

PORTFOLIO ADDITIONAL
ESTIMATES STATEMENTS

1999-2000

TREASURY PORTFOLIO

© Commonwealth of Australia 1999

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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 Madam President
Dear Mr Speaker

I hereby submit Portfolio Additional Estimates Statements in support of the 1999-2000 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 initial 'P'.

Peter Costello

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PART A

User Guide

INTRODUCTION

The purpose of Treasury's 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) 1999-2000.

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: Agency Overview, Additional Estimates and Variations to Outcomes

This section details the link between the resources appropriated and savings 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 (excluding revenue directly appropriated) which are a direct result of Additional Estimates, or changes to its estimates of expenses from Special Appropriations.

Glossaries are provided at the end of the document.

STYLES AND CONVENTIONS USED

(a) The following notations may be used:

NEC/nec	not elsewhere classified
AEST	Australian Eastern Standard Time
—	nil
..	not zero, but rounded to zero
na	not applicable (unless otherwise specified)
nfp	not for publication
\$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.

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' direct responsibilities.

The **Department of the Treasury** produces outputs directed at the achievement of the foregoing outcomes under three output groups — Economic, Budget and Markets.

- Economic group outputs include: domestic economic policy advice and forecasting; and international policy advice and assessment.
- Budget group outputs include: budget policy advice and coordination; Commonwealth-State financial policy advice; industry policy advice; and taxation and income support policy advice.
- Markets group outputs include: foreign investment policy advice and administration; financial system and markets policy advice; and business and consumer policy advice. 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 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 taxation system. Its major outputs relate to providing revenue to government, providing transfers and contributing to policy advice and legislation.

The **Productivity Commission (PC)** outputs aim at 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; competitive neutrality complaints; and annual report and other supporting research.

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 include:

Part B — Portfolio Overview

compliance obligations pursuant to the administration of Acts (the Trade Practices Act and the Prices Surveillance Act); statutory responsibilities arising from parts of other relevant Acts and subordinate regulatory instruments; and competition initiatives, regulatory mechanisms, liaison and information.

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 to governments on competition policy and infrastructure access issues; and clear, accessible public information on competition policy.

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 relate to: policy and guidance about the laws administered by ASIC; comprehensive and accurate information on companies and corporate activity; enforcement activity to give effect to the laws administered by ASIC; and compliance monitoring relating to the Corporations Law.

The **Companies and Securities Advisory Committee (CASAC)** 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 **Australian Office of Financial Management (AOFM)** was established on 1 July 1999 as a 'prescribed agency' under the *Financial Management and Accountability Act 1997*. At that time it assumed responsibility for the Commonwealth's debt management activities previously undertaken by the Department of the Treasury.

The AOFM will significantly 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 balance sheet net worth of the Commonwealth over time. It will do so by ensuring that Government debt is managed at the lowest possible cost, consistent with an acceptable degree of risk and by providing expert advice to the Treasurer in the administration of responsibilities and the implementation of Government decisions.

ADDITIONAL ESTIMATES AND VARIATIONS — PORTFOLIO LEVEL

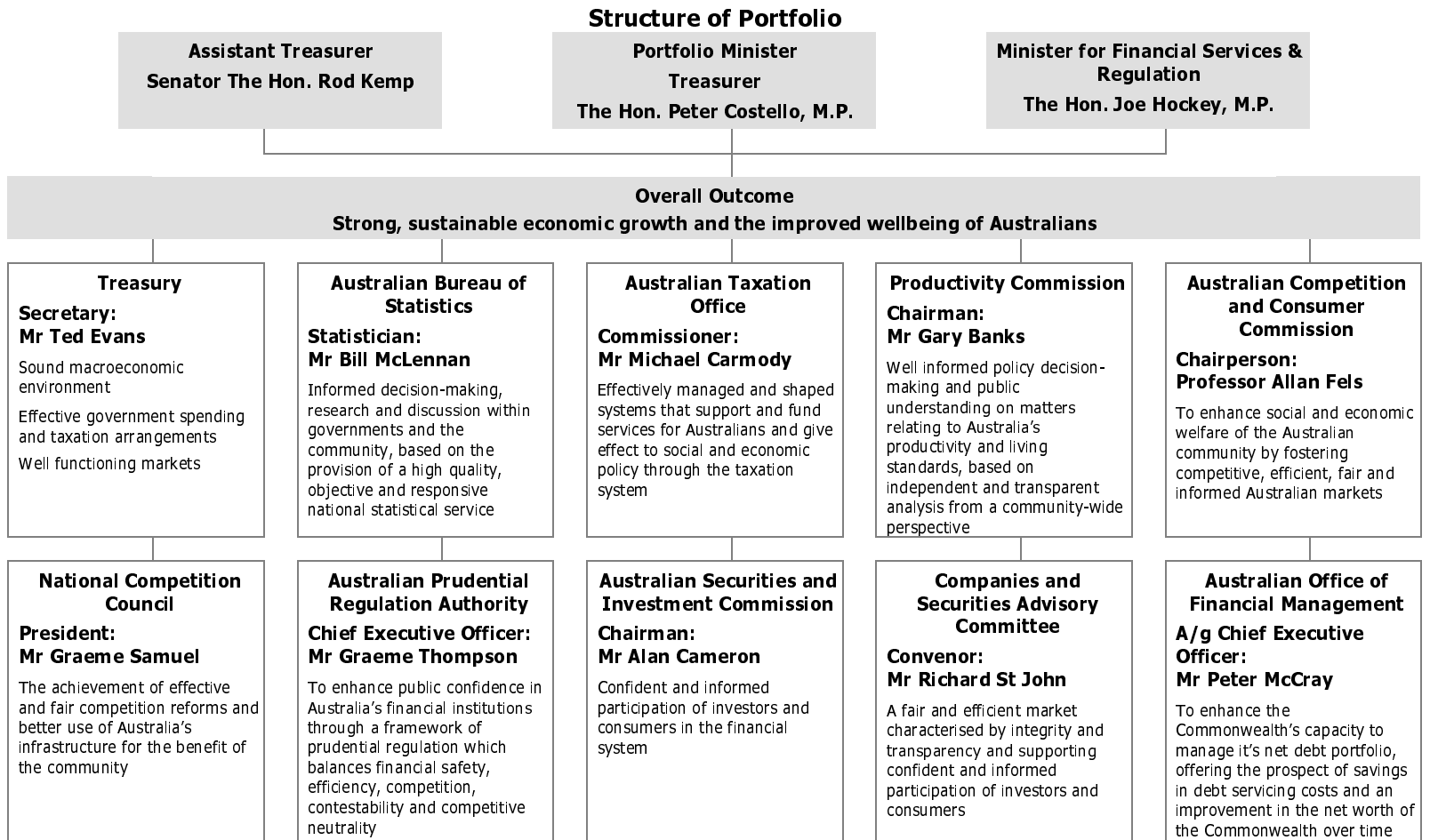
Additional Estimates are being sought across the portfolio. Additional estimates and variations for agencies within the portfolio are detailed in their respective sections.

There are no additional estimate variations for the Productivity Commission, the National Competition Council or the Companies and Securities Advisory Committee.

There have been two Administrative Arrangement Order (AAO) variations since the 1999-2000 Budget. This is due to the transfer of responsibility of the GST Start-Up Assistance Office from the Department of Employment, Workplace Relations and Small Business and the establishment and transfer of the AOFM as a prescribed agency from the Department of the Treasury.

The AAO variations are not detailed in the PAES, rather the 1999-2000 budget figures have been adjusted as if the AAO took affect from 1 July 1999. This has been done to allow comparison of the impact of the transfers for the full year.

Part B — Portfolio Overview



PART C

Agency Additional Estimates Statements

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DEPARTMENT OF THE TREASURY

Section 1: Overview, Additional Estimates and Variations to Outcomes

OVERVIEW

There has been no significant change to the overview to that included in the 1999-2000 Portfolio Budget Statements.

ADDITIONAL ESTIMATES AND VARIATIONS TO OUTCOMES – DEPARTMENTAL LEVEL

On 31 July 1996 the Government endorsed the Commonwealth Property Principles, which initiated the commercialisation of the Commonwealth's property portfolio. This is being extended to include a valuation for the special purpose nature of the Overseas Estate to ensure that the true property cost is reflected by each portfolio. This will require an additional \$0.818 million to be appropriated for departmental items. This requires an Additional Estimate bid for Outcome 1 — 'Sound macroeconomic environment'.

There has been a funding classification amendment for the International Bank for Reconstruction and Development, the International Finance Corporation and the Australian National Railways Commission (now with the AOFM). The funding of \$90.400 million had previously been provided under both Appropriation Bill 2 and the Capital Budget. This funding has now been classified as a capital item and results in a saving to Outcome 1 — 'Sound macroeconomic environment'.

The government agreed to transfer \$2 million from the GST Start-Up Assistance Office administered costs to departmental costs. This results in additional funding of \$2 million in departmental appropriations and a saving of \$2 million in administered costs. The transfer will allow the Office to employ more private sector expertise in the delivery of assistance to small and medium enterprises, community groups and education bodies. This requires an Additional Estimate bid and a saving for Outcome 2 — 'Effective government spending and taxation arrangements'.

A total of \$20 million was approved in 1998-99 for the Community Education and Information Programme (CEIP) of which \$0.500 million was later transferred to the Department of Health and Aged Care. Expenditure commitment of approximately \$0.200 million entered into in 1998-99 was not due for payment until 1999-2000. As there is no CEIP funding in 1999-2000, a carryover of unspent appropriation from 1998-99 was

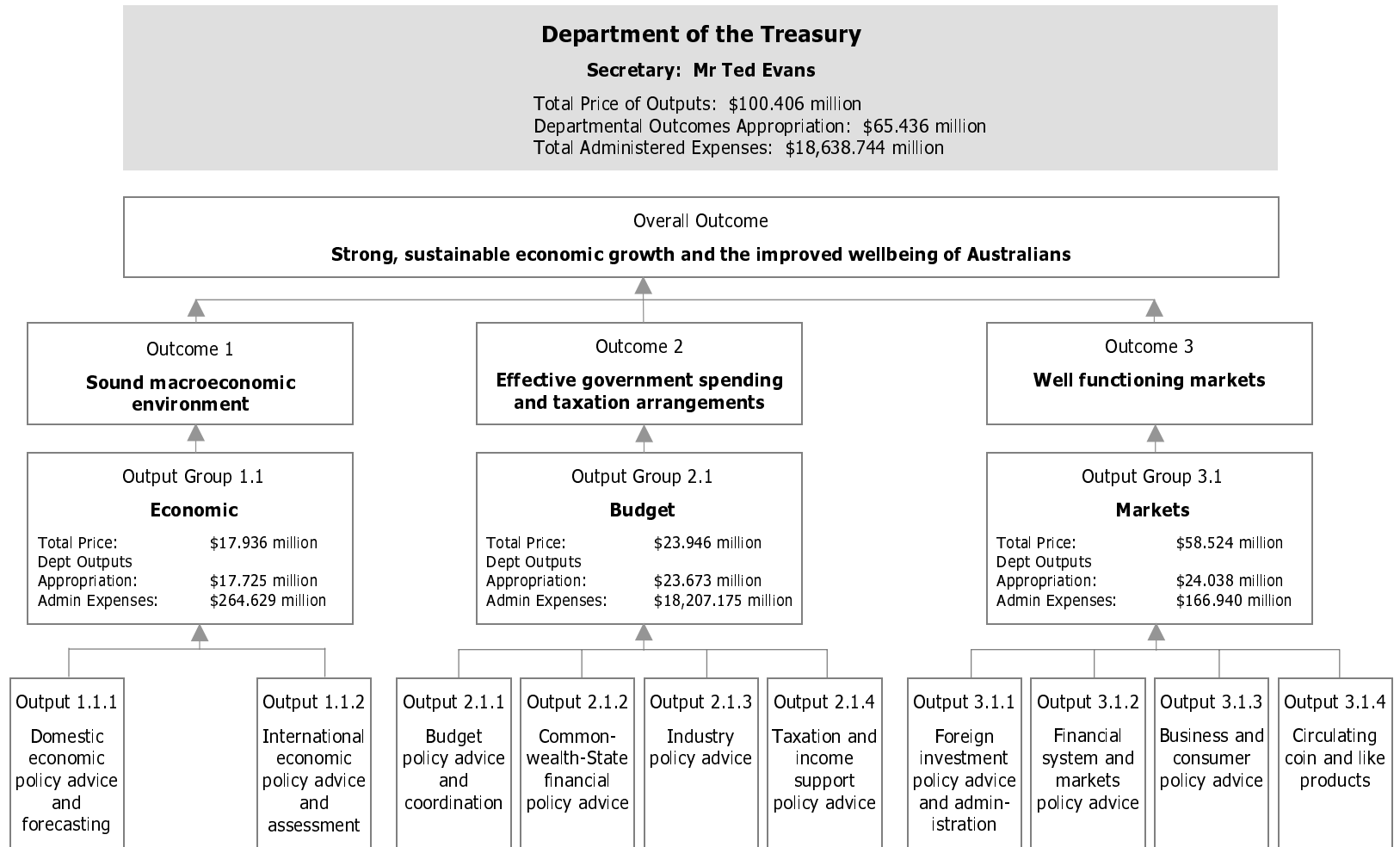
Part C: Agency Additional Estimates Statements — Treasury

required to meet those commitments. This requires an Additional Estimates bid for Outcome 2 — ‘Effective government spending and taxation arrangements’.

An increase in the actual amount of insurance paid out in 1998-99 for the Housing Loans Insurance Company Limited (HLIC) has resulted in a recalculation of the 1999-2000 estimated requirement. This will require an additional \$0.424 million to be appropriated. This requires an Additional Estimates bid for Outcome 3 — ‘Well functioning markets’.

The Department expects to receive additional funding in the form of an equity injection of \$0.563 million, this being the difference between the 1998-99 estimated carryover at Budget time and the actual carryover.

Part C: Agency Additional Estimates Statements — Treasury



Breakdown of Additional Estimates by Appropriations Bill

Table 1.2: Appropriation Bill (No 3) 1999-2000

	1998-99 Estimated Expenses \$'000	1999-00 Budget \$'000	1999-00 Revised \$'000	Additional Estimates \$'000	Reduced Estimates \$'000
Administered Expenses					
Outcome 1					
Sound macroeconomic environment	4,187	—	—	—	—
Outcome 2					
Effective government spending and taxation arrangements	793	497,000	495,000	—	(2,000)
Outcome 3					
Well functioning markets	29,487	26,300	26,724	424	—
Total	34,467	523,300	521,724	424	(2,000)
Departmental Outputs					
Outcome 1					
Sound macroeconomic environment	18,157	16,907	17,725	818	—
Outcome 2					
Effective government spending and taxation arrangements	18,187	21,673	23,673	2,000	—
Outcome 3					
Well functioning markets	17,008	24,038	24,038	—	—
Total	53,352	62,618	65,436	2,818	—
Appropriation Bill 3 (Administered & Departmental)					
Total	87,819	585,918	587,160	3,242	(2,000)

Table 1.3: Appropriation Bill (No 4) 1999-2000

	1998-99 Estimated Expenses \$'000	1999-00 Budget \$'000	1999-00 Revised \$'000	Additional Estimates \$'000	Reduced Estimates \$'000
Specific Payments to the States and Territories					
Outcome 1					
Sound macroeconomic environment	—	—	—	—	—
Outcome 2					
Effective government spending and taxation arrangements	—	—	—	—	—
Outcome 3					
Well functioning markets	133,479	134,412	134,412	—	—
Total	133,479	134,412	134,412	—	—
Other Administered Expenses					
Outcome 1					
Sound macroeconomic environment	364,972	90,400	—	—	(90,400)
Outcome 2					
Effective government spending and taxation arrangements	44,443	13,200	13,400	200	—
Outcome 3					
Well functioning markets	—	—	—	—	—
Total	409,415	103,600	13,400	200	(90,400)
Equity Injections and Loans					
Equity Injections	—	—	—	—	—
Loans	—	775	775	—	—
Carryover from previous years	—	3,200	3,763	563	—
Administered Capital	64,672	13,100	13,100	—	—
Total Capital	64,672	17,075	17,638	563	—
Total	607,566	255,087	165,450	763	(90,400)

Footnote For Section 1: Departmental Overview

The underlying outlays for 1998-99 is \$24.161 million.

Note: Underlying outlays is a cash concept and, as this figure is cash, it is not directly comparable with the other accrual figures in this document. This information is being provided to give additional information to support the transition from cash to accrual budgeting.

Part C: Agency Additional Estimates Statements — Treasury

Table 1.4: Staff Years (Number)

	1999-00 Budget	1999-00 Revised	Variation
Outcome 1			
Sound macroeconomic environment	126	126	—
Outcome 2			
Effective government spending and taxation arrangements	195	195	—
Outcome 3			
Well functioning markets	184	192	8
Total	505	513	8

Section 2: Outcomes and Outputs Information

OUTCOME 1 — SOUND MACROECONOMIC ENVIRONMENT

Revised Performance Information and Level of Achievement — 1999-2000

With the establishment of the AOFM as a ‘prescribed agency’ on 1 July 1999, the previous performance information under Output 1.1.3 which was included in the 1999-2000 Portfolio Budget Statements (PBS) is no longer relevant and has been removed. Details of the AOFMs performance information commences from page 93.

The remaining variations in funding for Outcome 1 are to pre-existing outputs and will not affect the remaining performance information under Outcome 1 from the 1999-2000 PBS.

OUTCOME 2 — EFFECTIVE GOVERNMENT SPENDING AND TAXATION ARRANGEMENTS

Revised Performance Information and Level of Achievement — 1999-2000

The variation in funding is to a pre-existing output that will not affect the performance information under Outcome 2 from the 1999-2000 PBS.

OUTCOME 3 — WELL FUNCTIONING MARKETS

Revised Performance Information and Level of Achievement — 1999-2000

The variation in funding is to a pre-existing output that will not affect the performance information under Outcome 3 from the 1999-2000 PBS.

Section 3: Budget Financial Statements

The budget financial statements for 1998-99 appear in the Department's 1999-2000 Annual Report, and form the basis for the input into the Whole of Government Accounts.

