

**PORTFOLIO  
BUDGET STATEMENTS  
2001-02**

**TREASURY PORTFOLIO**

BUDGET INITIATIVES AND EXPLANATIONS OF  
APPROPRIATIONS SPECIFIED BY OUTCOMES AND OUTPUTS  
BY AGENCY

BUDGET RELATED PAPER NO. 1.17

© Commonwealth of Australia 2001

ISBN 0 642 74065 8

This work is copyright. Apart from any use as permitted under the *Copyright Act 1968*, no part may be reproduced by any process without prior written permission from the Commonwealth available from Info Products. Requests and inquiries concerning reproduction and rights should be addressed to the Manager, Legislative Services, Info Products, Department of Finance and Administration, GPO Box 1920, Canberra ACT 2601.

Printed by CanPrint Communications Pty Limited



TREASURER  
PARLIAMENT HOUSE  
CANBERRA 2600

President of the Senate  
Australian Senate  
Parliament House  
CANBERRA ACT 2600

Speaker  
House of Representatives  
Parliament House  
CANBERRA ACT 2600

Dear Madam President  
Dear Mr Speaker

I hereby submit Portfolio Budget Statements in support of the 2001-02 Budget for the Treasury Portfolio.

These statements have been developed, and are submitted to the Parliament, as a statement on the outcomes for the portfolio. They also cover the purpose of portfolio budget measures.

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



# Table of Contents

## **Part A: User Guide**

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

## **Part B: Portfolio Overview**

Portfolio Overview .....	1
--------------------------	---

## **Part C: Agency Budget Statements**

Department of the Treasury .....	7
Australian Bureau of Statistics.....	45
Australian Competition and Consumer Commission.....	67
Australian Office of Financial Management .....	91
Australian Prudential Regulation Authority .....	117
Australian Securities and Investments Commission .....	139
Australian Taxation Office .....	161
Companies and Securities Advisory Committee .....	187
National Competition Council.....	201
Productivity Commission.....	215
Technical terms .....	231
Abbreviations and acronyms .....	235
Index .....	237



# PART A

## User Guide





# User Guide

## **INTRODUCTION**

The purpose of the Treasury Portfolio Budget Statements (PBS) 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 (Numbers 1 and 2) 2001-02. The PBS provide sufficient information, explanation and justification to enable Parliament to understand the purpose of each outcome proposed in the Bills.

## **STRUCTURE OF THE PORTFOLIO BUDGET STATEMENTS**

The PBS is presented in three parts as outlined below.

### **Part A: User Guide**

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

### **Part B: Portfolio Overview**

Provides a brief 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 Budget Statements**

For each agency within the portfolio a statement is presented under the name of the agency. These are presented in four sections as outlined below.

#### ***Section 1: Overview, appropriations, and budget measures summary***

This section provides a brief overview of the agency, details agency appropriations and summarises, where applicable, Budget measures. This provides a link between the resources appropriated and their application to the outputs that contribute to the achievement of outcomes.

#### ***Section 2: Outcomes and outputs information***

This section provides a brief description of the outcome and, where applicable, Budget measures. The section also provides details of resourcing, outlining administered and

## **Part A: User Guide**

agency appropriations, how the outputs contribute to the outcome, performance information for the outcome, evaluations and competitive tendering and contracting.

### ***Section 3: Budgeted financial statements***

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

### ***Section 4: Purchaser/provider arrangements***

This section is presented, where relevant, for those agencies that have entered into purchaser/provider arrangements with other agencies.

Glossaries are provided at the end of the document.

## **STYLES AND CONVENTIONS USED**

(a) The following notation may be used:

- nil
- nfp not for publication

(b) Figures in tables and in the text may be rounded. Figures in text are generally rounded to one decimal place, whereas figures in tables are generally rounded to the nearest thousand. Discrepancies in tables between totals and sums of components are due to rounding.

## **ENQUIRIES**

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

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

# PART B

## **Portfolio Overview**



## **PORTFOLIO OVERVIEW**

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

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

- Economic group outputs include: domestic economic policy advice and forecasting; and international economic policy advice and assessment.
- Budget group outputs include: budget policy advice and coordination; Commonwealth-State financial policy advice; industry policy advice; taxation and income support policy advice; and actuarial services.
- 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 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: the proper administration and enforcement of the Trade Practices Act, the Prices Surveillance Act and related laws; and the performance of actions that promote competition and fair trading and enable well functioning markets.

The **Australian Office of Financial Management (AOFM)** is responsible for the management of the Commonwealth's net debt portfolio. Its output — debt management — is directed at ensuring that Commonwealth debt is raised, managed and retired at the lowest possible long-term cost, consistent with an acceptable degree of risk exposure.

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

## **Part B: Portfolio Overview**

Australia's financial institutions through a framework of prudential regulation which balances financial safety and efficiency, competition, contestability and competitive neutrality.

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

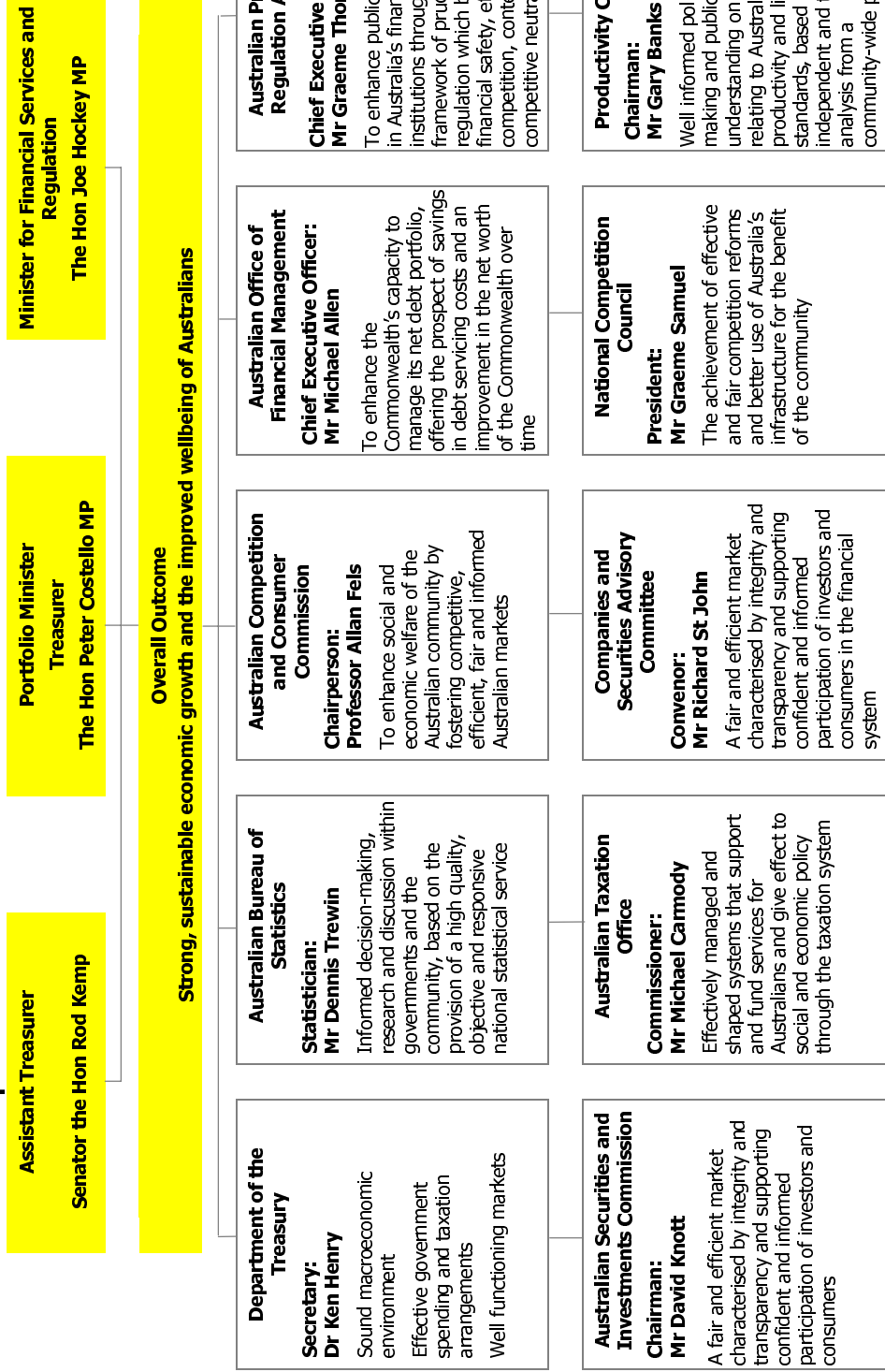
The **Australian Taxation Office (ATO)** outputs are directed at effectively managed and shaped systems that support and fund services for Australians and give effect to social and economic policy through the taxation system. Its major outputs relate to providing revenue to government, providing transfers and contributing to policy advice and legislation.

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

**Chart 3: Structure of portfolio**







# PART C

## Agency Budget Statements

	Page
Department of the Treasury .....	7
Australian Bureau of Statistics.....	43
Australian Competition and Consumer Commission.....	67
Australian Office of Financial Management .....	91
Australian Prudential Regulation Authority .....	117
Australian Securities and Investments Commission .....	139
Australian Taxation Office .....	161
Companies and Securities Advisory Committee .....	187
National Competition Council.....	201
Productivity Commission.....	215



## **DEPARTMENT OF THE TREASURY**

### **Section 1: Overview, appropriations and budget measures summary**

#### **OVERVIEW**

The Department of the Treasury seeks to promote a sound macroeconomic environment; effective government spending and taxation arrangements; and well functioning markets, by providing sound and timely advice to the Government and assisting Treasury Ministers in the administration of their responsibilities and in the implementation of Government decisions.

#### **APPROPRIATIONS**

The total appropriations for the Department of the Treasury in the 2001-02 Budget are \$31,049.2 million. Table 1.1 on the following page shows the total by administered appropriations, price of output appropriations and administered capital.



**BUDGET MEASURES — DEPARTMENT OF THE TREASURY SUMMARY****Table 1.2: Summary of measures in the 2001-02 Budget**

Measure	Outcome	Output groups affected	Appropriations budget 2001-02 (\$'000)			Appropriations estimate 2002-03 (\$'000)			Appropriations estimate 2003-04 (\$'000)			Appropriations estimate 2004-05 (\$'000)		
			Admin expenses	Dept outputs	Total	Admin expenses	Dept outputs	Total	Admin expenses	Dept outputs	Total	Admin expenses	Dept outputs	Total
Additional funding for the First Home Owners Scheme - new homes	2	2.1	90,000	-	90,000	-	-	-	-	-	-	-	-	-
Funding for Secretariat support to the fuel tax inquiry	2	2.1	-	4,000	4,000	-	-	-	-	-	-	-	-	-
GST - Allowing entities with substituted accounting periods to lodge GST returns quarterly	2	2.1	80,000	-	80,000	5,000	-	5,000	5,000	-	5,000	-	5,000	5,000
GST - Allowing full input tax credits for motor vehicles	2	2.1	570,000	-	570,000	80,000	-	80,000	-	-	-	-	-	-
GST - Flexible administration of GST errors	2	2.1	-	-	-	-	-	-	-	-	-	-	-	-
GST - GDP-adjusted method for calculating GST remittances	2	2.1	140,000	-	140,000	5,000	-	5,000	15,000	-	15,000	15,000	-	15,000

Part C: Agency Budget Statements – Treasury

**Table 1.2: Summary of measures in the 2001-02 Budget (continued)**

Measure	Outcome	Output groups affected	Appropriations budget 2001-02 (\$'000)		Appropriations estimate 2002-03 (\$'000)		Appropriations estimate 2003-04 (\$'000)		Appropriations estimate 2004-05 (\$'000)	
			Admin expenses	Dept outputs	Admin expenses	Dept outputs	Admin expenses	Dept outputs	Admin expenses	Dept outputs
Information and implementation of 1 July 2001 tax changes	2	2.1	-	5,000	-	-	-	-	-	-
Consumer Information Programme	3	3.1	-	-	-	-	-	-	-	-
HIH Policyholder Hardship Assistance	3	3.1	-	nfp	-	-	-	-	-	nfp
Renewed funding of Axiss Australia	3	3.1	-	3,800	-	3,800	-	3,800	-	3,800

**ADMINISTERED CAPITAL AND DEPARTMENTAL EQUITY INJECTIONS AND LOANS**

The Department of the Treasury will receive administered capital appropriations of \$16.2 million in 2001-02. Of this amount \$6.5 million is funded through special appropriations and \$9.7 million through Appropriation Bill No. 2. These capital appropriations relate to financial assets.

The special appropriation amount relates to a capital payment for the Asian Development Bank. The Appropriation Bill No. 2 item relates to capital payments to the European Bank for Reconstruction and Development, the Multilateral Investment Guarantee Agency and Australia's contribution to the International Monetary Fund's Poverty Reduction and Growth Facility. See Table 3.9.

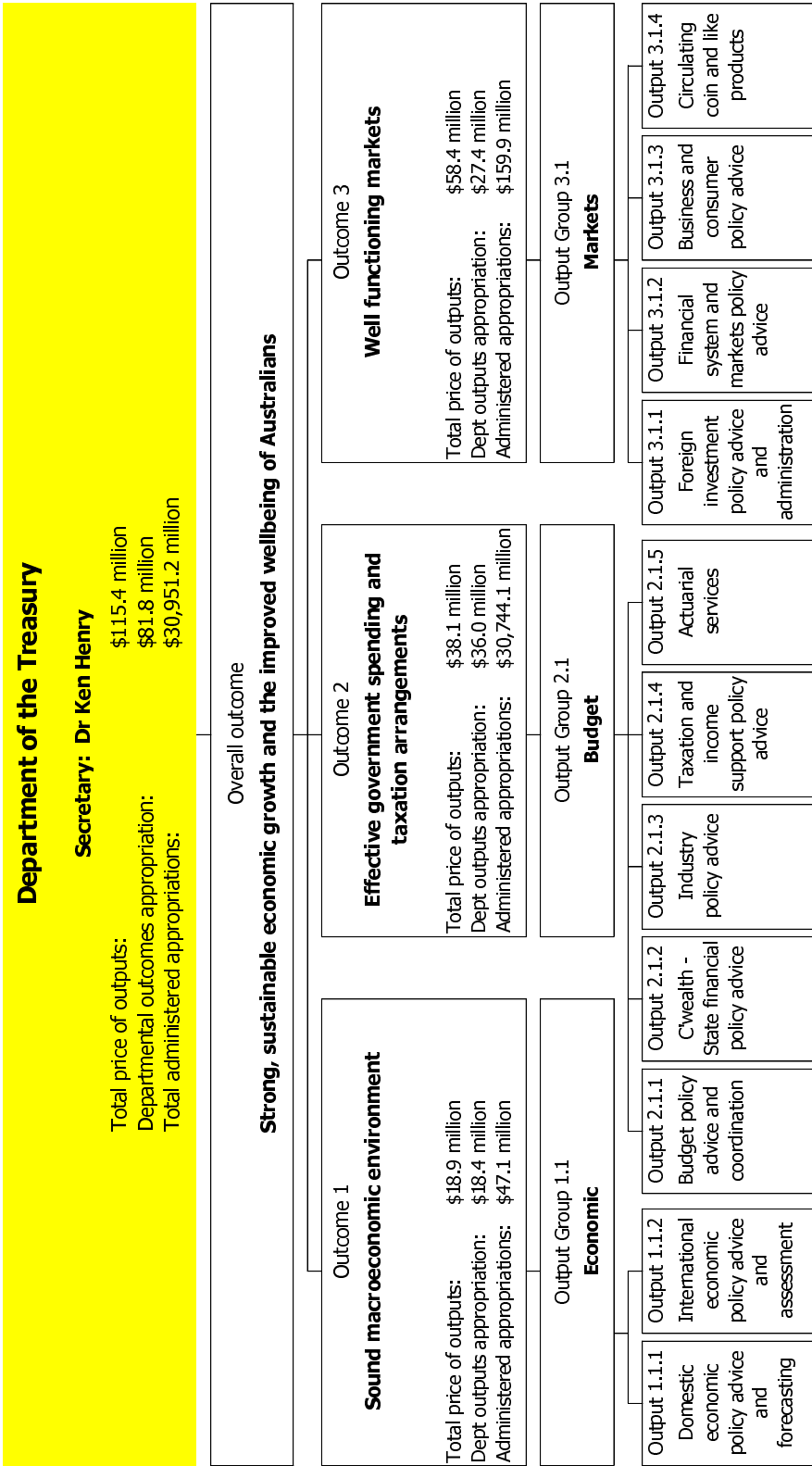
The Department of the Treasury will receive no departmental equity injection or loan in 2001-02. See Table 3.4.

## Section 2: Outcomes and outputs information

### **OUTCOMES AND OUTPUT GROUPS**

The map on the following page shows the relationship between Government outcomes and the contributing outputs for the Department of the Treasury. Financial details for Outcomes 1, 2 and 3, by output, appear in Tables 2.1.1, 2.1.2 and 2.1.3 respectively, while non-financial information for the three outcomes appears in Tables 2.2.1, 2.2.2 and 2.2.3 respectively.

**Chart 6: Outcomes and output groups**





## **CHANGES TO OUTCOMES AND OUTPUTS**

There has been no change to the Department of the Treasury's outcomes and outputs structure since the 2000-01 Budget.

### **OUTCOME 1 — DESCRIPTION**

#### ***Sound macroeconomic environment***

A sound macroeconomic environment is an essential foundation for strong sustainable economic growth and the improved wellbeing of Australians. The Department of the Treasury provides ongoing policy advice to Treasury portfolio Ministers to assist them in developing and implementing policies to achieve this outcome.

A sound macroeconomic environment is characterised by stable prices, low interest rates, healthy economic and employment growth and a sustainable external position. As there are many influences on macroeconomic outcomes beyond the control of the Government, policy is aimed at improving the prospects for the Australian economy, rather than targeting specific outcomes for major economic indicators. Success is judged more by medium-term to long-term performance relative to Australia's past and to other countries, than by particular results in any year.

#### **Measures affecting Outcome 1**

There are no Budget measures affecting Outcome 1.

### **OUTCOME 1 — RESOURCING**

Table 2.1.1 shows how the 2001-02 appropriations translate to total resourcing for Outcome 1, including administered appropriations, revenue from government (appropriation), revenue from other sources, and the total price of outputs.

Part C: Agency Budget Statements — Treasury

**Table 2.1.1: Total resources for Outcome 1**

	Estimated actual 2000-01 \$'000	Budget estimate 2001-02 \$'000
<b>Administered appropriations</b>		
<i>International Monetary Agreements Act 1947</i>	50,610	47,128
<b>Total administered appropriations</b>	50,610	(I1) <sup>(1)</sup> 47,128
<b>Departmental appropriations</b>		
Output Group 1.1 Economic		
Output 1.1.1 Domestic economic policy advice and forecasting	7,396	7,348
Output 1.1.2 International economic policy advice and assessment	11,186	11,075
<b>Total revenue from government (appropriations)</b>	18,582	(C1) <sup>(1)</sup> 18,423
<b>Contributing to price of departmental outputs</b>	98%	97%
<b>Revenue from other sources</b>		
Output Group 1.1 Economic		
Output 1.1.1 Domestic economic policy advice and forecasting	213	217
Output 1.1.2 International economic policy advice and assessment	259	260
<b>Total revenue from other sources</b>	472	477
<b>Total price from departmental outputs</b>		
(Total revenue from government and from other sources)	19,054	(E1) <sup>(1)</sup> 18,900
Administered capital (includes administered capital special appropriations)	82,240	(K4) <sup>(1)</sup> 16,232
<b>Total estimated resourcing for Outcome 1</b>		
(Total price of outputs and administered appropriations)	151,904	82,260
	2000-01	2001-02
<b>Average staffing level (number)</b>	120	118

(1) C1, E1, I1 and K4 — see Table 1.1.

## OUTCOME 1 — CONTRIBUTION OF OUTPUTS

The Department of the Treasury aims to contribute to a sound macroeconomic environment by monitoring and assessing economic conditions and prospects, both in Australia and overseas, and by providing advice on the formulation and implementation of effective macroeconomic policy, including monetary and fiscal policy, and labour market issues.

The Department of the Treasury provides advice on advancing Australia’s interests at international fora such as the International Monetary Fund, the World Bank, the Asian Development Bank, the European Bank for Reconstruction and Development, the Group of Twenty, the Organisation for Economic Cooperation and Development, Asia-Pacific Economic Cooperation, the Financial Stability Forum, the Manila Framework Group, and the Pacific Forum Economic Ministers’ Meeting. Australia is making a significant contribution to international efforts to sustain international economic stability and growth through these fora. The Department of the Treasury also provides bilateral financial and technical assistance in support of economic reform and strengthened economic governance, in particular to Papua New Guinea.

The effectiveness of the Department of the Treasury’s contribution to a sound macroeconomic environment is judged primarily by feedback from Treasury portfolio Ministers on the quality and relevance of advice.

**Table 2.2.1: Performance information for Outcome 1**

<b>Performance information for administered items (including third party outputs)</b>	
Subscriptions to international financial institutions	Facilitation of achievement of government objectives in international fora, including strengthening the international financial system, multilateral debt relief and institutional reform in the multilateral development banks.
<b>Performance information for departmental outputs</b>	
<b>Output Group 1.1 — Economic</b>	
Output 1.1.1 — Domestic economic policy advice and forecasting	Advice on economic policy and the economic outlook meets Treasury portfolio Ministers’ needs in administering their responsibilities and implementing government decisions that contribute to a sound domestic economy.  Effective presentation of budget documents and other publications to adequately inform public debate.
Output 1.1.2 — International economic policy advice and assessment	Advice meets Treasury portfolio Ministers’ needs in administering their responsibilities and implementing government decisions relating to international economic and financial issues.

## **Part C: Agency Budget Statements — Treasury**

### **Evaluations**

Feedback will be sought from key clients on a regular basis on the effectiveness of policy advice.

### **Competitive tendering and contracting**

Following the government's acceptance of the recommendations of the Review of the Whole of Government Information Technology Outsourcing initiative, the Department of the Treasury withdrew from the Group 11 Information Technology Outsourcing Project managed by the Office of Asset Sales and Information Technology Outsourcing.

In accordance with Government policy, the Department of the Treasury will continue to market test a range of corporate services, including Information Technology services and agency banking arrangements, during 2001. This relates to all three outcomes.

## **OUTCOME 2**

### ***Effective government spending and taxation arrangements***

Individual government spending and taxation arrangements contribute to the overall fiscal outcome but also have their own influence on the goal of strong sustainable economic growth and the improved wellbeing of Australians.

Individual spending measures should be effective in meeting their stated objectives, minimise other behavioural distortions and deliver value for money. Taxation measures should meet revenue objectives (or other objectives if taken for public policy reasons) and have regard to the principles of economic efficiency, horizontal and vertical equity, certainty and transparency whilst minimising compliance and administrative costs. By meeting these aims, taxation measures contribute to the wellbeing of Australians, either directly or by providing the revenue base to finance government services.

Policy advice to Treasury portfolio Ministers promotes Government decisions which further these objectives and thereby contribute to this outcome.

