332	4,720,339
Interest	1,284,637	2,777,260	2,324,467	2,111,000	2,185,516
Other	102	20	20	20	20
Total cash received	6,788,214	8,973,867	7,751,751	6,793,352	6,905,875
Cash used					
Grants	34,381	31,300	36,704	54,330	195,691
Interest	5,607,970	6,165,287	5,390,560	4,628,002	4,524,648
Cash to Official Public Account	1,145,839	2,777,280	2,324,487	2,111,020	2,185,536
Other — GST	4	-	-	-	-
Total cash used	6,788,194	8,973,867	7,751,751	6,793,352	6,905,875
Net cash from operating activities	20	-	-	-	-
INVESTING ACTIVITIES					
Cash received					
Other — Housing Loan repayments	74,277	77,312	79,822	82,209	84,227
Total cash received	74,277	77,312	79,822	82,209	84,227
Cash used					
Cash to Official Public Account	74,277	77,312	79,822	82,209	84,227
Total cash used	74,277	77,312	79,822	82,209	84,227
Net cash from investing activities	-	-	-	-	-
FINANCING ACTIVITIES					
Cash received					
Proceeds from borrowing	14,913,415	66,653,000	20,088,000	29,310,000	29,310,000
Cash from Official Public Account	21,032,956	84,913,550	27,069,607	45,078,919	47,174,697
Other — swaps	1,889,406	5,119,000	2,442,000	500,000	598,000
Total cash received	37,835,777	156,685,550	49,599,607	74,888,919	77,082,697
Cash used					
Repayments of debt	18,331,548	79,397,550	23,876,607	44,397,919	46,473,697
Cash to Official Public Account	16,802,821	71,772,000	22,530,000	29,810,000	29,908,000
Other — swaps	2,701,408	5,516,000	3,193,000	681,000	701,000
Total cash used	37,835,777	156,685,550	49,599,607	74,888,919	77,082,697
Net cash from financing activities	-	-	-	-	-
Net increase (decrease) in cash held	20	-	-	-	-
Cash at beginning of reporting period	53	73	73	73	73
Administered cash at end of reporting period	73	73	73	73	73

NOTES TO THE FINANCIAL STATEMENTS

Basis of accounting

The financial statements have been prepared on an accrual basis and in accordance with the historic cost convention. No allowance is made for the effect of changing prices on the results or the financial position of the AOFM.

Administered internal transactions

Administered transactions between the AOFM and other agencies within the general government (administered internal transactions) are not reported in the note of budgeted administered revenues and expenses or the note of budgeted administered assets and liabilities.

Cash flows in the note of budgeted administered cash flows are reported inclusive of administered internal transactions.

Goods and Services Tax (GST)

The AOFM is an input taxed entity under *A New Tax System (Goods and Services Tax) Act 1999*.

The budgeted financial statements have been prepared in accordance with the GST accounting guidelines of the Urgent Issues Group (UIG) of the Australian Accounting Standards Board. The UIG consensus requires that expenses and assets be accounted for net of recoverable GST, revenues be accounted for net of GST payable and that cash flows and accounts payable and receivable be reported gross. Appropriations are net of recoverable GST amounts.

Agency and administered financial statements

Under the Commonwealth's accrual budgeting framework, and consistent with Australian Accounting Standards, transactions that agencies control (agency transactions) are separately budgeted for and reported from transactions agencies do not have control over (administered transactions). This ensures that agencies are only held fully accountable for the transactions over which they have control.

- Agency assets, liabilities, revenues and expenses are those which are controlled by the agency. Agency expenses include employee and supplier expenses and other administrative costs, which are incurred by the agency in providing its goods and services.

- Administered assets, liabilities, revenues and expenses are those which are managed on behalf of the Government according to set government directions. Administered expenses include interest incurred on Commonwealth debt and administered revenues include interest earned on housing agreement loans and interest from swaps.

Appropriations in the accrual budgeting framework

Under the Commonwealth's accrual budgeting framework, separate annual appropriations are provided to the AOFM for:

- agency price of outputs appropriations: representing the Government's purchase of outputs; and
- administered expense appropriations: for the estimated administered expenses relating to debt management output.

In addition, special appropriations continue under the accrual budgeting framework, and fund the majority of payments from the Official Public Account, including gross debt redemption and financial investment activity.

Agency budgeted financial statements

Appropriations

Price of outputs appropriation estimates are not based on market price indicators. The agreed price of outputs appropriation estimates are based on budgeted expenses.

The AOFM has prepared its estimates for the 2002-03 budget and forward years to achieve a break-even operating result. Consequently the appropriation revenue from Government represents the funding required to meet all expenses after deduction of revenue from other sources.

Interest revenue

The AOFM has estimated that it will earn \$20,000 interest on credit balances in its agency account and from term deposit investments.

Assets and liabilities

The estimated cash reserves will be maintained in order to ensure that the AOFM is well placed to:

- settle employee liabilities as they fall due;
- make asset replacements (from depreciation funding); and
- repay liabilities.

Budgeted financial statements have been prepared on the assumption that unspent monies will not be withdrawn by the Department of Finance and Administration.

Administered budgeted financial statements

Revenue and expenses

Non-taxation revenue — interest

	2001-02 actual \$'000	2002-03 revised budget \$'000	2003-04 forward estimate \$'000	2004-05 forward estimate \$'000	2005-06 forward estimate \$'000
Interest					
Interest on housing agreements	169,249	166,109	162,853	159,477	156,164
Interest on State and Territory debt	31,079	31,940	20,065	11,279	633
Interest from other sources	2,846,990	2,517,695	2,028,474	1,925,682	2,008,588
Total interest	3,047,318	2,715,744	2,211,392	2,096,438	2,165,385

Interest from other sources includes interest from swaps and investments.

Expenses — grants

	2001-02 actual \$'000	2002-03 revised budget \$'000	2003-04 forward estimate \$'000	2004-05 forward estimate \$'000	2005-06 forward estimate \$'000
Grants					
Grants to State and Territory Governments	36,312	31,300	36,704	54,330	195,691
Total grants	36,312	31,300	36,704	54,330	195,691

Expenses — interest and financing costs

	2001-02 actual \$'000	2002-03 revised budget \$'000	2003-04 forward estimate \$'000	2004-05 forward estimate \$'000	2005-06 forward estimate \$'000
Interest and other financing costs					
Interest on government securities	4,993,164	4,524,826	3,870,739	3,412,097	2,778,664
Interest on swaps	1,839,794	1,710,410	1,437,000	1,255,000	1,036,000
Interest on other debt	939	18,963	18,379	8,398	3,487
Net repurchase premia	153,647	323,000	-	-	-
Other financing costs	733	3,204	3,204	3,204	3,204
Total interest and other financing costs	6,988,277	6,580,403	5,329,322	4,678,699	3,821,355

Assets and liabilities

Financial assets — receivables

	2001-02 actual \$'000	2002-03 revised budget \$'000	2003-04 forward estimate \$'000	2004-05 forward estimate \$'000	2005-06 forward estimate \$'000
Receivables					
Loans to State and Territory Governments	4,291,411	4,179,625	3,802,806	3,644,488	3,423,000
Swap principal	150,478	-	-	-	-
Other	25	24	24	24	24
Total receivables	4,441,914	4,179,649	3,802,830	3,644,512	3,423,024

Debt liabilities — loans

Except for 2001-02, 'Loans — Commonwealth securities' represent the book value of Government securities on issue net of investments.