Budget Statement of Revenue and Expenses (Budget Operating Statement)

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

Budget Statement of Assets and Liabilities (Budget Balance Sheet)

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

Budget Cash Flow Statement

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

Capital Budget

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

Table 3.1: Budget Statement of Revenue and Expenses

	Actual	Revised	Estimated		
	1998-99 \$'000	1999-00 \$'000	2000-01 \$'000	2001-02 \$'000	2002-03 \$'000
Departmental Revenue and Expenses					
Revenues					
Revenue from government					
Ordinary annual appropriations (net appropriations)	50,449	65,436	62,522	59,363	59,416
Revenue from other sources					
Sales of goods and services	30,930	34,492	25,419	25,427	25,435
Other revenue from other sources	2,836	453	4,428	610	621
Total Revenue	84,215	100,381	92,369	85,400	85,472
Expenses					
Employees	36,242	44,385	42,817	40,496	39,640
Depreciation and amortisation	1,949	2,620	4,229	5,540	5,555
Other costs of providing goods and services	47,410	51,687	36,141	34,211	34,884
Other	566	150	914	546	546
Total Expenses	86,167	98,842	84,101	80,793	80,625
Operating Result Before Capital User Charge	(1,952)	1,539	8,268	4,607	4,847
Capital User Charge	—	(1,539)	(2,367)	(2,607)	(2,847)
Extraordinary Items	18,658	—	—	—	—
Accumulated Results at Year End	16,706	—	5,901	2,000	2,000
Administered Revenue and Expenses					
Revenues					
Taxation Revenue	—	(6,951,534)	(328,913)	—	—
Interest and dividends	1,880,638	3,693,814	1,527,720	1,500,000	1,500,000
Other sources of non-taxation revenue	867,335	775,059	219,400	214,179	203,295
Appropriations	9,337,712	25,364,983	1,977,663	3,051,664	2,183,153
Total Revenue	12,085,685	22,882,322	3,395,870	4,765,843	3,886,448
Expenses					
Other costs of providing goods and services	999,121	295,343	67,796	78,974	80,548
Grants	17,394,217	18,343,401	1,566,939	2,969,769	2,101,258
Interest and financing costs	8,549,837	—	—	—	—
Total Expenses	26,943,175	18,638,744	1,634,735	3,048,743	2,181,806
Net cost to Government	(14,857,490)	4,243,578	1,761,135	1,717,100	1,704,642
Cash transfers to/from DoFA	(67,408,924)	(3,753,235)	(2,864,521)	(3,123,467)	(1,696,454)
Accumulated Results After Transfers	(82,266,414)	490,343	(1,103,386)	(1,406,367)	8,188

Table 3.2: Budget Statement of Assets and Liabilities

	Actual	Revised	Estimated		
	1998-99 \$'000	1999-00 \$'000	2000-01 \$'000	2001-02 \$'000	2002-03 \$'000
Departmental Assets and Liabilities					
Debt					
Loans	—	12,752	12,800	11,263	9,726
Finance Leases	1,501	—	—	—	—
Total Debt	1,501	12,752	12,800	11,263	9,726
Provisions and Payables					
Employees	13,408	11,978	11,983	11,895	11,880
Suppliers	1,126	859	881	901	922
Other	4,965	1,145	1,175	1,201	1,229
Total Provisions and Payables	19,499	13,982	14,039	13,997	14,031
Equity					
Accumulated results	16,706	10,186	16,087	18,087	20,087
Reserves	5,673	4,463	4,463	4,463	4,463
Total Equity	22,379	14,649	20,550	22,550	24,550
Total Liabilities and Equity	43,379	41,383	47,389	47,810	48,307
Financial Assets					
Cash	547	2,541	9,669	18,089	23,793
Receivables	4,732	1,375	1,408	1,441	1,475
Investments	—	3,000	2,000	—	—
Total Financial Assets	5,279	6,916	13,077	19,530	25,268
Non-financial Assets					
Infrastructure, plant and equipment	10,576	6,207	20,163	15,039	10,720
Intangibles	7,505	1,778	1,448	1,067	856
Other	20,019	26,482	12,701	12,174	11,463
Total Non-financial Assets	38,100	34,467	34,312	28,280	23,039
Total Assets	43,379	41,383	47,389	47,810	48,307

Table 3.2: Budget Statement of Assets and Liabilities (continued)

	Actual	Revised	Estimated		
	1998-99 \$'000	Budget 1999-00 \$'000	2000-01 \$'000	2001-02 \$'000	2002-03 \$'000
Administered Assets and Liabilities					
Debt					
Government Securities	89,053,504	—	—	—	—
Loans	4,346,721	4,166,061	4,159,053	4,152,863	4,148,268
Other	—	1,443,030	1,446,080	1,446,080	1,446,080
Total Debt	93,400,225	5,609,091	5,605,133	5,598,943	5,594,348
Provisions and Payables					
Grants	25,000	22,500	20,000	17,500	15,000
Other	5,312,241	114,284	86,488	71,622	64,603
Total Provisions and Payables	5,337,241	136,784	106,488	89,122	79,603
Equity					
Accumulated results	(82,266,414)	10,360,844	9,257,458	7,851,091	7,859,279
Reserves	8,039,640	657,736	2,088,958	2,097,648	2,104,743
Total Equity	(74,226,774)	11,018,580	11,346,416	9,948,739	9,964,022
Total Liabilities and Equity	24,510,692	16,764,455	17,058,037	15,636,804	15,637,973
Financial Assets					
Cash	12,781	2,906	2,906	2,906	2,906
Receivables	148,367	1,214,931	1,497,401	77,827	79,827
Investments	15,266,681	15,540,449	15,554,884	15,554,884	15,554,884
Accrued revenues	9,070,678	—	—	—	—
Total Financial Assets	24,498,507	16,758,286	17,055,191	15,635,617	15,637,617
Non-financial Assets					
Other non-financial assets	12,185	6,169	2,846	1,187	356
Total Non-financial Assets	12,185	6,169	2,846	1,187	356
Total Assets	24,510,692	16,764,455	17,058,037	15,636,804	15,637,973

Table 3.3: Budget Cash Flow Statement

	Actual	Revised	Estimated		
	1998-99 \$'000	1999-00 \$'000	2000-01 \$'000	2001-02 \$'000	2002-03 \$'000
Departmental Cash Flows					
Operating Activities					
Cash Received					
Appropriations	54,642	65,436	62,522	59,363	59,416
Sales of goods and services	33,613	34,491	25,418	25,426	25,434
Other	—	425	528	566	575
Total Cash Received	88,255	100,352	88,468	85,355	84,425
Cash Used					
Employees	35,576	47,612	42,869	40,638	39,707
Suppliers	52,445	51,419	33,538	31,526	34,105
Other	10	150	896	546	546
Total Cash Used	88,031	99,181	77,303	72,710	74,358
Net Cash from Operating Activities	224	1,171	11,165	12,645	11,067
Investing Activities					
Cash Received					
Proceeds from sale of property, plant and equipment	88	40	42	44	46
Other	—	—	—	—	—
Total Cash Received	88	40	42	44	46
Cash Used					
Purchase of property, plant and equipment	2,740	12,798	5,660	125	1,025
Total Cash Used	2,740	12,798	5,660	125	1,025
Net Cash from Investing Activities	(2,652)	(12,758)	(5,618)	(81)	(979)
Financing Activities					
Cash Received					
Proceeds from borrowings	—	775	—	—	—
Other	3,503	14,384	5,485	—	—
Total Cash Received	3,503	15,159	5,485	—	—
Cash Used					
Capital user charge paid	—	1,300	2,367	2,607	2,847
Repayment of borrowings	564	278	153	153	153
Other	—	—	1,384	1,384	1,384
Total Cash Used	564	1,578	3,904	4,144	4,384
Net Cash from Financing Activities	2,939	13,581	1,581	-4,144	-4,384
Net increase/decrease in cash held	511	1,994	7,128	8,420	5,704
Add cash as at 1 July	36	547	2,541	9,669	18,089
Cash as at 30 June	547	2,541	9,669	18,089	23,793

Table 3.3: Budget Cash Flow Statement (continued)

	Actual	Revised	Estimated		
	1998-99 \$'000	1999-00 \$'000	2000-01 \$'000	2001-02 \$'000	2002-03 \$'000
Administered Cash Flows					
Operating Activities					
Cash Received					
Taxes, fees and fines	—	(6,951,534)	(328,913)	—	—
Interest and dividends	4,577,480	3,017,814	2,203,720	1,500,000	1,500,000
Appropriations receipts	26,666,714	18,420,340	1,649,217	3,052,164	2,183,653
Other	763,454	734,701	195,613	201,893	196,454
Total Cash Received	32,007,648	15,221,321	3,719,637	4,754,057	3,880,107
Cash Used					
Grants	17,396,717	18,345,901	1,569,439	2,972,269	2,103,758
Borrowing costs	8,857,424	—	—	—	—
Cash to CRF	5,326,889	(3,199,019)	2,070,420	1,701,893	1,696,454
Other	111,946	74,439	79,778	79,895	79,895
Total Cash Used	31,692,976	15,221,321	3,719,637	4,754,057	3,880,107
Net Cash from Operating Activities	314,672	—	—	—	—
Investing Activities					
Cash Received					
Repayment of advances	1,671,837	—	465,188	1,421,574	—
Consolidated Revenue Fund	4,145,813	472,432	1,421,574	—	—
Other	3,599,074	—	—	—	—
Total Cash Received	9,416,724	472,432	1,886,762	1,421,574	—
Cash Used					
Advances made	—	464,468	1,421,574	—	—
Purchase of equity instruments	11,330	7,964	—	—	—
Consolidated Revenue Fund	5,258,031	—	465,188	1,421,574	—
Other	4,134,483	—	—	—	—
Total Cash Used	9,403,844	472,432	1,886,762	1,421,574	—
Net Cash from Investing Activities	12,880	—	—	—	—
Financing Activities					
Cash Received					
Proceeds from borrowings	61,077,791	173,649	7,868	6,190	4,595
Consolidated Revenue Fund	70,366,459	—	—	—	—
Other	8,606,106	—	—	—	—
Total Cash Received	140,050,356	173,649	7,868	6,190	4,595
Cash Used					
Consolidated Revenue Fund	68,745,218	—	—	—	—
Repayment of debt	71,350,234	—	—	—	—
Other	281,108	182,804	7,148	6,190	4,595
Total Cash Used	140,376,560	182,804	7,148	6,190	4,595
Net Cash from Financing Activities	(326,204)	(9,155)	720	—	—
Net increase/decrease in cash held	1,348	(9,155)	720	—	—
Add cash as at 1 July	11,433	12,781	3,626	2,906	2,906
Cash as at 30 June	12,781	3,626	2,906	2,906	2,906

CAPITAL BUDGET**Table 3.4: Capital Budget**

	Actual	Revised	Estimated		
	1998-99 \$'000	1999-00 \$'000	2000-01 \$'000	2001-02 \$'000	2002-03 \$'000
Departmental					
Total Loans	—	775	—	—	—
Appropriation of previous years carryover	—	3,763	—	—	—
Total Capital Appropriations	—	4,538	—	—	—
Represented by					
Purchase of non-current assets	—	775	—	—	—
Other	—	3,763	—	—	—
Total Departmental	—	4,538	—	—	—
Administered					
Total Equity Injections	—	642,474	7,148	6,190	4,595
Total Loans	—	—	—	—	—
Total Capital Appropriations	—	642,474	7,148	6,190	4,595
Represented by					
Purchase of non-current assets	—	—	—	—	—
Other	—	642,474	7,148	6,190	4,595
Total Items	—	642,474	7,148	6,190	4,595
Administered Financial Assets Funded by Special Appropriations					
Administered Capital	—	15,262	1,424,074	2,500	2,500
Represented by					
Purchase of non-current assets	—	—	—	—	—
Other	—	15,262	1,424,074	2,500	2,500
Total Items	—	15,262	1,424,074	2,500	2,500

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.

Departmental

The 1998-1999 actual figures include the AOFM. The AOFM became a prescribed agency on 1 July 1999 and estimates are contained in the AOFM's section of the PAES.

Part C: Agency Additional Estimates Statements — Treasury

There are no substantial variations to the notes published in *The Treasury Annual Report 1998–99*.

Administered

The 1998-1999 actual figures include the AOFM. The AOFM became a prescribed agency on 1 July 1999 and estimates are contained in the AOFM's section of the PAES.

There are no substantial variations to the notes outlined in the 1999–2000 Portfolio Budget Statements and *The Treasury Annual Report 1998–99* apart from the inclusion of the AOFM.

Appendix 1

Non-Appropriation Departmental and Administered Revenue

	Budget Estimate	Revised Estimate
	1999-00 \$'000	1999-00 \$'000
Departmental Revenue		
Departmental Section 31 receipts	753	753
Royal Australian Mint revenue	34,217	34,217
Total Non-appropriation Departmental Revenue	34,970	34,970
Appropriations	65,300	62,618
Total Departmental Revenue	100,270	97,588
Administered Revenue		
<i>Banking Act 1959</i> — Unclaimed moneys	18,000	18,000
Bank dividends	3,200,000	3,676,000
Housing Loans Insurance Corporation — Recoveries from old book stock and premiums	42,138	41,369
Receipts under the <i>International Monetary Agreements Act 1947</i>	581,419	540,541
Royal Australian Mint and Coinage — Moneys in excess of requirements	98,200	107,500
Seignorage payments — Gold Corporation	617	617
<i>States Grants (General Purposes) Act 1994</i> — Revenue		
Replacement Payments	(6,750,888)	(6,951,534)
Financial sector supervisory levies	72,702	84,702
Miscellaneous — Treasury Department	105	105
Other	—	39
Total Non-appropriation Administered Revenue	(2,737,707)	(2,482,661)
Appropriations	24,698,004	25,366,983
Total Administered Revenue	21,960,297	22,884,322

Appendix 2

Estimates of Expenses from Special Appropriations

	Budget Estimate	Revised Estimate
	1999-00 \$'000	1999-00 \$'000
<i>Banking Act 1959</i> — Unclaimed moneys	15,000	5,804
<i>International Monetary Agreements Act 1947</i>	528,869	264,629
<i>States Grants (General Purposes) Act 1994</i>	17,706,357	17,698,775
Total Estimated Expenses	18,250,226	17,969,208

AUSTRALIAN BUREAU OF STATISTICS

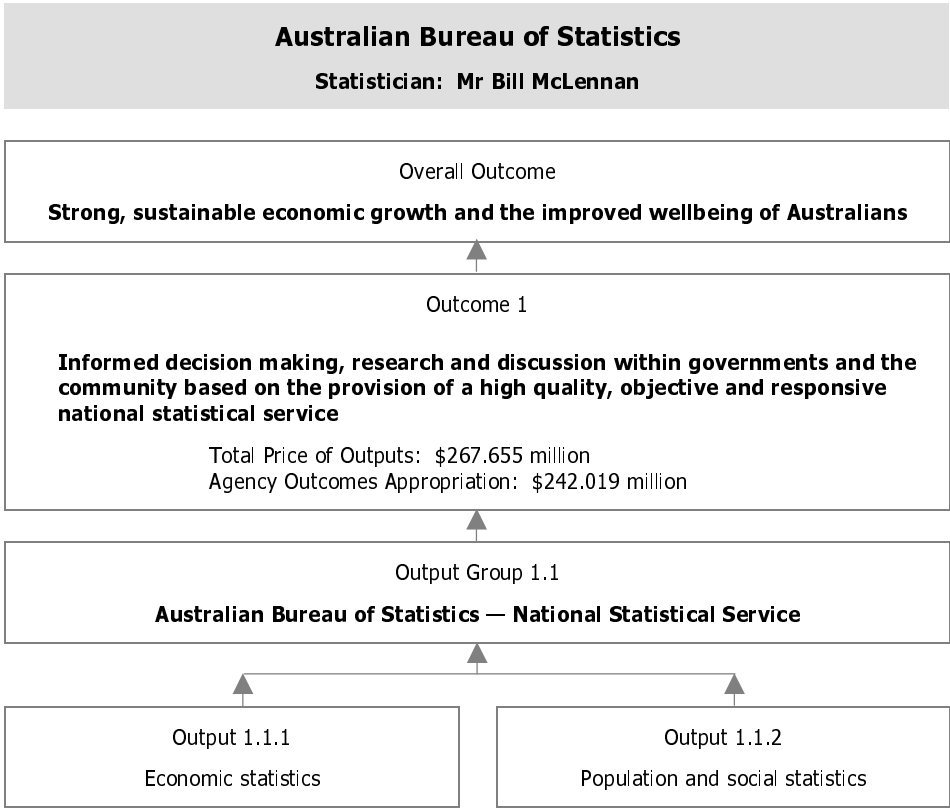
Section 1: Overview, Additional Estimates and Variations to Outcomes

OVERVIEW

There has been no change to the overview to that included in the 1999-2000 Portfolio Budget Statements.

ADDITIONAL ESTIMATES AND VARIATIONS TO OUTCOMES

As part of the Mid Year Economic Fiscal Outlook (MYEFO) and Additional Estimates (AE) process, the Australian Bureau of Statistics (ABS) undertook a comprehensive review of its budget estimates with the aim of refining these estimates. This process has resulted in a reduction of \$1.697 million in appropriations to ABS estimates since the 1999-2000 Portfolio Budget Statements. It should be noted that the changes to the estimates will not affect the capacity of the ABS to deliver its outcome and outputs.



Breakdown of Additional Estimates by Appropriations Bill

Table 1.2: Appropriation Bill (No 3) 1999-2000

	1998-99 Estimated Expenses \$'000	1999-00 Budget \$'000	1999-00 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	214,951	243,716	242,019	—	(1,697)
Total	214,951	243,716	242,019	—	(1,697)

Table 1.3: Appropriation Bill (No 4) 1999-2000

	1998-99 Estimated Expenses \$'000	1999-00 Budget \$'000	1999-00 Revised \$'000	Additional Estimates \$'000	Reduced Estimates \$'000
Equity Injections and Loans					
Equity Injections	—	—	—	—	—
Loans	—	—	—	—	—
Carryover from previous years	—	—	11,250	11,250	—
Administered Capital	—	—	—	—	—
Total	—	—	11,250	11,250	—

Table 1.4: Staff Years (Number)

	1999-00 Budget	1999-00 Revised	Variation
Outcome 1	2,920	3,030	110

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 1999-2000 Portfolio Budget Statements.

REVISED PERFORMANCE INFORMATION AND LEVEL OF ACHIEVEMENT — 1999-2000

The ABS has not made any changes to its Performance Information since the 1999-2000 Portfolio Budget Statements.

Section 3: Budget Financial Statements

The budget financial statements will form the basis of the financial statements that will appear in the Australian Bureau of Statistics' 1999-2000 Annual Report, and also form the basis for the input into the Whole of Government Accounts.