## Measures affecting Outcome 2

### ***Additional funding for the First Home Owners Scheme — new homes***

The Government is providing an estimated \$150 million, \$60 million of which has already been paid to the States and Territories, to increase the First Home Owners Scheme grant from \$7,000 to \$14,000 for eligible first home owners contracting between 9 March 2001 and 31 December 2001 to buy or build a new home. The grant will remain at \$7,000 for the first home owners who purchase existing homes.

### ***Funding for Secretariat support to the fuel tax inquiry***

The Government will provide funding of \$4 million in 2001-02 for secretariat support to the Inquiry into the total structure of fuel taxation in Australia announced by the Prime Minister on 1 March 2001. The funding will provide for salary and administrative expenses of the Inquiry Secretariat to be located in Treasury.

### ***GST — Allowing entities with substituted accounting periods to lodge GST returns quarterly***

Entities using substituted accounting periods will be able to lodge GST returns on a quarterly basis subject to the existing \$20 million annual turnover threshold and election rules, from the first quarterly period of the 2001-02 income year. Previously, entities using substituted accounting periods were required to submit their GST returns monthly. The measure was introduced into Parliament on 5 April 2001 and will take effect on 1 July 2001.

While all GST revenue is paid to the States and Territories, the cost of this measure is effectively borne by the Commonwealth through transitional funding guarantee arrangements. (See *Budget Paper No. 3* for further information).

### ***GST — Allowing full input tax credits for motor vehicles***

GST registered businesses will be entitled to full input tax credits for motor vehicles, including trucks, acquired after midnight Budget night, 22 May 2001.

Since GST revenue is paid to the States and Territories and this will diminish such revenue the Commonwealth will be obliged to pay this sum to the States under transitional funding guarantee arrangements. (See *Budget Paper No. 3* for further information).

### ***GST — Flexible administration of GST errors***

This measure ensures that the Commissioner of Taxation has the discretion to provide taxpayers with simpler ways to correct errors in GST returns. It reinforces existing practice whereby taxpayers have been remedying GST errors made in a Business Activity Statement (BAS) by making a compensating change in the next BAS. This

## **Part C: Agency Budget Statements — Treasury**

avoids the need for taxpayers to submit an amended BAS for an earlier period. The measure was announced on 5 April 2001 and has effect from 1 July 2000.

While all GST revenue is paid to the States and Territories, the cost of this measure is effectively borne by the Commonwealth through transitional funding guarantee arrangements. (See *Budget Paper No. 3* for further information).

### ***GST — GDP-adjusted method for calculating GST remittances***

GST-registered taxpayers with turnover of \$2 million or less generally have the option to pay quarterly GST instalments worked out for them by the Australian Taxation Office (ATO) using the GDP-adjusted method. Furthermore, certain primary producers and special professionals (such as authors, entertainers and sportspersons) who opt for the GDP-adjusted method pay two GST instalments in respect of each income year, with the instalments corresponding with the third and fourth quarters of the income tax year.

This measure was announced on 22 February 2001 and applies to tax periods ending on or after 22 February 2001.

While all GST revenue is paid to the States and Territories, the cost of this measure is effectively borne by the Commonwealth through transitional funding guarantee arrangements. (See *Budget Paper No. 3* for further information).

### ***Information and implementation of 1 July 2001 tax changes***

The Government will provide funding of \$5 million in 2001-02 for communication to inform the public of the significant changes in the tax system so as to make taxpayers aware of benefits they can claim, in particular, eligibility to claim excess imputation credits paid to resident individuals, certain charitable and gift deductible organisations and complying superannuation funds, and entitlement to the removal of fees on financial transactions.

## **OUTCOME 2 — RESOURCING**

Table 2.1.2 shows how the 2001-02 appropriations translate to total resourcing for Outcome 2, including administered appropriations, revenue from government (appropriation), revenue from other sources, and the total price of outputs.

**Table 2.1.2: Total resources for Outcome 2**

	Estimated actual 2000-01 \$'000	Budget estimate 2001-02 \$'000
<b>Administered appropriations</b>		
Annual appropriations		
Australian Capital Territory - special revenue assistance	13,500	14,200
GST Start-up Assistance Office	38,631	-
Additional funding for the First Home Owners Scheme - new homes	-	90,000
Special appropriations		
<i>A New Tax System (Commonwealth-State Financial Arrangements) Act 1999</i>	28,034,664	30,639,934
<b>Total administered appropriations</b>	<b>28,086,795</b>	<b>(I1)<sup>(1)</sup>30,744,134</b>
<b>Departmental appropriations</b>		
Output Group 2.1 Budget		
Output 2.1.1 Budget policy advice and coordination	4,431	4,470
Output 2.1.2 Commonwealth-State financial policy advice	2,576	6,989
Output 2.1.3 Industry policy advice	1,430	1,881
Output 2.1.4 Taxation and income support policy advice	20,627	22,662
Output 2.1.5 Actuarial services	-	-
<b>Total revenue from government (appropriations) Contributing to price of departmental outputs</b>	<b>29,064 93%</b>	<b>(C1)<sup>(1)</sup>36,002 94%</b>
<b>Revenue from other sources</b>		
Output Group 2.1 Budget		
Output 2.1.1 Budget policy advice and coordination	124	138
Output 2.1.2 Commonwealth-State financial policy advice	75	107
Output 2.1.3 Industry policy advice	40	58
Output 2.1.4 Taxation and income support policy advice	461	486
Output 2.1.5 Actuarial services	1,420	1,320
<b>Total revenue from other sources</b>	<b>2,120</b>	<b>2,109</b>
<b>Total price from departmental outputs</b>		
(Total revenue from government and from other sources)	31,184	(E1) <sup>(1)</sup> 38,111
<b>Total estimated resourcing for Outcome 2</b>		
(Total price of outputs and administered appropriations)	28,117,979	30,782,245
	2000-01	2001-02
<b>Average staffing level (number)</b>	<b>221</b>	<b>240</b>

(1) C1, E1 and I1 — see Table 1.1.

**OUTCOME 2 — CONTRIBUTION OF OUTPUTS**

Effective government spending and taxation arrangements are crucial to achieving the Government's objectives for the economy and the wellbeing of Australians. Ongoing advice to the portfolio Ministers from the Department of the Treasury assists in formulating, implementing and explaining government spending and taxation decisions which meet this objective.

### **Part C: Agency Budget Statements — Treasury**

More specifically, in the coming year the Department of the Treasury will provide advice on:

- budget policies, including arrangements for the distribution of resources between the Commonwealth and other levels of government, which are consistent with sustainable public finances and macroeconomic objectives;
- government expenditure programmes, with a focus on those programmes with significant economic or budgetary implications;
- policies to promote the efficient and sustainable use of resources and to improve the competitiveness and productivity of Australian industries, thereby promoting higher levels of sustainable economic growth;
- development and implementation of policies relating to retirement incomes, including superannuation and the age pension, and other income support arrangements intended to promote the wellbeing of Australians; and
- taxation policies which contribute to the reform of the Australian taxation system in terms of efficiency, equity and administrative simplicity.

The Australian Government Actuary (AGA) will provide services relating to financial matters: for example, benefits depending on contingencies such as injury, death or retirement. The AGA also aids departments and agencies on policy development in areas where it has specialist expertise.

At present, the Department of the Treasury is devoting significant resources to the implementation of the Government's taxation reform agenda, which encompasses significant reforms to income tax, indirect tax, business tax, family payments and Commonwealth/State financial relations.

The outcome of the taxation reform process is a taxation system, which provides a stable and equitable revenue source to fund government services essential to the wellbeing of Australians. Taxation reform is an important element of an integrated economic policy framework necessary to ensure stronger economic and employment growth and thereby improve living standards.



**Part C: Agency Budget Statements — Treasury**

The effectiveness of the contribution of these outputs to the outcome will be gauged primarily in terms of feedback from Treasury portfolio Ministers as to whether advice meets their needs in formulating, implementing and explaining government spending and taxation decisions.

**Table 2.2.2: Performance information for Outcome 2**

<b>Performance information for administered items (including third party outputs)</b>	
Payments to State and Territory Governments	Accurate calculation of amounts payable according to agreed formulae. Payments made according to agreed schedules.
<b>Performance information for departmental outputs</b>	
<b>Output Group 2.1 — Budget</b>	
Output 2.1.1 — Budget policy advice and coordination	Advice meets Treasury portfolio Ministers' needs in administering their responsibilities and implementing Government decisions as they relate to assessments of the budget position and outlook, and budget strategy.  Effective presentation of budget documents for which Treasury has responsibility and other publications to adequately inform public debate.
Output 2.1.2 — Commonwealth-State financial policy advice	Advice meets Treasury portfolio Ministers' needs in administering their responsibilities and implementing Government decisions as they relate to Commonwealth-State financial relations.  Effective presentation of relevant information, including in the budget documentation and other publications to adequately inform public debate.
Output 2.1.3 — Industry policy advice	Advice meets Treasury portfolio Ministers' needs in administering their responsibilities and implementing Government decisions as they relate to industry policy.  Effective presentation of relevant information to adequately inform public debate.
Output 2.1.4 — Taxation and income support policy advice	Advice meets Treasury portfolio Ministers' needs in administering their responsibilities and implementing Government decisions relating to taxation and income support policy.  Effective presentation of relevant information, including in the budget documentation and other publications to adequately inform public debate.
Output 2.1.5 — Actuarial services	Efficient provision of high quality professional services, with income from consultancy fees relative to total costs meeting specified quantitative criteria.

## **Part C: Agency Budget Statements — Treasury**

### **Evaluations**

Feedback will be sought from key clients on a regular basis on the effectiveness of policy advice and payments to State and Territory Governments. Results of evaluations will be presented, as appropriate, in the Department of the Treasury's Annual Report.

### **Competitive tendering and contracting**

See information provided under Outcome 1.

## **OUTCOME 3**

### ***Well functioning markets***

Well functioning markets contribute to the achievement of high sustainable economic and employment growth and the wellbeing of Australians, by enabling resources to flow to those parts of the economy where they can be used most productively. Well functioning markets operate when investors and consumers have confidence and certainty about the regulatory framework and are able to make decisions that are well informed and free of market distortions and impediments.

The Department of the Treasury provides advice on policy processes and reforms that promote a secure financial system and sound corporate practices, remove impediments to competition in product and services markets and safeguard the public interest in matters such as consumer protection and foreign investment.

### **Measures affecting Outcome 3**

#### ***Consumer Information Programme***

The Government will allocate \$1.9 million over four years to extend the Consumer Information Programme. The measure will provide consumer information by building on the 'one-stop-shop' approach of <http://www.consumersonline.gov.au>. It will also fund the provision of targeted information in areas such as disadvantaged consumers and product safety.

The Department of the Treasury will absorb the cost of this measure.

***HIH Policyholder Hardship Assistance***

The Government will provide financial assistance to certain policyholders and beneficiaries with claims referable to the provisional liquidation of the HIH Insurance Group. Such assistance will be limited to those in genuine financial hardship in certain policy classes. The assistance will exclude those policies covered by State and Territory administered schemes. A provision for cash expenditure in excess of \$0.5 billion over the next four years has been made.

***Renewed funding of Axiss Australia***

The Government will renew funding, of \$11.4 million over the next three years, for Axiss Australia. Axiss Australia is a division within the Department of the Treasury that promotes Australia as a Centre for Global Financial Services. The funding will enable Axiss to continue to promote Australia's advantages, through marketing and facilitation, as a location to conduct financial services business.

**Part C: Agency Budget Statements — Treasury**

**OUTCOME 3 — RESOURCING**

Table 2.1.3 shows how the 2001-02 appropriations translate to total resourcing for Outcome 3, including administered appropriations, revenue from government (appropriation), revenue from other sources, and the total price of outputs.

**Table 2.1.3: Total resources for Outcome 3**

	Estimated actual 2000-01 \$'000	Budget estimate 2001-02 \$'000
<b>Administered appropriations</b>		
Annual appropriations		
Compensation - companies regulation	139,266	147,900
Housing Loans Insurance Company Limited - payments in respect of insurance claims	14,000	12,000
<b>Total administered appropriations</b>	153,266	(I1) <sup>(1)</sup> 159,900
<b>Departmental appropriations</b>		
Output Group 3.1 Markets		
Output 3.1.1 Foreign investment policy advice and administration	3,624	3,410
Output 3.1.2 Financial system and markets policy advice	15,677	16,703
Output 3.1.3 Business and consumer policy advice	7,233	7,271
Output 3.1.4 Circulating coin and like products	-	-
<b>Total revenue from government (appropriations)</b>	26,534	(C1) <sup>(1)</sup> 27,384
<b>Contributing to price of departmental outputs</b>	37%	47%
<b>Revenue from other sources</b>		
Output Group 3.1 Markets		
Output 3.1.1 Foreign investment policy advice and administration	104	104
Output 3.1.2 Financial system and markets policy advice	368	366
Output 3.1.3 Business and consumer policy advice	187	187
Output 3.1.4 Circulating coin and like products	44,000	30,354
<b>Total revenue from other sources</b>	44,659	31,011
<b>Total price from departmental outputs</b>		
(Total revenue from government and from other sources)	71,193	(E1) <sup>(1)</sup> 58,394
<b>Total estimated resourcing for Outcome 3</b>		
(Total price of outputs and administered appropriations)	224,459	218,294
	2000-01	2001-02
<b>Average staffing level (number)</b>	191	193

(1) C1, E1 and I1 — see Table 1.1.

### OUTCOME 3 — CONTRIBUTION OF OUTPUTS

The Department of the Treasury provides advice to portfolio Ministers to assist them in carrying out their responsibilities in formulating, implementing and explaining the policies needed to achieve well functioning markets — markets that are competitive, efficient, informed, fair and transparent.

Advice is provided to the Government on foreign investment proposals and on general foreign investment policy matters, including Australia's participation in multilateral and bilateral agreements on investment. In addition, awareness and understanding of the Government's foreign investment policy is fostered in the community and in the business sector, both in Australia and overseas, and compliance with policy is monitored.

In relation to the financial system, the Department of the Treasury provides policy advice on the legislative framework for prudential supervision of financial institutions (including in the areas of banking, insurance and superannuation) by the Australian Prudential Regulation Authority and other regulation of those institutions. It monitors developments in the financial sector and provides advice on their policy implications.

The Department of the Treasury is responsible for administering the Government's programme to promote Australia as a financial centre, through Axis Australia located in Sydney. Funding for this initiative has been renewed by three years in this year's Budget.

The Department of the Treasury participates with other government departments and agencies in formulating policy for the progress of structural reform in key sectors of the economy, including energy, transport and communications. The Department of the Treasury is responsible for providing advice on competition policy matters, monitoring the effectiveness of the competition, consumer protection and pricing provisions in the *Trade Practices Act 1974* and the *Prices Surveillance Act 1983*, and advising on legislative amendments.

In the coming year, the Government will implement the package of reforms contained in the Financial Services Reform Bill and present legislation to enable transactions in Commonwealth Government securities to be settled electronically. Legislation will also be developed to reform the legal frameworks governing Bills of Exchange and the registration and regulation of auditors.

The Department of the Treasury will progress reforms to reduce the paper compliance burden on Australian companies and enable the Australian Securities and Investments Commission to make greater use of communications technology. It is proposed that fees currently levied under the Corporations Law will be altered as part of this process.

The Department of the Treasury provides secretariat services to the Financial Reporting Council, which is responsible for overseeing Australia's accounting standard setting arrangements. Advice will be provided on the legislation governing directors' duties and corporate governance as well as general company law issues.

**Part C: Agency Budget Statements — Treasury**

Advice will also be provided to Government on possible reforms to Australia’s corporate insolvency system.

There will be ongoing involvement in progressing international cooperation — particularly in the Asian region — in financial market regulation, corporate governance, financial reporting, and corporate insolvency. A priority in this regard will be bilateral efforts to promote the harmonisation of national regulatory frameworks covering financial products and service providers.

Consumer affairs policy advice will be directed to the continuing implementation of Government commitments on consumer affairs. This includes promoting effective self-regulation, particularly in the context of electronic commerce. Consumer protection interests will also be promoted through the *Trade Practices Act 1974*, dissemination of consumer information and advice and actions to ensure the safety of consumer products.

The Royal Australian Mint (RAM) is a semi-autonomous body responsible for the production of coinage. The Department of the Treasury will continue to chair the RAM Advisory Board and also provide advice relating to the currency system.

**Table 2.2.3: Performance information for Outcome 3**

<b>Performance information for administered items (including third party outputs)</b>	
Compensation — companies regulation payments to the States and the Northern Territory	Amounts payable, according to agreed formulae, are accurately calculated.  Payments are made according to agreed schedules.
<b>Performance information for departmental outputs</b>	
<b>Output Group 3.1 — Markets</b>	
Output 3.1.1 — Foreign investment policy advice and administration	Treasury advice meets portfolio Ministers’ needs in fulfilling their responsibilities.  Government policy is appropriately represented and Australia’s negotiating position is pursued effectively in international fora.  Proposals are processed efficiently to meet the needs of Ministers, the Foreign Investment Review Board, foreign investors and their agents. Performance is currently regarded as satisfactory if: <ul style="list-style-type: none"><li>• around 90 per cent of the roughly 4,500 proposals received each year are processed within 30 days of receipt of a completed application; and</li><li>• responses are provided on average within 5 days to around 40,000 general telephone and mail inquiries each year.</li></ul> Treasury effectively disseminates and explains the foreign investment policy to improve the standard of applications and compliance with policy requirements so as to continue to reduce the proportion of foreign investment proposals requiring Interim or Final Orders.

**Table 2.2.3: Performance information for Outcome 3 (continued)**

Output 3.1.1 — Foreign investment policy advice and administration (continued)	Treasury undertakes a programme of compliance checks on previous proposals subject to conditions — possible leading to prosecutions, but aimed at an overall reduction in non-compliance with policy.
Output 3.1.2 — Financial system and markets policy advice	<p>Advice meets Treasury portfolio Ministers' needs in administering their responsibilities and implementing Government decisions as they relate to financial system and markets issues.</p> <p>Effective presentation of relevant information to adequately inform public debate.</p> <p>Statutory and other procedural requirements are met.</p> <p>Secretariat services provided to advisory bodies are effective.</p> <p>Representation and/or liaison by Treasury officers with other agencies, private sector organisations and international bodies, is assessed by participants as effective.</p>
Output 3.1.3 — Business and consumer policy advice	<p>Advice meets Treasury portfolio Ministers' needs in administering their responsibilities and implementing Government decisions as they relate to business and consumer affairs policy.</p> <p>Implementation of Axiss Australia programme achieves intended results.</p> <p>Effective presentation of relevant information to adequately inform public debate.</p> <p>Statutory and other procedural requirements are met.</p> <p>Secretariat services provided to advisory bodies are effective.</p> <p>Representation and/or liaison by Treasury officers with other agencies, private sector organisations and international bodies, is assessed by participants as effective.</p> <p>The extent of progress towards improving self-regulatory mechanisms in the marketplace and introducing enhancements of the consumer protection and unconscionable conduct provisions of the Trade Practices Act.</p>
Output 3.1.4 — Circulating coin and like products	<p>Advice meets Treasury portfolio Ministers' needs in administering their responsibilities and implementing Government decisions as they relate to coinage and Royal Australian Mint operations.</p> <p>Effective presentation of relevant information to adequately inform public debate.</p> <p>Statutory and other procedural requirements are met.</p> <p>The Royal Australian Mint meets targets for operational efficiency and rate of return.</p>

## **Part C: Agency Budget Statements — Treasury**

### **Evaluations**

Feedback will be sought from key clients on a regular basis on the effectiveness of policy advice.

In relation to companies regulation compensation payments to the States and the Northern Territory, there will be an evaluation of the accuracy of calculation and the timeliness of payments.

There is ongoing evaluation of foreign investment policy administration in the context of statutory deadlines and target response rates.

Results of evaluations will be presented, as appropriate, in The Department of the Treasury's Annual Report.

### **Competitive tendering and contracting**

See information provided under Outcome 1.



## Section 3: Budgeted financial statements

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

### **DEPARTMENTAL STATEMENTS**

#### **Budgeted departmental statement of financial performance**

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

#### **Budgeted departmental statement of financial position**

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

#### **Budgeted departmental statement of cash flows**

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

#### **Departmental capital budget statement**

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

#### **Departmental non-financial assets — summary of movement**

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

## **ADMINISTERED NOTES**

### **Note of budgeted administered financial performance**

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

### **Note of budgeted administered financial position**

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

### **Note of budgeted administered cash flows**

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

### **Note of administered capital budget**

This note shows details of planned administered capital expenditure.

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

	Estimated actual 2000-01 \$'000	Budget estimate 2001-02 \$'000	Forward estimate 2002-03 \$'000	Forward estimate 2003-04 \$'000	Forward estimate 2004-05 \$'000
<b>Revenues from ordinary activities</b>		(K1) <sup>(1)</sup>			
Revenue from government	74,180	81,809	74,538	77,004	76,005
Sale of goods and services	42,211	32,607	32,596	32,584	32,584
Interest and dividends	675	550	550	550	550
Net gains from sale of assets	-	44	46	47	47
Other	4,365	395	404	415	415
<b>Total revenues from ordinary activities</b>	<b>121,431</b>	<b>115,405</b>	<b>108,134</b>	<b>110,600</b>	<b>109,601</b>
<b>Expenses from ordinary activities (excluding borrowing cost expense)</b>					
Employees	49,212	49,066	53,504	54,584	53,209
Suppliers	63,466	59,147	47,753	48,784	48,528
Depreciation and amortisation	3,194	2,770	2,827	2,991	3,617
<b>Total expenses from ordinary activities (excluding borrowing cost expense)</b>	<b>115,872</b>	<b>110,983</b>	<b>104,084</b>	<b>106,359</b>	<b>105,354</b>
Borrowing cost expense	602	602	602	602	602
<b>Net surplus or deficit from ordinary activities</b>	<b>4,957</b>	<b>3,820</b>	<b>3,448</b>	<b>3,639</b>	<b>3,645</b>
Gain or loss on extraordinary items	-	-	-	-	-
<b>Net surplus or deficit</b>	<b>4,957</b>	<b>3,820</b>	<b>3,448</b>	<b>3,639</b>	<b>3,645</b>
Capital use charge	3,369	1,681	1,536	1,506	1,498
<b>Net surplus or deficit after capital use charge</b>	<b>1,588</b>	<b>2,139</b>	<b>1,912</b>	<b>2,133</b>	<b>2,147</b>

(1) K1 — see Table 1.1.