Appendices 1 and 2

Appendix 1

Agency and administered revenue

	2002-03 budget estimate \$'000	2002-03 revised estimate \$'000
AGENCY REVENUE		
Non-appropriation agency revenue		
Interest	20	20
Total non-appropriation agency revenue	20	20
Appropriation revenue	6,574	7,094
Total agency revenue	6,594	7,114
ADMINISTERED REVENUE		
Non-appropriated administered revenue		
Advances to the States under the Housing Agreements — interest	94,938	94,938
Advances to the Northern Territory for housing — interest	1,516	1,516
Advances to the States under the <i>Housing Assistance Act 1973</i> — interest	141	141
Advances to the States under the <i>States (Works and Housing Assistance) Acts</i> — interest	69,178	69,178
Advances to the States under the <i>War Service Lands Settlements Acts</i> — interest	336	336
Interest paid by States and the Northern Territory on other loans	31,940	31,940
Interest on financial assets	388,172	295,575
Loan management expenses — recoveries from the States and the Northern Territory	20	20
<i>Loan Securities Amendment Act 1988</i> (Swaps) — interest	2,222,000	2,222,120
Other	827	827
Total non-appropriation administered revenue	2,809,068	2,716,591
Total estimated revenue	2,815,662	2,723,705

Appendix 2

Estimates of expenses from special appropriations

	2002-03 budget estimate \$'000	2002-03 revised estimate \$'000
ESTIMATED EXPENSES		
Appropriation Bill (No. 1)		
Loan management expenses	2,782	2,782
Overseas bond issues — lapsed coupons	10	10
Total Appropriation Bill (No. 1)	2,792	2,792
Special appropriations		
<i>Airports (Transitional) Act 1996</i> — former debts of the Federal Airports Commission — interest	29,530	28,530
<i>Commonwealth Inscribed Stock Act 1911</i> , <i>Loans Securities Act 1919</i> , <i>Loans Redemption and Conversion Act 1921</i>	4,581,119	4,512,009
<i>Loans Securities Amendment Act 1988 (Swaps)</i> — interest	1,720,000	1,710,410
<i>Loans Securities Amendment Act 1988 (Swaps)</i> — principal	-	382,592
<i>Financial Agreement Act 1994</i> — assistance for debt redemption	29,800	29,800
<i>Financial Agreement Act 1994</i> — Commonwealth contribution to the Debt Retirement Reserve Trust Account on State and Northern Territory debt	1,500	1,500
<i>Financial Agreement Act 1994</i> — interest on Debt Retirement Reserve Trust Account balances	829	829
<i>Snowy Hydro Corporatisation Act 1997</i> — debt servicing	1,960	18,963
Loan flotation expenses	422	422
<i>Loans Redemption and Conversion Act 1921</i> — net repurchase premia	278,000	323,000
Total special appropriations	6,643,160	7,008,055
Total estimated expenses	6,645,952	7,010,847

AUSTRALIAN SECURITIES AND INVESTMENTS COMMISSION

Section 1: Overview, variations and measures

OVERVIEW

There has been no change to the overview included in the *2002-03 Portfolio Budget Statements* (page 141).

ADDITIONAL ESTIMATES AND VARIATIONS TO OUTCOMES

The Australian Securities and Investments Commission (ASIC) is seeking an additional \$2.385 million in agency outputs for an increase in depreciation due to a revaluation of assets (\$2.235 million) and a parameter adjustment (\$0.150 million).

Explanations for these variations are detailed below.

Measures

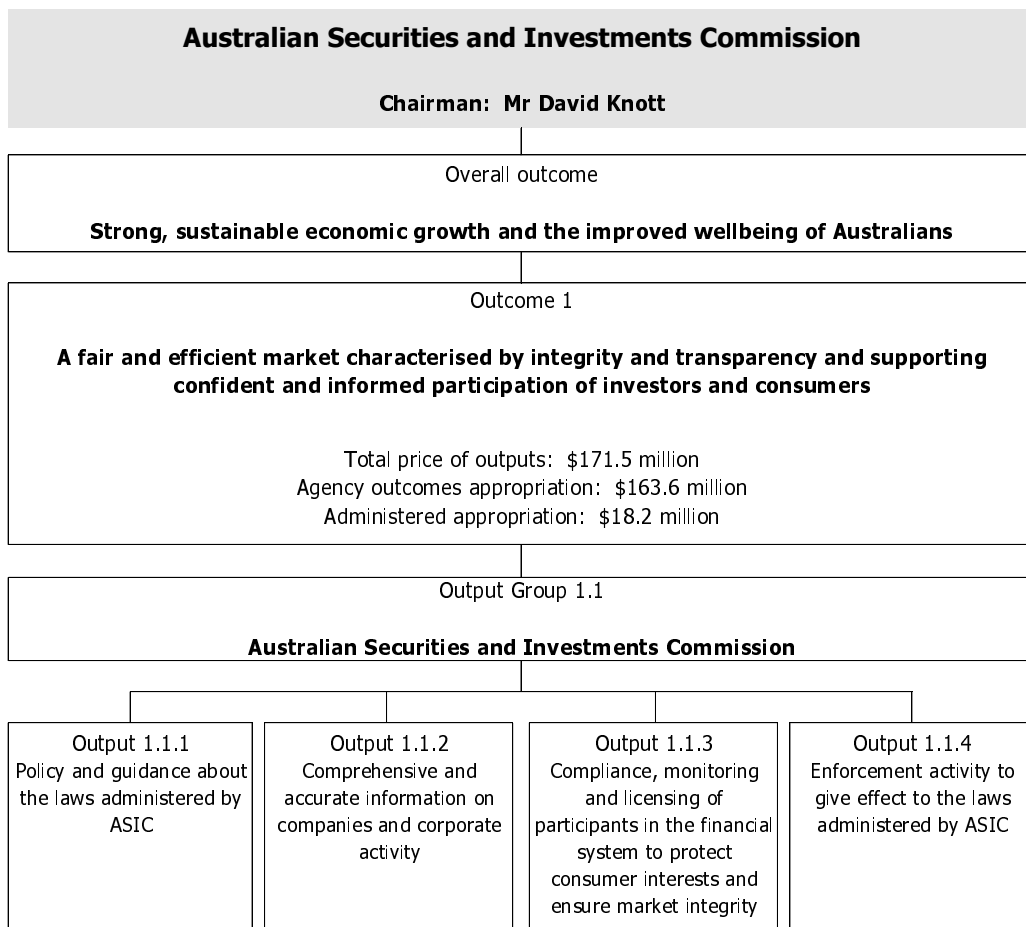
ASIC has no measures since the 2002-03 Budget.

Other variations to appropriations

ASIC is seeking additional funding of \$2.385 million. The increase is a result of:

- \$2.235 million supplementation for additional depreciation following a revaluation of property, plant and equipment in accordance with the principles of accrual accounting.
- \$0.150 million for a revision to the Government parameters used to restate the forward estimates.

Map 2: Outcomes and output groups



BREAKDOWN OF ADDITIONAL ESTIMATES BY APPROPRIATION BILL**Table 1.2: Appropriation Bill (No. 3) 2002-03**

	2001-02 available \$'000	2002-03 budget \$'000	2002-03 revised \$'000	Additional estimates \$'000	Reduced estimates \$'000
AGENCY OUTPUTS					
Outcome 1					
A fair and efficient market characterised by integrity and transparency and supporting confident and informed participation of investors and consumers	148,821	158,390	160,775	2,385	-
Total	148,821	158,390	160,775	2,385	-

SUMMARY OF STAFFING CHANGES**Table 1.4: Average Staffing Level (ASL)**

	2002-03 budget	2002-03 revised	variation
Outcome 1			
A fair and efficient market characterised by integrity and transparency and supporting confident and informed participation of investors and consumers	1,452	1,452	-
Total	1,452	1,452	-

Section 2: Revisions to outcomes and outputs

OUTCOMES AND OUTPUT GROUPS

The Australian Securities and Investments Commission (ASIC) has not made any changes to its outcome or outputs since the *2002-03 Portfolio Budget Statements*.