Budget Statement of Revenue and Expenses

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

Budget Statement of Assets and Liabilities

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

Budget Cash Flow Statement

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

Capital Budget

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

Table 3.1: Budget Statement of Revenue and Expenses

	Actual	Revised	Estimated		
	1998-99	1999-00	2000-01	2001-02	2002-03
	\$'000	\$'000	\$'000	\$'000	\$'000
Agency Revenue and Expenses					
Revenues					
Revenue from government					
Ordinary annual appropriations (net appropriations)	203,687	242,019	268,188	353,310	251,062
Resources received free of charge	746	75	75	75	75
Revenue from other sources					
Sales of goods and services	22,702	25,228	26,791	27,917	40,711
Other revenue from other sources	444	333	299	278	171
Total Revenue	227,579	267,655	295,353	381,580	292,019
Expenses					
Employees	155,600	161,601	163,410	258,332	174,144
Depreciation and amortisation	20,054	32,901	36,266	34,824	35,825
Other costs of providing goods and services	51,643	65,600	88,105	81,043	74,719
Other	578	541	560	369	319
Total Expenses	227,875	260,643	288,341	374,568	285,007
Operating Result Before Capital User Charge	(296)	7,012	7,012	7,012	7,012
Capital User Charge	—	7,012	7,012	7,012	7,012
Transfers and Dividends	—	—	—	—	—
Accumulated Results at Year End	(296)	—	—	—	—
Net contribution to government	—	—	—	—	—

Table 3.2: Budget Statement of Assets and Liabilities

	Actual	Revised	Estimated		
	1998-99 \$'000	1999-00 \$'000	2000-01 \$'000	2001-02 \$'000	2002-03 \$'000
Agency Assets and Liabilities					
Debt					
Leases	11,216	9,321	7,382	5,370	3,268
Total Debt	11,216	9,321	7,382	5,370	3,268
Provisions and Payables					
Employees	53,409	52,705	50,545	52,016	50,903
Suppliers	1,414	1,478	2,059	2,038	1,591
Other	2,489	2,988	3,082	4,250	4,556
Total Provisions and Payables	57,312	57,171	55,686	58,304	57,050
Equity					
Accumulated results	50,305	50,305	50,305	50,305	50,305
Reserves	8,127	8,127	8,127	8,127	8,127
Total Equity	58,432	58,432	58,432	58,432	58,432
Total Liabilities and Equity	126,960	124,924	121,500	122,106	118,750
Financial Assets					
Cash	221	19,270	21,515	7,180	14,611
Receivables	12,873	1,921	1,865	1,908	3,371
Total Financial Assets	13,094	21,191	23,380	9,088	17,982
Non-Financial Assets					
Infrastructure, plant and equipment	38,428	33,711	34,054	54,745	46,014
Intangibles	64,513	59,548	53,394	47,878	41,522
Other	10,925	10,474	10,672	10,395	13,232
Total Non-Financial Assets	113,866	103,733	98,120	113,018	100,768
Total Assets	126,960	124,924	121,500	122,106	118,750

Table 3.3: Budget Cash Flow Statement

	Actual	Revised	Estimated		
	1998-99 \$'000	Budget 1999-00 \$'000	2000-01 \$'000	2001-02 \$'000	2002-03 \$'000
Agency Cash Flows					
Operating Activities					
Cash Received					
Appropriations	211,831	242,019	268,188	353,310	251,062
Sales of goods and services	23,757	36,644	26,807	29,016	39,487
Total Cash Received	235,588	278,663	294,995	382,326	290,549
Cash Used					
Employees	154,005	174,286	176,801	267,318	185,468
Suppliers	56,602	78,649	109,239	95,354	90,809
Other	578	(25,113)	(32,396)	(24,756)	(22,840)
Total Cash Used	211,185	227,822	253,644	337,916	253,437
Net Cash from Operating Activities	24,403	50,841	41,351	44,410	37,112
Investing Activities					
Cash Received					
Proceeds from sale of property, plant and equipment	246	333	301	278	171
Other	—	—	—	—	—
Total Cash Received	246	333	301	278	171
Cash Used					
Purchase of property, plant and equipment	24,912	23,218	30,456	49,999	20,738
Total Cash Used	24,912	23,218	30,456	49,999	20,738
Net Cash from Investing Activities	(24,666)	(22,885)	(30,155)	(49,721)	(20,567)
Financing Activities					
Cash Received					
Total Cash Received	—	—	—	—	—
Cash Used					
Capital user charge paid	—	7,012	7,012	7,012	7,012
Repayment of borrowings	—	1,895	1,939	2,012	2,102
Total Cash Used	—	8,907	8,951	9,024	9,114
Net Cash from Financing Activities	—	(8,907)	(8,951)	(9,024)	(9,114)
Net increase/decrease in cash held	(263)	19,049	2,245	(14,335)	7,431
Add cash as at 1 July	484	221	19,270	21,515	7,180
Cash as at 30 June	221	19,270	21,515	7,180	14,611

CAPITAL BUDGET

The ABS is to receive its 1998-1999 cash carryover amount of \$11.250 million as a capital appropriation in 1999-2000. The purchase of non-current assets will be funded internally from agency resources.

Table 3.4: Capital Budget

	Actual	Revised Budget	Estimated		
	1998-99 \$'000	1999-00 \$'000	2000-01 \$'000	2001-02 \$'000	2002-03 \$'000
Funded by capital appropriations	—	11,250	—	—	—
Funded internally by Agency resources	52,129	23,218	30,456	49,999	20,738
Total	52,129	34,468	30,456	49,999	20,738

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.

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

Budget Statement of Revenue and Expenses

Revenues

Revenue from government — Ordinary annual appropriations

The decrease in appropriations in 1999-2000 by \$1.697 million, 2000-2001 by \$0.746 million, 2001-2002 by \$0.928 million and 2002-2003 by \$0.814 million are due to revisions based upon the 1998-1999 audited financial statements and revised budget data used in developing the accrual budgets.

Expenses

Employee entitlements

The ABS has reflected a downward adjustment in this category. The revisions were based on time series analysis of actual Provision for Recreation Leave and Provision for Long

Service Leave from historical audited financial statements. Other adjustments were based on revised budget data.

Depreciation

The increase in this category is principally due to an increase in Non-Financial Assets, Infrastructure Plant and Equipment (IPE) for a net amount of \$2.9 million. During 1998-1999 the ABS revalued its assets and some of the increases are due to revaluations. The resulting growth in asset values had a flow on effect on depreciation expense in the current and out years.

Other costs of providing goods and services

Other costs of providing goods and services are essentially Suppliers' expenses. The ABS has reflected a downward adjustment in this category. This adjustment was made in line with the 1998-1999 audited financial statements.

Other

The re-categorisation of doubtful debts from 'Other costs of providing goods & services' to 'Other' contributes to the variation.

Capital User Charge (CUC)

The ABS had a net increase in equity of \$32 million at the end of 1998-1999 contributing to the change in CUC. See Equity note below.

Budget Statement of Assets and Liabilities

Debt

Leases

Under this category, the leases details were revised in line with the 1998-1999 audited financial statements. The effect is that the level of debt has decreased in the current year and the out years.

Equity

The ABS has had a net increase in equity of \$32 million at the end of 1998-1999. The growth in equity was predominantly related to asset revaluations and in-house software first recognised on the basis of the 1998-1999 audited financial statements.

Provisions and Payables

Employees

The ABS has reflected a downward adjustment in this category. The revisions were based on time series analysis of actual Provision for Recreation Leave and Provision for Long Service Leave from historical audited financial statements. Other adjustments were based on revised budget data.

Suppliers and other

Other adjustments to suppliers and other provisions and payables were made on the basis of the 1998-1999 audited financial statements and revised budget data.

Financial Assets

Cash

The cash figure has increased predominantly due to the recognition of the 1998-1999 carryover amount of \$11.250 million. As this is a balance sheet item, the effects flow through to the out years. Other adjustments in the budget have also impacted on the movements in cash flow.

Receivables

In 1999-2000, the increase in appropriation receivable is due to correcting adjustments made following the budget review.

Other

The re-categorisation of accrued income into this category, coupled with revisions to accounts receivable and provision for doubtful debts contribute to the variation.

Non-Financial Assets

Intangibles

There has been a \$14 million increase in the in-house software category. This is due to a change in in-house software policy in line with the 1998-1999 audited financial statements.

Budget Cash Flow Statement

Operating Activities

Cash received

In 1999-2000, the sale of goods and services component includes the carryover amount of \$11.250 million.

Net cash from operating activities

In the cash budget environment, administration dollars were used for the purchase of assets and the repayment of financing activities. Under the accrual budgeting framework, adjustments had to be made to accurately reflect these transactions. The negative adjustment figure of \$25,113 million in 1999-2000 has the effect of reducing the total cash used under operating activities, thereby accurately showing actual monies used under this category. Similar adjustments are indicated in the out years. The adjustment amount has subsequently been reflected under investing and financing categories.

Capital Budget

ABS capital expenditure programmes in the budget and forward years are funded internally. The capital budget has had minor variations following a refinement of budget estimates. The new capital figures are as follows: 1999-2000 intangibles of \$16.089 million, plant and equipment of \$7.129 million, 2000-2001 intangibles of \$16.153 million, plant and equipment of \$14.303 million, 2001-2002 intangibles of \$13.634 million, plant and equipment of \$9.110 million and Central Office fitout of \$27.255 million, 2002-2003 intangibles of \$13.212 million, plant and equipment of \$7.526 million.

AUSTRALIAN TAXATION OFFICE

Section 1: Overview, Additional Estimates and Variations to Outcomes

OVERVIEW

There has been no change to the overview to that included in the 1999-2000 Portfolio Budget Statements.

ADDITIONAL ESTIMATES AND VARIATIONS TO OUTCOMES

The following variations contributed to a net increase in Departmental Appropriations of \$118.066 million for the Australian Taxation Office.

GST — Exclusion of Food from GST

In May 1999, the Prime Minister announced a Post Budget Agreement concluded between the Government and the Australian Democrats on the exclusion of basic food from the GST.

Additional departmental appropriation of \$60 million per year will be required by the Australian Taxation Office to cover increased administration costs arising from the partial removal of food from the GST base.

Diesel Fuel and Alternative Fuels Grant Scheme

The Government's A New Tax System (ANTS) initiatives included a reduction in the effective diesel excise paid by heavy on-road transport. As the result of a Post Budget Agreement reached between the Government and the Australian Democrats a restructured diesel fuel package will be adopted which addresses environmental issues.

The new arrangements will:

- Amend the Customs and Excise Act to implement changes to the Diesel Fuel Rebate Scheme and extend both the range of eligible uses and magnitude of benefits available under the Scheme, and
- Introduce the *Diesel and Alternative Fuels Grants Scheme Act 1999* which will provide a grant for certain on-road transport. The grant will be available for the use of diesel fuel, and also the use of other fuel alternatives to diesel fuel.

The cost of implementing the new arrangements will require an increase in departmental appropriations of \$43.720 million and an equity injection of \$20.0 million in 1999-00.

IT Outsourcing Effect on ANTS initiatives announced at Budget

The recent announcement of the outsourcing of the ATO's IT infrastructure has resulted in a reduction in equity of \$12.988 million and an increase in departmental appropriation of \$6.5 million in 1999-00.

IT Outsourcing Effect on the GST initiative

The recent announcement of the outsourcing of the ATO's infrastructure has resulted in a reduction in equity of \$18.177 million and an increase in departmental appropriation of \$10.274 million in 1999-00.

Interest Revenue

The estimated interest revenue relating to devolved banking has been revised and this has led to an increase in departmental appropriations of \$3.153 million in 1999-00.

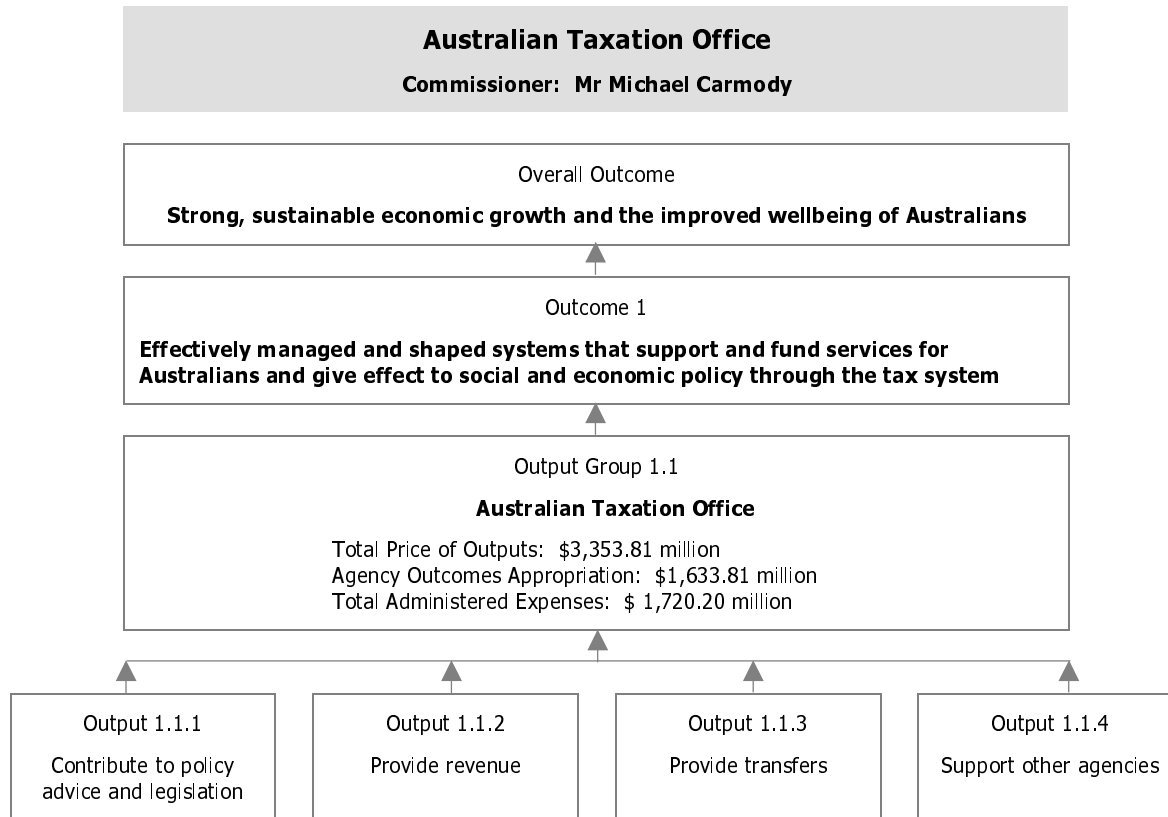
Capital User Charge

The movements between equity and appropriations has led to a reduction in required supplementation of Capital User Charge of \$5.581 million in 1999-00.

1998-99 Carryover

The carryover from 1998-99 of \$24.260 million is included as an equity injection.

Part C: Agency Additional Estimates Statements — ATO



Australian Taxation Office — Appropriations 1999-2000

Table 1.1: Summary of Measures since the 1999-2000 Budget

Measure	Outcome	Output Groups Affected	Appropriations (\$'000) 1999-2000			Appropriations (\$'000) 2000-2001			Appropriations (\$'000) 2001-2002			Appropriations (\$'000) 2002-2003		
			Admin Expenses	Agency Outputs	Total	Admin Expenses	Agency Outputs	Total	Admin Expenses	Dept Outputs	Total	Admin Expenses	Dept Outputs	Total
GST — exclusion of food from GST — expense	1	1.1	—	60,000	60,000	—	60,000	60,000	—	60,000	60,000	—	60,000	60,000
Diesel fuel and alternative fuels grant scheme — expense	1	1.1	—	43,720	43,720	670,654	87,035	757,689	701,995	90,176	792,171	744,170	90,176	834,346
Diesel fuel and alternative fuels grant scheme — Capital	1	1.1	—	20,000	20,000	—	—	—	—	—	—	—	—	—

Breakdown of Additional Estimates by Appropriations Bill

Table 1.2: Appropriation Bill (No 3) 1999-2000

	1998-99 Estimated Expenses \$'000	1999-00 Budget \$'000	1999-00 Revised \$'000	Additional Estimates \$'000	Reduced Estimates \$'000
Departmental 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	1,166,619	1,515,746	1,633,812	118,066	—
Total	1,166,619	1,515,746	1,633,812	118,066	—

Table 1.3: Appropriation Bill (No 4) 1999-2000

	1998-99 Estimated Expenses \$'000	1999-00 Budget \$'000	1999-00 Revised \$'000	Additional Estimates \$'000	Reduced Estimates \$'000
Equity Injections and Loans					
Equity Injections	—	99,734	88,569	—	(11,165)
Loans	—	—	—	—	—
Carryover from previous years	—	—	24,260	24,260	—
Administered Capital	—	—	—	—	—
Total	—	99,734	112,829	24,260	(11,165)

The Underlying Outlays for 1998-99 is \$2,162 million.

Note: Underlying outlays is a cash concept and, as this figure is cash, it is not directly comparable with the other accrual figures in this document. This information is being provided to give additional information to support the transition from cash to accrual budgeting.

Table 1.4: Staff Years (Number)

	1999-00 Budget	1999-00 Revised	Variation
Outcome 1	16,289	16,608	319

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 1999-2000 Portfolio Budget Statements.

REVISED PERFORMANCE INFORMATION AND LEVEL OF ACHIEVEMENT — 1999-2000

The ATO has not made any changes to its Performance Information since the 1999-2000 Portfolio Budget Statements.

Section 3: Budget Financial Statements

The budget financial statements will form the basis of the financial statements that will appear in the Australian Taxation Office 1999-2000 Annual Report, and form the basis for the input into the Whole of Government Accounts.