Part C: Agency Budget Statements — Treasury

**Table 3.2: Budgeted departmental statement of financial position  
as at 30 June**

	Estimated actual 2000-01 \$'000	Budget estimate 2001-02 \$'000	Forward estimate 2002-03 \$'000	Forward estimate 2003-04 \$'000	Forward estimate 2004-05 \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash	5,426	7,852	7,607	6,050	5,154
Receivables	2,180	2,341	2,139	2,146	2,154
Investments	9,500	9,500	9,500	9,500	9,500
<b>Total financial assets</b>	<b>17,106</b>	<b>19,693</b>	<b>19,246</b>	<b>17,696</b>	<b>16,808</b>
<b>Non-financial assets</b>					
Infrastructure, plant and equipment	18,461	19,504	19,140	20,019	20,198
Inventories	5,979	4,979	3,979	3,979	3,979
Intangibles	2,891	2,313	1,850	1,480	1,184
Other	4,953	4,913	4,875	4,839	4,804
<b>Total non-financial assets</b>	<b>32,284</b>	<b>31,709</b>	<b>29,844</b>	<b>30,317</b>	<b>30,165</b>
<b>Total assets</b>	<b>49,390</b>	<b>51,402</b>	<b>49,090</b>	<b>48,013</b>	<b>46,973</b>
<b>LIABILITIES</b>					
<b>Debt</b>					
Loans	9,865	10,360	8,685	7,075	5,465
Leases	952	1,525	1,098	671	244
<b>Total debt</b>	<b>10,817</b>	<b>11,885</b>	<b>9,783</b>	<b>7,746</b>	<b>5,709</b>
<b>Provisions and payables</b>					
Employees	15,711	16,590	17,577	18,757	19,776
Suppliers	3,081	4,050	4,173	4,223	4,275
Other	3,593	3,593	3,593	3,593	3,591
<b>Total provisions and payables</b>	<b>22,385</b>	<b>24,233</b>	<b>25,343</b>	<b>26,573</b>	<b>27,642</b>
<b>Total liabilities</b>	<b>33,202</b>	<b>36,118</b>	<b>35,126</b>	<b>34,319</b>	<b>33,351</b>
<b>EQUITY</b>					
Capital	3,763	3,763	3,763	3,763	3,763
Reserves	5,214	5,214	5,214	5,214	5,214
Accumulated surpluses or deficits	7,211	6,307	4,987	4,717	4,645
<b>Total equity</b>	<b>16,188</b>	<b>15,284</b>	<b>13,964</b>	<b>13,694</b>	<b>13,622</b>
<b>Current liabilities</b>	<b>3,081</b>	<b>4,050</b>	<b>4,173</b>	<b>4,223</b>	<b>4,275</b>
<b>Non-current liabilities</b>	<b>30,121</b>	<b>32,068</b>	<b>30,953</b>	<b>30,096</b>	<b>29,076</b>
<b>Current assets</b>	<b>24,378</b>	<b>25,925</b>	<b>24,440</b>	<b>22,854</b>	<b>21,931</b>
<b>Non-current assets</b>	<b>25,012</b>	<b>25,477</b>	<b>24,650</b>	<b>25,159</b>	<b>25,042</b>

Part C: Agency Budget Statements — Treasury

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

	Estimated actual 2000-01 \$'000	Budget estimate 2001-02 \$'000	Forward estimate 2002-03 \$'000	Forward estimate 2003-04 \$'000	Forward estimate 2004-05 \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Appropriations for outputs	74,180	81,809	74,538	77,004	76,005
Sale of goods and services	42,211	32,961	32,950	32,938	32,938
Other	5,040	635	646	658	658
<b>Total cash received</b>	<b>121,431</b>	<b>115,405</b>	<b>108,134</b>	<b>110,600</b>	<b>109,601</b>
<b>Cash used</b>					
Employees	48,454	51,655	52,267	53,330	52,693
Suppliers	58,696	51,769	44,724	45,970	44,955
GST payments	7,146	7,316	7,296	7,296	7,296
Interest	602	602	602	602	602
<b>Total cash used</b>	<b>114,898</b>	<b>111,342</b>	<b>104,889</b>	<b>107,198</b>	<b>105,546</b>
<b>Net cash from operating activities</b>	<b>6,533</b>	<b>4,063</b>	<b>3,245</b>	<b>3,402</b>	<b>4,055</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash received</b>					
Sale of property, plant and equipment	-	44	46	47	47
Cash from Official Public Account	11,873	3,935	-	-	-
<b>Total cash received</b>	<b>11,873</b>	<b>3,979</b>	<b>46</b>	<b>47</b>	<b>47</b>
<b>Cash used</b>					
Purchase of property, plant and equipment	12,253	3,935	2,000	3,500	3,500
<b>Total cash used</b>	<b>12,253</b>	<b>3,935</b>	<b>2,000</b>	<b>3,500</b>	<b>3,500</b>
<b>Net cash from investing activities</b>	<b>-380</b>	<b>44</b>	<b>-1,954</b>	<b>-3,453</b>	<b>-3,453</b>
<b>FINANCING ACTIVITIES</b>					
<b>Cash used</b>					
Capital use and dividends paid	3,369	1,681	1,536	1,506	1,498
<b>Total cash used</b>	<b>3,369</b>	<b>1,681</b>	<b>1,536</b>	<b>1,506</b>	<b>1,498</b>
<b>Net cash from financing activities</b>	<b>-3,369</b>	<b>-1,681</b>	<b>-1,536</b>	<b>-1,506</b>	<b>-1,498</b>
<b>Net increase in cash held</b>	<b>2,784</b>	<b>2,426</b>	<b>-245</b>	<b>-1,557</b>	<b>-896</b>
Cash at beginning of reporting period	2,642	5,426	7,852	7,607	6,050
Cash at end of reporting period	5,426	7,852	7,607	6,050	5,154

**Part C: Agency Budget Statements — Treasury**

**Table 3.4: Departmental capital budget statement**

	Estimated actual 2000-01 \$'000	Budget estimate 2001-02 \$'000	Forward estimate 2002-03 \$'000	Forward estimate 2003-04 \$'000	Forward estimate 2004-05 \$'000
<b>Purchase of non-current assets</b>					
Funded by capital appropriations	-	-	-	-	-
Funded internally by departmental resources	12,253	3,935	2,000	3,500	3,500
<b>Total</b>	12,253	3,935	2,000	3,500	3,500

**Table 3-5: Departmental non-financial assets — summary of movement (Budget year 2001-02)**

	Land \$'000	Buildings \$'000	Total land and buildings \$'000	Specialist military equipment \$'000	Other infrastructure plant and equipment \$'000	Total infrastructure plant and equipment \$'000	Intangibles \$'000	Total \$'000
<b>GROSS VALUE</b>								
<i>As at 1 July 2001 (opening)</i>	-	-	-	-	24,824	24,824	4,987	29,811
Additions	-	-	-	-	3,127	3,127	808	3,935
Disposals	-	-	-	-	-	-	-	-
Other movements	-	-	-	-	-700	-700	-	-700
<i>As at 30 June 2002 (closing)</i>	-	-	-	-	27,251	27,251	5,795	33,046
<b>ACCUMULATED DEPRECIATION</b>								
<i>As at 1 July 2001 (opening)</i>	-	-	-	-	6,363	6,363	2,096	8,459
Disposals	-	-	-	-	-	-	-	-
Charge for the reporting period	-	-	-	-	1,384	1,384	1,386	2,770
Other movements	-	-	-	-	-	-	-	-
<i>As at 30 June 2002 (closing)</i>	-	-	-	-	7,747	7,747	3,482	11,229
<b>Net book value</b>								
<i>As at 30 June 2002 (closing book value)</i>	-	-	-	-	19,504	19,504	2,313	21,817
<b>Net book value</b>								
<i>As at 1 July 2001 (opening book value)</i>	-	-	-	-	18,461	18,461	2,891	21,352
<b>TOTAL ADDITIONS</b>								
Self funded	-	-	-	-	3,127	3,127	808	3,935
Appropriations	-	-	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	3,127	3,127	808	3,935

**Part C: Agency Budget Statements - Treasury**

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

	Estimated actual 2000-01 \$'000	Budget estimate 2001-02 \$'000	Forward estimate 2002-03 \$'000	Forward estimate 2003-04 \$'000	Forward estimate 2004-05 \$'000
<b>REVENUES</b>					
<b>Taxation</b>					
Other taxes, fees and fines	-24,316,005	-27,480,000	-29,170,000	-30,830,000	-32,600,000
<b>Total taxation</b>	-24,316,005	-27,480,000	-29,170,000	-30,830,000	-32,600,000
<b>Non-taxation</b>		(K2) <sup>(1)</sup>			
Revenues from Government (appropriations)	28,290,671	30,951,162	31,673,185	32,740,986	34,022,483
Interest and dividends	813,827	2,812,898	1,511,702	1,507,845	1,503,547
Net foreign exchange gains	-	40,675	-	-	-
Other sources of non-taxation revenues	1,184,415	687,958	541,655	528,747	522,330
<b>Total non-taxation</b>	30,288,913	34,492,693	33,726,542	34,777,578	36,048,360
<b>Total revenues administered on behalf of the Government</b>	5,972,908	7,012,693	4,556,542	3,947,578	3,448,360
<b>EXPENSES</b>					
Net foreign exchange losses	450,731	-	-	-	-
Grants	3,610,056	3,412,034	2,445,040	1,853,841	1,366,338
Other	64,610	59,128	58,145	57,145	56,145
<b>Total expenses administered on behalf of the Government</b>	4,125,397	3,471,162	2,503,185	1,910,986	1,422,483
<b>Operating result</b>	1,847,511	3,541,531	2,053,357	2,036,592	2,025,877
Amount remitted from administered revenues	-2,649,048	-3,485,893	-2,094,541	-2,095,639	-2,087,075
<b>Net surplus or deficit</b>	-801,537	55,638	-41,184	-59,047	-61,198

(1) K2 — see Table 1.1.



Part C: Agency Budget Statements - Treasury

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

	Estimated actual 2000-01 \$'000	Budget estimate 2001-02 \$'000	Forward estimate 2002-03 \$'000	Forward estimate 2003-04 \$'000	Forward estimate 2004-05 \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash	2,614	2,614	2,614	2,614	2,614
Receivables	512,781	512,570	463,324	399,805	336,286
Investments	16,399,939	16,451,400	16,451,400	16,451,400	16,451,400
<b>Total financial assets</b>	<b>16,915,334</b>	<b>16,966,584</b>	<b>16,917,338</b>	<b>16,853,819</b>	<b>16,790,300</b>
<b>Non-financial assets</b>					
Other	2,845	1,186	355	51	15
<b>Total non-financial assets</b>	<b>2,845</b>	<b>1,186</b>	<b>355</b>	<b>51</b>	<b>15</b>
<b>Total assets administered on behalf of the Government</b>	<b>16,918,179</b>	<b>16,967,770</b>	<b>16,917,693</b>	<b>16,853,870</b>	<b>16,790,315</b>
<b>LIABILITIES</b>					
<b>Debt</b>					
Loans	5,549,547	5,539,458	5,530,087	5,520,716	5,511,345
Other	1,112,137	1,119,280	1,119,280	1,119,280	1,119,280
<b>Total debt</b>	<b>6,661,684</b>	<b>6,658,738</b>	<b>6,649,367</b>	<b>6,639,996</b>	<b>6,630,625</b>
<b>Provisions and payables</b>					
Grants	20,000	17,500	15,000	12,500	10,000
Other	42,145	25,312	16,419	11,643	9,286
<b>Total provisions and payables</b>	<b>62,145</b>	<b>42,812</b>	<b>31,419</b>	<b>24,143</b>	<b>19,286</b>
<b>Total liabilities administered on behalf of the Government</b>	<b>6,723,829</b>	<b>6,701,550</b>	<b>6,680,786</b>	<b>6,664,139</b>	<b>6,649,911</b>
<b>EQUITY</b>					
Capital	97,455	113,687	125,558	137,429	149,300
Accumulated results	10,096,895	10,152,533	10,111,349	10,052,302	9,991,104
<b>Total equity administered on behalf of the Government</b>	<b>10,194,350</b>	<b>10,266,220</b>	<b>10,236,907</b>	<b>10,189,731</b>	<b>10,140,404</b>
<b>Current liabilities</b>	<b>6,692,595</b>	<b>6,678,104</b>	<b>6,660,044</b>	<b>6,646,112</b>	<b>6,634,561</b>
<b>Non-current liabilities</b>	<b>31,234</b>	<b>23,446</b>	<b>20,742</b>	<b>18,027</b>	<b>15,350</b>
<b>Current assets</b>	<b>615,395</b>	<b>615,184</b>	<b>565,938</b>	<b>502,419</b>	<b>438,900</b>
<b>Non-current assets</b>	<b>16,302,784</b>	<b>16,352,586</b>	<b>16,351,755</b>	<b>16,351,451</b>	<b>16,351,415</b>

**Part C: Agency Budget Statements - Treasury**

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

	Estimated actual 2000-01 \$'000	Budget estimate 2001-02 \$'000	Forward estimate 2002-03 \$'000	Forward estimate 2003-04 \$'000	Forward estimate 2004-05 \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Appropriations	28,290,664	30,951,129	31,673,185	32,740,986	34,022,483
Interest and dividends	1,489,827	2,812,898	1,511,702	1,507,845	1,503,547
Other	1,159,221	672,995	533,593	524,275	520,009
<b>Total cash received</b>	<b>30,939,712</b>	<b>34,437,022</b>	<b>33,718,480</b>	<b>34,773,106</b>	<b>36,046,039</b>
<b>Cash used</b>					
Grants	3,610,056	3,412,034	2,445,040	1,853,841	1,366,338
Cash to Official Public Account	2,649,048	3,485,893	2,045,295	2,032,120	2,023,556
Other	24,680,608	27,539,095	29,228,145	30,887,145	32,656,145
<b>Total cash used</b>	<b>30,939,712</b>	<b>34,437,022</b>	<b>33,718,480</b>	<b>34,773,106</b>	<b>36,046,039</b>
<b>Net cash from operating activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash received</b>					
Cash from Official Public Account	24,910	16,232	11,871	11,871	11,871
<b>Total cash received</b>	<b>24,910</b>	<b>16,232</b>	<b>11,871</b>	<b>11,871</b>	<b>11,871</b>
<b>Cash used</b>					
Other	24,910	16,232	11,871	11,871	11,871
<b>Total cash used</b>	<b>24,910</b>	<b>16,232</b>	<b>11,871</b>	<b>11,871</b>	<b>11,871</b>
<b>Net cash from investing activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Cash from Official Public Account	57,312	-	-	-	-
Other	-	-	49,246	63,519	63,519
<b>Total cash received</b>	<b>57,312</b>	<b>-</b>	<b>49,246</b>	<b>63,519</b>	<b>63,519</b>
<b>Cash used</b>					
Cash to Official Public Account	-	-	49,246	63,519	63,519
Other	57,312	-	-	-	-
<b>Total cash used</b>	<b>57,312</b>	<b>-</b>	<b>49,246</b>	<b>63,519</b>	<b>63,519</b>
<b>Net cash from financing activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net increase in cash held</b>					
Cash at beginning of reporting period	2,614	2,614	2,614	2,614	2,614
Cash at end of reporting period	2,614	2,614	2,614	2,614	2,614

Part C: Agency Budget Statements - Treasury

**Table 3.9: Note of administered capital budget**

	Estimated actual 2000-01 \$'000	Budget estimate 2001-02 \$'000	Forward estimate 2002-03 \$'000	Forward estimate 2003-04 \$'000	Forward estimate 2004-05 \$'000
<b>Capital appropriations</b>		(K4) <sup>(1)</sup>			
Administered capital	17,293	9,683	7,252	7,252	7,252
Special appropriations	64,947	6,549	4,619	4,619	4,619
<b>Total</b>	82,240	16,232	11,871	11,871	11,871
<b>Represented by:</b>					
Purchase of financial assets	82,240	16,232	11,871	11,871	11,871
<b>Total</b>	82,240	16,232	11,871	11,871	11,871

(1) K4 — see Table 1.1.

## **NOTES TO THE FINANCIAL STATEMENTS**

### **Basis of accounting**

The Department of the Treasury's budget statements have been prepared on an accrual basis and are in accordance with historical cost convention, except for certain assets, which are at valuation.

All financial information presented in the statements represents the net cost to the Commonwealth; the figures are exclusive of any GST which may be payable by the Commonwealth and which is recoverable as an input tax credit.

### **Departmental and administered financial statements**

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

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

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

### **Royal Australian Mint**

The Department of the Treasury's departmental budget statements are aggregated to include the financial operations of the Royal Australian Mint (RAM). As part of its operations RAM budget for a profit. Any profit earned by RAM, taking into account working capital requirements, is returned to the Commonwealth.

Seignorage is collected by RAM on behalf of the Commonwealth. Seignorage represents the difference between the face value of coinage sold to the Reserve Bank of Australia and its cost of production to RAM. Seignorage is treated as an administered item within the Department of the Treasury budget statements.

## Capital use charge

A capital use charge is levied on the Department of the Treasury to reflect the cost of the Commonwealth's investment in the Department of the Treasury. It is levied on the closing balance of departmental net assets (equity) at a rate of 12 per cent for 2000-01 and 11 per cent for 2001-02 onwards.

Funding for the capital use charge is included in the departmental price of outputs appropriations. The capital use charge is accounted for as a 'below operating result line' expense.

## Taxation revenue payments

The Commonwealth collects a number of taxes on an agency basis for the States and Territories. These include 'safety net' revenue replacement payments on excise and wholesales tax surcharge collections until 1 July 2000 and from 1 July 2000 the goods and services tax.

The revenue from these taxes is passed to State and Territory governments (with an adjustment for administration costs in the case of revenue replacement payments). Estimates of taxes collected by the Commonwealth and passed to State and Territory governments are provided in the following table.

While for constitutional reasons the GST is levied by the Commonwealth, and can therefore be technically considered a Commonwealth revenue under the reporting standards, the clear policy intent of the *Intergovernmental Agreement on the Reform of Commonwealth-State Financial Relations* (the IGA) is that it is a State tax collected by the Commonwealth in an agency capacity. Accordingly, GST payments are treated as negative revenue in these financial statements representing the transfer of taxes to State and Territory governments. This fully offsets GST revenue recorded by the Australian Taxation Office so that at a consolidated level the GST is not recorded as Commonwealth revenue.

	Estimated actual 2000-01 \$'000	Budget estimate 2001-02 \$'000	Forward estimate 2002-03 \$'000	Forward estimate 2003-04 \$'000	Forward estimate 2004-05 \$'000
<b>Taxation revenue payments</b>					
GST revenue payments	-23,880,000	-27,480,000	-29,170,000	-30,830,000	-32,600,000
<b>Revenue replacement payments</b>					
Customs duty	-3,779	-	-	-	-
Excise - petroleum products	-253,254	-	-	-	-
Excise - tobacco	-61,236	-	-	-	-
Sales tax	-117,736	-	-	-	-
<b>Total taxation revenue payments</b>	<b>-24,316,005</b>	<b>-27,480,000</b>	<b>-29,170,000</b>	<b>-30,830,000</b>	<b>-32,600,000</b>

Appendix 1

Departmental and administered revenue

	Estimated revenue 2000-01 \$'000	Estimated revenue 2001-02 \$'000
<b>DEPARTMENTAL REVENUE</b>		
<b>Non-appropriation departmental revenue</b>		
Departmental section 31 receipts	3,251	3,242
Royal Australian Mint revenue	44,000	30,354
<b>Total non-appropriation departmental revenue</b>	<b>47,251</b>	<b>33,596</b>
Appropriation revenue	74,180	81,809
<b>Total departmental revenue</b>	<b>121,431</b>	<b>115,405</b>
<b>ADMINISTERED REVENUE</b>		
<b>Non-appropriation administered revenue</b>		
<i>A New Tax System</i>		
<i>(Commonwealth-State Financial Arrangements) Act 1999</i>		
- GST revenue payments	-23,880,000	-27,480,000
- revenue replacement payments	-436,005	-
Interest and dividends	813,827	2,812,898
Foreign exchange gains	-	40,675
GST administration fees	993,467	517,156
Housing Loans Insurance Corporation - recoveries from old book stock and premiums	26,088	16,007
Monitoring of the prices of certain milk products	500	-
Postal services regulation	-	1,000
Receipts under the <i>International Monetary Agreements Act 1947</i>	83,047	78,708
Royal Australian Mint - monies in excess of requirements	79,324	74,087
Seigniorage payments - Gold Corporation	1,989	1,000
<b>Total non-appropriation administered revenue</b>	<b>-22,317,763</b>	<b>-23,938,469</b>
Appropriation revenue	28,290,671	30,951,162
<b>Total administered revenue</b>	<b>5,972,908</b>	<b>7,012,693</b>
<b>Total estimated revenue</b>	<b>6,094,339</b>	<b>7,128,098</b>

**Appendix 2**

**Estimates of expenses from special appropriations**

	Estimated expenses 2000-01 \$'000	Estimated expenses 2001-02 \$'000
<b>Estimated expenses</b>		
<i>International Monetary Agreements Act 1947</i>	501,341	47,128
<i>A New Tax System (Commonwealth-State Financial Arrangements) Act 1999</i>	3,418,659	3,159,934
<b>Total estimated expenses</b>	<b>3,920,000</b>	<b>3,207,062</b>





# **AUSTRALIAN BUREAU OF STATISTICS**

## **Section 1: Overview, appropriations and budget measures summary**

### **OVERVIEW**

The Australian Bureau of Statistics (ABS):

- is the central statistical authority for the Australian Government;
- provides statistical services for the State and Territory Governments;
- collects, compiles, analyses and disseminates statistics and related information;
- ensures the coordination of the statistical activities of, and provides advice and assistance to, other government agencies; and
- provides liaison between Australia and other countries and international organisations on statistical matters.

### **APPROPRIATIONS**

Total appropriations for the ABS in the 2001-02 Budget are \$368.1 million (see Table 1.1).



**BUDGET MEASURES — AUSTRALIAN BUREAU OF STATISTICS SUMMARY**

**Table 1.2: Summary of measures in the 2001-02 Budget**

Measure	Outcome	Output groups affected	Appropriations budget 2001-02 (\$'000)		Appropriations estimate 2002-03 (\$'000)		Appropriations estimate 2003-04 (\$'000)		Appropriations estimate 2004-05 (\$'000)	
			Admin expenses	Agency outputs	Admin expenses	Agency outputs	Admin expenses	Agency outputs	Admin expenses	Agency outputs
Fitout of the Australian Bureau of Statistics new national office building	1	1.1	-	-	-	-	-	-	-	-
				Total		Total		Total		Total

**ADMINISTERED CAPITAL AND AGENCY EQUITY INJECTIONS AND LOANS**

The ABS will receive a departmental loan of \$13.2 million in 2001-02, as indicated in Table 1.1, and as accounted for in the Capital Budget and Appropriation Bill No. 2, 2001-02. The ABS has not been appropriated any administered capital for 2001-02.