Revised performance information and level of achievement — 2002-03

ASIC has not made any changes to its performance information since the *2002-03 Portfolio Budget Statements*.

Section 3: Budgeted Financial Statements

Budgeted agency statement of financial performance

This statement provides the expected financial results for the Australian Securities and Investments Commission (ASIC) by identifying full accrual expenses and revenues which highlight its financial performance.

Budgeted agency statement of financial position

This statement shows the financial position of ASIC. It helps decision makers to track the management of ASIC's assets and liabilities.

Budgeted agency statement of cash flows

Budgeted cash flows as reflected in the statement of cash flows, provide important information on the extent and nature of cash flows by categorising them into expected cash flows from operating activities, investing activities and financial activities.

Agency capital budget statement

This statement shows all proposed capital expenditure funded from internal sources.

Agency non-financial assets — summary of movement

This statement shows the movement in ASIC's non-financial assets over the Budget year.

NOTES OF ADMINISTERED ACTIVITY

Details of transactions administered by ASIC on behalf of the Commonwealth are shown in the following notes.

Note of budgeted administered financial performance

This note identifies revenues and expenses administered on behalf of the Government. It also discloses administered revenues from government and transfers to the Public Account.

Note of budgeted administered financial position

This note shows the assets and liabilities administered on behalf of the Government.

Note of budgeted administered cash flows

This note shows cash flows administered on behalf of the Government.

**Table 3.1: Budgeted agency statement of financial performance
(for the period ended 30 June)**

	2001-02 actual \$'000	2002-03 revised budget \$'000	2003-04 forward estimate \$'000	2004-05 forward estimate \$'000	2005-06 forward estimate \$'000
Revenues from ordinary activities					
Revenue from government	146,090	163,626	165,938	163,836	165,446
Sales of goods and services	2,709	2,800	2,850	2,900	2,950
Interest	2,185	2,200	2,200	2,200	2,200
Other	3,354	2,850	2,100	2,240	2,370
Total revenues from ordinary activities	154,338	171,476	173,088	171,176	172,966
Expenses from ordinary activities (excluding borrowing costs expense)					
Employees	85,191	96,723	101,751	99,899	101,183
Suppliers	61,475	61,401	57,694	56,999	57,113
Depreciation and amortisation	11,697	12,709	12,983	13,790	14,147
Written down value of assets sold	1,395	-	-	-	-
Total expenses from ordinary activities (excluding borrowing costs expense)	159,758	170,833	172,428	170,688	172,443
Borrowing costs expense	179	643	660	488	523
Net surplus or deficit from ordinary activities	(5,599)	-	-	-	-
Gain or loss on extraordinary items	-	-	-	-	-
Net surplus or deficit	(5,599)	-	-	-	-
Capital Use Charge	-	-	-	-	-
Net surplus or deficit after Capital Use Charge	(5,599)	-	-	-	-

**Table 3.2: Budget agency statement of financial position
(as at 30 June)**

	2001-02 actual \$'000	2002-03 revised budget \$'000	2003-04 forward estimate \$'000	2004-05 forward estimate \$'000	2005-06 forward estimate \$'000
ASSETS					
Financial assets					
Cash	16,546	12,304	11,376	10,811	10,346
Receivables	2,814	2,814	2,732	2,966	3,116
Total financial assets	19,360	15,118	14,108	13,777	13,462
Non-financial assets					
Land and buildings	10,553	10,295	10,015	9,701	9,332
Infrastructure, plant and equipment	11,972	13,748	12,401	13,977	15,094
Intangibles	5,242	6,334	5,963	5,566	6,728
Other	1,136	1,136	1,136	1,136	1,136
Total non-financial assets	28,903	31,513	29,515	30,380	32,290
Total assets	48,263	46,631	43,623	44,157	45,752
LIABILITIES					
Debt					
Leases	9,334	11,199	9,201	10,066	11,976
Other	7,064	2,859	2,288	1,741	1,212
Total debt	16,398	14,058	11,489	11,807	13,188
Provisions and payables					
Employees	26,926	28,526	28,828	29,482	30,082
Suppliers	5,859	4,967	4,226	3,788	3,402
Total provisions and payables	32,785	33,493	33,054	33,270	33,484
Total liabilities	49,183	47,551	44,543	45,077	46,672
EQUITY					
Reserves	5,254	5,254	5,254	5,254	5,254
Accumulated surpluses or deficits	(6,174)	(6,174)	(6,174)	(6,174)	(6,174)
Total equity	(920)	(920)	(920)	(920)	(920)
Current liabilities	27,536	25,530	23,798	23,983	24,719
Non-current liabilities	21,647	22,021	20,745	21,094	21,953
Current assets	20,496	16,254	15,244	14,913	14,598
Non-current assets	27,767	30,377	28,379	29,244	31,154

**Table 3.3: Budgeted agency statement of cash flows
(for the period ended 30 June)**

	2001-02 actual \$'000	2002-03 revised budget \$'000	2003-04 forward estimate \$'000	2004-05 forward estimate \$'000	2005-06 forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations for outputs	148,821	160,775	165,938	163,836	165,446
Sales of goods and services	2,812	2,800	2,932	2,666	2,800
Interest	2,185	2,200	2,200	2,200	2,200
GST recovered	4,922	4,889	4,553	4,491	4,501
Other	4,600	2,850	2,100	2,240	2,370
Total cash received	163,340	173,514	177,723	175,433	177,317
Cash used					
Employees	84,478	95,623	101,749	99,246	100,783
Suppliers	67,759	68,036	63,259	62,474	62,329
Borrowing costs	179	643	660	488	523
Total cash used	152,416	164,302	165,668	162,208	163,635
Net cash from operating activities	10,924	9,212	12,055	13,225	13,682
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of property, plant and equipment	230	-	-	-	-
Total cash received	230	-	-	-	-
Cash used					
Purchases of property, plant and equipment	8,415	7,919	6,763	7,101	9,036
Total cash used	8,415	7,919	6,763	7,101	9,036
Net cash from investing activities	(8,185)	(7,919)	(6,763)	(7,101)	(9,036)
FINANCING ACTIVITIES					
Cash received					
Proceeds from sales and leaseback of plant and equipment	3,555	-	-	-	-
Total cash received	3,555	-	-	-	-
Cash used					
Repayment of finance lease principal	2,025	5,535	6,220	6,689	5,111
Total cash used	2,025	5,535	6,220	6,689	5,111
Net cash from financing activities	1,530	(5,535)	(6,220)	(6,689)	(5,111)
Net increase (decrease) in cash held	4,269	(4,242)	(928)	(565)	(465)
Cash at the beginning of the reporting period	12,277	16,546	12,304	11,376	10,811
Cash at the end of the reporting period	16,546	12,304	11,376	10,811	10,346

Table 3.4: Agency capital budget statement

	2001-02 actual \$'000	2002-03 revised budget \$'000	2003-04 forward estimate \$'000	2004-05 forward estimate \$'000	2005-06 forward estimate \$'000
PURCHASE OF NON-CURRENT ASSETS					
Funded by capital appropriation	-	-	-	-	-
Funded internally by agency resources	16,219	15,319	10,985	14,655	16,057
Total	16,219	15,319	10,985	14,655	16,057

Table 3.5: Agency non-financial assets — summary of movement (Budget year 2002-03)