Budget Statement of Revenues and Expenses (Budget Operating Statement)

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

Budget Statement of Assets and Liabilities (Budget Balance Sheet)

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

Budget Cash Flow Statement

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

Capital Budget

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

Table 3.1: Budget Statement of Revenue and Expenses

	Estimated	Revised	Estimated		
	Actual	Budget	2000-01	2001-02	2002-03
	1998-99	1999-00	2000-01	2001-02	2002-03
	\$'000	\$'000	\$'000	\$'000	\$'000
Agency Revenue and Expenses					
Revenues					
Revenue from government					
Ordinary annual appropriations (net appropriations)	1,149,507	1,633,812	1,701,407	1,600,953	1,586,961
Revenue from other sources					
Sales of goods and services	45,106	79,417	78,382	75,591	73,524
Other revenue from other sources	—	2,500	2,500	2,500	2,500
Total Revenue	1,194,613	1,715,729	1,782,289	1,679,044	1,662,985
Expenses					
Employees	795,583	1,048,581	1,049,526	1,001,026	988,715
Depreciation and amortisation	62,598	57,084	96,034	113,295	125,315
Other costs of providing goods and services	485,185	599,651	628,186	549,180	506,945
Other	283	45	45	45	45
Total Expenses	1,343,649	1,705,361	1,773,791	1,663,546	1,621,020
Extraordinary Item	(13,794)	—	—	—	—
Operating Result Before Capital User Charge	(135,242)	10,368	8,498	15,498	41,965
Capital User Charge	—	—	2,331	7,037	14,387
Accumulated Results at Year End	(135,242)	10,368	6,167	8,461	27,578
Net contribution to government					
Administered Revenue and Expenses					
Revenue					
Income tax	106,738,865	109,359,308	111,115,861	115,265,139	122,932,299
Sales tax **	15,215,131	16,308,281	2,106,509	841,000	877,000
Excise duty **	8,402,528	18,421,793	18,502,931	19,290,548	20,123,305
Other taxes fees and fines	3,624,403	3,629,939	3,980,019	4,240,277	4,399,898
Other sources of non-taxation revenue	99,426	502,000	502,000	452,000	442,000
Appropriations*	1,116,394	1,720,200	2,948,622	3,078,930	3,254,286
Total Revenue	135,196,747	149,941,521	139,155,941	143,167,894	152,028,788

Table 3.1: Budget Statement of Revenue and Expenses (continued)

	Estimated	Revised	Estimated		
	Actual	Budget	2000-01	2001-02	2002-03
	1998-99	1999-00	2000-01	2001-02	2002-03
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses					
Net write-down of assets	295,545	626,000	566,000	596,000	613,000
Other goods and services expenses	73,817	160,200	830,854	862,195	904,370
Total Expenses	369,362	786,200	1,396,854	1,458,195	1,517,370
Operating Result	134,827,385	149,155,321	137,759,087	141,709,699	150,511,418
Abnormal items					
Adjusted Operating Result	134,827,385	149,155,321	137,759,087	141,709,699	150,511,418
Transfer from Capital	2,541	—	—	—	—
Cash transfer to consolidated revenue	(130,762,571)	(148,396,321)	(133,161,087)	(143,453,699)	(152,099,418)
Accumulated results after transfers	4,067,355	759,000	4,598,000	(1,744,000)	(1,588,000)

* The diesel fuel rebate appropriation in 1998-99 is for the period from 20 October 1998.

** Refundable payments have been included from 1999-00.

Table 3.2: Budget Statement of Assets and Liabilities

	Estimated	Revised	Estimated		
	Actual	Budget	2000-01	2001-02	2002-03
	1998-99	1999-00	2000-01	2001-02	2002-03
	\$'000	\$'000	\$'000	\$'000	\$'000
Agency Assets and Liabilities					
Debt					
Loans	500	499	499	499	499
Leases	53,218	44,560	35,643	27,370	2,0253
Total Debt	53,718	45,059	36,142	27,869	20,752
Provisions and Payables					
Employees	293,894	309,521	332,544	348,644	364,809
Suppliers	39,071	64,071	64,020	64,020	64,020
Total Provisions and Payables	332,965	373,592	396,564	412,664	428,829
Equity					
Accumulated results	(154,197)	(143,829)	(137,662)	(129,201)	(101,623)
Reserves	(6,173)	(548)	5,077	10,702	16,327
Capital	24,260	112,829	152,337	174,157	196,620
Total Equity	(136,110)	(31,548)	19,752	55,658	111,324
Total Liabilities and Equity	250,573	387,103	452,458	496,191	560,905
Financial Assets					
Cash	32,815	38,047	122,518	200,836	332,567
Receivables	25,205	10,475	10,475	10,760	11,045
Accrued revenue	—	—	100	100	100
Other financial assets	3,040	3,016	2,992	2,498	2,292
Total Financial Assets	61,060	51,538	136,085	214,194	346,004
Non-financial Assets					
Land and Buildings	1,490	1,466	1,442	1,418	1,393
Infrastructure, plant and equipment	90,795	114,433	90,263	85,545	60,636
Intangibles	83,358	205,716	210,668	181,034	138,872
Other	13,870	13,950	14,000	14,000	14,000
Total Non-financial Assets	189,513	335,565	316,373	281,997	214,901
Total Assets	250,573	387,103	452,458	496,191	560,905
Administered Assets and Liabilities					
Provisions and payables					
Other	209,997	209,997	209,997	209,997	209,997
Total provisions and payables	209,997	209,997	209,997	209,997	209,997
Equity					
Total accumulated results	4,453,037	5,212,037	9,810,037	8,066,037	6,478,037
Total capital	—	—	—	—	—
Total Equity	4,453,037	5,212,037	9,810,037	8,066,037	6,478,037
Total Liabilities and Equity	4,663,034	5,422,034	10,020,034	8,276,034	6,688,034

Table 3.2: Budget Statement of Assets and Liabilities (continued)

	Estimated	Revised	Estimated		
	Actual	Budget	2000-01	2001-02	2002-03
	1998-99	1999-00	2000-01	2001-02	2002-03
	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets					
Cash	541,415	541,415	541,415	541,415	541,415
Receivables	4,119,078	4,878,078	9,476,078	7,732,078	6,144,078
Investments	2,541	2,541	2,541	2,541	2,541
Total financial assets	4,663,034	5,422,034	10,020,034	8,276,034	6,688,034
Total assets	4,663,034	5,422,034	10,020,034	8,276,034	6,688,034

Table 3.3: Budget Cash Flow Statement

	Estimated	Revised	Estimated		
	Actual	Budget	2000-01	2001-02	2002-03
	1998-99	1999-00	2000-01	2001-02	2002-03
	\$'000	\$'000	\$'000	\$'000	\$'000
Agency Cash Flows					
Operating Activities					
Cash Received					
Appropriations	1,253,342	1,633,812	1,701,407	1,600,953	1,586,961
Sales of goods and services	43,954	62,779	61,588	58,639	56,572
Interest	—	2,500	2,500	2,500	2,500
Other	—	—	50	50	50
Total Cash Received	1,297,296	1,699,091	1,765,545	1,662,142	1,646,083
Cash Used					
Employees	798,421	1,025,233	1,017,798	975,296	962,503
Suppliers	410,023	577,188	630,588	551,363	508,260
Other	—	100	—	—	—
Total Cash Used	1,208,444	1,602,521	1,648,386	1,526,659	1,470,763
Net Cash from Operating Activities	88,852	96,570	117,159	135,483	175,320
Investing Activities					
Cash Received					
Proceeds from sale of property, plant and equipment	1,035	15,000	—	—	—
Other	5,960	—	—	—	—
Total Cash Received	6,995	15,000	—	—	—
Cash Used					
Purchase of property, plant and equipment	75,065	194,907	69,865	71,948	51,663
Total Cash Used	75,065	194,907	69,865	71,948	51,663
Net Cash from Investing Activities	(68,070)	(179,907)	(69,865)	(71,948)	(51,663)
Financing Activities					
Cash Received					
Capital Injections	—	88,569	39,508	21,820	22,463
Total Cash Received	—	88,569	39,508	21,820	22,463
Cash Used					
Capital user charge paid	—	—	2,331	7,037	14,387
Repayment of borrowings	13,768	—	—	—	—
Total Cash Used	13,768	—	2,331	7,037	14,387
Net Cash from Financing Activities	(13,768)	88,569	37,177	14,783	8,076
Net increase/decrease in cash held	7,014	5,232	84,471	78,318	131,733
Add cash as at 1 July	25,801	32,815	38,047	122,518	200,836
Cash as at 30 June	32,815	38,047	122,518	200,836	332,567

Table 3.3: Budget Cash Flow Statement (continued)

	Estimated	Revised	Estimated		
	Actual	Budget	1998-99	2001-02	2002-03
	1998-99	1999-00	2000-01	2001-02	2002-03
	\$'000	\$'000	\$'000	\$'000	\$'000
Administered cash flows					
Taxes fees and fines	130,911,453	147,954,321	132,599,087	143,001,699	151,657,418
Cash received					
From appropriations	1,116,394	1,720,200	2,948,622	3,078,930	3,254,286
Other	62,580	442,000	562,000	452,000	442,000
Total cash received	132,090,426	150,116,521	136,109,709	146,532,629	155,353,704
Cash used					
Cash to the Consolidated Revenue Fund	130,762,571	148,396,321	133,161,087	143,453,699	152,099,418
Other	1,116,394	1,720,200	2,948,622	3,078,930	3,254,286
Total cash used	131,878,964	150,116,521	136,109,709	146,532,629	155,353,704
Net cash from operating activities	211,462	—	—	—	—
Cash at the end of reporting period	541,415	541,415	541,415	541,415	541,415

CAPITAL BUDGET

Table 3.4: Capital Budget

	Estimated	Revised	Estimated		
	Actual	Budget	1998-99	2001-02	2002-03
	1998-99	1999-00	2000-01	2001-02	2002-03
	\$'000	\$'000	\$'000	\$'000	\$'000
Capital Appropriations					
Total Equity Injections	—	88,569	39,508	21,820	22,463
Previous year's carryover	—	24,260	—	—	—
Total Capital Appropriations	—	112,829	39,508	21,820	22,463
Represented by:					
Purchase of non-current assets	—	191,743	65,427	65,516	23,813
Other Items	—	24,260	—	—	—
Total	—	216,003	65,427	65,516	23,813
Purchase of Non-current assets					
Funded by Capital Appropriation	—	88,569	39,508	21,820	22,463
Funded Internally by Departmental resources	—	103,174	25,919	43,696	1,350
Total	—	191,743	65,427	65,516	23,813

NOTES TO THE FINANCIAL STATEMENTS

Notes to the Agency Statements

Details of Agency items in the financial statements included in Table 3.1 to 3.4 have been prepared in accordance with Schedule 2 of the Finance Minister's Orders for 1997-98.

The budget statements and estimated forward years have been prepared to reflect the following matters.

Cost of Administering Goods and Services Tax

Agency statements for 1999-00 and forward years include the estimated reduction in required equity injection and the increase in appropriations as a result of the outsourcing of the ATO's IT infrastructure.

Costs of Administering Other Tax Reform Proposals

Agency statements for 1999-00 and forward years include the estimated reduction in required equity injection and the increase in appropriations as a result of the outsourcing of the ATO's IT infrastructure.

Operating Loss 1998-99

The ATO's operating loss for 1998-99 was contributed to by several factors including:

	\$m
Depreciation and Amortisation	62.8
Asset write off and losses	6.2
EDS sale loss	41.2
Non recovery of CSA costs	10.4
Profit on restructure	-13.8
Other	28.4
Total	135.2

Notes to the Administered Statements

Details of Administered items in the financial statements included in Table 3.1 to 3.3 have been prepared in accordance with Schedule 2 of the Finance Minister's Orders for 1997-98. These statements incorporate a change in revenue recognition policy from prior years. A detailed explanation of the revenue recognition policy can be found in the Portfolio Budget Statements 1999-00.

Non-Appropriation Agency and Administered Revenue

	Actual Revenue	Estimated Revenue
	1998-99 \$'000	1999-00 \$'000
External Agency Revenue	45,106	81,917
Total Taxation Revenue	133,980,927	147,719,321
<i>Superannuation Guarantee (Administration) Act 1992</i> —		
Shortfalls, penalties and fines	86,722	80,000
Miscellaneous receipts	12,704	12,000
<i>Superannuation Industry (Supervision) Act 1993</i> — Unclaimed moneys	83	200
GST administration charged to States	—	410,000
Total Estimated Revenue	134,125,542	148,303,438

Appendix 2

Estimates of Expenses from Special Appropriations

	Actual Expenses	Estimated Expenses
	1998-99 \$'000	1999-00 \$'000
Refunds of Receipts — <i>Taxation Administration Act 1953</i>	10,363,999	11,281,714
<i>Less</i> amount of Refunds deducted from Receipts items	(10,363,999)	(11,281,714)
Diesel fuel rebate	1,027,230	1,560,000
<i>Superannuation Guarantee (Administration) Act 1992</i> — Distribution of Charges	77,370	40,000
<i>Superannuation Industry (Supervision) Act 1993</i> — Repayments of unclaimed moneys	83	200
<i>Taxation Administration Act 1953</i> — <i>Taxation (Interest on Overpayments and Early Payments) Act 1983</i>	50,911	120,000
Total Estimated Expenses	1,155,594	1,720,200

AUSTRALIAN COMPETITION AND CONSUMER COMMISSION

Section 1: Overview, Additional Estimates and Variations to Outcomes

OVERVIEW

There has been no change to the overview to that included in the 1999-2000 Portfolio Budget Statements.

ADDITIONAL ESTIMATES AND VARIATIONS TO OUTCOMES

An additional appropriation of \$5.081 million is provided for the ACCC in the 1999-2000 Additional Estimates context. This additional appropriation relates to \$5 million for monitoring retail prices during the transition to *A New Tax System* (ANTS) and \$0.081 million for the ACCC's 1998-99 carryover.

The Australian Competition and Consumer Commission Additional funding for retail price monitoring relating to *A New Tax System*

The ACCC will undertake a number of national price collections during 1999-2000 to enable the ACCC to effectively monitor price changes during the transition to ANTS.

Funding of \$28 million (to be provided over three financial years) was allocated to the ACCC in the 1999-2000 Budget to administer new legislation prohibiting price exploitation in relation to the New Tax System. Subsequently, in light of the success of the ACCC's price monitoring activities in relation to the reduction in Wholesale Sales Tax (WST) from 32 per cent to 22 per cent on certain goods from (29 July 1999), an extension of the ACCC's price monitoring activities was agreed. The surveys undertaken during the WST reduction demonstrated that widespread data collection is an effective deterrent against price exploitation. The survey indicated a high compliance rate among manufacturers, distributors and retailers.

The ACCC's price monitoring activities will, with passage of the *A New Tax System* (Indirect Tax and Consequential Amendments) Bill 1999, be broadened to increase the number of prices of goods and services surveyed, the frequency of surveys and the number of sites throughout Australia where surveys are conducted. To promote a high level of compliance with the prohibition on price exploitation, collections of price information are required before, during and after the introduction of ANTS. This will also assist to ameliorate community concern over the implementation of ANTS.

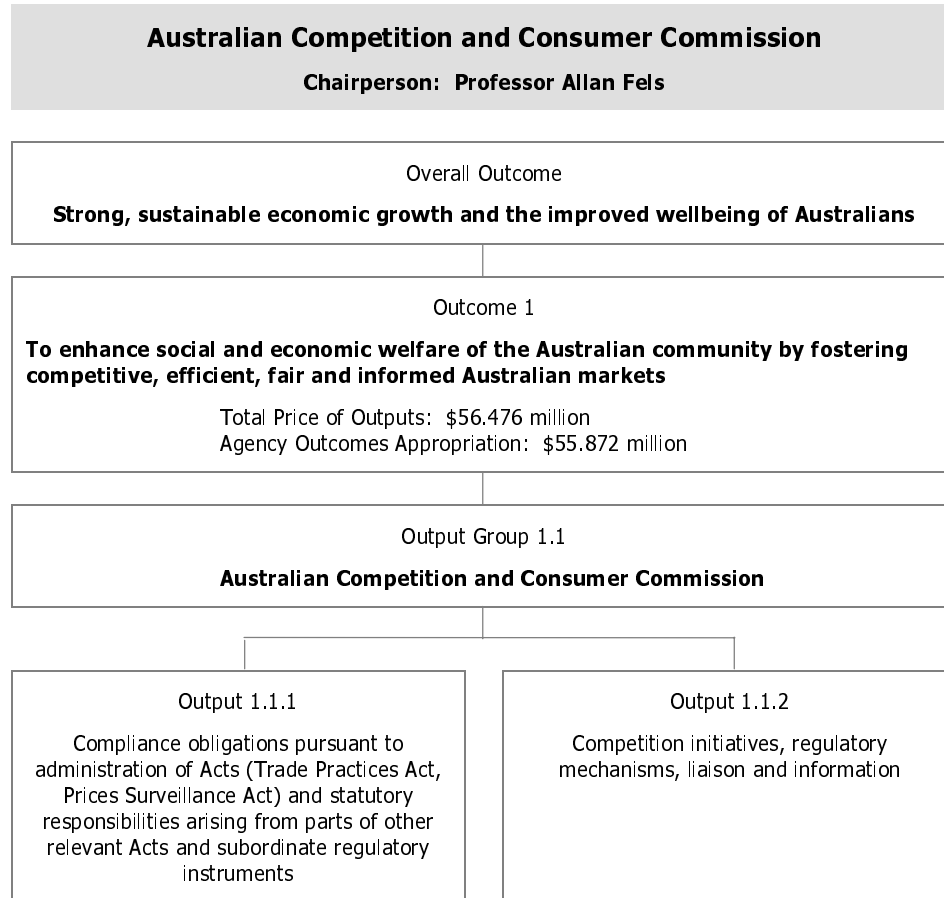
The increased scope and incidence of price surveys to be conducted by the ACCC will assist to prevent price exploitation in the lead up to, as well as through the implementation of, ANTS. This will enable any exploitative anticipatory price rises prior to the implementation of ANTS to be detected and dealt with under the Trade Practices Act. The ACCC requires an additional \$5 million in 1999-2000 to undertake the expansion of this monitoring function.

A transparent price monitoring regime demonstrably promotes higher compliance by retailers (and their suppliers). This reflects the recognition by business of the ACCC's role in price collection and analysis at the 'coalface'. The increased appropriation will strengthen the ACCC's ability to ensure that consumers are not subjected to price exploitation under ANTS.

1998-99 Carryover

The ACCC also expects to receive additional funding in the form of an equity injection of \$0.081 million being the difference between the 1998-99 estimate carryover at budget time and the actual carryover.

Part C: Agency Additional Estimates Statements — ACCC



Australian Competition and Consumer Commission — Appropriations 1999-2000

Table 1.1: Summary of Measures since the 1999-2000 Budget

Measure	Outcome	Output Groups Affected	Appropriations (\$'000) 1999-2000			Appropriations (\$'000) 2000-2001			Appropriations (\$'000) 2001-2002			Appropriations (\$'000) 2002-2003		
			Admin Expenses	Dept Outputs	Total	Admin Expenses	Dept Outputs	Total	Admin Expenses	Dept Outputs	Total	Admin Expenses	Dept Outputs	Total
The Australian Competition and Consumer Commission Additional funding for retail price monitoring relating to <i>A</i> <i>New Tax System</i>	1	1.1	—	5,000	5,000	—	—	—	—	—	—	—	—	—

Note: For a description of the measures taken above please refer to the Additional Estimates and Variations to Outcome information listed on the previous pages.