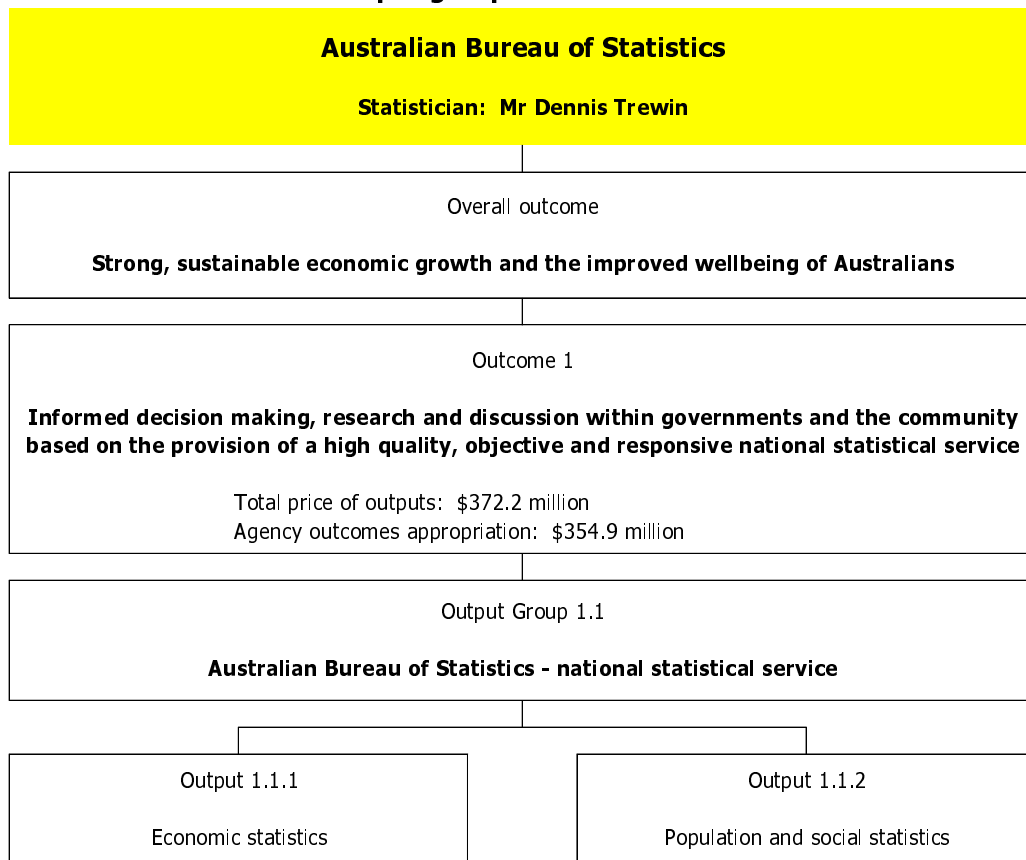
The departmental loan will be used to partially fund the fitout of the ABS's new national office accommodation. Loan repayments will be made over a ten year period and will be met by the ABS from within its ongoing operational funding levels.

## Section 2: Outcomes and outputs information

### OUTCOMES AND OUTPUT GROUPS

The map below shows the relationship between government outcomes and the contributing outputs for the Australian Bureau of Statistics (ABS). Financial detail for Outcome 1 by output appears in Table 2.1 while non-financial information for Outcome 1 appears in Table 2.2.

**Chart 6: Outcomes and output groups**



### CHANGES TO OUTCOMES AND OUTPUTS

There are no proposed changes in outcomes or outputs since the previous year.

## **OUTCOME 1 — DESCRIPTION**

*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*

### **Measures affecting Outcome 1**

#### *Fitout of the Australian Bureau of Statistics new national office building*

The Government has provided the Australian Bureau of Statistics with a loan of \$13.2 million to partially fund the fitout cost of its new national office accommodation. The fitout is expected to cost \$27.8 million. The new accommodation will be completed prior to March 2002.

Provision for this funding has already been included in the forward estimates.

## OUTCOME 1 — RESOURCING

Table 2.1 shows how the 2001-02 appropriations relate to total resourcing for Outcome 1.

**Table 2.1: Total resources for Outcome 1**

	Estimated actual 2000-01 \$'000	Budget estimate 2001-02 \$'000
<b>Agency appropriations</b>		
Output Group 1.1 Australian Bureau of Statistics		
Output 1.1.1 Economic statistics	108,241	145,517
Output 1.1.2 Population and social statistics	155,760	209,403
<b>Total revenue from government (appropriations) Contributing to price of agency outputs</b>	264,001 93%	(C1) <sup>(1)</sup> 354,920 95%
<b>Revenue from other sources</b>		
Output Group 1.1 Australian Bureau of Statistics		
Output 1.1.1 Economic statistics	8,069	7,082
Output 1.1.2 Population and social statistics	11,612	10,190
<b>Total revenue from other sources</b>	19,681	17,272
<b>Total price from agency outputs</b> (Total revenue from government and from other sources)	283,682	(E1) <sup>(1)</sup> 372,192
<b>Total estimated resourcing for Outcome 1</b> (Total price of outputs and administered expenses)	283,682	372,192
	2000-01	2001-02
<b>Average staffing level (number)</b>	3,137	3,647

(1) C1 and E1 — see Table 1.1.

## OUTCOME 1 — CONTRIBUTION OF OUTPUTS

Official statistics are collected by government to inform debate, decision-making and research both within government and by the wider community. They provide an objective perspective of the changes taking place in national life and allow comparisons between periods of time and geographical areas.

Open access to official statistics provides the citizen with more than a picture of society. It offers a window on the work and performance of government itself, showing the scale of government activity in every area of public policy and allowing the impact of public policies and actions to be assessed.

The ABS achieves its outcome by the provision of two outputs: (i) economic statistics and (ii) population and social statistics.

## **Part C: Agency Budget Statements — ABS**

The economic statistics output contains an extensive range of statistical outputs relating to the structure and performance of the Australian economy. It provides an objective source of information that is used by governments and the community to inform their decisions. For example, economic statistics are used to formulate government macroeconomic policies, to assist in allocating Commonwealth funds to State Governments, to formulate industry development policies, in financial and business planning and in wage determination.

The population and social statistics output contains statistical information relating to the Australian population, including census and demographic statistics, as well as information relating to the social and economic wellbeing of the population. It provides an objective source of information that is used by governments and the community to inform their decisions. For example, census data are used extensively to plan for communities; labour statistics are used in the formulation of macroeconomic policy and in developing government labour market policies and programmes; and social statistics are used to support policy development in areas such as health, social security, taxation, and community and family services.

Reliable social and economic statistics are fundamental to open government and it is the responsibility of government to provide them and to maintain public confidence in them.

## OUTCOME 1 — CONTRIBUTION OF OUTPUTS

**Table 2.2: Performance information for Outcome 1**

<b>Outcome</b>	
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.	
<b>Outcome measures</b>	
Integrity in statistical operations	An objective statistical service through: <ul style="list-style-type: none"> <li>• release of reliable/accurate statistics,</li> <li>• open statistical process,</li> <li>• trust and cooperation of providers.</li> </ul>
Relevance of ABS output	Statistical output which meets the needs of key users of economic and social data in terms of: <ul style="list-style-type: none"> <li>• support to decision making,</li> <li>• demonstrated by a high level of use.</li> </ul> <p>Openness of planning process.</p>
Appropriate use of statistical standards, frameworks and methodologies	Lead the development and implementation of national statistical standards, frameworks and methodologies, and their implementation within the broader Australian statistical system. <p>Contribute to the development of key international standards, frameworks and methodologies, and implement them as appropriate.</p>
Improving coordination of the collection, compilation and dissemination of statistics produced by other official bodies	Statistical Clearing House activity. <p>Assisting other official bodies with the integration of administrative and statistical data, including outposting ABS officers, and providing training on statistical standards, framework and methodologies.</p> <p>Identifying, storing, and disseminating statistics from other official bodies.</p>



**Table 2.2: Performance information for Outcome 1 (continued)**

<b>Output measures</b>	
<b>Output Group 1.1 — Australian Bureau of Statistics — national statistical service</b>	
Output 1.1.1 — Economic statistics; and	
Output 1.1.2 — Population and social statistics	
Increase the quantity of output	Increase the range of statistics disseminated. <ul style="list-style-type: none"> <li>• Innovative outputs.</li> </ul>
Improve the quality of outputs	Achieve or exceed timeliness, statistical reliability, response rates and accuracy objectives through: <ul style="list-style-type: none"> <li>• timeliness</li> <li>• statistical reliability</li> <li>• response rates</li> <li>• accuracy</li> </ul> <p>Conduct ongoing research and reviews of quality, and implement their recommendations:</p> <ul style="list-style-type: none"> <li>• outline ABS statistical reviews</li> <li>• innovative practices — improvements to existing collections as a result of research and development.</li> </ul>
Achievement of cost effective outputs	Conduct efficiency reviews and audits, and implement their recommendations. <p>Test operating efficiencies of statistical activities by benchmarking internally and externally.</p> <p>Market test a number of non-statistical activities to identify possible outsourcing opportunities.</p> <p>Minimise provider load.</p>

## Evaluations

Output performance indicators (shown in Table 2.2) will be used to measure evaluation activity for this outcome. The results of the evaluation will be shown in the ABS Annual Report.

## Competitive tendering and contracting

A range of human resource, property, office, technical support, dissemination related and other corporate services have already been market tested and outsourced. Benchmarking of remaining corporate services is ongoing. Future market testing will be on the basis of a business case and a firm intention to outsource.

## Section 3: Budgeted financial statements

### **AGENCY STATEMENTS**

#### **Budgeted agency statement of financial performance**

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

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

#### **Budgeted agency statement of financial position**

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

#### **Budgeted agency statement of cash flows**

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

#### **Agency capital budget statement**

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

#### **Agency non-financial assets — summary of movement**

This statement shows budgeted acquisitions and disposals of non-financial assets during the Budget year.

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

	Estimated actual 2000-01 \$'000	Budget estimate 2001-02 \$'000	Forward estimate 2002-03 \$'000	Forward estimate 2003-04 \$'000	Forward estimate 2004-05 \$'000
<b>Revenues from ordinary activities</b>		(K1) <sup>(1)</sup>			
Revenue from government	264,001	354,920	251,883	249,507	272,469
Sale of goods and services	18,218	16,731	25,902	19,402	17,396
Interest	1,174	450	460	469	479
Net gains from sale of assets	198	-	202	201	200
Other	91	91	91	91	91
<b>Total revenues from ordinary activities</b>	<b>283,682</b>	<b>372,192</b>	<b>278,538</b>	<b>269,670</b>	<b>290,635</b>
<b>Expenses from ordinary activities (excluding borrowing cost expense)</b>					
Employees	174,463	257,092	173,877	167,783	178,333
Suppliers	76,549	75,028	63,426	60,149	74,465
Depreciation and amortisation	23,834	28,186	33,486	34,316	30,619
Write down of assets	1,276	1,542	329	156	115
Net losses from sale of assets	-	2,837	-	-	-
<b>Total expenses from ordinary activities (excluding borrowing cost expense)</b>	<b>276,122</b>	<b>364,685</b>	<b>271,118</b>	<b>262,404</b>	<b>283,532</b>
Borrowing cost expense	427	969	882	728	565
<b>Net surplus or deficit from ordinary activities</b>	<b>7,133</b>	<b>6,538</b>	<b>6,538</b>	<b>6,538</b>	<b>6,538</b>
Gain or loss on extraordinary items	-	-	-	-	-
<b>Net surplus or deficit</b>	<b>7,133</b>	<b>6,538</b>	<b>6,538</b>	<b>6,538</b>	<b>6,538</b>
Capital use charge	7,133	6,538	6,538	6,538	6,538
<b>Net surplus or deficit after capital use charge</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

(1) K1 — see Table 1.1.

Part C: Agency Budget Statements — ABS

**Table 3.2: Budgeted agency statement of financial position  
as at 30 June**

	Estimated actual 2000-01 \$'000	Budget estimate 2001-02 \$'000	Forward estimate 2002-03 \$'000	Forward estimate 2003-04 \$'000	Forward estimate 2004-05 \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash	2,274	3,957	6,929	11,017	8,385
Receivables	2,342	2,229	3,091	2,309	2,258
<b>Total financial assets</b>	<b>4,616</b>	<b>6,186</b>	<b>10,020</b>	<b>13,326</b>	<b>10,643</b>
<b>Non-financial assets</b>					
Infrastructure, plant and equipment	47,151	60,278	50,385	40,240	43,550
Inventories	2,223	445	852	1,066	1,391
Intangibles	77,243	81,173	81,452	80,095	79,058
Other	5,687	5,822	5,727	5,433	5,140
<b>Total non-financial assets</b>	<b>132,304</b>	<b>147,718</b>	<b>138,416</b>	<b>126,834</b>	<b>129,139</b>
<b>Total assets</b>	<b>136,920</b>	<b>153,904</b>	<b>148,436</b>	<b>140,160</b>	<b>139,782</b>
<b>LIABILITIES</b>					
<b>Debt</b>					
Loans	-	12,262	11,184	10,048	8,849
Leases	7,723	5,711	3,610	1,418	721
<b>Total debt</b>	<b>7,723</b>	<b>17,973</b>	<b>14,794</b>	<b>11,466</b>	<b>9,570</b>
<b>Provisions and payables</b>					
Employees	63,934	68,927	67,921	63,644	65,702
Suppliers	3,560	4,511	3,433	3,200	2,909
Other	2,264	3,054	2,849	2,411	2,162
<b>Total provisions and payables</b>	<b>69,758</b>	<b>76,492</b>	<b>74,203</b>	<b>69,255</b>	<b>70,773</b>
<b>Total liabilities</b>	<b>77,481</b>	<b>94,465</b>	<b>88,997</b>	<b>80,721</b>	<b>80,343</b>
<b>EQUITY</b>					
Capital	11,250	11,250	11,250	11,250	11,250
Reserves	11,417	11,417	11,417	11,417	11,417
Accumulated surpluses or deficits	36,772	36,772	36,772	36,772	36,772
<b>Total equity</b>	<b>59,439</b>	<b>59,439</b>	<b>59,439</b>	<b>59,439</b>	<b>59,439</b>
<b>Current liabilities</b>	<b>34,586</b>	<b>40,549</b>	<b>37,040</b>	<b>29,449</b>	<b>29,064</b>
<b>Non-current liabilities</b>	<b>42,895</b>	<b>53,916</b>	<b>51,957</b>	<b>51,272</b>	<b>51,279</b>
<b>Current assets</b>	<b>12,526</b>	<b>12,453</b>	<b>16,599</b>	<b>19,825</b>	<b>17,174</b>
<b>Non-current assets</b>	<b>124,394</b>	<b>141,451</b>	<b>131,837</b>	<b>120,335</b>	<b>122,608</b>

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

	Estimated actual 2000-01 \$'000	Budget estimate 2001-02 \$'000	Forward estimate 2002-03 \$'000	Forward estimate 2003-04 \$'000	Forward estimate 2004-05 \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Appropriations for outputs	264,001	354,920	251,883	249,507	272,469
Sale of goods and services	21,049	18,686	25,579	19,133	17,288
Interest	1,174	450	460	469	479
Other	9,027	9,638	9,245	8,194	9,248
<b>Total cash received</b>	<b>295,251</b>	<b>383,694</b>	<b>287,167</b>	<b>277,303</b>	<b>299,484</b>
<b>Cash used</b>					
Employees	170,181	252,731	175,542	167,491	183,645
Suppliers	89,626	74,717	65,686	64,486	67,431
Other	9,530	9,661	9,047	8,225	9,381
<b>Total cash used</b>	<b>269,337</b>	<b>337,109</b>	<b>250,275</b>	<b>240,202</b>	<b>260,457</b>
<b>Net cash from operating activities</b>	<b>25,914</b>	<b>46,585</b>	<b>36,892</b>	<b>37,101</b>	<b>39,027</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash received</b>					
Sale of property, plant and equipment	203	704	203	203	201
<b>Total cash received</b>	<b>203</b>	<b>704</b>	<b>203</b>	<b>203</b>	<b>201</b>
<b>Cash used</b>					
Purchase of property, plant and equipment	37,490	49,318	24,406	23,349	33,426
<b>Total cash used</b>	<b>37,490</b>	<b>49,318</b>	<b>24,406</b>	<b>23,349</b>	<b>33,426</b>
<b>Net cash from investing activities</b>	<b>-37,287</b>	<b>-48,614</b>	<b>-24,203</b>	<b>-23,146</b>	<b>-33,225</b>
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Proceeds from debt	-	13,200	-	-	-
<b>Total cash received</b>	<b>-</b>	<b>13,200</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash used</b>					
Repayment of debt	-	938	1,077	1,137	1,199
Capital use and dividends paid	7,133	6,538	6,538	6,538	6,538
Other	1,939	2,012	2,102	2,192	697
<b>Total cash used</b>	<b>9,072</b>	<b>9,488</b>	<b>9,717</b>	<b>9,867</b>	<b>8,434</b>
<b>Net cash from financing activities</b>	<b>-9,072</b>	<b>3,712</b>	<b>-9,717</b>	<b>-9,867</b>	<b>-8,434</b>
<b>Net increase in cash held</b>					
Cash at beginning of reporting period	22,719	2,274	3,957	6,929	11,017
Cash at end of reporting period	2,274	3,957	6,929	11,017	8,385

**Part C: Agency Budget Statements — ABS**

**Table 3.4: Agency capital budget statement**

	Estimated actual 2000-01 \$'000	Budget estimate 2001-02 \$'000	Forward estimate 2002-03 \$'000	Forward estimate 2003-04 \$'000	Forward estimate 2004-05 \$'000
<b>Capital appropriations</b>		(K3) <sup>(1)</sup>			
Total loans	-	13,200	-	-	-
<b>Total</b>	-	13,200	-	-	-
<b>Represented by:</b>					
Purchase of non-current assets	-	13,200	-	-	-
<b>Total</b>	-	13,200	-	-	-
<b>Purchase of non-current assets</b>					
Funded by capital appropriations	-	13,200	-	-	-
Funded internally by agency resources	37,490	36,118	24,406	23,349	33,426
<b>Total</b>	37,490	49,318	24,406	23,349	33,426

(1) K3 — see Table 1.1.

**Table 3-5: Agency non-financial assets — summary of movement (Budget year 2001-02)**

	Land \$'000	Buildings \$'000	Total land and buildings \$'000	Specialist military equipment \$'000	Other infrastructure plant and equipment \$'000	Total infrastructure plant and equipment \$'000	Intangibles \$'000	Total \$'000
<b>GROSS VALUE</b>								
<i>As at 1 July 2001 (opening)</i>	-	-	-	-	105,750	105,750	142,432	248,182
Additions	-	-	-	-	31,844	31,844	17,473	49,317
Disposals	-	-	-	-	-30,849	-30,849	-	-30,849
<i>As at 30 June 2002 (closing)</i>	-	-	-	-	106,745	106,745	159,905	266,650
<b>ACCUMULATED DEPRECIATION</b>								
<i>As at 1 July 2001 (opening)</i>	-	-	-	-	58,599	58,599	65,723	124,322
Disposals	-	-	-	-	-27,308	-27,308	-	-27,308
Charge for the reporting period	-	-	-	-	15,176	15,176	13,009	28,185
<i>As at 30 June 2002 (closing)</i>	-	-	-	-	46,467	46,467	78,732	125,199
<b>Net book value</b>								
<i>As at 30 June 2002 (closing book value)</i>	-	-	-	-	60,278	60,278	81,173	141,451
<b>Net book value</b>								
<i>As at 1 July 2001 (opening book value)</i>	-	-	-	-	47,151	47,151	76,709	123,860
<b>TOTAL ADDITIONS</b>								
Self funded	-	-	-	-	18,644	18,644	17,473	36,118
Appropriations	-	-	-	-	13,200	13,200	-	13,200
<b>Total</b>	-	-	-	-	31,844	31,844	17,473	49,318

## NOTES TO THE FINANCIAL STATEMENTS

### Basis of accounting

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

### Agency and administered financial statements

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

- Agency assets, liabilities, revenues and expenses in relation to an agency are those which are controlled by the agency. Agency expenses include employee and supplier expenses and other administrative costs, which are incurred by the agency in providing its goods and services.
- Administered items are revenues, expenses, assets and liabilities which are managed by an agency on behalf of the Government according to set Government directions. The ABS does not currently have any administered expenses or revenues.

### Budgeted agency statement of revenue and expenses

#### ***Revenues***

##### *Appropriations in the accrual budgeting framework*

Under the Commonwealth's accrual budgeting framework, ABS is appropriated only for the price of its outputs, which represent the Government's purchase of these agreed outputs.

##### *Revenue from government*

The increase in appropriation in 2001-02 is due to additional costs associated with conducting the census during this year.

##### *Other*

This category includes resources received free of charge.



***Expenses***

*Employees*

This includes wages and salaries, superannuation, provision for annual leave and long service leave, and workers compensation. Employee entitlements were based on leave patterns of ABS employees. Accrued salaries and employer superannuation contributions were based on daily salary expense and the number of days owing at 30 June in each budget year.

*Depreciation*

Depreciable assets are written off over their estimated useful lives. Depreciation is calculated using the straight-line method, which is consistent with the consumption of the service potential of the depreciable assets of the ABS.

***Capital use charge***

A capital use charge is levied on agencies to reflect the cost of the Commonwealth's investment in those entities. It is levied on the closing agency net assets (equity) at a rate of 11 per cent for the year 2001-02.

Funding for the capital use charge is included in the agency's departmental price of output's appropriation. The capital use charge is accounted for as a 'below operating result line' dividend payment.

**Budgeted agency statement of assets and liabilities**

***Non-financial assets***

*Intangibles*

These include software developed in-house.

*Inventory*

The level of inventory holdings has been reduced substantially to reflect the move to the new building, and as a result of the effects of the implementation of more electronic distribution methods.

*Other*

This category includes prepayments.

## **Part C: Agency Budget Statements — ABS**

### ***Debt***

#### *Loan*

The ABS will receive of loan totaling \$13.2 million in 2001-02. This loan will be used to partially fund the fitout of the ABS's new national office accommodation. Loan repayments will be made over a ten year period and will be met by the ABS from within its ongoing operational funding levels.

#### *Leases*

These include lease incentives in the form of a rent-free period and/or a contribution to fitout costs. Lease incentives is recognised as a liability, which is reduced by allocating lease rental payments between interest, rental expense and reduction of the liability.

### ***Provisions and payables***

#### *Employees*

The liability for employee entitlements includes provision for annual leave and long service leave. No provision has been made for sick leave as all sick leave is non-vesting.

The non-current portion of the liability for long-service leave is recognised and measured at the present value of the estimated future cash flows in respect of all employees.

#### *Other*

This category includes unearned revenue.

### ***Asset valuation***

Commonwealth agencies and authorities are required to value property, plant and equipment and other infrastructure assets using the deprival method of valuation. This essentially reflects the current cost the entity would face in replacing that asset.

## **Capital budget statement**

Proposed capital expenditure for the ongoing replacement program of non-financial assets is funded internally. For the year 2001-02 the capital expenditure for the fitout of the ABS's new national headquarters building has been funded through capital appropriations, in the form of a loan from the Department of Finance and Administration (DOFA).

***Purchase of non-financial assets***

These include:

- 2001-02 the purchase of intangibles of \$17.4 million, infrastructure, plant and equipment of \$31.8 million, which includes central office fitout of \$19.8 million;
- 2002-03 intangibles of \$16 million, infrastructure, plant and equipment of \$8.3 million;
- 2003-04 intangibles of \$16 million, infrastructure, plant and equipment of \$7.3 million;
- 2004-05 intangibles of \$16 million, infrastructure, plant and equipment of \$17.3 million, which includes fitout to the New South Wales and West Australian offices of \$10 million.