	Land	Buildings	Total land and buildings	Specialist military equipment	Other infrastructure plant and equipment	Total infrastructure plant and equipment	Intangibles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at the start of year	-	10,553	10,553	-	11,972	11,972	5,242	27,767
Additions	-	2,574	2,574	-	10,196	10,196	2,549	15,319
Disposals	-	-	-	-	-	-	-	-
Revaluation increments	-	-	-	-	-	-	-	-
Recoverable amount write-downs	-	-	-	-	-	-	-	-
Net transfers free of charge	-	-	-	-	-	-	-	-
Depreciation/amortisation expense	-	(2,832)	(2,832)	-	(6,920)	(6,920)	(2,957)	(12,709)
Write-off of assets	-	-	-	-	-	-	-	-
Other movements	-	-	-	-	(1,500)	(1,500)	1,500	-
Carrying amount at the end of year	-	10,295	10,295	-	13,748	13,748	6,334	30,377
Total additions								
Self funded	-	2,574	2,574	-	10,196	10,196	2,549	15,319
Appropriations	-	-	-	-	-	-	-	-
Total	-	2,574	2,574	-	10,196	10,196	2,549	15,319

**Table 3.6: Note of budgeted administered financial performance
(for the period ended 30 June)**

	2001-02 actual \$'000	2002-03 revised budget \$'000	2003-04 forward estimate \$'000	2004-05 forward estimate \$'000	2005-06 forward estimate \$'000
REVENUES					
Non-taxation					
Interest	133	140	140	140	140
Appropriations	12,725	18,225	16,225	16,225	16,225
Other sources of non-taxation revenues	413,216	426,900	434,000	451,689	457,415
Total revenues administered on behalf of government	426,074	445,265	450,365	468,054	473,780
EXPENSES					
Other	25,064	26,225	24,225	24,225	24,225
Total expenses administered on behalf of government	25,064	26,225	24,225	24,225	24,225

**Table 3.7: Note of budgeted administered financial position
(as at 30 June)**

	2001-02 actual \$'000	2002-03 revised budget \$'000	2003-04 forward estimate \$'000	2004-05 forward estimate \$'000	2005-06 forward estimate \$'000
ASSETS					
Financial assets					
Cash	3,453	3,447	2,787	1,538	3,063
Receivables	85,892	85,730	84,130	85,499	83,314
Investments	-	-	-	-	-
Accrued revenues	11,127	11,127	11,127	11,127	11,127
Other	-	-	-	-	-
Total financial assets	100,472	100,304	98,044	98,164	97,504
Total assets administered on behalf of government	100,472	100,304	98,044	98,164	97,504
LIABILITIES					
Provisions and payables					
Other	80,677	80,369	77,969	77,949	77,149
Total provisions and payables	80,677	80,369	77,969	77,949	77,149
Total liabilities administered on behalf of government	80,677	80,369	77,969	77,949	77,149
Current liabilities	24,028	23,720	21,320	21,300	20,500
Non-current liabilities	56,649	56,649	56,649	56,649	56,649
Current assets	43,823	43,655	41,395	41,515	40,855
Non-current assets	56,649	56,649	56,649	56,649	56,649

**Table 3.8: Note of budgeted administered cash flows
(for the period ended 30 June)**

	2001-02 actual \$'000	2002-03 revised budget \$'000	2003-04 forward estimate \$'000	2004-05 forward estimate \$'000	2005-06 forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	12,725	18,225	16,225	16,225	16,225
Cash from Official Public Account	-	-	-	-	-
Other	402,727	418,894	425,340	442,440	450,940
Total cash received	415,452	437,119	441,565	458,665	467,165
Cash used					
Repayments of debt	-	-	-	-	-
Cash to Official Public Account	402,389	418,900	426,000	443,689	449,415
Other	14,454	18,225	16,225	16,225	16,225
Total cash used	416,843	437,125	442,225	459,914	465,640
Net cash from operating activities	(1,391)	(6)	(660)	(1,249)	1,525
Net increase (decrease) in cash held					
Cash at beginning of reporting period	4,844	3,453	3,447	2,787	1,538
Administered cash at end of reporting period	3,453	3,447	2,787	1,538	3,063

NOTES TO THE FINANCIAL STATEMENTS

Basis of accounting

The agency budget statements have been prepared on an accrual basis in accordance with the historical cost convention, except for certain assets, which are at valuation.

Agency and administered financial statements

Under the Commonwealth's accrual budgeting framework, and consistent with Australian Accounting Standards, transactions that agencies control (agency transactions) are budgeted and reported separately from transactions agencies do not have control over (administered transactions). This ensures that agencies are only held fully accountable for the transactions over which they have control.

Agency

Agency assets, liabilities, revenues and expenses are those that are controlled by ASIC. Employee and supplier expenses are incurred by ASIC in providing its goods and services.

Administered

Administered items are revenues, expenses, assets and liabilities that are managed by ASIC on behalf of the Government according to set Government directions.

Revenue

ASIC collects and administers revenue under the *Corporations Act 2001*, the *Corporations (Fees) Act 2001* and *Corporations (Fees) Regulations*. The revenues from these fees are not available to ASIC and are remitted to the Commonwealth's Official Public Account. Transactions and balances relating to these fees are reported as Administered Items.

Special Appropriations for payments to be made under the *Banking Act 1959* are also reported as part of the Administered Financial Statements.

Expenses

Estimated payments made under the *Banking Act 1959* and the *Life Insurance Act 1995* are included in the Administered Financial Statements.

Appendices 1 and 2

Appendix 1

Agency and administered revenue

	2002-03 budget estimate \$'000	2002-03 revised estimate \$'000
AGENCY REVENUE		
Non-appropriation agency revenue		
Sales of goods and services	1,925	2,800
Interest	2,500	2,200
Other	2,900	2,850
Total non-appropriation agency revenue	7,325	7,850
Appropriation revenue	158,390	163,626
Total agency revenue	165,715	171,476
ADMINISTERED REVENUE		
Non-appropriation administered revenue		
<i>Banking Act 1959</i>	23,500	23,500
<i>Corporations Act 2001</i>	378,139	391,900
<i>Life Insurance Act 1995</i>	-	11,500
Interest	-	140
Total non-appropriation administered revenue	401,639	427,040
Administered appropriation revenue	18,025	18,225
Total administered revenue	419,664	445,265
Total estimated revenue	585,379	616,741

Appendix 2

Estimates of expenses from special appropriations

	2002-03 budget estimate \$'000	2002-03 revised estimate \$'000
ESTIMATED EXPENSES		
<i>Banking Act 1959</i> — Payments of Banking Unclaimed Monies	18,025	18,025
Total estimated expenses	18,025	18,025

AUSTRALIAN TAXATION OFFICE

Section 1: Overview, variations and measures

OVERVIEW

There has been no change to the overview included in the *2002-03 Portfolio Budget Statements* (page 63).