Breakdown of Additional Estimates by Appropriation Bill

Table 1.2: Appropriation Bill (No. 3) 1999-2000

	1998-99 Estimated Expenses ¹ \$'000	1999-2000 Budget \$'000	1999-2000 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	39,007	50,872	55,872	5,000	—
Total	39,007	50,872	55,872	5,000	—

1 These figures are those published as 1998-99 Estimated Expenses in the 1999-2000 Budget Appropriation (*Budget Paper No. 4: Agency Resourcing*).

Table 1.3: Appropriation Bill (No. 4) 1999-2000

	1998-99 Estimated Expenses ² \$'000	1999-2000 Budget \$'000	1999-2000 Revised \$'000	Additional Estimates \$'000	Reduced Estimates \$'000
Equity Injections and Loans					
Equity Injections	—	—	—	—	—
Loans	—	—	—	—	—
Carryover from previous years	—	—	81	81	—
Total	—	—	81	81	—

2 These figures are those published as 1998-99 Estimated Expenses in the 1999-2000 Budget Appropriation (*Budget Paper No. 4: Agency Resourcing*).

Table 1.4: Staff Years (Number)

	1999-2000 Budget	1999-2000 Revised	Variation
Outcome 1	372	372	—

Section 2: Outcomes and Outputs Information

OUTCOMES AND OUTPUT GROUPS

The ACCC has not made any changes to its outcome or outputs since the 1999-2000 Portfolio Budget Statements.

Explanation of Variations

The two additional estimates measures explained below fall under the Commissions current output 1.1.1: Compliance obligations pursuant to administration of Acts (Trade Practices Act, Prices Surveillance Act) and statutory responsibilities arising from parts of other relevant Acts and subordinate regulatory instruments.

The Australian Competition and Consumer Commission Additional funding for retail price monitoring relating to *A New Tax System*

The Government will provide additional resources for 1999-2000 to the Australian Competition and Consumer Commission (ACCC) to monitor retail prices during the transition to *A New Tax System*.

The ACCC will be:

- given additional funding in 1999-2000 to commence a number of national price collections. The collections will provide a rigorous analysis of prices.
- required to monitor and report to the Minister under S75AZ of the '*A New Tax System*' (*Trade Practices Amendment*) Act 1999. The legislation also requires that the reports be made public by the Minister as soon as practicable.

Revised Performance Information and Level of Achievement — 1999-2000

Table 2.1 shows the performance information that the ACCC will use to assess the level of its achievement against Output 1.1.1 during 1999-2000.

Table 2.1: Performance Information for Outputs Affected by Additional Estimates — Outcome 1

Table 2.1: Performance Information 1999-2000		
Output Group 1.1 — Australian Competition and Consumer Commission		
	Indicators	Measures
Output 1.1.1: Compliance obligations pursuant to administration of Acts (Trade Practices Act, Prices Surveillance Act) and statutory responsibilities arising from parts of other relevant Acts and subordinate regulatory instruments.	Price collection survey strategy discourages profiteering, informs consumers and retailers, and assists with community acceptance of ANTS.	Effective and timely price collection surveys carried out at strategic times throughout the implementation phase of ANTS.

The effectiveness indicators for Outcome 1 and performance information for the other outputs underneath this outcome are unchanged from the 1999-2000 Performance Budget Statement.

Section 3: Budget Financial Statements

The budget financial statements will form the basis of the financial statements that will appear in the Australian Competition and Consumer Commission's 1999-2000 Annual Report, and form the basis for the input into the Whole of Government Accounts.

Budget Statement of Revenues and Expenses (Budget Operating Statement)

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

Budget Statement of Assets and Liabilities (Budget Balance Sheet)

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

Budget Cash Flow Statement

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

Capital Budget

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

Table 3.1: Budget Statement of Revenue and Expenses

	Estimated Actual ³	Revised Budget			Estimated
	1998-99 \$'000	1999-00 \$'000	2000-01 \$'000	2001-02 \$'000	2002-03 \$'000
Agency Revenue and Expenses					
Revenues					
Revenue from government					
Ordinary annual appropriations (net appropriations)	35,621	52,380	44,289	40,762	34,353
Capital appropriation	—	81	—	—	—
Other services	3,386	3,492	3,609	3,282	3,338
Resources received free of charge	59	55	55	55	55
Revenue from other sources					
Sales of goods and services	341	468	468	468	468
Total Revenue	39,407	56,476	48,421	44,567	38,214
Expenses					
Employees	20,463	22,755	22,584	22,502	20,296
Suppliers	17,603	32,676	24,951	21,392	17,321
Depreciation and amortisation	1,301	860	870	658	575
Other	14	1,454	14	14	14
Total Expenses	39,381	57,745	48,419	44,566	38,206
Operating Result Before Capital User Charge	26	(1,269)	2	1	8
Capital User Charge	—	—	—	—	—
Transfers and Dividends	—	—	—	—	—
Accumulated Results at Year End	26	(1,269)	2	1	8
Administered Revenue and Expenses					
Expenses					
Total Expenses	—	—	—	—	—
Revenue					
Fines and costs	2,000	9,775	9,775	9,775	9,775
Authorisation fees	300	200	200	200	200
Other	50	25	25	25	25
Total Revenue	2,350	10,000	10,000	10,000	10,000
Net contribution to government	—	—	—	—	—

³ These figures are those estimated actuals as published in the 1999-2000 Treasury Portfolio Budget Statements.

Table 3.2: Budget Statement of Assets and Liabilities

	Estimated	Revised	Estimated		
	Actual ⁴	Budget	2000-01	2001-02	2002-03
	1998-99	1999-00	2000-01	2001-02	2002-03
	\$'000	\$'000	\$'000	\$'000	\$'000
Agency Assets and Liabilities					
Debt					
Leases	93	113	133	153	173
Total Debt	93	113	133	153	173
Provisions and Payables					
Employees	6,208	6,691	7,203	7,633	7,939
Suppliers	950	1,050	1,050	900	900
Total Provisions and Payables	7,158	7,741	8,253	8,533	8,839
Equity					
Accumulated results	(2,840)	(4,111)	(4,109)	(4,108)	(4,100)
Total Equity	(2,840)	(4,111)	(4,109)	(4,108)	(4,100)
Total Liabilities and Equity	4,411	3,743	4,277	4,578	4,912
Financial Assets					
Cash	13	13	13	13	13
Receivables	50	50	50	50	50
Total Financial Assets	63	63	63	63	63
Non-financial Assets					
Buildings (leasehold improvements)	1,522	1,794	2,098	2,376	2,537
Infrastructure, plant and equipment	2,005	1,203	1,550	1,639	1,743
Intangibles	346	215	85	—	—
Inventories	85	90	95	100	105
Other	390	378	386	400	464
Total Non-financial Assets	4,348	3,680	4,214	4,515	4,849
Total Assets	4,411	3,743	4,277	4,578	4,912

⁴ These figures are those estimated actuals as published in the 1999-2000 Treasury Portfolio Budget Statements.

Table 3.3: Budget Cash Flow Statement

	Estimated	Revised	Estimated		
	Actual ⁴	Budget	2000-01	2001-02	2002-03
	1998-99	1999-00	2000-01	2001-02	2002-03
	\$'000	\$'000	\$'000	\$'000	\$'000
Agency Cash Flows					
Operating Activities					
Cash Received					
Appropriations	39,007	55,953	47,898	44,044	37,691
Sales of goods and services	400	468	468	468	468
Total Cash Received	39,407	56,421	48,366	44,512	38,159
Cash Used					
Employees	19,990	22,272	22,072	22,072	19,990
Suppliers	16,957	32,414	24,890	21,486	17,315
Other	14	14	14	14	14
Total Cash Used	36,961	54,700	46,976	43,572	37,319
Net Cash from Operating Activities	2,446	1,721	1,390	940	840
Investing Activities					
Cash Received					
Total Cash Received	—	—	—	—	—
Cash Used					
Purchase of property, plant and equipment	2,446	1,721	1,390	940	840
Total Cash Used	2,446	1,721	1,390	940	840
Net Cash from Investing Activities	2,446	1,721	1,390	940	840
Financing Activities					
Cash Received					
Total Cash Received	—	—	—	—	—
Cash Used					
Capital user charge paid					
Repayment of borrowings					
Total Cash Used	—	—	—	—	—
Net Cash from Financing Activities	—	—	—	—	—
Net increase/decrease in cash held	—	—	—	—	—
Add cash as at 1 July	13	13	13	13	13
Cash as at 30 June	13	13	13	13	13
Administered Cash Flows					
Operating Activities					
Administered Cash Received					
Fines and costs	2,000	9,775	9,775	9,775	9,775
Authorisation fees	300	200	200	200	200
Other	50	25	25	25	25
Total Administered Cash Received	2,350	10,000	10,000	10,000	10,000

⁴ These figures are those estimated actuals as published in the 1999-2000 Treasury Portfolio Budget Statements.

CAPITAL BUDGET

Table 3.4: Capital Budget

	Estimated	Revised	Estimated		
	Actual ⁴	Budget	2000-01	2001-02	2002-03
	1998-99	1999-00	2000-01	2001-02	2002-03
	\$'000	\$'000	\$'000	\$'000	\$'000
Funded by Capital Appropriations	—	81	—	—	—
Funded internally by Agency resources	2,446	1,640	1,390	940	840
Total	2,446	1,721	1,390	940	840

⁴ These figures are those estimated actuals as published in the 1999-2000 Treasury Portfolio Budget Statements.

NOTES TO THE FINANCIAL STATEMENTS

The ACCC's 1998-99, 1999-2000, 2000-2001, 2001-02, 2002-03 Financial Statements have been prepared in accordance with the accounting principles adopted in preparing the 1997-98 Financial Statements as published in the 1997-98 ACCC Annual Report. It should be noted that the accounting policies remain consistent as those published in the Annual Report.

The changes to the ACCC's financial statements specifically relating to the Additional Estimates are as follows:

Budget Statement of Revenues and Expenses (Budget Operating Statement)

Increase in the Ordinary annual appropriations (net appropriations) and suppliers item.

Budget Cash Flow Statement

Increase in the Appropriations and suppliers item.

Appendix 1

Non-Appropriation Agency and Administered Revenue

	Budget Estimate	Revised Estimate
	1999-2000 \$'000	1999-2000 \$'000
Agency Revenue		
Section 31 of the <i>Financial Management and Accountability Act 1997</i>	468	468
Resources free of charge	55	55
Total Agency Revenue	523	523
Administered Revenue		
Miscellaneous	10,000	10,000
Total Estimated Agency and Administered Revenue	10,523	10,523

AUSTRALIAN PRUDENTIAL REGULATION AUTHORITY

Section 1: Overview, Additional Estimates and Variations to Outcomes

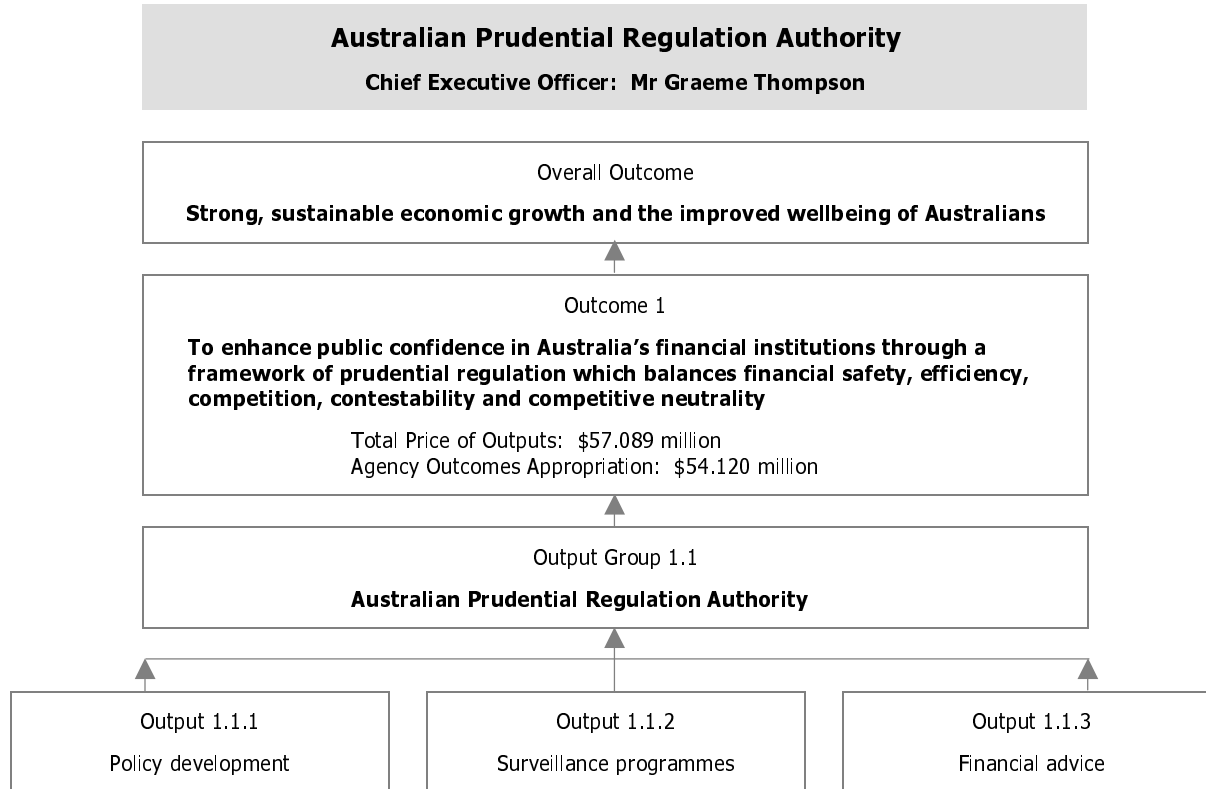
OVERVIEW

There has been no change to the overview to that included in the 1999-2000 Portfolio Budget Statements.

ADDITIONAL ESTIMATES AND VARIATIONS TO OUTCOMES

Additional estimates of \$3.998 million are sought for establishment funding for the integration of the State based Financial Institutions scheme, which became the responsibility of the Australian Prudential Regulation Authority (APRA) from 1 July 1999. This funding will be repaid through levies over the next three years, and is reflected in the Memorandum of Understanding between the Department of Finance and Administration and the Department of the Treasury.

Part C: Agency Additional Estimates Statements — APRA



Breakdown of Additional Estimates by Appropriations Bill

Table 1.2: Appropriation Bill (No 3) 1999-2000

	1998-99 Estimated Expenses \$'000	1999-00 Budget \$'000	1999-00 Revised \$'000	Additional Estimates \$'000	Reduced Estimates \$'000
Agency Outputs					
Outcome 1					
To enhance public confidence in Australia's financial institutions through a framework of prudential regulation which balances financial safety, efficiency, competition, contestability and competitive neutrality	45,425	1,500	5,498	3,998	—
Total	45,425	1,500	5,498	3,998	—

Table 1.4: Staff Years (Number)

	1999-00 Budget	1998-99 Revised	Variation
Outcome 1	415	379	36

Section 2: Outcomes and Outputs Information

OUTCOMES AND OUTPUT GROUPS

APRA has not made any changes to its outcome or outputs since the 1999-2000 Portfolio Budget Statements.

REVISED PERFORMANCE INFORMATION AND LEVEL OF ACHIEVEMENT — 1999-2000

The Additional Estimate has not resulted in any changes to Performance Information to that included in the 1999-2000 Portfolio Budget Statements.

Section 3: Budget Financial Statements

The budget financial statements will form the basis of the financial statements that will appear in the Australian Prudential Regulation Authority's 1999-2000 Annual Report, and form the basis for the input into the Whole of Government Accounts.

Budget Statement of Revenues and Expenses (Budget Operating Statement)

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

Budget Statement of Assets and Liabilities (Budget Balance Sheet)

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

Budget Cash Flow Statement

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

Capital Budget

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

Table 3.1: Budget Statement of Revenue and Expenses

	Actual	Revised	Estimated		
	1998-99 \$'000	1999-00 \$'000	2000-01 \$'000	2001-02 \$'000	2002-03 \$'000
Agency Revenue and Expenses					
Revenues					
Revenue from government					
Ordinary annual appropriations (net appropriations)	45,450	1,500	—	—	—
Special appropriation	—	52,620	53,536	52,037	46,597
Resources received free of charge	—	272	—	—	—
Revenue from other sources					
Sales of goods and services	1,498	2,190	300	300	300
Other revenue from other sources	2,083	507	757	816	895
Total Revenue	49,031	57,089	54,593	53,153	47,792
Expenses					
Employees	32,566	33,729	33,952	34,016	33,505
Depreciation and amortisation	2,131	3,413	3,440	2,986	2,996
Other costs of providing goods and services	11,576	16,863	10,610	10,299	9,864
Total Expenses	46,273	54,005	48,002	47,301	46,365
Operating Result	2,758	3,084	6,591	5,852	1,427
Loss on abnormal item	7,137	5,525	—	—	—
Transfers and Dividends	—	—	—	—	—
Surplus/(Deficit)	(4,379)	(2,441)	6,591	5,852	1,427
Net contribution to government	—	—	—	—	—

Table 3.2: Budget Statement of Assets and Liabilities

	Actual	Revised	Estimated		
	1998-99 \$'000	1999-00 \$'000	2000-01 \$'000	2001-02 \$'000	2002-03 \$'000
Agency Assets and Liabilities					
Debt					
Prepayment of Levies	12,319	10,879	5,440	—	—
Other	3,359	11,637	10,237	10,237	10,237
Total Debt	15,678	22,516	15,677	10,237	10,237
Provisions and Payables					
Employees	16,754	8,500	7,700	7,400	7,000
Suppliers	1,440	300	300	300	300
Total Provisions and Payables	18,194	8,800	8,000	7,700	7,300
Equity					
Surplus/(Deficit)	(4,379)	(2,441)	6,591	5,852	1,427
Accumulated results from prior years	5,255	876	(1,565)	5,027	10,879
Total Equity	876	(1,565)	5,026	10,879	12,306
Total Liabilities and Equity	34,478	29,751	28,703	28,816	29,843
Financial Assets					
Cash	24,642	18,207	19,664	21,123	23,603
Receivables	487	700	300	300	300
Total Financial Assets	25,129	18,907	19,964	21,423	23,903
Non-financial Assets					
Infrastructure, plant and equipment	6,484	6,487	5,249	4,810	4,385
Intangibles	2,461	3,457	2,590	1,683	655
Other	674	900	900	900	900
Total Non-financial Assets	9,619	10,844	8,739	7,393	5,940
Total Assets	34,748	29,751	28,703	28,816	29,843

Table 3.3: Budget Cash Flow Statement

	Actual	Revised	Estimated		
	1998-99 \$'000	1999-00 \$'000	2000-01 \$'000	2001-02 \$'000	2002-03 \$'000
Agency Cash Flows					
Operating Activities					
Cash Received					
Appropriations	61,583	61,111	48,092	46,593	46,597
Sales of goods and services	1,594	1,978	300	300	300
Other	4,979	507	757	816	895
Total Cash Received	68,156	63,596	49,149	47,709	47,792
Cash Used					
Employees	30,774	45,206	35,672	34,509	34,101
Suppliers	9,481	20,752	10,610	10,026	9,593
Total Cash Used	40,255	65,958	46,282	44,535	43,694
Net Cash from Operating Activities	27,901	(2,362)	2,867	3,174	4,098
Investing Activities					
Cash Received					
Proceeds from sale of property, plant and equipment	19	—	—	—	—
Total Cash Received	19	—	—	—	—
Cash Used					
Purchase of property, plant and equipment	4,345	4,073	1,410	1,715	1,618
Total Cash Used	4,345	4,073	1,410	1,715	1,618
Net Cash from Investing Activities	(4,326)	(4,073)	(1,410)	(1,715)	(1,618)
Financing Activities					
Cash Received					
Cash Received	1,067	—	—	—	—
Total Cash Received	1,067	—	—	—	—
Cash Used					
Repayment of prepaid levies	—	—	—	—	—
Total Cash Used	—	—	—	—	—
Net Cash from Financing Activities	1,067	—	—	—	—
Net increase/decrease in cash held	24,642	(6,435)	1,457	1,459	2,480
Add cash as at 1 July	—	24,642	18,207	19,664	21,123
Cash as at 30 June	24,642	18,207	19,664	21,123	23,603

CAPITAL BUDGET

APRA will not receive a Capital Appropriation, but will internally fund the purchase of non-current assets, including finance leases, from its Agency resources.