## Section 4: Purchaser/provider

### **CROSS AGENCY OVERVIEW**

The Australian Bureau of Statistics (ABS) goods and services are purchased by several Commonwealth Government agencies. Some of our material clients are as follows:

- Aboriginal and Torres Strait Islander Commission
- Australian Agency for International Development
- Australian Institute of Health and Welfare
- Department of Agriculture, Fisheries and Forestry-Australia
- Department of Education, Training and Youth Affairs
- Department of Communications, Information Technology and the Arts
- Department of Employment Workplace Relations and Small Business
- Department of Family and Community Services
- Department of Health and Aged Care
- Department of Transport and Regional Services

**Appendix 1**

**Non-appropriation agency revenue**

	Estimated revenue 2000-01 \$'000	Estimated revenue 2001-02 \$'000
<b>Non-appropriation agency revenue</b>		
Sale of goods and services	18,218	16,731
Interest	1,174	450
Net gain on sale of assets	198	-
Resources free of charge	91	91
<b>Total non-appropriation agency revenue</b>	<b>19,681</b>	<b>17,272</b>



# **AUSTRALIAN COMPETITION AND CONSUMER COMMISSION**

## **Section 1: Overview, appropriations and budget measures summary**

### **OVERVIEW**

The Australian Competition and Consumer Commission (ACCC) is an independent statutory authority which administers the *Trade Practices Act 1974* and the *Prices Surveillance Act 1983* and performs functions under other Commonwealth legislation and State and Territory Competition Policy Reform Acts.

The ACCC seeks to maintain and improve competition and efficiency in markets, foster adherence to fair trading practices in well informed markets, promote competitive pricing wherever possible and restrain price rises in markets where competition is less than effective. It is especially concerned to foster a fair and competitive operating environment for small business.

The ACCC also collects administered revenue on behalf of the Government and this includes authorisation fees, fines and costs.

### **APPROPRIATIONS**

The total appropriations for the ACCC in the 2001-02 Budget are \$83.4 million (see Table 1.1 on the following page).

**Australian Competition and Consumer Commission — appropriations 2001-02**

**Table 1.1: Appropriations and other revenue**

Outcome	Agency (price of outputs) (\$'000)		Administered (\$'000)		Total	
	Revenue from Government (appropriations)	Revenue from other sources <sup>(4)</sup>	Annual appropriations	Special approps		Total administered appropriations
	Bill No. 1 (A)	Total (C = A+B) (B)	Price of outputs <sup>(3)</sup> (E = C+D) (D)	Bill No. 1 (F)	Bill No. 2 (SPPs & NAOs) <sup>(2)</sup> (G)	Total (J = C+I) (H)
<b>Outcome 1 - To enhance social and economic welfare of the Australian community by fostering competitive, efficient, fair and informed Australian markets</b>	83,400	-	83,400	1,156	84,556	-
			(C1) <sup>(1)</sup>	(E1) <sup>(1)</sup>		
<b>Total</b>	<b>83,400</b>	<b>-</b>	<b>*99% (K1)<sup>(1)</sup> 83,400</b>	<b>1%</b>	<b>100% 84,556</b>	<b>-</b>
						Agency capital (equity injections and loans)
						Administered capital
						Total appropriations
						83,400

(1) C1 and E1 refer to information provided in Table 2.1. K1 refers to information provided in Table 3.1.

(2) Under the appropriation structure, Bill No. 2 includes Specific Purpose Payments (SPP's), New Agency Outcomes (NAO's), administered capital and agency capital via agency injections and loans.

(3) Refer to Table 3.1 for application of agency revenue.

(4) Revenue from other sources includes other revenue from government (for example, resources free of charge) and revenue from other sources (for example, sales of goods and services by agencies). Non-appropriated agency and administered revenues are detailed in Appendix 1.

\* Percentage figures indicate the percentage contribution of revenue from government (agency appropriations) to the total price of outputs, by outcome.



**BUDGET MEASURES — AUSTRALIAN COMPETITION AND CONSUMER COMMISSION SUMMARY**

**Table 1.2: Summary of measures in the 2001-02 Budget**

Measure	Outcome	Output groups affected	Appropriations budget 2001-02 (\$'000)		Appropriations estimate 2002-03 (\$'000)		Appropriations estimate 2003-04 (\$'000)		Appropriations estimate 2004-05 (\$'000)	
			Admin expenses	Agency outputs	Admin expenses	Agency outputs	Admin expenses	Agency outputs	Admin expenses	Agency outputs
Pricing review of the Australian Competition and Consumer Commission	1	1.1	-	21,400	-	16,600	-	11,800	-	17,000
				<b>Total</b>		<b>Total</b>		<b>Total</b>		<b>Total</b>

**ADMINISTERED CAPITAL AND AGENCY EQUITY INJECTIONS AND LOANS**

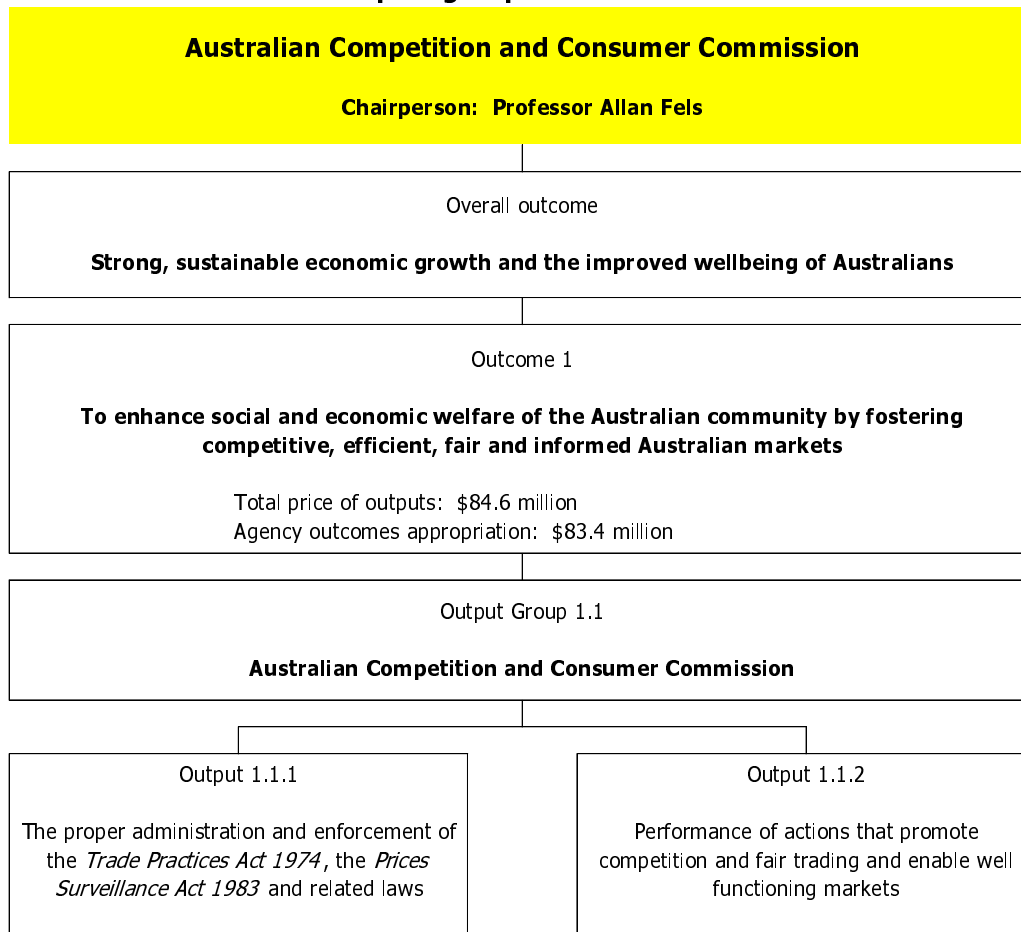
The ACCC does not have an appropriation for an equity injection or loan or an appropriation for administered capital in 2001-02.

## Section 2: Outcomes and outputs information

### OUTCOMES AND OUTPUT GROUPS

The map below shows the relationship between Government outcomes and the contributing outputs for the Australian Competition and Consumer Commission (ACCC). Financial detail for Outcome 1 by output appears in Table 2.1 while non-financial information for Outcome 1 appears in Table 2.2.

**Chart 6: Outcomes and outputs groups**



## **OUTCOME 1 — DESCRIPTION**

### ***To enhance social and economic welfare of the Australian community by fostering competitive, efficient, fair and informed Australian markets***

The ACCC's role is to administer the *Trade Practices Act 1974* and the *Prices Surveillance Act 1983* and performs functions under other Commonwealth legislation and State and Territory Competition Policy Reform Acts.

The ACCC seeks to maintain and improve competition and efficiency in markets, foster adherence to fair trading practices in well informed markets, promote competitive pricing wherever possible and restrain price rises in markets where competition is less than effective. It is especially concerned to foster a fair and competitive operating environment for small business.

In 2001-02 additional resources have been provided to the ACCC for a pricing review of the ACCC.

### **Measures affecting Outcome 1**

#### ***Pricing review of the Australian Competition and Consumer Commission***

The Government will provide the Australian Competition and Consumer Commission with additional funding to maintain service delivery standards and to improve service delivery in priority areas such as e-commerce and rural and regional issues.

## OUTCOME 1 — RESOURCING

Table 2.1 shows how the 2001-02 appropriations translate to total resourcing for Outcome 1.

**Table 2.1: Total resources for Outcome 1**

	Estimated actual 2000-01 \$'000	Budget estimate 2001-02 \$'000
<b>Agency appropriations</b>		
Output Group 1.1 Australian Competition and Consumer Commission		
Output 1.1.1 The proper administration and enforcement of the <i>Trade Practices Act 1974</i> , the <i>Prices Surveillance Act 1983</i> , and related laws	71,845	79,700
Output 1.1.2 Performance of actions that promote competition and fair trading and enable well functioning markets	3,782	3,700
<b>Total revenue from government (appropriations)</b>	75,627	(C1) <sup>(1)</sup> 83,400
<b>Contributing to price of agency outputs</b>	99%	99%
<b>Revenue from other sources</b>		
Sale of goods and services	650	650
Interest	240	456
Resources received free of charge	50	50
<b>Total revenue from other sources</b>	940	1,156
<b>Total price from agency outputs</b>		
(Total revenue from government and from other sources)	76,567	(E1) <sup>(1)</sup> 84,556
<b>Total estimated resourcing for Outcome 1</b>		
(Total price of outputs and administered expenses)	76,567	84,556
	2000-01	2001-02
<b>Average staffing level (number)</b>	437	480

(1) C1 and E1 — see Table 1.1.

## OUTCOME 1 — CONTRIBUTION OF OUTPUTS

**Table 2.2: Performance information for Outcome 1**

<b>Effectiveness — overall achievement of the outcome</b>		
	<b>Indicators</b>	<b>Measures</b>
Secure compliance by business with the Trade Practices Act (TPA).	Investigating complaints, developing and implementing compliance programmes, evaluating and reviewing applications for authorisations, access undertakings, monitoring them and arbitrating disputes. A small business focus which informs and educates small business about its rights and obligations under the TPA with a view to assisting in enforcing the TPA in relation to small business issues. A focus in the non-traded goods and services sector to encourage competition in markets and consumer protection.	Meeting of prescribed time limits and standards, decisions based on relevant facts, effective public relations programme including media releases, publications, and liaison meetings.
Secure improvement in market conduct.	Assisting with the development and implementation of regulatory frameworks which maximise the potential for promotion of competition and efficient outcomes including through access to essential facilities, liaising widely with key stakeholders, and reviewing price notifications from declared companies and monitoring prices as required under the Prices Surveillance Act.	Timely decisions resulting in improved access and service delivery and development of pro-competitive regulatory frameworks. Publication of price notifications within statutory timeframes.
Community informed about the TPA and the Prices Surveillance Act and their implications for business and consumers.	Information programmes, publications and publicity are used to promote general awareness of the Acts and the ACCC's priorities and procedures. By these means also the deterrent and educational potential of the ACCC's enforcement work is reinforced.	Level of community awareness and responsibility to be monitored; number of complaints, inquiries, attendance at seminars; and by community surveys.

**Table 2.2: Performance information for Outcome 1 (continued)**

<b>Performance information for administered items (including third party outputs)</b>		
<b>Output Group 1.1 — Australian Competition and Consumer Commission</b>		
	<b>Indicators</b>	<b>Measures</b>
Output 1.1.1 — The proper administration and enforcement of the <i>Trade Practices Act 1974</i> , the <i>Prices Surveillance Act 1983</i> and related laws	Collection of Statutory fees and judgement debts.	Timely banking and recording of Statutory fees and judgement debts.
<b>Performance information for agency outputs</b>		
<b>Output Group 1.1 — Australian Competition and Consumer Commission</b>		
	<b>Indicators</b>	<b>Measures</b>
Output 1.1.1 — The proper administration and enforcement of the <i>Trade Practices Act 1974</i> , the <i>Prices Surveillance Act 1983</i> and related laws	Increasing resolution speed of arbitrations in telecommunications.	Increase the speed of finalising telecommunications arbitrations from 8 per year to 10 per year.
	Reducing the number of outstanding regulatory decisions in telecommunications.	Reduce the number of outstanding access disputes from 15 to 5 over 2-year period.
	Increasing number of telecommunications investigations.	Increase the number of telecommunications investigations from 10 to 15.
	Reducing the number of outstanding regulatory decisions in gas.	Improved timeliness in delivery of decisions under National Gas Code — reduction in outstanding applications from 11 to 4 over 18 months.
	Development and finalisation of regulatory guidelines in gas.	Development of guidelines for exercise of regulatory responsibilities by end 2002.
	Increasing resolution speed of arbitrations in gas.	Improved monitoring work — increase in speed of resolution of arbitrations under the National Gas Code from 3 to 6 over 18 month period.
	Extending Commission small business communications programs to remote business and community organisations.	Expansion of satellite broadcast project to reach 150 remote communities by 2002-03.
	Development of tailored compliance information tool kits for distribution to small business.	Development of compliance tools and information for small business for distribution by June 2002.
		Production of information leaflets tailored to 4 key problem areas of small business by June 2002.

**Table 2.2: Performance information for Outcome 1 (continued)**

<b>Performance information for agency outputs (continued)</b>	
<b>Indicators</b>	<b>Measures</b>
Development and finalisation of regulatory guidelines in electricity.	Finalisation of regulatory principles guidelines for transmission networks by June 2002.
Reducing the number of outstanding regulatory decisions in electricity.	Finalisation of network ring fencing and accounting separation rules by December 2001.
Reducing the time taken to authorise national electricity market code changes.	Changes to national electricity code to incorporate move towards nodal pricing on transmission network by December 2001. Reduction in outstanding authorisations from 60 to 20 by March 2002.
Extending Commission communications programmes to remote business and community organisations in rural and regional Australia.	Development of 400 partnerships with local agencies/Rural Transaction Centres by June 2002. Establishment of Rural and Regional Advisory Committee by December 2001 to advise ACCC of competition and consumer issues and to assist ACCC in promoting its activities in remote locations. Meet quarterly. Implementation of a regional visits programme. Advertising of ACCC services in regional and rural press 4 times a year.
Reduction in number of irrelevant complaints.	Decrease percentage of irrelevant complaints from 53 per cent to 40 per cent by June 2003.
Development of domestic and international information exchange networks on e-commerce.	Establishment, by December 2001 of networks with international and domestic agencies to gain expertise in information/internet based conduct. Development of internet specific strategy by March 2002 to improve the handling of potential competition and consumer protection issues by government agencies and encourage exchange of information on relevant e-commerce activities by December 2001.

**Table 2.2: Performance information for Outcome 1 (continued)**

Performance information for agency outputs (continued)		
	Indicators	Measures
	Establishment of an e-commerce investigatory capability.	Development of appropriate computer forensic capacity and relevant skills by December 2001. Development of strategies to manage Commission's capacity to respond quickly to emerging issues by December 2001.
	Extending production of compliance information for the health and other professions sector.	Provision of cost effective information on ACCC in relevant sectors through a new publication by March 2002.
	Undertake compliance/adjudication actions in the health and other professions sector.	Commencement of 2 additional compliance/adjudication actions by March 2002.
Output 1.1.2 — Performance of actions that promote competition and fair trading and enable well functioning markets	The number of stakeholder visits.	Increase in number of stakeholder contacts from 10 to 50.
	Increasing the level of awareness of ACCC and its role.	Increased awareness of the Trade Practices Act in the small business and other emerging markets sectors as measured by provision of an additional 5000 copies of compliance publications. ACCC Consultative Committee to meet twice yearly.
	Development of tailored compliance information tool kits for distribution to organisations in rural and regional Australia.	Extension of publications program- provision of 2 new publications to remote communities by March 2002.

## Evaluations

Stakeholder views will be sought on the effectiveness of the ACCC's actions.

## Competitive tendering and contracting

Some aspects of corporate services are already outsourced. Other aspects of corporate services, such as the library, and aspects of finance and personnel services will be market tested.



## Section 3: Budgeted financial statements

The budgeted financial statements will form the basis of the financial statements that will appear in the Australian Competition and Consumer Commission's (ACCC) 2001-02 Annual Report, and form the basis for the input into the Whole of Government Accounts. The financial statements should be read in conjunction with the accompanying abridged notes

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

### **AGENCY STATEMENTS**

#### **Budgeted agency statement of financial performance**

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.

#### **Budgeted agency statement of financial position**

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

#### **Budgeted agency statement of cash flows**

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

#### **Agency non-financial assets — summary of movement**

This statement shows the movement in the ACCC's non-financial assets over the Budget year 2001-02.

## **ADMINISTERED NOTES**

Details of transactions administered by the agency on behalf of the Commonwealth are to be shown in the following notes to the financial statements.

### **Note of budgeted administered financial performance**

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

### **Note of budgeted administered financial position**

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

### **Note of budgeted administered cash flows**

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

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

	Estimated actual 2000-01 \$'000	Budget estimate 2001-02 \$'000	Forward estimate 2002-03 \$'000	Forward estimate 2003-04 \$'000	Forward estimate 2004-05 \$'000
<b>Revenues from ordinary activities</b>		(K1) <sup>(1)</sup>			
Revenue from government	75,627	83,400	61,800	57,700	57,900
Sale of goods and services	650	650	650	650	650
Interest	240	456	506	571	632
Resources free of charge	50	50	50	50	50
<b>Total revenues from ordinary activities</b>	<b>76,567</b>	<b>84,556</b>	<b>63,006</b>	<b>58,971</b>	<b>59,232</b>
<b>Expenses from ordinary activities (excluding borrowing cost expense)</b>					
Employees	29,613	29,663	27,347	28,854	30,437
Suppliers	40,001	47,645	31,671	26,076	25,076
Depreciation and amortisation	1,449	1,211	1,243	1,332	1,377
Net losses from sale of assets	280	266	-	-	-
Other	71	70	70	70	69
<b>Total expenses from ordinary activities (excluding borrowing cost expense)</b>	<b>71,414</b>	<b>78,855</b>	<b>60,331</b>	<b>56,332</b>	<b>56,959</b>
Borrowing cost expense	-	-	-	-	-
<b>Net surplus or deficit from ordinary activities</b>	<b>5,153</b>	<b>5,701</b>	<b>2,675</b>	<b>2,639</b>	<b>2,273</b>
Gain or loss on extraordinary items	-	-	-	-	-
<b>Net surplus or deficit</b>	<b>5,153</b>	<b>5,701</b>	<b>2,675</b>	<b>2,639</b>	<b>2,273</b>
Capital use charge	-	-	-	-	-
<b>Net surplus or deficit after capital use charge</b>	<b>5,153</b>	<b>5,701</b>	<b>2,675</b>	<b>2,639</b>	<b>2,273</b>

(1) K1 — see Table 1.1.

Part C: Agency Budget Statements — ACCC

**Table 3.2: Budgeted agency statement of financial position  
as at 30 June**

	Estimated actual 2000-01 \$'000	Budget estimate 2001-02 \$'000	Forward estimate 2002-03 \$'000	Forward estimate 2003-04 \$'000	Forward estimate 2004-05 \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash	46	47	218	334	500
Receivables	235	235	235	235	235
Investments	-	5,203	6,482	7,812	9,204
<b>Total financial assets</b>	<b>281</b>	<b>5,485</b>	<b>6,935</b>	<b>8,381</b>	<b>9,939</b>
<b>Non-financial assets</b>					
Land and buildings	2,433	2,962	3,472	3,965	5,043
Infrastructure, plant and equipment	1,404	1,120	836	1,994	1,654
Inventories	95	95	95	95	95
Intangibles	872	901	930	960	991
Other	2,328	2,328	2,328	2,328	2,328
<b>Total non-financial assets</b>	<b>7,132</b>	<b>7,406</b>	<b>7,661</b>	<b>9,342</b>	<b>10,111</b>
<b>Total assets</b>	<b>7,413</b>	<b>12,891</b>	<b>14,596</b>	<b>17,723</b>	<b>20,050</b>
<b>LIABILITIES</b>					
<b>Debt</b>					
Leases	1,260	1,260	1,260	1,498	1,498
<b>Total debt</b>	<b>1,260</b>	<b>1,260</b>	<b>1,260</b>	<b>1,498</b>	<b>1,498</b>
<b>Provisions and payables</b>					
Employees	8,154	8,182	7,543	7,959	8,397
Suppliers	7,221	6,970	6,639	6,473	6,090
<b>Total provisions and payables</b>	<b>15,375</b>	<b>15,152</b>	<b>14,182</b>	<b>14,432</b>	<b>14,487</b>
<b>Total liabilities</b>	<b>16,635</b>	<b>16,412</b>	<b>15,442</b>	<b>15,930</b>	<b>15,985</b>
<b>EQUITY</b>					
Capital	3,100	3,100	3,100	3,100	3,100
Reserves	768	768	768	768	768
Accumulated surpluses or deficits	-13,090	-7,389	-4,714	-2,075	197
<b>Total equity</b>	<b>-9,222</b>	<b>-3,521</b>	<b>-846</b>	<b>1,793</b>	<b>4,065</b>
<b>Current liabilities</b>	<b>14,752</b>	<b>14,524</b>	<b>13,682</b>	<b>14,039</b>	<b>14,006</b>
<b>Non-current liabilities</b>	<b>1,883</b>	<b>1,888</b>	<b>1,761</b>	<b>1,891</b>	<b>1,979</b>
<b>Current assets</b>	<b>376</b>	<b>5,485</b>	<b>6,935</b>	<b>8,381</b>	<b>9,939</b>
<b>Non-current assets</b>	<b>7,037</b>	<b>7,406</b>	<b>7,661</b>	<b>9,342</b>	<b>10,111</b>

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

	Estimated actual 2000-01 \$'000	Budget estimate 2001-02 \$'000	Forward estimate 2002-03 \$'000	Forward estimate 2003-04 \$'000	Forward estimate 2004-05 \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Appropriations for outputs	75,677	83,400	61,800	57,700	57,900
Sale of goods and services	487	650	650	650	650
Interest	240	456	506	571	632
<b>Total cash received</b>	<b>76,404</b>	<b>84,506</b>	<b>62,956</b>	<b>58,921</b>	<b>59,182</b>
<b>Cash used</b>					
Employees	29,655	29,635	27,986	28,438	29,999
Suppliers	47,232	47,916	32,022	26,262	25,479
<b>Total cash used</b>	<b>76,888</b>	<b>77,551</b>	<b>60,008</b>	<b>54,700</b>	<b>55,478</b>
<b>Net cash from operating activities</b>	<b>-484</b>	<b>6,955</b>	<b>2,948</b>	<b>4,221</b>	<b>3,704</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash used</b>					
Investments made	-	5,203	1,279	1,330	1,392
Purchase of property, plant and equipment	1,671	1,751	1,498	2,775	2,146
<b>Total cash used</b>	<b>1,671</b>	<b>6,954</b>	<b>2,777</b>	<b>4,105</b>	<b>3,538</b>
<b>Net cash from investing activities</b>	<b>-1,671</b>	<b>-6,954</b>	<b>-2,777</b>	<b>-4,105</b>	<b>-3,538</b>
<b>Net increase in cash held</b>					
Cash at beginning of reporting period	2,201	46	47	218	334
Cash at end of reporting period	46	47	218	334	500