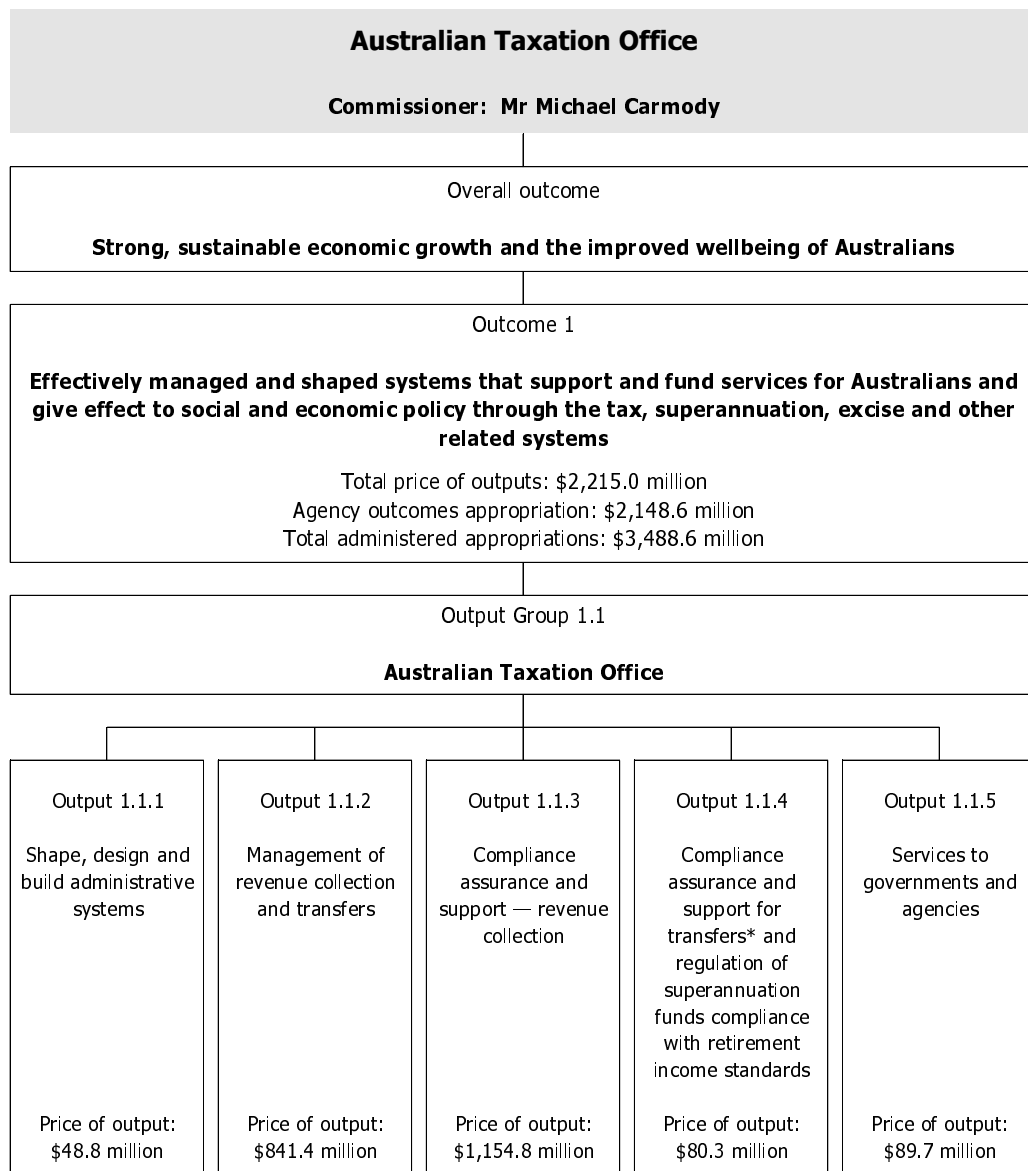
ADDITIONAL ESTIMATES AND VARIATIONS TO OUTCOMES

A parameter variation contributed to a net increase in agency outputs of \$2.084 million for the Australian Taxation Office (ATO).

Measures

The ATO has no measures since the 2002-03 Budget.

Map 2: Outcomes and output groups



* Transfers – movement of money that is not revenue eg tax offsets, grants, super guarantee vouchers and benefits distribution.

BREAKDOWN OF ADDITIONAL ESTIMATES BY APPROPRIATION BILL**Table 1.2: Appropriation Bill (No. 3) 2002-03**

	2001-02 available \$'000	2002-03 budget \$'000	2002-03 revised \$'000	Additional estimates \$'000	Reduced estimates \$'000
AGENCY OUTPUTS					
Outcome 1					
Effectively managed and shaped systems that support and fund services for Australians and give effect to social and economic policy through the tax system					
	1,897,637	2,146,489	2,148,573	2,084	-
Total	1,897,637	2,146,489	2,148,573	2,084	-

Table 1.3: Appropriation Bill (No. 4) 2002-03

	2001-02 available \$'000	2002-03 budget \$'000	2002-03 revised \$'000	Additional estimates \$'000	Reduced estimates \$'000
Equity injections and loans					
Equity injections and loans	45,709	28,863	28,863	-	-
Carryover from previous year	36,000	-	-	-	-
Administered capital	-	-	-	-	-
Total	81,709	28,863	28,863	-	-

SUMMARY OF STAFFING CHANGES

Table 1.4: Average Staffing Level (ASL)

	2002-03 budget	2002-03 revised	variation
Outcome 1			
Effectively managed and shaped systems that support and fund services for Australians and give effect to social and economic policy through the tax system	20,500	20,500	-
Total	20,500	20,500	-

VARIATIONS TO REVENUE FROM OTHER SOURCES THROUGH NET ANNOTATED (SECTION 31) RECEIPTS

Table 1.5: Changes to net annotated appropriations (Section 31) receipts

	2002-03 total approp budget \$'000	2002-03 total approp revised \$'000	Receipts from independent sources budget \$'000	Receipts from independent sources revised \$'000	Variation in non-govt revenue \$'000
Outcome 1					
Effectively managed and shaped systems that support and fund services for Australians and give effect to social and economic policy through the tax system	2,146,489	2,148,573	78,813	66,446	(12,367)
Total	2,146,489	2,148,573	78,813	66,446	(12,367)

Explanation of variations

The reduction in revenue from other sources through net annotated (Section 31) receipts is a result of a reduction in services being provided to the Child Support Agency and a reduction in interest revenue due to the Agency Banking Incentive Scheme review that resulted in a clawback of interest revenue.

Section 2: Revisions to outcomes and outputs

OUTCOMES AND OUTPUT GROUPS

The Australian Taxation Office (ATO) has not made any changes to its outcome or outputs since the *2002-03 Portfolio Budget Statements*.

Revised performance information and level of achievement — 2002-03

The ATO has not made any changes to its performance information since the *2002-03 Portfolio Budget Statements*.

Section 3: Budgeted Financial Statements

Budgeted agency statement of financial performance

This statement provides a picture of the expected financial results for the Australian Taxation Office (ATO) by identifying full accrual expenses and revenues, which highlights whether the ATO is operating at a sustainable level.

Budgeted agency statement of financial position

This statement shows the financial position of the ATO. It enables decision makers to track the management of the ATO's assets and liabilities.

Budgeted agency statement of cash flows

This statement identifies expected cash flows from operating activities, investing activities and financing activities.

Agency capital budget statement

This statement shows all proposed capital expenditure funded either through the Budget as appropriations or from internal sources.

Agency non-financial assets — summary of movement

This statement shows the budgeted movement in the ATO's non-financial assets for 2002-03 Budget year.

NOTES OF ADMINISTERED ACTIVITY

Details of transactions administered by ATO on behalf of the Commonwealth are shown in the following notes.

Note of budgeted administered financial performance

This note identifies revenues and expenses administered on behalf of the Government. It also discloses administered revenues from government and transfers to the Public Account.

Note of budgeted administered financial position

This note shows the assets and liabilities administered on behalf of the Government.

Note of budgeted administered cash flows

This note shows cash flows administered on behalf of the Government.