Table 3.4: Capital Budget

	Actual	Revised	Estimated		
	1998-99 \$'000	Budget 1999-00 \$'000	2000-01 \$'000	2001-02 \$'000	2002-03 \$'000
Funded by capital appropriations	—	—	—	—	—
Funded internally by Agency resources	4,345	4,073	1,410	1,715	1,618
Total	4,345	4,073	1,410	1,715	1,618

NOTES TO THE FINANCIAL STATEMENTS

Budget Statement of Revenue and Expenses

The ordinary annual appropriation is the appropriation provided to run the excluded superannuation funds on behalf of the ATO. The ATO will supervise excluded superannuation funds from 1 July 1999, but administrative arrangements during a transition period will require APRA to provide administrative support. The lower amount reflects the fact that in 1998-1999 APRA's funding from levies, except those from excluded superannuation funds, was also paid via an annual appropriation.

The other services appropriation is the special appropriation for the levies collected by APRA for all industries except excluded superannuation funds. The revenue recognised by APRA is net of the levies collected by APRA which are retained in the Commonwealth Public Account to be directed to the Australian Securities and Investments Commission (\$11,600,000), for consumer protection and market integrity functions, and to the Australian Taxation Office (\$2,352,000), for unclaimed monies and lost members functions.

It is assumed that the Australian Government Actuary will transfer to the Treasury in 2000-2001 and discussions are currently under way to finalise the transfer. Sales from other goods and services drop in the budgeted year on the assumption that the transfer will take effect from 1 July 2000. In the Portfolio Budget Statements it had been assumed that the transfer would take effect from 1 July 1999.

The abnormal item relates to expenses which are directly attributable to the restructuring of APRA and include expenditure on separation and redundancy, surplus leased space, employee entitlements and staff relocation.

There is no capital charge on APRA, which is funded mainly by industry levies.

Budget Statement of Assets and Liabilities

The debt represents the appropriation of \$16.1 million in 1998-99 and the \$4 million included in additional estimates less the repayments made. This funding was provided to support the establishment of APRA.

Provisions and payables represent liabilities for employee benefits including leave and miscellaneous accruals.

Equity reflects accumulated results for 1998-99 and 1999-2000 in addition to the opening balance, being the net value of assets and liabilities transferred from the Reserve Bank and the Insurance and Superannuation Commission on the formation of APRA on 1 July 1998.

Financial assets includes cash that may be held in government securities and receivables for miscellaneous income derived by the agency.

Non-financial assets include assets held as leasehold improvements, furniture and fittings, computer hardware and office equipment; and intangibles include capitalised software.

Budget Cash Flow Statement

Cash received from operating activities reflects the appropriation received, net of the amount retained in the Commonwealth Public Account to repay prepaid levies, cash from fees and charges; and interest payments from cash held in government securities.

Cash received from investing activities includes the prepayment of levies received to support the establishment of APRA.

Cash used includes cash spent on building infrastructure.

Appendix 1

Non-Appropriation Agency and Administered Revenue

	Revised Estimate	Revised Estimate
	1998-99	1999-00
	\$'000	\$'000
Agency other income	3,581	2,697
Total Estimated Revenue	3,581	2,697

Note: Agency other income is derived from fees and charges, including those of the Australian Government Actuary, and interest earned on investments. The income drops from 1998-99 due to the drop in the cash balance on which the interest is earned.

Appendix 2

Estimates of Expenses from Special Appropriations

	Estimated Expense	Estimated Expense
	1998-99 \$'000	1999-00 \$'000
Levies	—	61,057
Total Estimated Expense	—	61,057

Note: The estimates of expenses for levies is the levies collected by APRA which are appropriated to APRA to fund the cost of supervision. In 1998-1999 APRA was funded through an annual appropriation.

AUSTRALIAN SECURITIES AND INVESTMENTS COMMISSION

Section 1: Overview, Additional Estimates and Variations to Outcomes

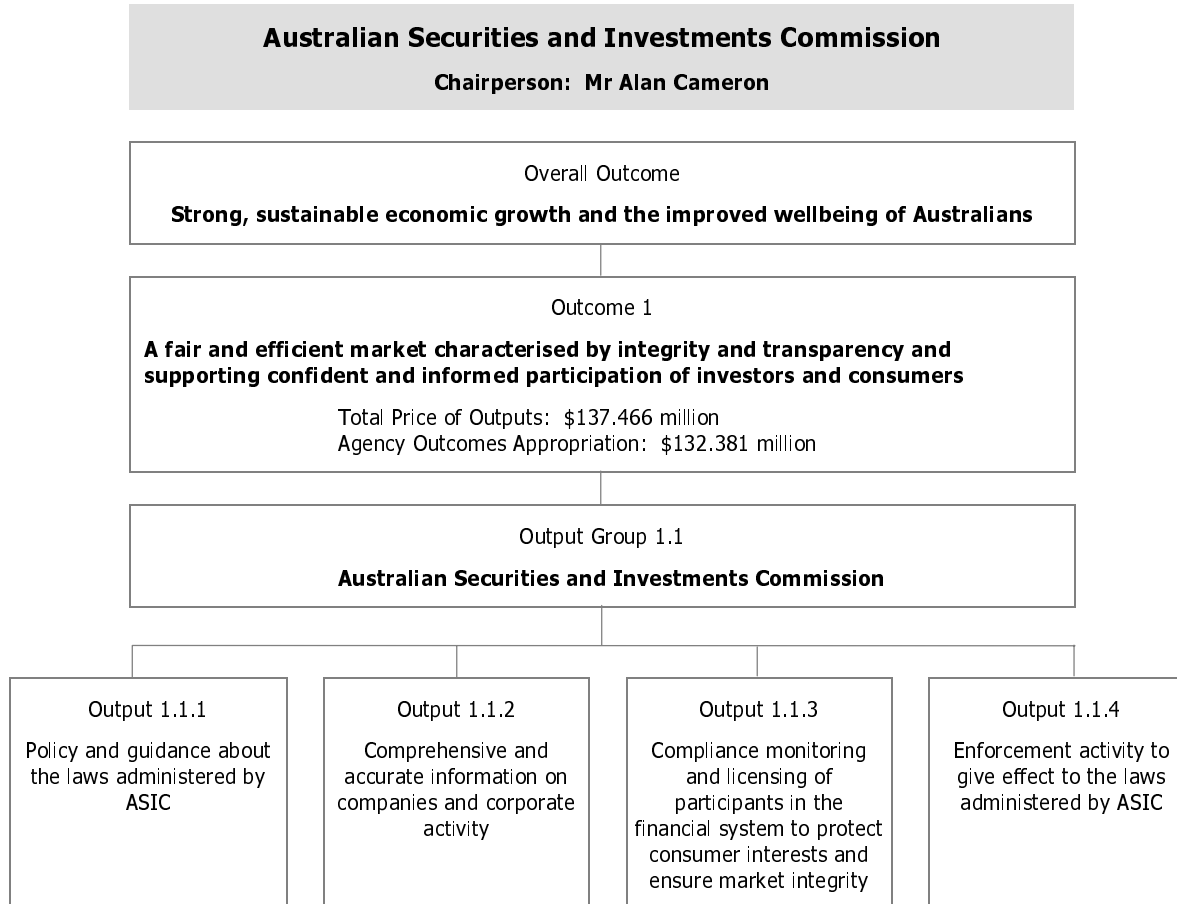
OVERVIEW

There has been no change to the overview to that included in the 1999-2000 Portfolio Budget Statements.

ADDITIONAL ESTIMATES AND VARIATIONS TO OUTCOMES

Provision of \$303,000 has been provided to cover the cost of bank fees and charges as a result of the devolution of banking to agencies.

Part C: Agency Additional Estimates Statements — ASIC



Breakdown of Additional Estimates by Appropriations Bill

Table 1.2: Appropriation Bill (No 3) 1999-2000

	1998-99 Estimated Expenses \$'000	1999-00 Budget \$'000	1999-00 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	144,650	132,078	132,381	303	—
Total	144,650	132,078	132,381	303	—

Table 1.4: Staff Years (Number)

	1999-00 Budget	1998-99 Revised	Variation
Outcome 1	1,272	1,272	—

Section 2: Outcomes and Outputs Information

OUTCOMES AND OUTPUT GROUPS

The Australian Securities and Insurance Commission (ASIC) has not made any changes to its outcome or outputs since the 1999-2000 Portfolio Budget Statements.

REVISED PERFORMANCE INFORMATION AND LEVEL OF ACHIEVEMENT — 1999-2000

The ASIC has not made any changes to its Performance Information since the 1999-2000 Portfolio Budget Statements.

Section 3: Budget Financial Statements

The budget financial statements will form the basis of the financial statements that will appear in the Australian Securities and Investments Commission's 1999-2000 Annual Report, and form the basis for the input into the Whole of Government Accounts.

Budget Statement of Revenues and Expenses (Budget Operating Statement)

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

Budget Statement of Assets and Liabilities (Budget Balance Sheet)

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

Budget Cash Flow Statement

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

Capital Budget

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

Table 3.1: Budget Statement of Revenue and Expenses

	Actual	Revised	Estimated		
	1998-99 \$'000	1999-00 \$'000	2000-01 \$'000	2001-02 \$'000	2002-03 \$'000
Agency Revenue and Expenses					
Revenues					
Revenue from government					
Ordinary annual appropriations (net appropriations)	137,028	132,381	129,020	135,894	135,590
Resources received free of charge	458	500	500	500	500
Revenue from other sources					
Other revenue from other sources	9,232	4,585	4,275	4,275	4,275
Total Revenue	146,718	137,466	133,795	140,669	140,365
Expenses					
Employees	77,271	77,791	73,915	76,286	74,419
Depreciation and amortisation	8,258	6,910	8,434	9,474	10,474
Other costs of providing goods and services	58,132	52,099	51,005	54,468	55,031
Other	2,172	575	350	350	350
Total Expenses	145,833	137,375	133,704	140,578	140,274
Operating Result Before Capital User Charge	885	91	91	91	91
Capital User Charge	—	91	91	91	91
Transfers and Dividends	—	—	—	—	—
Accumulated Results at Year End	—	—	—	—	—
Net contribution to government	1,328	1,328	1,328	1,328	1,328

Table 3.1: Budget Statement of Revenue and Expenses — Administered Item

	Actual	Revised	Estimated		
	1998-99	1999-00	2000-01	2001-02	2002-03
	\$'000	\$'000	\$'000	\$'000	\$'000
Administered Revenue and Expenses					
Revenues					
Revenue from other sources					
Other revenue from other sources	338,988	353,169	355,818	359,037	364,333
Total Revenue	338,988	353,169	355,818	359,037	364,333
Expenses					
Other	7,773	2,000	2,000	2,000	2,000
Total Expenses	7,773	2,000	2,000	2,000	2,000
Operating Result Before Capital User Charge	331,215	351,169	353,818	357,037	362,333
Capital User Charge	—	—	—	—	—
Transfers and Dividends	(331,778)	(349,000)	(350,600)	(357,000)	(361,800)
Accumulated Results at Year End					
Net contribution to government	26,897	29,066	32,284	32,321	32,854

Table 3.2: Budget Statement of Assets and Liabilities

	Actual	Revised	Estimated		
	1998-99 \$'000	1999-00 \$'000	2000-01 \$'000	2001-02 \$'000	2002-03 \$'000
Agency Assets and Liabilities					
Debt					
Loans	4,822	2,772	—	—	—
Leases	7,690	5,360	3,811	2,966	2,395
Total Debt	12,512	8,132	3,811	2,966	2,395
Provisions and Payables					
Employees	21,402	22,703	23,649	24,645	25,618
Suppliers	1,259	4,181	4,181	4,181	4,181
Other	816	225	—	—	—
Total Provisions and Payables	23,477	27,109	27,830	28,826	29,799
Equity					
Accumulated results	1,328	1,328	1,328	1,328	1,328
Reserves	325	325	325	325	325
Total Equity	1,653	1,653	1,653	1,653	1,653
Total Liabilities and Equity	37,642	36,894	33,294	33,445	33,847
Financial Assets					
Cash	8,802	7,891	4,896	10,440	16,213
Receivables	1,552	2,272	2,271	2,269	2,270
Total Financial Assets	10,354	10,163	7,167	12,709	18,483
Non-financial Assets					
Land and buildings	7,335	6,423	7,613	4,813	2,013
Infrastructure, plant and equipment	18,226	18,428	16,729	14,180	11,631
Other	1,727	1,880	1,785	1,743	1,720
Total Non-financial Assets	27,288	26,731	26,127	20,736	15,364
Total Assets	37,642	36,894	33,294	33,445	33,847

Table 3.2: Budget Statement of Assets and Liabilities — Administered Item

	Actual	Revised	Estimated		
	1998-99 \$'000	1999-00 \$'000	2000-01 \$'000	2001-02 \$'000	2002-03 \$'000
Administered Assets and Liabilities					
Debt					
Leases	—	—	—	—	—
Total Debt	—	—	—	—	—
Provisions and Payables					
Employees	—	—	—	—	—
Suppliers	—	—	—	—	—
Other	1,420	700	700	700	700
Total Provisions and Payables	1,420	700	700	700	700
Equity					
Accumulated results	26,897	29,066	32,284	32,321	32,854
Reserves	—	—	—	—	—
Total Equity	26,897	29,066	32,284	32,321	32,854
Total Liabilities and Equity	28,317	29,766	32,984	33,021	33,554
Financial Assets					
Cash	8,041	3,600	4,100	3,600	3,800
Receivables	12,134	13,000	14,000	14,500	14,500
Accrued revenue	8,142	13,166	14,884	14,921	15,254
Total Financial Assets	28,317	29,766	32,984	33,021	33,554
Non-financial Assets					
Infrastructure, plant and equipment	—	—	—	—	—
Intangibles	—	—	—	—	—
Other	—	—	—	—	—
Total Non-financial Assets	—	—	—	—	—
Total Assets	28,317	29,766	32,984	33,021	33,554

Part C: Agency Additional Estimates Statements — ASIC

Table 3.3: Budget Cash Flow Statement

	Actual	Revised	Estimated		
	1998-99 \$'000	1999-00 \$'000	2000-01 \$'000	2001-02 \$'000	2002-03 \$'000
Agency Cash Flows					
Operating Activities					
Cash Received					
Appropriations	137,028	132,381	129,020	135,894	135,590
Sales of goods and services	2,601	3,070	2,651	2,650	2,650
Other	6,514	1,500	1,400	1,400	1,400
Total Cash Received	146,143	136,951	133,071	139,944	139,640
Cash Used					
Employees	76,314	76,289	72,561	74,880	73,038
Suppliers	57,681	53,198	52,683	55,270	55,579
Other	—	—	—	—	—
Total Cash Used	133,995	129,487	125,244	130,150	128,617
Net Cash from Operating Activities	12,148	7,464	7,827	9,794	11,023
Investing Activities					
Cash Received					
Proceeds from sale of property, plant and equipment	49	125	125	125	125
Other	660	—	—	—	—
Total Cash Received	709	125	125	125	125
Cash Used					
Purchase of property, plant and equipment	10,212	6,450	8,175	4,375	5,375
Total Cash Used	10,212	6,450	8,175	4,375	5,375
Net Cash from Investing Activities	(9,503)	(6,325)	(8,050)	(4,250)	(5,250)
Financing Activities					
Cash Received					
Total Cash Received	—	—	—	—	—
Cash Used					
Repayment of borrowings	1,678	2,050	2,772	—	—
Total Cash Used	1,678	2,050	2,772	—	—
Net Cash from Financing Activities	(1,678)	(2,050)	(2,772)	—	—
Net increase/decrease in cash held	967	(911)	(2,995)	5,544	5,773
Add cash as at 1 July	7,835	8,802	7,891	4,896	10,440
Cash as at 30 June	8,802	7,891	4,896	10,440	16,213

Table 3.3: Budget Cash Flow Statement — Administered Item

	Actual	Revised	Estimated		
	1998-99 \$'000	1999-00 \$'000	2000-01 \$'000	2001-02 \$'000	2002-03 \$'000
Administered Cash Flows					
Operating Activities					
Cash Received					
Appropriations	—	—	—	—	—
Sales of goods and services	—	—	—	—	—
Other	336,051	351,200	353,100	358,500	364,000
Total Cash Received	336,051	351,200	353,100	358,500	364,000
Cash Used					
Employees	—	—	—	—	—
Suppliers	—	—	—	—	—
Other	331,778	355,641	352,600	359,000	363,800
Total Cash Used	331,778	355,641	352,600	359,000	363,800
Net Cash from Operating Activities	4,273	(4,441)	500	(500)	200
Net increase/decrease in cash held	4,273	(4,441)	500	(500)	200
Add cash as at 1 July	3,768	8,041	3,600	4,100	3,600
Cash as at 30 June	8,041	3,600	4,100	3,600	3,800

CAPITAL BUDGET

Table 3.4: Capital Budget

	Actual	Revised Budget		Estimated	
	1998-99 \$'000	1999-00 \$'000	2000-01 \$'000	2001-02 \$'000	2002-03 \$'000
Funded by capital appropriations	10,212	6,450	8,175	4,375	5,375
Funded internally by agency resources	—	—	—	—	—
Total	10,212	6,450	8,175	4,375	5,375

NOTES TO THE FINANCIAL STATEMENTS

Budget Statement of Revenue and Expenses

Revenue

Ordinary Annual Appropriations (Net Appropriations)

The amount appropriated in 1998-99 is higher than in subsequent years. This is predominantly due to non-recurring implementation costs of the Financial System Inquiry recommendations which were provided in the 1989-99 appropriation. To a lesser extent, the 1998-99 financial year discloses a cash based appropriation whereas all subsequent appropriations are accrual based.