Part C: Agency Budget Statements – ACCC

**Table 3-5: Agency non-financial assets – summary of movement (Budget year 2001-02)**

	Land	Buildings	Total land and buildings	Specialist military equipment	Other infrastructure plant and equipment	Total infrastructure plant and equipment	Intangibles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>GROSS VALUE</b>								
<i>As at 1 July 2001 (opening)</i>	-	3,536	3,536	-	2,378	2,378	1,478	7,392
Additions	-	900	900	-	252	252	332	1,484
Disposals	-	-720	-720	-	-224	-224	-296	-1,240
<i>As at 30 June 2002 (closing)</i>	-	3,716	3,716	-	2,406	2,406	1,514	7,636
<b>ACCUMULATED DEPRECIATION</b>								
<i>As at 1 July 2001 (opening)</i>	-	1,103	1,103	-	974	974	606	2,683
Disposals	-	-720	-720	-	-224	-224	-296	-1,240
Charge for the reporting period	-	371	371	-	536	536	303	1,210
<i>As at 30 June 2002 (closing)</i>	-	754	754	-	1,286	1,286	613	2,653
<b>Net book value</b>								
<i>As at 30 June 2002 (closing book value)</i>	-	2,962	2,962	-	1,120	1,120	901	4,983
<b>Net book value</b>								
<i>As at 1 July 2001 (opening book value)</i>	-	2,433	2,433	-	1,404	1,404	872	4,709
<b>TOTAL ADDITIONS</b>								
Self funded	-	900	900	-	252	252	332	1,484
<b>Total</b>	-	900	900	-	252	252	332	1,484

**Table 3.6: Statement of budgeted administered financial performance  
for the period ended 30 June**

	Estimated actual 2000-01 \$'000	Budget estimate 2001-02 \$'000	Forward estimate 2002-03 \$'000	Forward estimate 2003-04 \$'000	Forward estimate 2004-05 \$'000
<b>REVENUES</b>					
<b>Non-taxation</b>					
Other sources of non-taxation revenues	36,005	40,000	10,000	10,000	10,000
<b>Total non-taxation</b>	36,005	40,000	10,000	10,000	10,000
<b>Total revenues administered on behalf of the Government</b>	36,005	40,000	10,000	10,000	10,000
<b>EXPENSES</b>					
Other	361	200	200	200	200
<b>Total expenses administered on behalf of the Government</b>	361	200	200	200	200

Part C: Agency Budget Statements — ACCC

**Table 3.7: Statement of budgeted administered financial position  
as at 30 June**

	Estimated actual 2000-01 \$'000	Budget estimate 2001-02 \$'000	Forward estimate 2002-03 \$'000	Forward estimate 2003-04 \$'000	Forward estimate 2004-05 \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash	1,834	1,918	1,718	1,518	1,318
Receivables	2,445	2,000	2,000	2,000	2,000
<b>Total financial assets</b>	4,279	3,918	3,718	3,518	3,318
<b>Total assets administered on behalf of the Government</b>	4,279	3,918	3,718	3,518	3,318
<b>LIABILITIES</b>					
<b>Provisions and payables</b>					
Other	361	200	200	200	200
<b>Total provisions and payables</b>	361	200	200	200	200
<b>Total liabilities administered on behalf of the Government</b>	361	200	200	200	200
<b>Current liabilities</b>	361	200	200	200	200
<b>Non-current liabilities</b>	-	-	-	-	-
<b>Current assets</b>	4,279	3,918	3,718	3,518	3,318
<b>Non-current assets</b>	-	-	-	-	-



**Table 3.8: Statement of budgeted administered cash flows  
for the period ended 30 June**

	Estimated actual 2000-01 \$'000	Budget estimate 2001-02 \$'000	Forward estimate 2002-03 \$'000	Forward estimate 2003-04 \$'000	Forward estimate 2004-05 \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Other taxes, fees and fines	38,301	40,074	9,790	9,790	9,790
Other	5	10	10	10	10
<b>Total cash received</b>	<b>38,306</b>	<b>40,084</b>	<b>9,800</b>	<b>9,800</b>	<b>9,800</b>
<b>Net cash from operating activities</b>	<b>38,306</b>	<b>40,084</b>	<b>9,800</b>	<b>9,800</b>	<b>9,800</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash used</b>					
Cash to Official Public Account	36,500	40,000	10,000	10,000	10,000
<b>Total cash used</b>	<b>36,500</b>	<b>40,000</b>	<b>10,000</b>	<b>10,000</b>	<b>10,000</b>
<b>Net cash from investing activities</b>	<b>36,500</b>	<b>40,000</b>	<b>10,000</b>	<b>10,000</b>	<b>10,000</b>
<b>Net increase in cash held</b>	<b>1,806</b>	<b>84</b>	<b>-200</b>	<b>-200</b>	<b>-200</b>
Cash at beginning of reporting period	28	1,834	1,918	1,718	1,518
Cash at end of reporting period	1,834	1,918	1,718	1,518	1,318

## NOTES TO THE FINANCIAL STATEMENTS

### Basis of accounting

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

### Agency and administered items

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

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

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

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

### Revenues from government

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

#### ***Agency appropriations***

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

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

### ***Resources received free of charge***

Services received free of charge are recognised in the statement of financial performance as revenue when and only when a fair value can be reliably determined and the services would have been purchased if they had not been donated. Use of those resources is recognised as an expense.

### **Other revenue**

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

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

### **Leases**

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

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

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

The ACCC entered into a sale and lease back of certain IT assets on 1 July 1999. This sale and lease back of the IT assets has been specifically treated as a finance lease. The consequent loss on sale of \$0.8 million is being amortised over three years.

### **Receivables**

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

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

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

## **Property, plant and equipment**

### ***Asset recognition threshold***

Purchases of property, plant and equipment are recognised initially at cost in the statement of financial position, except for purchases costing less than \$1,000, which are expensed in the year of acquisition (other than where they form part of a group of similar items which are significant in total).

### ***Revaluations***

Schedule 2 requires that buildings, infrastructure, plant and equipment be revalued progressively in accordance with the 'deprival' method of valuation in successive 3 year cycles.

The ACCC revalued all its assets (except intangibles) on 1 July 1999. The current revaluation cycle commenced in 1999-2000.

The ACCC is implementing the requirements of Schedule 2 as follows:

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

## **Depreciation and amortisation**

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

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

**Part C: Agency Budget Statements – ACCC**

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

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

**Appendix 1**

**Non-appropriation agency and administered revenue**

	Estimated revenue 2000-01 \$'000	Estimated revenue 2001-02 \$'000
<b>Non-appropriation agency revenue</b>		
Sale of goods and services	650	650
Interest	240	456
Resources free of charge	50	50
<b>Total non-appropriation agency revenue</b>	<b>940</b>	<b>1,156</b>
<b>Non-appropriation administered revenue</b>		
Fines and costs	35,500	39,490
Authorisation fees	500	500
Other	5	10
<b>Total non-appropriation administered revenue</b>	<b>36,005</b>	<b>40,000</b>

# **AUSTRALIAN OFFICE OF FINANCIAL MANAGEMENT**

## **Section 1: Overview, appropriations and budget measures summary**

### **OVERVIEW**

The Australian Office of Financial Management (AOFM), a 'prescribed agency' under the *Financial Management and Accountability Act 1997*, is responsible for the Commonwealth's debt management activities.

The objective of the AOFM is to raise, manage and retire Commonwealth debt at the lowest possible long-term cost, consistent with an acceptable degree of risk exposure.

### **APPROPRIATIONS**

The total appropriation for the AOFM in the 2001–02 Budget is \$42,860.8 million. Table 1.1 on the following page shows the total appropriations for the AOFM's outcome.

Price of output appropriation of \$5.82 million is based on budgeted expenses (of \$5.84 million) after deducting estimated revenues from external sources (of \$0.02 million).

The total administered outcome appropriation of \$42,855.0 million is based on budgeted expenses of \$7,177.0 million, budgeted debt raising and financial investment activity of \$35,674.6 million and administered capital appropriation of \$3.4 million.





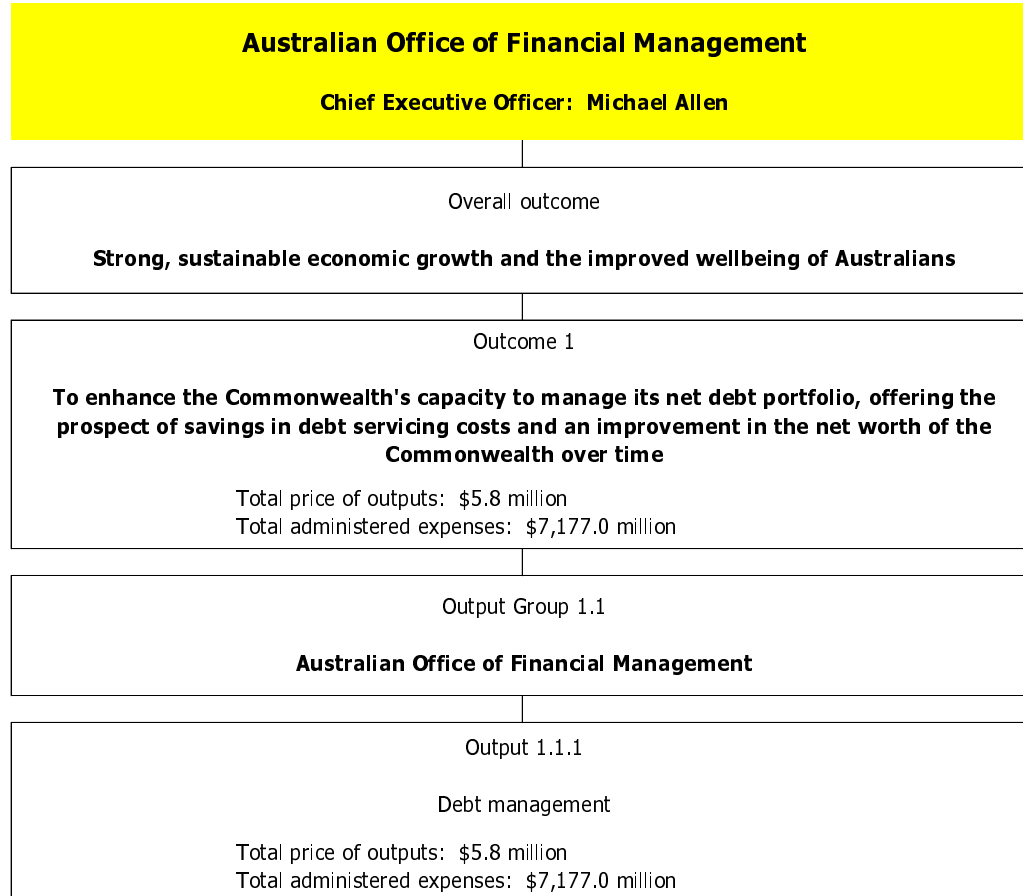
## ADMINISTERED CAPITAL AND AGENCY EQUITY INJECTIONS AND LOANS

The AOFM will receive administered capital of \$3.4 million for new specialist debt management hardware and software. This appropriation has been carried over from the previous financial year.

### Section 2: Outcomes and outputs information

The map below shows the relationship between Government outcomes and the contributing outputs for the Australian Office of Financial Management (AOFM). Financial details for Outcome 1, by output, appear in Table 2.1 while non-financial information for Outcome 1 appears in Table 2.2.

**Chart 6: Outcomes and output groups**



## **CHANGES TO OUTCOMES AND OUTPUTS**

There are no proposed changes in outcomes or outputs since the previous year.

### **OUTCOME 1 — DESCRIPTION**

*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*

#### **Measures affecting Outcome 1**

There are no Budget measures for 2001-02.

**OUTCOME 1 — RESOURCING**

Table 2.1 shows how the 2001-02 appropriations translate to total resourcing for Outcome 1, including revenues from government (appropriation), revenue from other sources and total price of outputs.

**Table 2.1: Total resources for Outcome 1**

	Estimated actual 2000-01 \$'000	Budget estimate 2001-02 \$'000
<b>Administered appropriations</b>		
Annual appropriations	1,978	4,082
Special appropriations	46,978,650	42,847,524
<b>Total administered appropriations</b>	46,980,628	(I1) <sup>(1)</sup> 42,851,606
<b>Agency appropriations</b>		
Output Group 1.1 Australian Office of Financial Management		
Output 1.1.1 Debt management	5,706	5,822
<b>Total revenue from government (appropriations)</b>	5,706	(C1) <sup>(1)</sup> 5,822
<b>Contributing to price of agency outputs</b>	98.2%	99.7%
<b>Revenue from other sources</b>		
Output Group 1.1 Australian Office of Financial Management		
Output 1.1.1 Debt management	107	20
<b>Total revenue from other sources</b>	107	20
<b>Total price from agency outputs</b>		
(Total revenue from government and from other sources)	5,813	(E1) <sup>(1)</sup> 5,842
Administered capital	-	3,400
<b>Total estimated resourcing for Outcome 1</b>		
(Total price of outputs and administered appropriations)	46,986,441	42,860,848
	2000-01	2001-02
<b>Average staffing level (number)</b>	26	40

(1) C1, E1 and I1 — see Table 1.1.

## OUTCOME 1 — CONTRIBUTION OF OUTPUTS

The AOFM has only one output — debt management. The AOFM’s debt management operations include the issue of various borrowing instruments, the strategic formulation and undertaking of portfolio management, including through swap transactions, and the administration of the Commonwealth debt portfolio.

Despite surplus funding positions in recent years, the AOFM has undertaken modest issuance programmes directed at maintaining the liquidity and efficiency of Commonwealth Government securities markets while maintaining net debt within agreed portfolio limits. Integral to the continuing efficient management of its funding risk, the AOFM’s specific objective for its major debt instrument, Treasury Bonds, remains building and maintaining liquidity in key benchmark lines over a yield curve extending to around 12-13 years.

The AOFM’s portfolio management objective is to minimise the cost of debt over the long term, subject to acceptable market risk. This objective forms the basis for a defined portfolio benchmark that serves as a target for the composition and nature of market risks within the Commonwealth debt portfolio. The analytical framework behind the benchmark assesses the trade-off between the long-term expected cost and risk of different portfolio structures thus allowing informed decisions about the nature of Commonwealth market exposures.

Debt administration is undertaken by the AOFM in conformity with legislative requirements and in compliance with approved accounting standards.

**Table 2.2: Performance information for Outcome 1**

<b>Effectiveness — Overall achievement of the outcome</b>	
Debt issued by the Commonwealth (including Commonwealth Government Securities allocated to States and Territories) and debt assumed from Commonwealth agencies.	Achievement of the Commonwealth’s financing task in a cost-effective manner.
<b>Performance information for agency outputs</b>	
<b>Output Group 1.1 — Australian Office of Financial Management</b>	
Output 1.1.1 — Debt management	<p>Achievement of the Commonwealth’s financing task in a cost-effective manner.</p> <p>Timely production of reports on debt management activities.</p> <p>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.</p> <p>Efficient management of the Commonwealth’s cash balances. Indicators include achievement of the Ministerially endorsed cumulative average cash balance target as at end-year.</p>

## **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.

## **Competitive tendering and contracting**

The Department of the Treasury provides a range of corporate services functions to the AOFM. Consequently, the AOFM is participating in the corporate services market testing initiative currently conducted by the Department of the Treasury.

## **Section 3: Budgeted financial statements**

Budgeted agency and administered financial statements and related notes for the Australian Office of Financial Management (AOFM), are presented in this section. The financial statements are produced for 2000-01 (estimated actual results), 2001-02 (Budget estimate) and three forward years and comprise the following statements. The financial statements should be read in conjunction with the accompanying notes.

### **AGENCY STATEMENTS**

#### **Budgeted agency statement of financial performance**

This statement provides a picture of the expected financial results for the AOFM by identifying full accrual expenses and revenues.

#### **Budgeted agency statement of financial position**

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

#### **Budgeted agency statement of cash flows**

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

#### **Agency capital budget statement**

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

#### **Agency non-financial assets – summary of movement**

This statement shows the budgeted movement in the AOFM's non-financial assets during the Budget year 2001-02.

## **ADMINISTERED NOTES**

Details of transactions administered by the agency on behalf of the Commonwealth are to be shown in the following notes to the financial statements.

### **Note of budgeted administered financial performance**

This note identifies the main revenues and expenses administered on behalf of the Government.

### **Note of budgeted administered financial position**

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

### **Note of budgeted administered cash flows**

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

### **Note of administered capital budget**

This note shows details of planned administered capital expenditure.

### **Note of administered non-financial assets — summary of movement**

This note discloses details of budgeted movements in administered non-financial assets during the Budget year 2001-02.

Part C: Agency Budget Statements — AOFM

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

	Estimated actual 2000-01 \$'000	Budget estimate 2001-02 \$'000	Forward estimate 2002-03 \$'000	Forward estimate 2003-04 \$'000	Forward estimate 2004-05 \$'000
<b>Revenues from ordinary activities</b>		(K1) <sup>(1)</sup>			
Revenue from government	5,706	5,822	5,931	5,913	5,913
Sale of goods and services	7	-	-	-	-
Interest	100	20	20	20	20
<b>Total revenues from ordinary activities</b>	<b>5,813</b>	<b>5,842</b>	<b>5,951</b>	<b>5,933</b>	<b>5,933</b>
<b>Expenses from ordinary activities (excluding borrowing cost expense)</b>					
Employees	2,171	4,009	3,931	3,915	3,914
Suppliers	2,349	1,458	1,645	1,643	1,644
Depreciation and amortisation	50	110	110	110	110
<b>Total expenses from ordinary activities (excluding borrowing cost expense)</b>	<b>4,570</b>	<b>5,577</b>	<b>5,686</b>	<b>5,668</b>	<b>5,668</b>
Borrowing cost expense	-	-	-	-	-
<b>Net surplus or deficit from ordinary activities</b>	<b>1,243</b>	<b>265</b>	<b>265</b>	<b>265</b>	<b>265</b>
Gain or loss on extraordinary items	-	-	-	-	-
<b>Net surplus or deficit</b>	<b>1,243</b>	<b>265</b>	<b>265</b>	<b>265</b>	<b>265</b>
Capital use charge	289	265	265	265	265
<b>Net surplus or deficit after capital use charge</b>	<b>954</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

(1) K1 — see Table 1.1.



**Table 3.2: Budgeted agency statement of financial position  
as at 30 June**

	Estimated actual 2000-01 \$'000	Budget estimate 2001-02 \$'000	Forward estimate 2002-03 \$'000	Forward estimate 2003-04 \$'000	Forward estimate 2004-05 \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash	1,910	2,239	2,579	2,882	3,185
Accrued revenues	12	12	12	12	12
<b>Total financial assets</b>	<b>1,922</b>	<b>2,251</b>	<b>2,591</b>	<b>2,894</b>	<b>3,197</b>
<b>Non-financial assets</b>					
Infrastructure, plant and equipment	1,350	1,240	1,130	1,020	910
<b>Total non-financial assets</b>	<b>1,350</b>	<b>1,240</b>	<b>1,130</b>	<b>1,020</b>	<b>910</b>
<b>Total assets</b>	<b>3,272</b>	<b>3,491</b>	<b>3,721</b>	<b>3,914</b>	<b>4,107</b>
<b>LIABILITIES</b>					
<b>Provisions and payables</b>					
Employees	638	856	1,086	1,280	1,473
Suppliers	237	238	238	237	237
<b>Total provisions and payables</b>	<b>875</b>	<b>1,094</b>	<b>1,324</b>	<b>1,517</b>	<b>1,710</b>
<b>Total liabilities</b>	<b>875</b>	<b>1,094</b>	<b>1,324</b>	<b>1,517</b>	<b>1,710</b>
<b>EQUITY</b>					
Accumulated surpluses or deficits	2,397	2,397	2,397	2,397	2,397
<b>Total equity</b>	<b>2,397</b>	<b>2,397</b>	<b>2,397</b>	<b>2,397</b>	<b>2,397</b>
<b>Total liabilities and equity</b>	<b>3,272</b>	<b>3,491</b>	<b>3,721</b>	<b>3,914</b>	<b>4,107</b>
<b>Current liabilities</b>	<b>96</b>	<b>193</b>	<b>163</b>	<b>192</b>	<b>221</b>
<b>Non-current liabilities</b>	<b>779</b>	<b>901</b>	<b>1,161</b>	<b>1,325</b>	<b>1,489</b>
<b>Current assets</b>	<b>1,922</b>	<b>2,251</b>	<b>2,591</b>	<b>2,894</b>	<b>3,197</b>
<b>Non-current assets</b>	<b>1,350</b>	<b>1,240</b>	<b>1,130</b>	<b>1,020</b>	<b>910</b>

Part C: Agency Budget Statements — AOFM

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

	Estimated actual 2000-01 \$'000	Budget estimate 2001-02 \$'000	Forward estimate 2002-03 \$'000	Forward estimate 2003-04 \$'000	Forward estimate 2004-05 \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Appropriations for outputs	5,706	5,822	5,931	5,913	5,913
Sale of goods and services	7	-	-	-	-
Interest	100	20	20	20	20
<b>Total cash received</b>	<b>5,813</b>	<b>5,842</b>	<b>5,951</b>	<b>5,933</b>	<b>5,933</b>
<b>Cash used</b>					
Employees	2,081	3,791	3,701	3,721	3,721
Suppliers	2,148	1,457	1,645	1,644	1,644
<b>Total cash used</b>	<b>4,229</b>	<b>5,248</b>	<b>5,346</b>	<b>5,365</b>	<b>5,365</b>
<b>Net cash from operating activities</b>	<b>1,584</b>	<b>594</b>	<b>605</b>	<b>568</b>	<b>568</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash received</b>					
Other	750	-	-	-	-
<b>Total cash received</b>	<b>750</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash used</b>					
Purchase of property, plant and equipment	1,392	-	-	-	-
<b>Total cash used</b>	<b>1,392</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net cash from investing activities</b>	<b>-642</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Other	63	-	-	-	-
<b>Total cash received</b>	<b>63</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash used</b>					
Repayment of debt	-	-	-	-	-
Capital use and dividends paid	1,439	265	265	265	265
<b>Total cash used</b>	<b>1,439</b>	<b>265</b>	<b>265</b>	<b>265</b>	<b>265</b>
<b>Net cash from financing activities</b>	<b>-1,376</b>	<b>-265</b>	<b>-265</b>	<b>-265</b>	<b>-265</b>
<b>Net decrease in cash held</b>	<b>-434</b>	<b>329</b>	<b>340</b>	<b>303</b>	<b>303</b>
Cash at beginning of reporting period	2,344	1,910	2,239	2,579	2,882
Cash at end of reporting period	1,910	2,239	2,579	2,882	3,185