**Table 3.1: Budgeted agency statement of financial performance
(for the period ended 30 June)**

	2001-02 actual \$'000	2002-03 revised budget \$'000	2003-04 forward estimate \$'000	2004-05 forward estimate \$'000	2005-06 forward estimate \$'000
Revenues from ordinary activities					
Revenue from government	1,897,637	2,148,573	2,208,234	2,248,717	2,301,392
Sales of goods and services	81,574	62,371	59,790	59,175	59,028
Interest	5,961	2,500	2,500	2,500	2,500
Other revenue	1,500	1,575	1,650	1,730	1,820
Total revenues from ordinary activities	1,986,672	2,215,019	2,272,174	2,312,122	2,364,740
Expenses from ordinary activities (excluding borrowing costs expense)					
Employees	1,158,950	1,335,149	1,356,089	1,359,443	1,382,345
Suppliers	763,477	802,676	820,388	837,092	854,730
Depreciation and amortisation	80,563	75,992	90,311	104,691	117,564
Write-down of assets	24,552	-	-	-	-
Other	354	-	-	-	-
Total expenses from ordinary activities (excluding borrowing costs expense)	2,027,896	2,213,817	2,266,788	2,301,226	2,354,639
Borrowing costs expense	521	-	-	-	-
Net surplus or deficit from ordinary activities	(41,745)	1,202	5,385	10,896	10,101
Income tax expense	319	312	318	327	336
Net surplus or deficit	(42,064)	890	5,067	10,569	9,765
Capital Use Charge	-	-	-	-	-
Dividends	-	364	371	381	392
Net surplus or deficit after Capital Use Charge	(42,064)	526	4,696	10,188	9,373

**Table 3.2: Budget agency statement of financial position
(as at 30 June)**

	2001-02 actual \$'000	2002-03 revised budget \$'000	2003-04 forward estimate \$'000	2004-05 forward estimate \$'000	2005-06 forward estimate \$'000
ASSETS					
Financial assets					
Cash	207,409	175,396	179,996	180,772	214,106
Receivables	18,946	16,776	16,511	16,552	16,675
Investments	-	-	-	-	-
Other	2,612	2,612	2,612	2,612	2,612
Total financial assets	228,967	194,784	199,119	199,936	233,394
Non-financial assets					
Land and buildings	61,492	81,986	85,883	93,095	97,912
Infrastructure, plant and equipment	43,790	36,946	42,074	45,514	47,880
Intangibles	178,402	210,136	239,085	243,742	255,996
Other	22,569	22,362	22,341	22,445	22,613
Total non-financial assets	306,253	351,430	389,383	404,796	424,400
Total assets	535,220	546,214	588,502	604,732	657,794
LIABILITIES					
Debt					
Loans	-	-	-	-	-
Leases	10,551	6,607	4,164	2,655	1,684
Other	9,378	9,279	9,180	9,101	9,022
Total debt	19,929	15,886	13,344	11,756	10,706
Provisions and payables					
Employees	406,183	406,021	447,902	453,801	496,692
Suppliers	140,878	126,440	124,447	126,451	128,568
Other	28,647	28,896	29,142	28,870	28,601
Total provisions and payables	575,708	561,357	601,491	609,122	653,861
Total liabilities	595,637	577,243	614,835	620,878	664,567
EQUITY					
Capital	220,224	249,087	249,087	249,087	249,087
Reserves	13,087	13,087	13,087	13,087	13,087
Accumulated surpluses or deficits	(293,728)	(293,203)	(288,507)	(278,319)	(268,947)
Total equity	(60,417)	(31,029)	(26,333)	(16,145)	(6,773)
Current liabilities	304,088	304,088	304,088	304,088	304,088
Non-current liabilities	291,549	273,155	310,747	316,790	360,479
Current assets	251,159	251,159	251,159	251,159	251,159
Non-current assets	284,061	295,055	337,343	353,573	406,635

**Table 3.3: Budgeted agency statement of cash flows
(for the period ended 30 June)**

	2001-02 actual \$'000	2002-03 revised budget \$'000	2003-04 forward estimate \$'000	2004-05 forward estimate \$'000	2005-06 forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations for outputs	1,933,637	2,148,573	2,208,234	2,248,717	2,301,392
Sales of goods and services	93,953	65,811	60,203	59,273	59,051
Interest	5,844	2,500	2,500	2,500	2,500
Other	61,511	87,486	84,241	85,883	87,624
Total cash received	2,094,945	2,304,370	2,355,177	2,396,373	2,450,567
Cash used					
Employees	1,142,705	1,337,371	1,316,665	1,355,795	1,341,954
Grants	789,582	819,108	822,983	835,317	852,279
Interest	-	-	-	-	-
Income tax expense	316	312	318	327	336
Other	-	88,774	84,412	86,027	87,772
Total cash used	1,932,603	2,245,565	2,224,377	2,277,466	2,282,341
Net cash from operating activities	162,342	58,805	130,800	118,907	168,226
INVESTING ACTIVITIES					
Cash received					
Other	242	-	-	-	-
Total cash received	242	-	-	-	-
Cash used					
Purchases of property, plant and equipment	19,063	119,317	125,829	117,750	134,500
Other	54,754	-	-	-	-
Total cash used	73,817	119,317	125,829	117,750	134,500
Net cash from investing activities	(73,575)	(119,317)	(125,829)	(117,750)	(134,500)
FINANCING ACTIVITIES					
Cash received					
Proceeds from issuing equity instruments	45,709	28,863	-	-	-
Total cash received	45,709	28,863	-	-	-
Cash used					
Dividends paid	-	364	371	381	392
Total cash used	-	364	371	381	392
Net cash from financing activities	45,709	28,499	(371)	(381)	(392)
Net increase (decrease) in cash held					
Cash at the beginning of the reporting period	72,933	207,409	175,396	179,996	180,772
Cash at the end of the reporting period	207,409	175,396	179,996	180,772	214,106

Table 3.4: Agency capital budget statement

	2001-02 actual \$'000	2002-03 revised budget \$'000	2003-04 forward estimate \$'000	2004-05 forward estimate \$'000	2005-06 forward estimate \$'000
CAPITAL APPROPRIATIONS					
Total equity injections	45,709	28,863	-	-	-
Total loans	-	-	-	-	-
Appropriation of previous years accrued revenue	36,000	-	-	-	-
Represented by					
Purchase of non-current assets	45,709	28,863	-	-	-
Other	36,000	-	-	-	-
Total	81,709	28,863	-	-	-
PURCHASE OF NON-CURRENT ASSETS					
Funded by capital appropriation	45,709	28,863	-	-	-
Funded internally by agency resources	28,108	90,454	125,829	117,750	134,500
Total	73,817	119,317	125,829	117,750	134,500

Table 3.5: Agency non-financial assets — summary of movement (Budget year 2002-03)

	Land	Buildings	Total land and buildings	Specialist military equipment	Other infrastructure plant and equipment	Total infrastructure plant and equipment	Intangibles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at the start of year	-	61,492	61,492	-	43,790	43,790	178,402	283,684
Additions	-	36,000	36,000	-	3,000	3,000	82,376	121,376
Disposals	-	-	-	-	-	-	-	-
Revaluation increments	-	-	-	-	-	-	-	-
Recoverable amount write-downs	-	-	-	-	-	-	-	-
Net transfers free of charge	-	-	-	-	-	-	-	-
Depreciation/amortisation expense	-	15,506	15,506	-	9,844	9,844	50,642	75,992
Write-off of assets	-	-	-	-	-	-	-	-
Carrying amount at the end of year	-	81,986	81,986	-	36,946	36,946	210,136	329,068
Total additions								
Self funded	-	36,000	36,000	-	3,000	3,000	53,513	92,513
Appropriations	-	-	-	-	-	-	28,863	28,863
Total	-	36,000	36,000	-	3,000	3,000	82,376	121,376

**Table 3.6: Note of budgeted administered financial performance
(for the period ended 30 June)**

	2001-02 actual \$'000	2002-03 revised budget \$'000	2003-04 forward estimate \$'000	2004-05 forward estimate \$'000	2005-06 forward estimate \$'000
REVENUES					
Taxation					
Income tax	118,729,292	127,627,200	136,702,000	144,983,000	153,684,000
Indirect tax	47,809,852	50,910,000	52,600,000	54,560,000	56,660,000
Other taxes, fees and fines	4,199,930	3,885,000	3,985,000	4,115,000	4,245,000
Total taxation	170,739,074	182,422,200	193,287,000	203,658,000	214,589,000
Non-taxation					
Interest	-	-	-	-	-
Dividends	-	-	-	-	-
Proceeds from sales of assets	-	-	-	-	-
Net foreign exchange gains	-	-	-	-	-
Other sources of non-taxation revenues	11,356	12,000	12,000	12,000	12,000
Total non-taxation	11,356	12,000	12,000	12,000	12,000
Total revenues administered on behalf of the Government	170,750,429	182,434,200	193,299,000	203,670,000	214,601,000
EXPENSES					
Subsidies	3,042,657	3,324,000	3,369,000	3,409,000	3,459,000
Personal benefits	-	85,000	345,000	490,000	615,000
Grants	-	-	-	-	-
Suppliers	-	-	-	-	-
Depreciation and amortisation	-	-	-	-	-
Net write-down of assets	1,201,404	740,000	690,000	690,000	690,000
Interest on overpayments	363,975	150,000	150,000	150,000	150,000
Other goods and services	81,756	100,200	100,200	100,200	100,200
Total expenses administered on behalf of the Government	4,689,792	4,399,200	4,654,200	4,839,200	5,014,200