Revenue from Other Sources

This revenue is higher in 1998-99 compared to subsequent years as it includes Business Names Register usage fees. These fees will no longer be a significant revenue stream after 1998-99 as the States will have implemented their own Business Names systems from 1 July 1999.

Expenses

Employee Expenses

There is a decline in 2000-01 primarily because the funding for initiatives associated with the Managed Investments Bill ceases at the end of 1999-2000. This is subject to a Parliamentary review in 2000-01. Secondary reasons include savings in salaries and package costs associated with voluntary redundancies undertaken in prior years. There is also a reduction in funding provided for initiatives associated with the Corporations Law Economic Reform Project, relative to prior years.

Other Costs of Providing Goods and Services

These expenses decline in 1999-2000 in direct proportion to the drop in funding from 1998-99 to 1999-2000. Funding was provided in 1998-99 for non-recurring implementation costs of the Financial System Inquiry recommendations.

Other Expenses

In 1998-99 these expenses primarily reflect losses associated with decrements arising from the revaluation of assets and the writedown of assets. Other expenses in the forward years are related to the writedown of assets.

Budget Statement of Assets and Liabilities

Debt

This balance relates to borrowings made out of future Parliamentary appropriations. It will be repaid by the end of June 2000.

Appendix 1

Non-Appropriation Departmental and Administered Revenue

	Budget Estimate	Revised Estimate
	1999-00 \$'000	1999-00 \$'000
External Departmental Revenue	351,169	351,169
Total Estimated Revenue	351,169	351,169

AUSTRALIAN OFFICE OF FINANCIAL MANAGEMENT

Section 1: Overview, Additional Estimates and Variations to Outcomes

OVERVIEW

The Australian Office of Financial Management (AOFM) was established on 1 July 1999 as a 'prescribed agency' under the *Financial Management and Accountability Act 1997*. At that time it assumed responsibility for the Commonwealth's debt management activities previously undertaken by the Department of the Treasury.

The AOFM will significantly 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 balance sheet net worth of the Commonwealth over time. It will do so by ensuring that Government debt is managed at the lowest possible cost, consistent with an acceptable degree of risk and by providing expert advice to the Treasurer in the administration of responsibilities and the implementation of Government decisions.

ADDITIONAL ESTIMATES AND VARIATIONS TO OUTCOMES

The AOFM is seeking \$6.475 million in Appropriation Bill 3 and returning a saving of \$0.066 million in Appropriation Bill 4.

The additional funding requirement in relation to Appropriation Bill 3 is a result of a funding classification amendment to the International Finance Corporation appropriation (with Treasury). This classification change results in an Additional Estimate bid of \$6.475 million.

The saving in relation to Appropriation Bill 4 is as a result of a reduction in anticipated principal repayments of Australian National Railways Commission debt assumed by the Commonwealth in the 1998-99 financial year.

Breakdown of Additional Estimates by Appropriations Bill

Table 1.3: Appropriation Bill (No 3) 1999-2000

	1998-99 Estimated Expenses \$'000	1999-00 Budget \$'000	1999-00 Revised \$'000	Additional Estimates \$'000	Reduced Estimates \$'000
Administered Expenses					
Outcome 1					
To enhance the Commonwealth's capacity to manage it's net debt portfolio, offering the prospect of savings in debt servicing costs and an improvement in the net worth of the Commonwealth over time	—	8,078	14,553	6,475	—
Total	—	8,078	14,553	6,475	—
Agency Outputs					
Outcome 1					
To enhance the Commonwealth's capacity to manage it's net debt portfolio, offering the prospect of savings in debt servicing costs and an improvement in the net worth of the Commonwealth over time	—	5,682	5,682	—	—
Total	—	5,682	5,682	—	—
Total	—	13,760	20,235	6,475	—

Table 1.4: Appropriation Bill (No 4) 1999-2000

	1998-99 Estimated Expenses \$'000	1999-00 Budget \$'000	1999-00 Revised \$'000	Additional Estimates \$'000	Reduced Estimates \$'000
Equity Injections and Loans					
Equity Injections	—	2,895	2,895	—	—
Loans	—	749	749	—	—
Carryover from previous years	—	—	—	—	—
Administered Capital	—	77,300	77,234	—	(66)
Total	—	80,944	80,878	—	(66)

Table 1.5: Staff Years (Number)

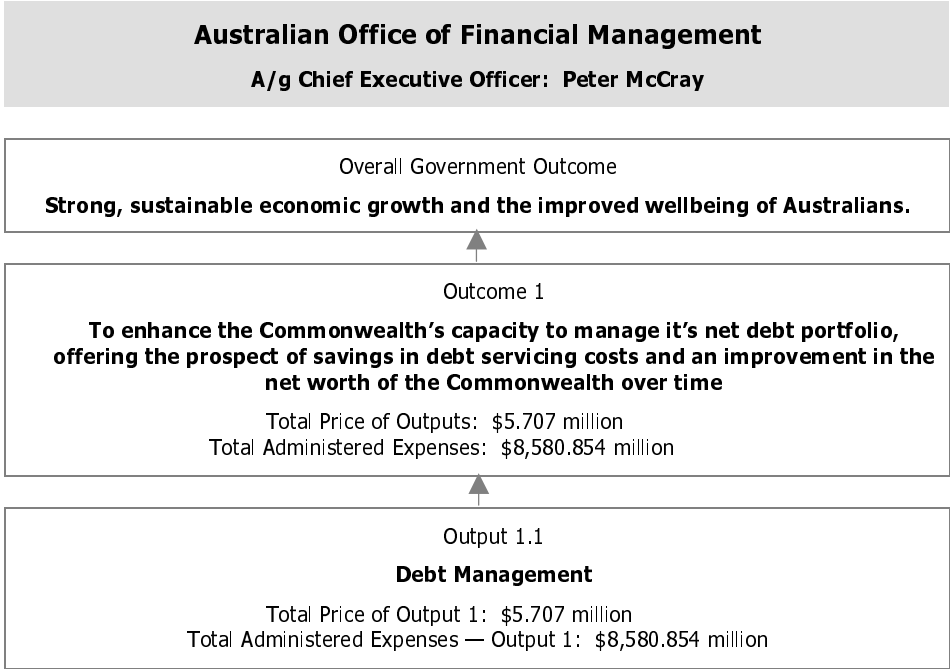
	1999-00 Budget	1999-00 Revised	Variation
Outcome 1	42	42	—

Section 2: Revisions to Outcomes and Outputs

OUTCOMES AND OUTPUT GROUPS

The following diagram shows the interim Outcome Framework that the AOFM is currently operating under.

The Outcome/Output structure depicted represents that which applied to the former Debt Management Office when it resided within the Department of the Treasury. A more comprehensive Outcome Framework, which recognises the relationship between Outputs produced by the AOFM and the contribution to Government Outcomes, is currently being developed as part of a larger business planning process. This will be completed as part of the 2000-2001 Budget process.



OUTCOME 1

Explanation of Variations

As the AOFM was established after the 1999-2000 Budget the following interim performance information is provided.

Performance Information and Level of Achievement — 1999-2000

Table 2.1 shows the Performance Measures that apply to the Outcome Framework that the AOFM is currently operating under.

Table 2.1: Performance Information for Outputs

Performance Information for Administered Items (Including Third Party Outputs)

Debt issued by the Commonwealth (including CGS allocated to States and Territories) and debt assumed from Commonwealth agencies.	Achievement of the Commonwealth's financing task in a cost-effective manner.
--	--

Performance Information — Departmental Outputs

Output 1.1 — Debt Management	Achievement of the Commonwealth's financing task in a cost-effective manner. Timely production of reports on debt management activities. Efficient execution of the Commonwealth's borrowing activities. Partial indicators include the range of accepted bids and the basis point spread between tender and secondary market yields. Efficient management of the Commonwealth's cash balances. Indicators include achievement of the Ministerially endorsed cumulative average cash balance target as at end-year.
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More detailed key indicators of performance, along with the identification of critical success factors, will be identified as an integral part of the business planning process being undertaken. Wherever possible, performance indicators will be established that can readily be measured in terms of efficiency of operation, effectiveness in contributing to Government Outcomes and analysis of comparative benchmarks.

Evaluations

Performance with regard to producing the Debt Management Output is currently evaluated using benchmark analysis and regular review of the broader risk management framework to ensure that it remains appropriate in the light of Commonwealth operations and market conditions.

Section 3: Budget Financial Statements

The budget financial statements will form the basis of the financial statements that will appear in the AOFM's 1999-2000 Annual Report, as well as the input into the Whole of Government Accounts.

Budget Statement of Revenue and Expenses (Budget Operating Statement)

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

Budget Statement of Assets and Liabilities (Budget Balance Sheet)

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

Budget Cash Flow Statement

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

Capital Budget

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

Agency Non-financial Assets — Summary of Movement

This statement shows the movement in the AOFM's non-financial assets over the Budget year 1999-2000.

Table 3.1: Budget Statement of Revenue and Expenses

	Actual	Revised Budget	Estimated		
	1998-99 \$'000	1999-00 \$'000	2000-01 \$'000	2001-02 \$'000	2002-03 \$'000
Agency Revenue and Expenses					
Revenues					
Revenue from government					
Ordinary annual appropriations (net appropriations)	—	5,682	5,455	5,595	5,708
Revenue from other sources					
Other revenue from other sources	—	25	25	25	25
Total Revenue	—	5,707	5,480	5,620	5,733
Expenses					
Employees	—	3,535	3,179	3,282	3,359
Depreciation and amortisation	—	140	79	79	79
Other costs of providing goods and services	—	2,032	2,222	2,259	2,295
Total Expenses	—	5,707	5,480	5,620	5,733
Operating Result Before Capital User Charge	—	—	—	—	—
Capital User Charge	—	—	—	—	—
Accumulated Results at Year End	—	(202)	(202)	(202)	(202)
Administered Revenue and Expenses					
Revenues					
Interest and dividends	—	2,431,872	2,884,255	3,431,666	4,864,106
Other sources of non-taxation revenue	—	37	24	21	18
Appropriations	—	8,191,866	8,058,452	7,871,371	8,014,636
Total revenue	—	10,623,775	10,942,731	11,303,058	12,878,760
Expenses					
Other costs of providing goods and services	—	370,827	4,073	2,747	2,329
Grants	—	59,626	53,400	43,638	28,416
Interest and financing costs	—	8,150,401	8,287,979	7,824,986	7,983,891

Part C: Agency Additional Estimates Statements — AOFM

Table 3.1: Budget Statement of Revenue and Expenses (continued)

	Actual	Revised Budget	Estimated		
	1998-99 \$'000	1999-00 \$'000	2000-01 \$'000	2001-02 \$'000	2002-03 \$'000
Total Expenses	—	8,580,854	8,345,452	7,871,371	8,014,636
Net contribution to Government	—	2,042,921	2,597,279	3,431,687	4,864,124
Cash transfers to/from DoFA	—	(27,369,607)	(47,392,349)	(49,863,788)	(70,389,800)
Accumulated Results After Transfers	—	(109,424,038)	(154,219,108)	(200,651,209)	(266,176,885)

Table 3.2: Budget Statement of Assets and Liabilities

	Actual	Revised	Estimated		
	1998-99 \$'000	Budget 1999-00 \$'000	2000-01 \$'000	2001-02 \$'000	2002-03 \$'000
Agency Assets and Liabilities					
Debt					
Loans	—	725	574	425	274
Total Debt	—	725	574	425	274
Provisions and Payables					
Employees	—	885	980	1,121	1,270
Suppliers	—	27	28	29	30
Total Provisions and Payables	—	912	1,008	1,150	1,300
Total Liabilities	—	1,637	1,582	1,575	1,574
Equity					
Accumulated results	—	(202)	(202)	(202)	(202)
Total Equity	—	(202)	(202)	(202)	(202)
Total Liabilities and Equity	—	1,435	1,380	1,373	1,372
Financial Assets					
Cash	—	685	709	781	859
Total Financial Assets	—	685	709	781	859
Non-financial Assets					
Infrastructure, plant and equipment	—	750	671	592	513
Total Non-financial Assets	—	750	671	592	513
Total Assets	—	1,435	1,380	1,373	1,372
Administered Assets and Liabilities					
Debt					
Government Securities	—	73,485,157	68,625,913	54,084,862	27,719,101
Other	—	1,418,645	1,291,304	882,278	684,915
Total Debt	—	74,903,802	69,917,217	54,967,140	28,404,016
Provisions and Payables					
Other	—	2,495,113	2,152,279	2,123,200	2,126,781
Total Provisions and Payables	—	2,495,113	2,152,279	2,123,200	2,126,781
Total Liabilities	—	77,398,915	72,069,496	57,090,340	30,530,797
Equity					
Accumulated results	—	(109,424,038)	(154,219,108)	(200,651,209)	(266,176,885)
Capital	—	40,269,541	89,590,141	150,828,609	242,929,028

Table 3.2: Budget Statement of Assets and Liabilities (continued)

	Actual	Revised	Estimated		
	1998-99 \$'000	1999-00 \$'000	2000-01 \$'000	2001-02 \$'000	2002-03 \$'000
Total Equity	—	(69,154,497)	(64,628,967)	(49,822,600)	(23,247,857)
Total Liabilities and Equity	—	8,244,418	7,440,529	7,267,740	7,282,940
Financial Assets					
Receivables	—	8,091,522	7,278,961	7,052,251	6,977,870
Accrued revenues	—	150,001	158,169	212,090	301,671
Total Financial Assets	—	8,241,523	7,437,130	7,264,341	7,279,541
Non-financial Assets					
Infrastructure, plant and equipment	—	2,895	3,399	3,399	3,399
Total Non-financial Assets	—	2,895	3,399	3,399	3,399
Total Assets	—	8,244,418	7,440,529	7,267,740	7,282,940

Table 3.3: Budget Cash Flow Statement

	Actual	Revised	Estimated		
	1998-99 \$'000	1999-00 \$'000	2000-01 \$'000	2001-02 \$'000	2002-03 \$'000
Agency Cash Flows					
Operating Activities					
Cash Received					
Appropriations	—	5,682	5,455	5,595	5,708
Other	—	25	25	25	25
Total Cash Received	—	5,707	5,480	5,620	5,733
Cash Used					
Employees	—	2,991	3,085	3,141	3,210
Suppliers	—	2,006	2,221	2,258	2,294
Total Cash Used	—	4,997	5,306	5,399	5,504
Net Cash from Operating Activities	—	710	174	221	229
Investing Activities					
Cash Received					
Proceeds from sale of property, plant and equipment	—	—	—	—	—
Other	—	—	—	—	—
Total Cash Received	—	—	—	—	—
Cash Used					
Purchase of property, plant and equipment	—	749	—	—	—
Total Cash Used	—	749	—	—	—
Net Cash from Investing Activities	—	(749)	—	—	—
Financing Activities					
Cash Received					
Proceeds from borrowings	—	749	—	—	—
Total Cash Received	—	749	—	—	—
Cash Used					
Capital user charge paid	—	—	—	—	—
Repayment of borrowings	—	25	150	150	150
Total Cash Used	—	25	150	150	150
Net Cash from Financing Activities	—	724	(150)	(150)	(150)
Net increase/decrease in cash held	—	685	24	71	79
Add cash as at 1 July	—	—	685	709	781
Cash as at 30 June	—	685	709	781	859

Part C: Agency Additional Estimates Statements — AOFM

Table 3.3: Budget Cash Flow Statement (continued)

	Actual	Revised	Estimated		
	1998-99 \$'000	1999-00 \$'000	2000-01 \$'000	2001-02 \$'000	2002-03 \$'000
Administered Cash Flows					
Operating Activities					
Cash Received					
Interest and dividends	—	2,307,080	2,780,888	3,351,375	4,735,468
Cash from CRF	—	8,358,074	8,306,087	7,874,080	7,971,998
Other	—	38	25	20	20
Total Cash Received	—	10,665,192	11,087,000	11,225,475	12,707,486
Cash Used					
Grants	—	59,626	53,400	43,638	28,416
Interest and other financing costs	—	8,292,609	8,248,614	7,827,695	7,941,253
Cash to CRF	—	2,307,118	2,780,913	3,351,395	4,735,488
Other	—	5,839	4,073	2,747	2,329
Total Cash Used	—	10,665,192	11,087,000	11,225,475	12,707,486
Net Cash from Operating Activities	—	—	—	—	—
Investing Activities					
Cash Received					
Consolidated Revenue Fund	—	1,623,330	752,845	2,151,744	1,599,953
Other	—	1,487,538	696,771	1,817,393	1,487,312
Total Cash Received	—	3,110,868	1,449,616	3,969,137	3,087,265
Cash Used					
Consolidated Revenue Fund	—	1,487,538	696,771	1,817,393	1,487,312
Other	—	1,623,330	752,845	2,151,744	1,599,953
Total Cash Used	—	3,110,868	1,449,616	3,969,137	3,087,265
Net Cash from Investing Activities	—	—	—	—	—
Financing Activities					
Cash Received					
Proceeds from borrowings	—	23,561,000	43,902,000	44,695,000	64,167,000
Other	—	640,087	486,395	151,329	35,300
Consolidated Revenue Fund	—	38,646,209	48,574,514	59,084,722	90,497,461
Total Cash Received	—	62,847,296	92,962,909	103,931,051	154,699,761
Cash Used					
Consolidated Revenue Fund	—	23,574,951	43,914,665	44,695,000	64,167,000
Repayment of borrowings	—	39,272,345	49,048,244	59,236,051	90,532,761
Total Cash Used	—	62,847,296	92,962,909	103,931,051	154,699,761
Net Cash from Financing Activities	—	—	—	—	—
Net increase/decrease in cash held	—	—	—	—	—
Add cash as at 1 July	—	—	—	—	—
Cash as at 30 June	—	—	—	—	—