Part C: Agency Budget Statements — AOFM

**Table 3.4: Agency capital budget statement**

	Estimated actual 2000-01 \$'000	Budget estimate 2001-02 \$'000	Forward estimate 2002-03 \$'000	Forward estimate 2003-04 \$'000	Forward estimate 2004-05 \$'000
<b>Purchase of non-current assets</b>					
Funded by capital appropriations	-	-	-	-	-
Funded internally by agency resources	1,392	-	-	-	-
<b>Total</b>	1,392	-	-	-	-

Part C: Agency Budget Statements - AOFM

Table 3-5: Agency non-financial assets — summary of movement (Budget year 2001-02)

	Land \$'000	Buildings \$'000	Total land and buildings \$'000	Specialist military equipment \$'000	Other infrastructure plant and equipment \$'000	Total infrastructure plant and equipment \$'000	Intangibles \$'000	Total \$'000
<b>GROSS VALUE</b>								
<i>As at 1 July 2001 (opening)</i>	-	-	-	-	1,409	1,409	458	1,867
Additions	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
<i>As at 30 June 2002 (closing)</i>	-	-	-	-	1,409	1,409	458	1,867
<b>ACCUMULATED DEPRECIATION</b>								
<i>As at 1 July 2001 (opening)</i>	-	-	-	-	59	59	458	517
Disposals	-	-	-	-	-	-	-	-
Charge for the reporting period	-	-	-	-	110	110	-	110
<i>As at 30 June 2002 (closing)</i>	-	-	-	-	169	169	458	627
<b>Net book value</b>								
<i>As at 30 June 2002 (closing book value)</i>	-	-	-	-	1,240	1,240	-	1,240
<b>Net book value</b>								
<i>As at 1 July 2001 (opening book value)</i>	-	-	-	-	1,350	1,350	-	1,350
<b>TOTAL ADDITIONS</b>								
Self funded	-	-	-	-	-	-	-	-
Appropriations	-	-	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	-	-	-	-

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

	Estimated actual 2000-01 \$'000	Budget estimate 2001-02 \$'000	Forward estimate 2002-03 \$'000	Forward estimate 2003-04 \$'000	Forward estimate 2004-05 \$'000
<b>REVENUES</b>					
<b>Non-taxation</b>		(K2) <sup>(1)</sup>			
Revenues from Government	46,980,628	42,851,606	48,487,298	64,449,454	65,166,299
Interest	3,020,665	3,151,561	3,070,082	3,116,331	3,795,984
Other sources of non-taxation revenues	856	851	847	849	849
<b>Total non-taxation</b>	<b>50,002,149</b>	<b>46,004,018</b>	<b>51,558,227</b>	<b>67,566,634</b>	<b>68,963,132</b>
<b>Total revenues administered on behalf of the Government</b>	<b>50,002,149</b>	<b>46,004,018</b>	<b>51,558,227</b>	<b>67,566,634</b>	<b>68,963,132</b>
<b>EXPENSES</b>					
Grants	56,644	36,318	31,300	36,704	54,330
Net foreign exchange losses	1,445,614	-	-	-	-
Interest and other financing costs	8,426,967	7,139,875	6,851,226	6,191,419	5,762,499
Other	829	829	829	829	829
<b>Total expenses administered on behalf of the Government</b>	<b>9,930,054</b>	<b>7,177,022</b>	<b>6,883,355</b>	<b>6,228,952</b>	<b>5,817,658</b>
<b>Net contribution or cost to the budget outcome</b>	<b>40,072,095</b>	<b>38,826,996</b>	<b>44,674,872</b>	<b>61,337,682</b>	<b>63,145,474</b>
<b>Transfers to the Official Public Account</b>					
Amount remitted from administered revenues	22,337,280	33,680,239	44,526,495	43,791,693	41,878,607
<b>Net surplus or deficit</b>	<b>17,734,815</b>	<b>5,146,757</b>	<b>148,377</b>	<b>17,545,989</b>	<b>21,266,867</b>

(1) K2 — see Table 1.1.

Part C: Agency Budget Statements — AOFM

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

	Estimated actual 2000-01 \$'000	Budget estimate 2001-02 \$'000	Forward estimate 2002-03 \$'000	Forward estimate 2003-04 \$'000	Forward estimate 2004-05 \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash	347	347	347	347	347
Receivables	7,837,850	7,637,782	7,630,193	7,160,316	7,076,650
Accrued revenues	133,544	132,122	122,623	129,837	155,787
<b>Total financial assets</b>	<b>7,971,741</b>	<b>7,770,251</b>	<b>7,753,163</b>	<b>7,290,500</b>	<b>7,232,784</b>
<b>Non-financial assets</b>					
Infrastructure, plant and equipment	-	3,400	3,400	3,400	3,400
<b>Total non-financial assets</b>	<b>-</b>	<b>3,400</b>	<b>3,400</b>	<b>3,400</b>	<b>3,400</b>
<b>Total assets administered on behalf of the Government</b>	<b>7,971,741</b>	<b>7,773,651</b>	<b>7,756,563</b>	<b>7,293,900</b>	<b>7,236,184</b>
<b>LIABILITIES</b>					
<b>Debt</b>					
Government Securities	56,937,745	52,426,221	52,672,928	35,484,569	14,266,107
Other — swap principal	3,349,897	2,456,483	1,906,358	1,096,138	895,454
<b>Total debt</b>	<b>60,287,642</b>	<b>54,882,704</b>	<b>54,579,286</b>	<b>36,580,707</b>	<b>15,161,561</b>
<b>Provisions and payables</b>					
Other — interest	2,860,640	2,917,331	3,055,284	3,045,211	3,139,774
<b>Total provisions and payables</b>	<b>2,860,640</b>	<b>2,917,331</b>	<b>3,055,284</b>	<b>3,045,211</b>	<b>3,139,774</b>
<b>Total liabilities administered on behalf of the Government</b>	<b>63,148,282</b>	<b>57,800,035</b>	<b>57,634,570</b>	<b>39,625,918</b>	<b>18,301,335</b>
<b>EQUITY</b>					
Capital		3,400	3,400	3,400	3,400
Accumulated surpluses or deficits	-55,176,541	-50,029,784	-49,881,407	-32,335,418	-11,068,551
<b>Total equity</b>	<b>-55,176,541</b>	<b>-50,026,384</b>	<b>-49,878,007</b>	<b>-32,332,018</b>	<b>-11,065,151</b>
<b>Total liabilities and equity</b>	<b>7,971,741</b>	<b>7,773,651</b>	<b>7,756,563</b>	<b>7,293,900</b>	<b>7,236,184</b>

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

	Estimated actual 2000-01 \$'000	Budget estimate 2001-02 \$'000	Forward estimate 2002-03 \$'000	Forward estimate 2003-04 \$'000	Forward estimate 2004-05 \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Appropriations	8,076,417	7,147,627	6,781,155	6,303,815	5,743,610
Interest	3,085,578	3,181,108	3,116,163	3,174,736	3,791,378
Other	25	20	20	20	20
<b>Total cash received</b>	<b>11,162,020</b>	<b>10,328,755</b>	<b>9,897,338</b>	<b>9,478,571</b>	<b>9,535,008</b>
<b>Cash used</b>					
Grants	56,644	36,318	31,300	36,704	54,330
Interest	8,019,773	7,111,309	6,749,855	6,267,111	5,689,280
Cash to Official Public Account	3,085,603	3,181,128	3,116,183	3,174,756	3,791,398
<b>Total cash used</b>	<b>11,162,020</b>	<b>10,328,755</b>	<b>9,897,338</b>	<b>9,478,571</b>	<b>9,535,008</b>
<b>Net cash from operating activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash received</b>					
Cash from Official Public Account	2,312,829	2,752,787	1,960,125	3,245,969	700,684
Other	2,134,012	1,936,111	1,487,312	2,532,937	582,209
<b>Total cash received</b>	<b>4,446,841</b>	<b>4,688,898</b>	<b>3,447,437</b>	<b>5,778,906</b>	<b>1,282,893</b>
<b>Cash used</b>					
Purchase of property, plant and equipment	-	3,400	-	-	-
Cash to Official Public Account	2,134,012	1,936,111	1,487,312	2,532,937	582,209
Other	2,312,829	2,749,387	1,960,125	3,245,969	700,684
<b>Total cash used</b>	<b>4,446,841</b>	<b>4,688,898</b>	<b>3,447,437</b>	<b>5,778,906</b>	<b>1,282,893</b>
<b>Net cash from investing activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Part C: Agency Budget Statements — AOFM**

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

	Estimated actual 2000-01 \$'000	Budget estimate 2001-02 \$'000	Forward estimate 2002-03 \$'000	Forward estimate 2003-04 \$'000	Forward estimate 2004-05 \$'000
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Proceeds from borrowing	17,105,000	28,563,000	39,923,000	38,084,000	37,505,000
Cash from Official Public Account	36,509,493	32,926,026	39,644,647	54,975,362	58,648,786
Other	12,665	-	-	-	-
<b>Total cash received</b>	<b>53,627,158</b>	<b>61,489,026</b>	<b>79,567,647</b>	<b>93,059,362</b>	<b>96,153,786</b>
<b>Cash used</b>					
Repayments of debt	36,509,493	32,926,026	39,644,647	54,975,362	58,648,786
Cash to Official Public Account	17,117,665	28,563,000	39,923,000	38,084,000	37,505,000
<b>Total cash used</b>	<b>53,627,158</b>	<b>61,489,026</b>	<b>79,567,647</b>	<b>93,059,362</b>	<b>96,153,786</b>
<b>Net cash from financing activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net increase in cash held</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Cash at beginning of reporting period	347	347	347	347	347
Cash at end of reporting period	347	347	347	347	347



**Table 3.9: Note of administered capital budget**

	Estimated actual 2000-01 \$'000	Budget estimate 2001-02 \$'000	Forward estimate 2002-03 \$'000	Forward estimate 2003-04 \$'000	Forward estimate 2004-05 \$'000
<b>Capital appropriations</b>					
Administered capital	-	(K4) <sup>(1)</sup> 3,400	-	-	-
<b>Total</b>	-	3,400	-	-	-
<b>Represented by:</b>					
Purchase of non-current assets	-	3,400	-	-	-
Other	-	-	-	-	-
<b>Total</b>	-	3,400	-	-	-
<b>Purchase of non-current assets</b>					
Funded by capital appropriations	-	3,400	-	-	-
Funded internally by departmental resources	-	-	-	-	-
<b>Total</b>	-	3,400	-	-	-

(1) K4 — see Table 1.1.

Part C: Agency Budget Statements - AOFM

**Table 3.10: Note of administered non-financial assets — Summary of movement (Budget year 2001-02)**

	Land \$'000	Buildings \$'000	Total land and buildings \$'000	Other infrastructure plant and equipment \$'000	Total infrastructure plant and equipment \$'000	Intangibles \$'000	Total \$'000
<b>GROSS VALUE</b>							
<i>As at 1 July 2001 (opening)</i>	-	-	-	-	-	-	-
Additions	-	-	-	-	-	3,400	3,400
Disposals	-	-	-	-	-	-	-
Other movements	-	-	-	-	-	-	-
<i>As at 30 June 2002 (closing)</i>	-	-	-	-	-	3,400	3,400
<b>ACCUMULATED DEPRECIATION</b>							
<i>As at 1 July 2001 (opening)</i>	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-
Charge for the reporting period	-	-	-	-	-	-	-
Other movements	-	-	-	-	-	-	-
<i>As at 30 June 2002 (closing)</i>	-	-	-	-	-	-	-
<b>Net book value</b>							
<b>As at 30 June 2002 (closing book value)</b>	-	-	-	-	-	3,400	3,400
<b>Net book value</b>							
<b>As at 1 July 2001 (opening book value)</b>	-	-	-	-	-	-	-
<b>TOTAL ADDITIONS</b>							
Self funded	-	-	-	-	-	-	-
Appropriations	-	-	-	-	-	3,400	3,400
<b>Total</b>	-	-	-	-	-	3,400	3,400

## **NOTES TO THE FINANCIAL STATEMENTS**

### **Basis of accounting**

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

### **Goods and Services Tax (GST)**

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

### **Agency and administered financial statements**

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

- Agency assets, liabilities, revenues and expenses are those which are controlled by the agency. Agency expenses include employee and supplier expenses and other administrative costs, which are incurred by the agency in providing its goods and services.
- Administered revenues, expenses, assets and liabilities are those, which are, managed on behalf of the Government according to set government directions. Administered expenses include interest incurred on Commonwealth debt and administered revenues include interest earned on housing agreement loans and interest from swaps.

### **Appropriations in the accrual budgeting framework**

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

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

## Part C: Agency Budget Statements — AOFM

- administered capital appropriations: representing appropriation for investment in specialist debt management hardware and software.

In addition, special appropriations continue under the accrual appropriation framework, and fund the majority of payments from the consolidated revenue fund, including debt redemption and financial investment activity.

### Agency revenues and expenses

#### *Appropriations*

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

The AOFM has prepared its estimates for the 2001-02 budget and forward years to achieve a break-even operating result. Consequently the appropriation revenue from government represents the funding required to meet all expenses after deduction of revenue from other sources.

#### *Revenues from other sources — other revenue from other sources*

As part of the agency banking incentive scheme, the AOFM has estimated that it will earn \$20,000 interest on credit balances in its agency account and from term deposit investments.

#### *Expenses*

The AOFM envisages a further increase of the staffing of the operation over the Budget year 2001-02.

### Administered revenues and expenses

#### **Non-taxation operating revenues — interest**

	Estimated actual		Estimated		
	2000-01 \$'000	2001-02 \$'000	2002-03 \$'000	2003-04 \$'000	2004-05 \$'000
<b>Interest</b>					
Interest on housing agreements	172,263	169,249	166,109	162,853	159,477
Interest on state and territory debt	53,042	37,558	31,944	20,070	11,284
Interest from other sources	2,795,360	2,944,754	2,872,029	2,933,408	3,625,223
<b>Total interest</b>	<b>3,020,665</b>	<b>3,151,561</b>	<b>3,070,082</b>	<b>3,116,331</b>	<b>3,795,984</b>

Interest from other sources includes interest from swaps and investments.

Part C: Agency Budget Statements — AOFM

**Operating expenses — grants**

	Estimated actual	Estimated			
	2000-01 \$'000	2001-02 \$'000	2002-03 \$'000	2003-04 \$'000	2004-05 \$'000
<b>Grants</b>					
Grants to State and Territory Governments	56,644	36,318	31,300	36,704	54,330
<b>Total grants</b>	56,664	36,318	31,300	36,704	54,330

**Operating expenses — interest and other financing costs**

	Estimated actual	Estimated			
	2000-01 \$'000	2001-02 \$'000	2002-03 \$'000	2003-04 \$'000	2004-05 \$'000
<b>Interest and other costs</b>					
Interest on Government securities	5,613,538	5,036,059	4,837,908	4,372,631	4,000,598
Interest on swaps	2,430,354	2,042,335	1,971,597	1,805,877	1,756,210
Interest on other debt	55,068	56,887	38,030	9,220	2,000
Net repurchase premia	325,316	-	-	-	-
Other financing costs	2,691	4,594	3,691	3,691	3,691
<b>Total interest and other costs</b>	8,426,967	7,139,875	6,851,226	6,191,419	5,762,499

**Agency assets and liabilities**

The employee liabilities of the AOFM are expected to increase from the estimated actuals as at 30 June 2001. The increased liability recognises that staff numbers are expected to grow significantly during the Budget year 2001-02.

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

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

**Part C: Agency Budget Statements — AOFM**

**Administered assets and liabilities**

***Debt – government securities***

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

**Financial assets — receivables**

	Estimated Actual		Estimated		
	2000-01 \$'000	2001-02 \$'000	2002-03 \$'000	2003-04 \$'000	2004-05 \$'000
<b>Receivables</b>					
Loans to State and Territory Governments	4,517,106	4,291,933	4,180,148	3,803,329	3,645,011
Appropriations receivable	3,297,915	3,328,483	3,432,679	3,356,987	3,431,639
Swap principal	22,829	17,366	17,366	–	–
<b>Total receivables</b>	<b>7,837,850</b>	<b>7,637,782</b>	<b>7,630,193</b>	<b>7,160,316</b>	<b>7,076,650</b>

## Appendix 1

**Agency and administered revenue**

	Estimated revenue 2000-01 \$'000	Estimated revenue 2001-02 \$'000
<b>AGENCY REVENUE</b>		
<b>Non-appropriation agency revenue</b>		
AOFM Section 31 receipts	107	20
<b>Total non-appropriation agency revenue</b>	107	20
Appropriations	5,706	5,822
<b>Total agency revenue</b>	5,813	5,842
<b>ADMINISTERED REVENUE</b>		
<b>Non-appropriation administered revenue</b>		
Advances to the Australian Capital Territory - interest	68	-
Advances to the States under the Housing Agreements - interest	99,616	97,324
Advances to the Northern Territory for housing - interest	1,555	1,536
Advances to the States under the <i>Housing Assistance Act 1973</i> - interest	148	144
Advances to the States under <i>States (Works and Housing Assistance) Acts</i> - interest	70,545	69,877
Advances to the States under the <i>War Service Lands Settlements Acts</i> - interest	399	368
Interest paid by the States and the Northern Territory on other loans	52,974	37,558
Interest on financial assets	438,310	527,040
Loan management expenses	25	20
- recoveries from the States and the Northern Territory		
<i>Loan Securities Amendment Act 1988 (Swaps)</i> - interest	2,357,050	2,417,714
Other	831	831
<b>Total non-appropriation administered revenue</b>	3,021,521	3,152,412
Appropriations	46,980,628	42,851,606
<b>Total administered revenue</b>	50,002,149	46,004,018

## Appendix 2

**Estimates of expenses from annual and special appropriations**

	Estimated expenses 2000-01 \$'000	Estimated expenses 2001-02 \$'000
<b>ESTIMATED EXPENSES</b>		
<b>Appropriation Bill No. 1</b>		
Loan management expenses	1,968	4,072
Overseas bond issues - lapsed coupons	10	10
<b>Total Appropriation Bill No. 1</b>	<b>1,978</b>	<b>4,082</b>
<b>Special appropriations</b>		
<i>Airports (Transitional) Act 1996</i> - former debts Federal Airports Commission - interest	36,787	36,787
<i>Commonwealth Inscribed Stock Act 1911,</i> <i>Loans and Securities Act 1911, Loans Securities Act 1919,</i> <i>Loans Redemption and Conversion Act 1921</i>	5,612,868	5,038,049
<i>Loan Securities Amendment Act 1988 (Swaps)</i> - interest	2,430,354	2,040,335
<i>Financial Agreement Act 1994</i> - assistance for debt redemption	53,400	34,400
<i>Loans Securities Amendment Act 1988 (Swaps)</i> - principal	1,445,614	-
<i>Financial Agreement Act 1994</i> - Commonwealth contribution to the debt retirement reserve trust account on state and Northern Territory debt	3,244	1,918
<i>Financial Agreement Act 1994</i> - interest on debt retirement reserve trust account balances	829	829
<i>Qantas Sale Act 1992</i> - Qantas debt servicing	660	-
<i>Australian National Railways Commission Act 1983</i> - debt servicing	16,582	18,200
<i>Snowy Hydro Corporatisation Act 1997</i> - debt servicing	2,000	2,000
Loan flotation expenses	422	422
<i>Loans Redemption and Conversion Act 1921</i> - net repurchase premia	325,316	-
<b>Total special appropriations</b>	<b>9,928,076</b>	<b>7,172,940</b>
<b>Total estimated expenses</b>	<b>9,930,054</b>	<b>7,177,022</b>



# **AUSTRALIAN PRUDENTIAL REGULATION AUTHORITY**

## **Section 1: Overview, appropriations and budget measures summary**

### **OVERVIEW**

The role of the Australian Prudential Regulation Authority (APRA) is regulation that promotes prudent behaviour by banks, insurance companies, superannuation funds and other financial institutions with the key aim of protecting the interests of their depositors, policy holders and fund members.

Prudential regulation focuses on the quality of an institution's systems for identifying, measuring and managing the various risks in its business.

In carrying out this role, APRA will enhance public confidence in Australia's financial institutions through a framework of prudential regulation, which balances financial safety and efficiency, competition, contestability and competitive neutrality. This is achieved by:

- the formulation and promulgation of prudential policy and practice to be observed by regulated institutions;
- effective surveillance and compliance programmes and, where relevant, remediation or enforcement measures, to give effect to the laws administered by APRA and to standards issued under those laws; and
- advice to government on the development of regulation and legislation affecting regulated institutions and the financial markets in which they operate.

APRA was established by the *Australian Prudential Regulation Authority Act 1998*. The *Commonwealth Authorities and Companies Act 1997* applies to APRA.

### **APPROPRIATIONS**

The total appropriation for APRA in the 2001-02 Budget is \$51.9 million (see Table 1.1 on the following page).

Part C: Agency Budget Statements - APRA

Australian Prudential Regulation Authority — appropriations 2001-02

Table 1.1: Appropriations and other revenue

Outcome	Revenue from Government (appropriations)		Revenue from other sources <sup>(4)</sup>	Price of outputs <sup>(3)</sup>	Administered (\$'000)		Total appropriations		
	Agency from Government (appropriations)	Special approps <sup>(5)</sup>			Annual appropriations	Special approps <sup>(5)</sup>			
	Bill No. 1 (A)	Special approps <sup>(5)</sup> (B)	Total (C = A+B)	(D)	(E = C+D)	Bill No. 1 (F)	Bill No. 2 (SPPs & NAOs) <sup>(2)</sup> (G)	(H) (I = F+G+H)	(J=C+I)
<b>Outcome 1</b> - 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	-	51,911	51,911	1,200	53,111	-	-	-	51,911
			(C1) <sup>(1)</sup>		(E1) <sup>(1)</sup>				
			*98%	2%	100%				
<b>Total</b>	-	-	(K1) <sup>(1)</sup> 51,911	1,200	53,111	-	-	-	51,911
						Agency capital (equity injections and loans)			
						Administered capital			
						Total appropriations			51,911

(1) C1 and E1 refer to information provided in Table 2.1. K1 refers to information provided in Table 3.1.

(2) Under the appropriation structure, Bill No. 2 includes Specific Purpose Payments (SPP's), New Agency Outcomes (NAOs), administered capital and agency capital via agency injections and loans.

(3) Refer to Table 3.1 for application of agency revenue.

(4) Revenue from other sources includes other revenue from government (for example, resources free of charge) and revenue from other sources (for example, sales of goods and services by agencies). Non-appropriated agency and administered revenues are detailed in Appendix 1.

(5) Estimated expenses from individual special appropriations are shown in Appendix 2.

\* Percentage figures indicate the percentage contribution of revenue from government (agency appropriations) to the total price of outputs, by outcome.