**Table 3.7: Note of budgeted administered financial position
(as at 30 June)**

	2001-02 actual \$'000	2002-03 revised budget \$'000	2003-04 forward estimate \$'000	2004-05 forward estimate \$'000	2005-06 forward estimate \$'000
ASSETS					
Financial assets					
Cash	176,381	176,381	176,381	176,381	176,381
Receivables	13,765,149	13,665,149	14,065,149	14,485,149	14,905,149
Investments	2,541	2,541	2,541	2,541	2,541
Accrued revenues	-	-	-	-	-
Other	-	-	-	-	-
Total financial assets	13,944,071	13,844,071	14,244,071	14,664,071	15,084,071
Non-financial assets					
Land and buildings	-	-	-	-	-
Infrastructure, plant and equipment	-	-	-	-	-
Other	20,268	20,268	20,268	20,268	20,268
Total non-financial assets	20,268	20,268	20,268	20,268	20,268
Total assets administered on behalf of government	13,964,339	13,864,339	14,264,339	14,684,339	15,104,339
LIABILITIES					
Provisions and payables					
Employees	-	-	-	-	-
Suppliers	-	-	-	-	-
Grants	-	-	-	-	-
Subsidies	66,340	66,340	66,340	66,340	66,340
Provision for taxation refunds	2,037,224	1,204,024	1,204,024	1,204,024	1,204,024
Other	507,739	507,739	507,739	507,739	507,739
Total provisions and payables	2,611,303	1,778,103	1,778,103	1,778,103	1,778,103
Total liabilities administered on behalf of government	2,611,303	1,778,103	1,778,103	1,778,103	1,778,103
Current liabilities	2,611,303	1,778,103	1,778,103	1,778,103	1,778,103
Non-current liabilities	-	-	-	-	-
Current assets	13,941,530	13,841,530	14,241,530	14,661,530	15,081,530
Non-current assets	2,541	2,541	2,541	2,541	2,541

**Table 3.8: Note of budgeted administered cash flows
(for the period ended 30 June)**

	2001-02 actual \$'000	2002-03 revised budget \$'000	2003-04 forward estimate \$'000	2004-05 forward estimate \$'000	2005-06 forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Taxes, fees and fines	195,358,113	180,949,000	192,197,000	202,548,000	213,479,000
Appropriations	3,488,388	3,659,200	3,964,200	4,149,200	4,324,200
Other	11,356	12,000	12,000	12,000	12,000
Total cash received	198,857,857	184,620,200	196,173,200	206,709,200	217,815,200
Cash used					
Cash to Official Public Account	208,099,814	180,961,000	192,209,000	202,560,000	213,491,000
Other	3,488,388	3,659,200	3,964,200	4,149,200	4,324,200
Total cash used	211,588,202	184,620,200	196,173,200	206,709,200	217,815,200
Net cash used by operating activities	(12,730,345)	-	-	-	-
Net increase (decrease) in cash held	(12,730,345)	-	-	-	-
Cash at beginning of reporting period	480,704	176,381	176,381	176,381	176,381
Administered cash at end of reporting period	176,381	176,381	176,381	176,381	176,381

NOTES TO THE FINANCIAL STATEMENTS

Basis of accounting

The agency budget statements are prepared in compliance with Australian Accounting Standards, Accounting Guidance Releases and having regard to Statements of Accounting Concepts.

Administered

Recognition of taxation revenue

Since 1999-2000 administered taxation revenue has been brought to account on a year by year basis where:

- the identity of the taxpayer is certain;
- the amount of the liability or refund is certain;
- the liability or entitlement to a refund has been notified to the Commissioner or advised by the taxpayer;
- there is an intention on the part of the Commissioner to collect the liability; and
- there is a legislative intent by the Commonwealth to change the basis or application of taxation law.

This recognition policy does not include the following items as revenue of the period:

- estimates of future collections or refunds from individuals in respect of income tax returns to be lodged for the current financial year ended at 30 June;
- estimates of instalments of tax and final payments for companies due after 30 June;
- estimates of final amounts for Petroleum Rent Resource Tax due after 30 June; and
- actual payments for Pay As You Go, Goods and Services Tax, Excise and Withholding Taxes for amounts collected or withheld in June but not remitted to the Commissioner until July.

Items recognised as reductions to taxation revenue

The following items are recognised as reductions (increases) to taxation revenue and not as expense:

- refunds of revenue;
- increase (decrease) in movement of provision for credit amendments;
- diesel fuel rebates and diesel fuel credits; and
- increases (decreases) in movement of provision for diesel fuel rebates.

Appendices 1 and 2

Appendix 1

Agency and administered revenue

	2002-03 budget estimate \$'000	2002-03 revised estimate \$'000
AGENCY REVENUE		
Non-appropriation agency revenue		
Sales of goods and services	72,316	62,371
Interest revenue	5,072	2,500
Other revenue	1,425	1,575
Total non-appropriation agency revenue	78,813	66,446
Appropriation revenue	2,146,489	2,148,573
Total agency revenue	2,225,302	2,215,019
ADMINISTERED REVENUE		
Non-appropriation administered revenue		
Total taxation revenue	181,055,000	182,422,200
<i>Superannuation Guarantee (Administration) Act 1992 —</i> shortfalls, penalties and fines	130,000	130,000
<i>Superannuation Guarantee (Supervision) Act 1993 —</i> Unclaimed monies	200	200
Miscellaneous receipts	12,000	12,000
GST administration charged to states	-	-
Total non-appropriation administered revenue	181,197,200	182,564,400
Appropriation revenue	*3,439,400	*3,744,200
Total administered revenue	184,636,600	186,308,600
Total estimated revenue	186,861,902	188,523,619

* Includes Baby Bonus payments from consolidated appropriations

Appendix 2

Estimates of expenses from special appropriations

	2002-03 budget estimate \$'000	2002-03 revised estimate \$'000
ESTIMATED EXPENSES		
Refunds of Receipts — <i>Taxation Administration Act 1953</i>	11,110,000	11,608,000
First Child Tax Refund — Baby Bonus	85,000	85,000
<u>Less</u> amount of refunds deducted from receipts items	(11,195,000)	(11,693,000)
Diesel fuel rebate	2,230,000	2,285,000
Conversion of diesel fuel credit scheme to diesel and alternative fuels grants scheme	760,000	800,000
Product Stewardship Waste Oil	24,200	24,000
Assistance for cellar door and mail order sales of wine	-	-
Fuel sales grants scheme	215,000	215,000
<i>Superannuation Guarantee (Administration) Act 1992</i> — Distribution of charges	60,000	100,000
<i>Superannuation Guarantee (Supervision) Act 1993</i> — Repayments of unclaimed moneys	200	200
<i>Taxation Administration Act 1953</i> — <i>Taxation (interest on overpayments and early payment) Act 1983</i>	150,000	150,000
Total estimated expenses	3,439,400	3,574,200

GLOSSARY

Accrual accounting	System of accounting where items are brought to account and included in the financial statements as they are earned or incurred, rather than as they are received or paid.
Accumulated depreciation	The aggregate depreciation recorded for a particular depreciating asset.
Additional estimates	Where amounts appropriated at Budget time are insufficient, Parliament may appropriate more funds to portfolios through the Additional Estimates Acts. This is the additional estimates process.
Additional estimates bills or acts	These are Appropriation Bills (Nos 3 and 4), and a separate Bill for the Parliamentary Departments (Appropriations (Parliamentary Departments) Bill (No 2). These Bills are introduced into Parliament after the Budget Bills.
Administered items	Expenses, revenues, assets or liabilities managed by agencies on behalf of the Commonwealth. Agencies do not control administered items. Administered expenses include grants, subsidies and benefits. In many cases, administered expenses fund the delivery of third party outputs.
Annual appropriation	Two appropriation Bills are introduced into Parliament in May and comprise the Budget. Further Bills are introduced later in the financial year as part of the additional estimates. Parliamentary departments have their own appropriations.
Appropriation	An authorisation by Parliament to spend monies from the Consolidated Revenue Fund.
Capital expenditure	Expenditure by an agency on capital projects, for example purchasing a building.