CAPITAL BUDGET

Table 3.4: Capital Budget

	Actual	Revised Budget	Estimated		
	1998-99 \$'000	1999-00 \$'000	2000-01 \$'000	2001-02 \$'000	2002-03 \$'000
Agency					
Total Loans	—	749	—	—	—
Total Capital Appropriations	—	749	—	—	—
Represented by					
Purchase of non-current assets	—	749	—	—	—
Total Departmental	—	749	—	—	—
Administered					
Total Equity Injections	—	80,129	119,516	101,900	—
Total Capital Appropriations	—	80,129	119,516	101,900	—
Represented by					
Purchase of non-current assets	—	2,895	504	—	—
Other	—	77,234	119,012	101,900	—
Total Items	—	80,129	119,516	101,900	—
Administered Financial Assets					
Funded by Special Appropriations					
Administered Capital	—	40,189,412	49,201,084	61,136,568	92,100,419
Represented by					
Purchase of non-current assets					
Other (primarily debt redemption)	—	40,189,412	49,201,084	61,136,568	92,100,419
Total Items	—	40,189,412	49,201,084	61,136,568	92,100,419

Part C: Agency Additional Estimates Statements — AOFM

Table 3.5: Agency Non-financial Assets — Summary of Movement

Budget Year 1999-2000

	Land	Buildings	Total Land and Buildings	Other Infrastructure, Plant and Equipment	Total Infrastructure, Plant and Equipment	Intangibles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Gross Value							
As at 1 July 1999 (opening)	—	—	—	17	17	585	602
Additions	—	—	749	—	749	—	749
Disposals	—	—	—	—	—	—	—
Other movements	—	—	—	—	—	—	—
As at 30 June 2000	—	—	749	17	766	585	1,351
Accumulated Depreciation							
As at 1 July 1999 (opening)	—	—	—	—	—	462	462
Disposals	—	—	—	—	—	—	—
Charge for the reporting period	—	—	12	4	16	123	139
Other movements	—	—	—	—	—	—	—
As at 30 June 2000	—	—	12	4	16	585	601
Net Book Value as at 30 June 2000 (Closing Book Value)	—	—	737	13	750	—	750
Net Book Value as at 1 July 1999 (Opening Book Value)	—	—	—	17	17	123	140
Total Additions							
Self funded	—	—	—	—	—	—	—
Appropriations	—	—	749	—	—	—	749
Total	—	—	749	—	—	—	749

NOTES TO THE FINANCIAL STATEMENTS

Budget Statement of Revenues and Expenses

Agency

Appropriations

The AOFM has prepared its estimates for the 1999-2000 and forward budget 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.

Revenues from Other Sources — Other Revenue from Other Sources

With the introduction of devolved banking arrangements on 1 July 1999, the AOFM has estimated that it will earn interest revenue of \$25,000 in each of the budget years.

Expenses

The total expenses of the AOFM have been estimated by aggregating the direct divisional funding of the former Debt Management Office (within the Department of the Treasury) with the budget measure for the establishment of the Australian Office of Financial Management in the 1999-2000 Treasury Portfolio Budget Statement.

Administered

Interest and Dividends

	Actual	Revised Budget	Estimated		
	1998-99 \$'000	1999-00 \$'000	2000-01 \$'000	2001-02 \$'000	2002-03 \$'000
Interest on housing agreements	—	175,153	172,262	169,249	166,110
Interest on state and territory debt	—	153,045	74,943	38,225	31,799
Interest and dividends from other sources	—	2,103,674	2,637,050	3,224,192	4,666,197
Total Interest and Dividends	—	2,431,872	2,884,255	3,431,666	4,864,106

Interest and dividends from other sources include interest from swaps and investments.

Other Costs of Providing Goods and Services

In the 1999-2000 budget year other costs of providing goods and services includes a foreign exchange loss (both realised and unrealised) of \$245.988 million in relation to cross-currency swaps.

Part C: Agency Additional Estimates Statements — AOFM

Grants

	Actual	Revised Budget	Estimated		
	1998-99 \$'000	1999-00 \$'000	2000-01 \$'000	2001-02 \$'000	2002-03 \$'000
Grants to State and Territory Governments	—	59,626	53,400	43,638	28,416
Total Grants	—	59,626	53,400	43,638	28,416

Interest and Other Financing Costs

	Actual	Revised Budget	Estimated		
	1998-99 \$'000	1999-00 \$'000	2000-01 \$'000	2001-02 \$'000	2002-03 \$'000
Interest on government securities	—	6,333,767	5,839,219	5,496,643	5,517,723
Interest on Swaps	—	1,775,607	2,151,929	2,305,449	2,461,474
Interest on other debt	—	12,300	4,900	18,100	—
Net repurchase premia	—	24,000	287,000	—	—
Other financing costs	—	4,727	4,931	4,794	4,694
Total Interest and other costs	—	8,150,401	8,287,979	7,824,986	7,983,891

Budget Statement of Assets and Liabilities

Agency

The employee liabilities of the AOFM are expected to increase from the levels at 1 July 1999. The increased liability recognises that staff numbers are expected to grow significantly during the 1999-2000 budget year and that a proportion of staff will be transferring liabilities from other Commonwealth agencies.

The increase in estimated cash holdings recognises that the AOFM will need to hold certain revenue in reserve in order to:

- settle employee liabilities as they fall due;
- make asset replacements; and
- repay loans.

A loan of \$749,000 is expected to be drawn on during the 1999-2000 budget year to fund the acquisition of fit-out. The loan is expected to be repaid over a 5-year period.

Administered

Government Securities

The government securities liability represents the book value of debt net of investments.

Other Debt

	Actual	Revised	Estimated		
	1998-99	1999-00	2000-01	2001-02	2002-03
	\$'000	\$'000	\$'000	\$'000	\$'000
Swaps principal	—	1,418,645	1,291,304	882,278	684,915
Total Other Debt	—	1,418,645	1,291,304	882,278	684,915

Other Provisions and Payables

	Actual	Revised	Estimated		
	1998-99	1999-00	2000-01	2001-02	2002-03
	\$'000	\$'000	\$'000	\$'000	\$'000
Interest payable	—	2,495,113	2,152,279	2,123,200	2,126,781
Total Other Provisions and Payables	—	2,495,113	2,152,279	2,123,200	2,126,781

Receivables

	Estimated	1999-00	Estimated		
	Actual		2000-01	2001-02	2002-03
	1998-99		\$'000	\$'000	\$'000
Loans to State and Territory Governments	—	5,074,484	4,516,317	4,290,314	4,177,700
Appropriations receivable	—	2,984,126	2,729,732	2,729,025	2,774,668
Swap principal	—	32,912	32,912	32,912	25,502
Total Receivables	—	8,091,522	7,278,961	7,052,251	6,977,870

Other

Estimates of Administered Expenses from Appropriation Bill No.1 and No.2

	Budget 1999-00 \$'000 (a)	Revised 1999-00 \$'000
Appropriation Bill No.1		
Loan management expenses	4,043	4,043
Overseas bond issues — lapsed coupons	10	10
Australian National Railways Commission — debt assumption	12,200	10,500
Total Appropriation Bill No.1	16,253	14,553
Appropriation Bill No.2		
Australian National Railways Commission — debt assumption principal (b)	—	119,000
Establishment of the Australian Office of Financial Management — capital	—	—
Total Appropriation Bill No.2	—	119,000
Total Appropriation Bill No.1 and No.2	16,253	133,553

(a) This column represents the appropriations to the Department of the Treasury during 1999-2000 budget.

(b) This represents a book entry to recognise the assumption of debt of the Australian National Railways Commission.

Estimates of Administered Capital from Appropriation Bill No.2

	Budget 1999-00 \$'000 (a)	Revised 1999-00 \$'000
Australian National Railways Commission — debt assumption principal	77,300	77,234
Establishment of the Australian Office of Financial Management — capital	2,895	2,895
Total Administered Capital Appropriation Bill No.2	80,195	80,129

(a) This column represents the appropriations to the Department of the Treasury during 1999-2000 budget.

Assumption of Assets and Liabilities on 1 July 1999

On establishment of the Australian Office of Financial Management on 1 July 1999 the following assets and liabilities were assumed from the Department of the Treasury.

Assumption of assets and liabilities on 1 July 1999

Assets and Liabilities as at 1 July 1999	Agency	Administered
	1 July 1999 \$'000	1 July 1999 \$'000
Debt		
Government securities	—	89,053,502
Other debt	—	1,396,333
Total Debt	—	90,449,835
Provisions and Payables		
Employees	342	—
Other	—	2,798,893
Total Provisions and Payables	342	2,798,893
Total Liabilities	342	93,248,728
Equity		
Accumulated results	(202)	(84,097,352)
Total Equity	(202)	(84,097,352)
Total Liabilities and Equity	140	9,151,376
Financial Assets		
Receivables	—	8,988,595
Accrued revenue	—	162,781
Total Financial Assets	—	9,151,376
Non-financial Assets		
Infrastructure, plant and equipment	140	—
Total Non-financial Assets	140	—
Total Assets	140	9,151,376

Part C: Agency Additional Estimates Statements — AOFM

The Australian Office of Financial Management — 1999-2000 Appropriations

1999-2000 Appropriations (\$'000)

	Administered Expenses				Price of Outputs					Total Appropriations ^(e)	Total Estimated Expenses ^(f)
	Special Appropriations ^(a)	Annual Appropriations		Total Administered Appropriations	Total Price of Outputs ^(c)	Revenue from Other Sources ^(d)	Revenue from Government (Appropriations)				
		Bill 1	Bill 2 (SPPs & NAOs) ^(b)				Special	Annual Bill 1	Total		
		(A)	(B)				(C)	(D=A+B+C)	(E)		
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	8,177,313	14,553	-	8,191,866	5,707	25	—	5,682	5,682	8,197,548	8,586,561
Total	8,177,313	14,553	-	8,191,866	5,707	25	—	5,682	5,682	8,197,548	8,586,561
Bill 2 and Special Appropriations Administered Capital^(b)										40,269,541	
Bill 2 Departmental Carryover and Loans^(b)										749	
Total Appropriations										48,467,838	

- (a) Estimated expenses from individual Special Appropriations are shown in Appendix 2. Appropriation has not been included above for estimated foreign exchange losses of \$245.988 million and net repurchase premia expense of \$24 million.
- (b) Appropriation has not been included above in relation to expense of \$119 million for assumption of debt of the Australian National Railways Commission.
- (c) Refer to Budget Statement of Revenue and Expenses for Application of Agency Revenue (see Table 3.1).
- (d) Other Revenue includes other revenue from Government (eg resources free of charge) and revenue from other sources (eg sales of goods and services).
- (e) Links from Appropriations to Budget Financial Statements include Budget Statement of Revenue and Expenses (see Table 3.1); and Capital Budget (see Tables 3.4).
- (f) Total estimated expenses (\$8,586,561 million) differs to total appropriations (\$8,197,548 million) primarily for reasons stated at (a) and (b) above.

Appendix 1

Non-Appropriation Agency and Administered Revenue

	Budget 1999-00 \$'000 (a)	Revised 1999-00 \$'000
Agency Revenue		
Agency Section 31 receipts	25	25
Total Non-appropriation Agency Revenue	25	25
Appropriations	5,682	5,682
Total Agency Revenue	5,707	5,707
Administered Revenue		
Advances to the Australian Capital Territory — Interest	2,484	2,484
Advances to the States under the Housing Agreements — Interest	101,814	101,814
Advances to the Northern Territory for Housing — Interest	1,574	1,574
Advances to the States under the <i>Housing Assistance Act 1973</i> — Interest	151	151
Advances to the States under the <i>States (Works and Housing Assistance) Acts</i> — Interest	71,185	71,185
Advances to the States under the <i>War Service Lands Settlements Acts</i> — Interest	429	429
Interest paid by States and the Northern Territory on other loans	150,561	150,561
Interest on financial assets	416,000	133,000
Loan management expenses — Recoveries from the States and the Northern Territory	38	38
<i>Loans Securities Amendment Act 1998</i> (swaps) — Interest	1,690,151	1,970,673
Other	298	—
Total Non-appropriation Administered Revenue	2,434,685	2,431,909
Appropriation revenue	9,005,043	8,191,866
Total Administered Revenue	11,439,728	10,623,775

(a) This column represents the estimates of the Department of Treasury as detailed in the 1999-2000 budget.

Estimates of Administered Expenses from Special Appropriations

	Budget 1999-00 \$'000 (a)	Revised 1999-00 \$'000
<i>Airports (Transitional) Act 1996</i> — Former debts of the Federal Airports Corporation — Interest	45,000	44,550
<i>Commonwealth Inscribed Stock Act 1911, Loans Securities Act 1919, Loans Redemption and Conversion Act 1921</i>	7,344,219	6,317,747
<i>Loans Securities Amendment Act 1988</i> (Swaps) — Interest	1,435,162	1,775,607
<i>Financial Agreement Act 1994</i> — Assistance for debt redemption	59,610	59,626
<i>Loans Redemption and Conversion Act 1921</i>	5	5
<i>Loans Securities Amendment Act 1988</i> (Swaps) — Principal	—	245,988
<i>Moomba — Sydney Pipeline System Sale Act 1994</i>	—	1
<i>Financial Agreement Act 1994</i> — Commonwealth Contribution to Debt Retirement Reserve Trust Account on State and Northern Territory Debt	4,998	5,010
<i>Financial Agreement Act 1994</i> — Interest on Debt Retirement Reserve Trust Account Balances	829	829
<i>Commonwealth Inscribed Stock Act 1911, Treasury Bills Act 1914</i> — Payment of Special Bond premiums on redemption	5	5
<i>Qantas Sale Act 1992</i> — Qantas debt servicing	1,820	1,920
Other		
<i>Loans Redemption and Conversion Act 1921</i>	(128,600)	(28,550)
Loan Flotation Expenses	563	563
Loan Consolidation and Investment	(605,550)	—
<i>Loans Redemption and Conversion Act 1921</i> — Net repurchase premia	387,000	24,000
Total Estimated Expenses	8,545,061	8,447,301

(a) This column represents the appropriations to the Department of the Treasury during 1999-2000 budget.

TECHNICAL TERMS

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.
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 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.
Appropriation	An authorisation by Parliament to spend moneys from the Consolidated Revenue Fund .
Annotated Appropriation	A form of appropriation which allows an agency access to certain moneys it receives in payment of services. The nature and extent of the amount to be appropriated are specified in agreements made under Section 31 of the <i>Financial Management and Accountability (FMA) Act 1997</i> between the financial manager and the responsible Minister.
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 .
Special Appropriations	Moneys appropriated by Parliament in an act separate from an annual Appropriation Act, where the payment is for a specified amount. Special appropriations are not subject to Parliament's annual budget control, unlike the annual appropriations.
<i>Financial Management and Accountability (FMA) Act 1997</i>	The principal legislation governing the proper use and management of public money and public property and other Commonwealth resources. FMA Regulations and FMA Orders are made pursuant to the Act.

Technical Terms

Commonwealth Funds

Consolidated Revenue Fund (CRF) — This is the principal working fund of the Commonwealth. The Constitution requires an appropriation of moneys by the Parliament before any expenditure can be made from the CRF (s83).

Loan Fund Established by the *Financial Management and Accountability Act 1997*, the Loan Fund contains all moneys raised by loan on the public credit of the Commonwealth. Expenditure from the Loan Fund is limited to the purpose for which the moneys were raised.

Forward Estimates A system of rolling three year financial estimates. After the budget is passed, the first year of the forward estimates becomes the base for next year's budget bid, and another out year is added to the forward estimates.

Outcomes Results, impacts or consequences of actions by the Commonwealth on the Australian community. Planned outcomes are the results or impacts that the Government wishes to achieve. Actual outcomes are the results or impacts actually achieved.

Output Groups The aggregation based on homogeneity, type of product or beneficiary target group, of outputs.

Outputs The goods and services produced by agencies on behalf of government for external organisations or individuals. Outputs include goods and services produced for other areas of government external to the agency.

Portfolio Budget Statements Statements prepared by portfolios to explain the budget appropriations in terms of government outcomes.

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 users' expectations and experiences.

Quantity	Size of an output. Count or volume measures.
Revenue	The main way the government funds its outcomes. It is mainly tax revenue, fees for regulatory services performed by government and interest and dividends received.
Section 31 Receipts	See Annotated Appropriation .
Third Party Outputs	Goods or services delivered to the community by entities outside the Commonwealth General Government Sector. They are outputs wholly or partly funded by administered items and are directed to achieving planned outcomes.

ABBREVIATIONS AND ACRONYMS

ABN	Australian Business Number
ABS	Australian Bureau of Statistics
ACCC	Australian Competition and Consumer Commission
ANTS	A New Tax System
AOFM	Australian Office of Financial Management
APEC	Asia Pacific Economic Cooperation
APRA	Australian Prudential Regulation Authority
ASIC	Australian Securities and Investment Commission
ATO	Australian Taxation Office
CASAC	Companies and Securities Advisory Committee
CGFS	Centre for Global Financial Services
CGS	Commonwealth Government Securities
CLERP	Corporate Law Economic Reform Program
CRF	Consolidated Revenue Fund
CSA	Child Support Agency
CTC	Competitive Tendering and Contracting
DoFA	Department of Finance and Administration
FBT	Fringe Benefits Tax
FIRB	Foreign Investment Review Board
GST	Goods and Services Tax
IMF	International Monetary Fund
IFCTF	International Financial Centre Task Force
MOU	Memorandum of Understanding
NCC	National Competition Council
P&E	Plant and Equipment
PAYE	Pay As You Earn
PAYG	Pay As You Go
PBS	Portfolio Budget Statements
PC	Productivity Commission
PPS	Prescribed Payments System

ABBREVIATIONS AND ACRONYMS

RPS	Reportable Payments System
SDR	Special Drawing Right
SPP	Specific Purpose Payments
TPA	Trade Practices Act
WST	Wholesale Sales Tax