Glossary

Capital Use Charge	<p>The Capital Use Charge is a dividend requirement levied on Commonwealth General Government Sector agencies and authorities. The Capital Use Charge payment is based on those agencies and authorities Departmental net assets at financial year end.</p> <p>Funding for the Capital Use Charge is included in agencies and authorities Departmental price of outputs appropriation.</p>
Departmental items	<p>Assets, liabilities, revenues and expenses which are controlled by the agency in providing its outputs. Departmental items would generally include computers, plant and equipment assets used by agencies in providing goods and services and most employee expenses, supplier costs and other administrative expenses incurred.</p>
Depreciation	<p>An expense recognised systematically for the purpose of allocating the depreciable amount of a depreciable asset over its useful life</p>
Effectiveness indicators	<p>Measures the joint or independent contribution of outputs and administered items to the achievements of their outcome.</p>
Efficiency indicators	<p>Measures the adequacy of an agency's management of its outputs (and where applicable, administered items). Includes Price, Quality and Quantity indicators. Indicators should be considered in relation to other indicators.</p>
Equity or net assets	<p>Residual interest in the assets of an entity after deduction of its liabilities.</p>
Expense	<p>Total value of all of the resources consumed in producing goods and services.</p>
Fair value	<p>Valuation methodology: The amount for which an asset could be exchanged, or a liability settled, between knowledgeable and willing parties in an arm's length transaction. The fair value can be affected by the conditions of the sale, market conditions and the intentions of the asset holder.</p>

Historical cost	The original cost of acquisition of an asset, including any costs associated with acquisition. Under Australian Accounting Standard 10 'Acquisition of Non-Current Assets' assets need to be reported initially at acquisition (historical cost). The Commonwealth's financial reporting requirements issued under the Finance Minister's Orders require the subsequent revaluation of non current assets to their deprival value within every three years.
Operating result	Equals revenue less expense.
Outcomes	The Government's objectives in each portfolio area. Outcomes are desired results, impacts or consequences for the Australian community influenced by the actions of the Commonwealth. Actual outcomes are the results or impacts actually achieved.
Output groups	A logical aggregation of outputs, where useful, based either on homogeneity, type of product or beneficiary target group. Aggregation may also be needed for the provision of adequate information for performance monitoring, or based on a materiality test.
Outputs	The goods and services produced by agencies on behalf of government for external organisations or individuals. Outputs also include goods and services for other areas of government external to the agency.
Price	The amount the government or the community pays for the delivery of agreed outputs.
Quality	Relates to the characteristics by which customers or stakeholders judge an organisation, product or service. Assessment of quality involves use of information gathered from interested parties to identify differences between user's expectations and experiences.
Quantity	Size of an output. Count or volume measures. How many or how much.
Revenue	Total value of resources earned or received to cover the production of goods and services.
Special appropriations	Monies appropriated by Parliament in an Act separate to an annual Appropriation Act, where the payment is for a specified amount. Special appropriations are not subject to Parliaments annual budget control, unlike the annual appropriations.

INDEX

A

- Additional estimates · 5, 11, 16, 35, 37, 49, 53, 69, 71, 89, 91, 107, 109
- Additional First Home Owners Scheme · 13
- Australia Post, Increased regulatory oversight of · 49
- Australian Bureau of Statistics · 3, 35–47
 - Additional estimates · 35, 37
 - Average staffing level · 38
 - Budgeted Financial Statements · 40–47
 - Outcome and output structure · 36
- Australian Competition and Consumer Commission · 3, 49–68
 - Additional estimates · 49, 53
 - Budgeted Financial Statements · 55–68
 - Measures · 49–52
 - Notes of Administered Activity · 56
 - Outcome and output structure · 51
- Australian Office of Financial Management · 3, 69–88
 - Additional estimates · 69, 71
 - Average staffing level · 71
 - Budgeted Financial Statements · 73–88
 - Notes of Administered Activity · 74
 - Outcome and output structure · 70
- Australian Prudential Regulation Authority · 4
- Australian Securities and Investments Commission · 4, 89–105
 - Additional estimates · 89, 91
 - Average staffing level · 91
 - Budgeted Financial Statements · 93–105
 - Notes of Administered Activity · 94
 - Outcome and output structure · 90
- Australian Taxation Office · 4
 - Additional estimates · 107, 109
 - Average staffing level · 110
 - Budgeted Financial Statements · 112–25
 - Notes of Administered Activity · 113
 - Outcome and output structure · 108
- Australian Taxation Office · 107–25
- Average staffing level
 - Australian Bureau of Statistics · 38
 - Australian Office of Financial Management · 71
 - Australian Securities and Investments Commission · 91
 - Australian Taxation Office · 110
 - Treasury · 17

B

- Budgeted Financial Statements
 - Australian Bureau of Statistics · 40–47
 - Australian Competition and Consumer Commission · 55–68
 - Australian Office of Financial Management · 73–88
 - Australian Securities and Investments Commission · 93–105
 - Australian Taxation Office · 112–25
 - Treasury · 20–33

C

- Companies and Markets Advisory Committee · 4
- Compulsory Third Party insurance · 11

E

- Enquiries · x

L

- Letter of transmission · iii

M

- Measures
 - Compulsory Third Party insurance · 11
 - Increased regulatory oversight of Australia Post · 49
 - Law of Negligence, Principles Based Review of · 12
 - Medical Indemnity Insurance Assistance Package · 50
 - Report of the Inquiry into the Definition of Charities and Related Organisations · 12
 - Terrorism insurance — commercial cover · 13
 - Trade Practices Act, Review of · 12
 - Treasury · 11–15
- Medical Indemnity Insurance Assistance Package · 50

N

National Competition Council · 4
Notes of Administered Activity
 Australian Competition and Consumer
 Commission · 56
 Australian Office of Financial Management ·
 74
 Australian Securities and Investments
 Commission · 94
 Australian Taxation Office · 113
 Treasury · 21

O

Outcome and output structure maps
 Australian Bureau of Statistics · 36
 Australian Competition and Consumer
 Commission · 51
 Australian Office of Financial Management ·
 70
 Australian Securities and Investments
 Commission · 90
 Australian Taxation Office · 108
 Treasury · 10

P

Portfolio overview · 3–4

Principles Based Review of the Law of
 Negligence · 12
Productivity Commission · 4

R

Report of the Inquiry into the Definition of
 Charities and Related Organisations · 12

T

Table of Contents · v
Terrorism insurance — commercial cover · 13
Trade Practices Act, Review of · 12
Treasury · 3, 9–33
 Additional estimates · 11, 16
 Average staffing level · 17
 Budgeted Financial Statements · 20–33
 Measures · 11–15
 Notes of Administered Activity · 21
 Outcome and output structure · 10
 Revised outcome and output structure · 19

U

User Guide · viii, ix–x