## ADMINISTERED CAPITAL AND AGENCY INJECTIONS AND LOANS

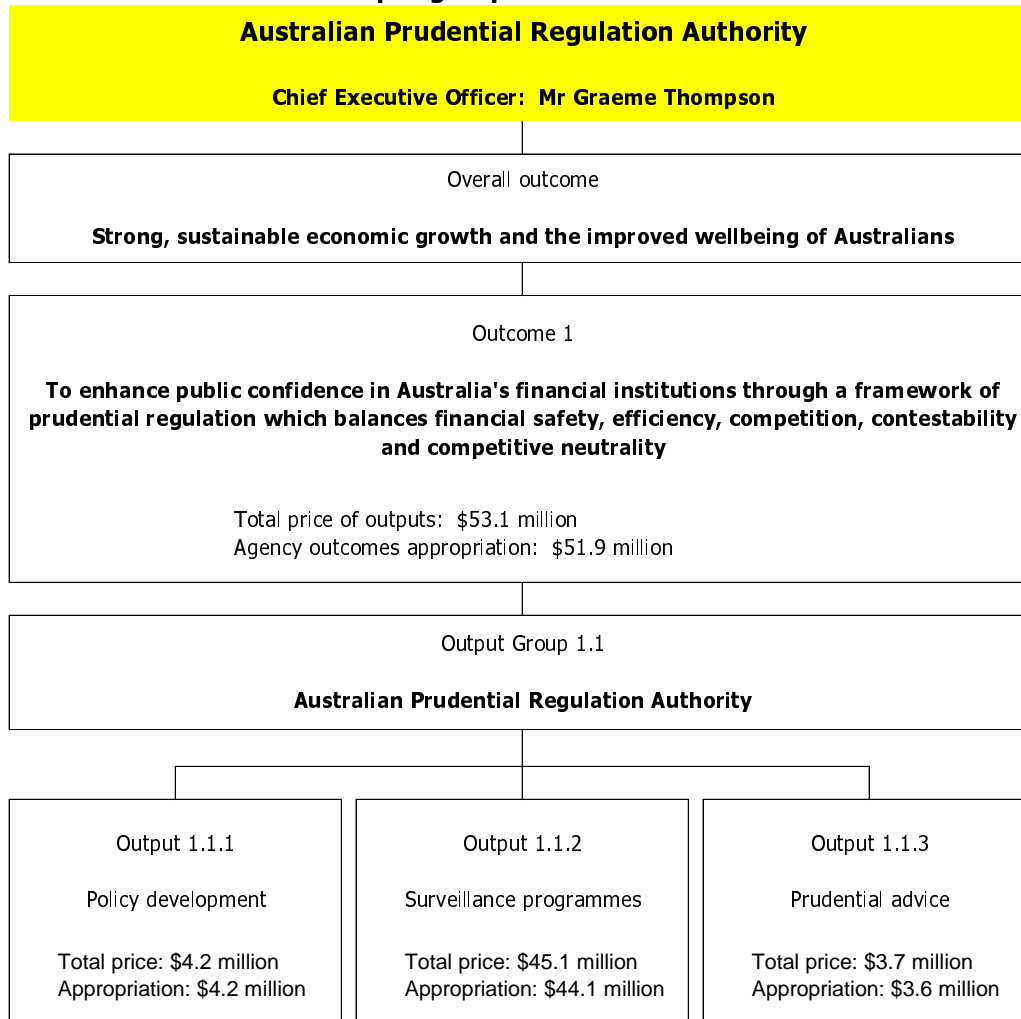
APRA does not have an appropriation for an equity injection or loan or an appropriation for administered capital in 2001-02.

## Section 2: Outcomes and outputs information

### OUTCOMES AND OUTPUT GROUPS

The following map shows the relationship between Government outcomes and the contributing outputs for the Australian Prudential Regulation Authority (APRA). Financial detail for Outcome 1 by output appears in Table 2.1 while non-financial information for Outcome 1 appears in Table 2.2.

**Chart 6: Outcomes and output groups**



## **CHANGES TO OUTCOMES AND OUTPUTS**

Output 1.1.3, originally titled 'Financial advice' has been renamed 'Prudential advice' to better reflect the services and activities undertaken by APRA. There have been no other changes to APRA's outcomes and outputs during 2000-01.

## **OUTCOME 1 — DESCRIPTION**

*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*

### **Measures affecting Outcome 1**

There are no Budget measures for APRA in the 2001-02 Budget.

## OUTCOME 1 — RESOURCING

Table 2.1 shows how the 2001-02 appropriations translate to total resourcing for Outcome 1, including revenue from government (appropriations), revenue from other sources and the total price of outputs. This table links back to Table 1.1, the Appropriations and other revenue Table.

**Table 2.1: Total resources for Outcome 1**

	Estimated actual 2000-01 \$'000	Budget estimate 2001-02 \$'000
<b>Agency appropriations</b>		
Output Group 1.1 Australian Prudential Regulation Authority		
Output 1.1.1 Policy development	3,972	4,153
Output 1.1.2 Surveillance programmes	42,203	44,124
Output 1.1.3 Prudential advice	3,476	3,634
<b>Total revenue from government (appropriations)</b>	49,651	(C1) <sup>(1)</sup> 51,911
<b>Contributing to price of agency outputs</b>	96%	98%
<b>Revenue from other sources</b>		
Miscellaneous fees and charges	300	400
Interest revenue	1,508	800
<b>Total revenue from other sources</b>	1,808	1,200
<b>Total price from agency outputs</b>		
(Total revenue from government and from other sources)	51,459	(E1) <sup>(1)</sup> 53,111
Administered capital	-	-
<b>Total estimated resourcing for Outcome 1</b>		
(Total price of outputs and administered expenses)	51,459	53,111
	2000-01	2001-02
<b>Average staffing level (number)</b>	396	417

(1) C1 and E1 — see Table 1.1.

## OUTCOME 1 — CONTRIBUTION OF OUTPUTS

The outputs of APRA aim to enhance 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 outputs involve formulation and promulgation of prudential policy and practice to be observed by regulated institutions; effective surveillance and compliance programmes and, where relevant, remediation or enforcement measures, to give effect to the laws administered by APRA and to standards issued under those laws; and advice to Government on the development of regulation and legislation affecting regulated institutions and the financial markets in which they operate.

**Part C: Agency Budget Statements — APRA**

**Table 2.2: Performance information for Outcome 1**

<b>Performance information for agency outputs</b>	
<b>Output Group 1.1 — Australian Prudential Regulation Authority</b>	
Output 1.1.1 — Policy development	<p>Issuance of prudential standards, guidelines and like instruments which effectively address risk management exposures of regulated industries;</p> <p>Comprehensive consultation with industry bodies, regulated institutions and professional associations on the development and implementation of prudential policy;</p> <p>Effective communication and cooperation with relevant national and international agencies including participation in the international development and harmonisation of prudential regulation policy and practice; and</p> <p>Promotion of public understanding of the role of APRA and informed debate on issues relating to prudential supervision through the publication of discussion papers, statistics and other relevant information.</p>
Output 1.1.2 — Surveillance programmes	<p>Prevention of financial loss by depositors or policy holders resulting from the failure of regulated institutions to observe laws, regulations or prudential standards administered by APRA;</p> <p>The identification of emerging prudential risks within regulated institutions through programmes of inspection and off-site surveillance and the supervision of remedial actions to effectively manage such risks; and</p> <p>The exercise by APRA of formal enforcement powers where necessary to protect the interests of depositor, policy holders, superannuation fund members or the public interest generally (including powers to issue directions, disqualify persons from positions of management or trust, transferring engagements, withdrawing licenses, or initiating prosecutions).</p>
Output Group 1.1.3 — Prudential advice	<p>Regular liaison meetings with industry, the Department of the Treasury and, as requested, with relevant Ministers and Parliamentary Committees;</p> <p>Recommendations to Government on prudential regulation policy development involving legislative implementation (including amendments to all Acts of Parliament administered by APRA and regulations thereunder);</p> <p>Timely briefings to Government on major items of policy interest emerging from APRA participation in international forum; and</p> <p>Maintenance of a memorandum of understanding with the Department of the Treasury.</p>

### **Evaluations**

Feedback will be sought from key clients on a regular basis on the effectiveness of policy and prudential advice.

The performance of surveillance programmes is evaluated through industry consultation on a periodic basis.

APRA's performance will be included in an assessment of the Government's financial systems reforms by the Financial Sector Advisory Council in 2003.

### **Competitive tendering and contracting**

As a new organisation, APRA has been through a number of market testing exercises, which were implemented as considered appropriate. APRA will continue to implement programmes that reflect the principles of competitive tendering and contracting.

## **Section 3: Budgeted financial statements**

The budgeted financial statements will form the basis of the financial statements that will appear in the Australian Prudential Regulation Authority (APRA)'s 2000-01 Annual Report and form the basis for the input into the Whole of Government Accounts. The financial statements should be read in conjunction with the accompanying notes.

The financial statements are prepared consistent with Goods and Services Tax (GST) accounting requirements, as outlined by the Urgent Issues Group (UIG) of the Australian Accounting Standards Board. The UIG consensus requires that expenses and assets be accounted for net of recoverable GST, revenues be accounted for net of GST payable and that cash flows and accounts payable and receivable are reported gross. Appropriations are thus net of recoverable GST amounts.

### **AGENCY STATEMENTS**

#### **Budgeted agency statement of financial performance**

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.

#### **Budgeted agency statement of financial position**

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

#### **Budgeted agency statement of cash flows**

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

#### **Agency capital budget statement**

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

#### **Agency non-financial assets — summary of movement**

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



## **ADMINISTERED NOTES**

Details of transactions administered by the agency on behalf of the Commonwealth are to be shown in the following notes to the financial statements.

### **Note of budgeted administered financial performance**

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

### **Note of budgeted administered financial position**

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

### **Note of budgeted administered cash flows**

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

Part C: Agency Budget Statements — APRA

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

	Estimated actual 2000-01 \$'000	Budget estimate 2001-02 \$'000	Forward estimate 2002-03 \$'000	Forward estimate 2003-04 \$'000	Forward estimate 2004-05 \$'000
<b>Revenues from ordinary activities</b>		(K1) <sup>(1)</sup>			
Revenue from government	49,651	51,911	52,446	52,446	52,446
Sale of goods and services	300	400	500	500	550
Interest	1,508	800	1,000	1,100	1,200
<b>Total revenues from ordinary activities</b>	<b>51,459</b>	<b>53,111</b>	<b>53,946</b>	<b>54,046</b>	<b>54,196</b>
<b>Expenses from ordinary activities (excluding borrowing cost expense)</b>					
Employees	33,500	35,725	35,725	35,725	35,725
Suppliers	13,420	13,422	13,607	13,607	13,607
Depreciation and amortisation	2,700	3,951	4,670	4,684	4,832
Write down of assets	1,088	-	-	-	-
<b>Total expenses from ordinary activities (excluding borrowing cost expense)</b>	<b>50,708</b>	<b>53,098</b>	<b>54,002</b>	<b>54,016</b>	<b>54,164</b>
Borrowing cost expense	-	-	-	-	-
<b>Net surplus or deficit from ordinary activities</b>	<b>751</b>	<b>13</b>	<b>-56</b>	<b>30</b>	<b>32</b>
Gain or loss on extraordinary items	-	-	-	-	-
<b>Net surplus or deficit</b>	<b>751</b>	<b>13</b>	<b>-56</b>	<b>30</b>	<b>32</b>
Capital use charge	-	-	-	-	-
<b>Net surplus or deficit after capital use charge</b>	<b>751</b>	<b>13</b>	<b>-56</b>	<b>30</b>	<b>32</b>

(1) K1 — see Table 1.1.

**Table 3.2: Budgeted agency statement of financial position  
as at 30 June**

	Estimated actual 2000-01 \$'000	Budget estimate 2001-02 \$'000	Forward estimate 2002-03 \$'000	Forward estimate 2003-04 \$'000	Forward estimate 2004-05 \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash	12,449	7,598	9,770	11,886	13,435
Receivables	1,302	700	575	400	325
Accrued revenues	1,371	181	189	188	189
<b>Total financial assets</b>	<b>15,122</b>	<b>8,479</b>	<b>10,534</b>	<b>12,474</b>	<b>13,949</b>
<b>Non-financial assets</b>					
Infrastructure, plant and equipment	6,148	5,584	4,971	4,322	3,605
Intangibles	7,771	8,641	7,141	5,664	4,106
Other	120	120	120	120	120
<b>Total non-financial assets</b>	<b>14,039</b>	<b>14,345</b>	<b>12,232</b>	<b>10,106</b>	<b>7,831</b>
<b>Total assets</b>	<b>29,161</b>	<b>22,824</b>	<b>22,766</b>	<b>22,580</b>	<b>21,780</b>
<b>LIABILITIES</b>					
<b>Debt</b>					
Loans	5,440	-	-	-	-
Leases	24	17	-	-	-
Other	2,634	1,646	1,336	1,041	814
<b>Total debt</b>	<b>8,098</b>	<b>1,663</b>	<b>1,336</b>	<b>1,041</b>	<b>814</b>
<b>Provisions and payables</b>					
Employees	9,327	10,042	10,323	10,331	9,654
Suppliers	3,500	3,200	3,200	3,200	3,200
Other	538	208	252	323	395
<b>Total provisions and payables</b>	<b>13,365</b>	<b>13,450</b>	<b>13,775</b>	<b>13,854</b>	<b>13,249</b>
<b>Total liabilities</b>	<b>21,463</b>	<b>15,113</b>	<b>15,111</b>	<b>14,895</b>	<b>14,063</b>
<b>EQUITY</b>					
Capital	5,255	5,255	5,255	5,255	5,255
Accumulated surpluses or deficits	2,443	2,456	2,400	2,430	2,462
<b>Total equity</b>	<b>7,698</b>	<b>7,711</b>	<b>7,655</b>	<b>7,685</b>	<b>7,717</b>
<b>Current liabilities</b>	<b>15,163</b>	<b>8,981</b>	<b>9,136</b>	<b>9,009</b>	<b>8,649</b>
<b>Non-current liabilities</b>	<b>6,300</b>	<b>6,132</b>	<b>5,975</b>	<b>5,886</b>	<b>5,414</b>
<b>Current assets</b>	<b>15,242</b>	<b>8,599</b>	<b>10,654</b>	<b>12,595</b>	<b>14,070</b>
<b>Non-current assets</b>	<b>13,919</b>	<b>14,225</b>	<b>12,112</b>	<b>9,985</b>	<b>7,710</b>

**Part C: Agency Budget Statements — APRA**

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

	Estimated actual 2000-01 \$'000	Budget estimate 2001-02 \$'000	Forward estimate 2002-03 \$'000	Forward estimate 2003-04 \$'000	Forward estimate 2004-05 \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Appropriations for outputs	51,139	53,048	52,571	52,621	52,521
Sale of goods and services	785	311	425	475	525
Interest	1,508	800	1,000	1,100	1,200
<b>Total cash received</b>	<b>53,432</b>	<b>54,159</b>	<b>53,996</b>	<b>54,196</b>	<b>54,246</b>
<b>Cash used</b>					
Employees	35,191	35,009	35,445	35,717	36,402
Suppliers	16,332	14,022	13,830	13,831	13,763
<b>Total cash used</b>	<b>51,523</b>	<b>49,031</b>	<b>49,275</b>	<b>49,548</b>	<b>50,165</b>
<b>Net cash from operating activities</b>	<b>1,909</b>	<b>5,128</b>	<b>4,721</b>	<b>4,648</b>	<b>4,081</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash received</b>					
Sale of property, plant and equipment	25	25	25	25	25
<b>Total cash received</b>	<b>25</b>	<b>25</b>	<b>25</b>	<b>25</b>	<b>25</b>
<b>Cash used</b>					
Purchase of property, plant and equipment	7,611	4,557	2,557	2,557	2,557
<b>Total cash used</b>	<b>7,611</b>	<b>4,557</b>	<b>2,557</b>	<b>2,557</b>	<b>2,557</b>
<b>Net cash from investing activities</b>	<b>-7,586</b>	<b>-4,532</b>	<b>-2,532</b>	<b>-2,532</b>	<b>-2,532</b>
<b>FINANCING ACTIVITIES</b>					
<b>Cash used</b>					
Repayment of debt	5,448	5,447	17	-	-
<b>Total cash used</b>	<b>5,448</b>	<b>5,447</b>	<b>17</b>	<b>-</b>	<b>-</b>
<b>Net cash from financing activities</b>	<b>-5,448</b>	<b>-5,447</b>	<b>-17</b>	<b>-</b>	<b>-</b>
<b>Net increase in cash held</b>	<b>-11,125</b>	<b>-4,851</b>	<b>2,172</b>	<b>2,116</b>	<b>1,549</b>
Cash at beginning of reporting period	23,574	12,449	7,598	9,770	11,886
Cash at end of reporting period	12,449	7,598	9,770	11,886	13,435

Part C: Agency Budget Statements — APRA

**Table 3.4: Agency capital budget statement**

	Estimated actual 2000-01 \$'000	Budget estimate 2001-02 \$'000	Forward estimate 2002-03 \$'000	Forward estimate 2003-04 \$'000	Forward estimate 2004-05 \$'000
<b>Purchase of non-current assets</b>					
Funded by capital appropriations	-	-	-	-	-
Funded internally by agency resources	7,611	4,557	2,557	2,557	2,557
<b>Total</b>	7,611	4,557	2,557	2,557	2,557

Part C: Agency Budget Statements - APRA

Table 3-5: Agency non-financial assets — summary of movement (Budget year 2001-02)

	Land \$'000	Buildings \$'000	Total land and buildings \$'000	Specialist military equipment \$'000	Other infrastructure plant and equipment \$'000	Total infrastructure plant and equipment \$'000	Intangibles \$'000	Total \$'000
<b>GROSS VALUE</b>								
<i>As at 1 July 2001 (opening)</i>	-	-	-	-	9,603	9,603	10,329	19,932
Additions	-	-	-	-	1,557	1,557	2,700	4,257
Disposals	-	-	-	-	-1,040	-1,040	-	-1,040
Other movements	-	-	-	-	-	-	-1,028	-1,028
<i>As at 30 June 2002 (closing)</i>	-	-	-	-	10,120	10,120	12,001	22,121
<b>ACCUMULATED DEPRECIATION</b>								
<i>As at 1 July 2001 (opening)</i>	-	-	-	-	3,455	3,455	2,558	6,013
Disposals	-	-	-	-	2,121	2,121	1,830	3,951
Charge for the reporting period	-	-	-	-	-1,040	-1,040	-	-1,040
Other movements	-	-	-	-	-	-	-1,028	-1,028
<i>As at 30 June 2002 (closing)</i>	-	-	-	-	4,536	4,536	3,360	7,896
<b>Net book value</b>								
<b>As at 30 June 2002</b>	-	-	-	-	5,584	5,584	8,641	14,225
<b>(closing book value)</b>								
<b>Net book value</b>								
<b>As at 1 July 2001</b>	-	-	-	-	6,148	6,148	7,771	13,919
<b>(opening book value)</b>								
<b>TOTAL ADDITIONS</b>								
Self funded	-	-	-	-	1,557	1,557	2,700	4,257
<b>Total</b>	-	-	-	-	1,557	1,557	2,700	4,257

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

	Estimated actual 2000-01 \$'000	Budget estimate 2001-02 \$'000	Forward estimate 2002-03 \$'000	Forward estimate 2003-04 \$'000	Forward estimate 2004-05 \$'000
<b>REVENUES</b>					
<b>Taxation</b>					
Other taxes, fees and fines	64,570	66,579	67,114	67,114	67,114
<b>Total taxation</b>	64,570	66,579	67,114	67,114	67,114
<b>Total revenues administered on behalf of the Government</b>	64,570	66,579	67,114	67,114	67,114
<b>EXPENSES</b>					
<b>Total expenses administered on behalf of the Government</b>	-	-	-	-	-

Part C: Agency Budget Statements — APRA

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

	Estimated actual 2000-01 \$'000	Budget estimate 2001-02 \$'000	Forward estimate 2002-03 \$'000	Forward estimate 2003-04 \$'000	Forward estimate 2004-05 \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Receivables	652	400	350	200	150
Accrued revenues	1,148	-	-	-	-
Other	613	-	-	-	-
<b>Total financial assets</b>	<b>2,413</b>	<b>400</b>	<b>350</b>	<b>200</b>	<b>150</b>
<b>Total assets administered on behalf of the Government</b>	<b>2,413</b>	<b>400</b>	<b>350</b>	<b>200</b>	<b>150</b>
<b>LIABILITIES</b>					
<b>Debt</b>					
Other	2,913	550	425	250	175
<b>Total debt</b>	<b>2,913</b>	<b>550</b>	<b>425</b>	<b>250</b>	<b>175</b>
<b>Total liabilities administered on behalf of the Government</b>	<b>2,913</b>	<b>550</b>	<b>425</b>	<b>250</b>	<b>175</b>
<b>Current liabilities</b>	<b>2,913</b>	<b>550</b>	<b>425</b>	<b>250</b>	<b>175</b>
<b>Non-current liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Current assets</b>	<b>2,413</b>	<b>400</b>	<b>350</b>	<b>200</b>	<b>150</b>
<b>Non-current assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>



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

	Estimated actual 2000-01 \$'000	Budget estimate 2001-02 \$'000	Forward estimate 2002-03 \$'000	Forward estimate 2003-04 \$'000	Forward estimate 2004-05 \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Other taxes, fees and fines	63,028	67,366	67,164	67,264	67,164
<b>Total cash received</b>	<b>63,028</b>	<b>67,366</b>	<b>67,164</b>	<b>67,264</b>	<b>67,164</b>
<b>Cash used</b>					
Cash to Official Public Account	63,028	67,366	67,164	67,264	67,164
<b>Total cash used</b>	<b>63,028</b>	<b>67,366</b>	<b>67,164</b>	<b>67,264</b>	<b>67,164</b>
<b>Net cash from operating activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## **NOTES TO THE FINANCIAL STATEMENTS**

### **Basis of accounting**

The financial statements have been prepared on an accrual basis in accordance with the historical cost convention.

### **Budgeted agency statement of financial performance**

#### ***Goods and Services Tax***

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

#### ***Revenue from government***

APRA is funded by a special appropriation for levies, late lodgment and late payment penalties collected under the *Financial Institutions Supervisory Levies Collection Act 1998*. The revenue reported by APRA is net of the levies retained in the Official Public Account to fund the Australian Securities and Investments Commission (ASIC) for consumer protection and market integrity functions, and to the Australian Taxation Office (ATO), for unclaimed monies and lost member functions.

In addition, where there has been an over-recovery of levies for an industry segment and the following year's levies are expected to be reduced to return this money to industry, the over-recovery has been deducted from the current year revenue and carried forward as revenue in advance to the following year. Revenue in advance from this source totaled \$2.9 million in 1999-2000 and \$0.6 million in 2000-01.

Similarly, where there has been an under-recovery of levies for an industry segment and the following year's levies are expected to be increased to recover this deficit, then the short-fall has been added back to revenue and recognised as accrued revenue at year end. Accrued revenue from this source totaled \$1.1 million in 2001-02.

#### ***Depreciation and amortisation***

APRA's depreciation expense is increasing over time due to the development and implementation of infrastructure that will provide APRA staff with accurate and timely financial information about regulated entities and that will allow APRA to act as the central repository for this information. The introduction of this system has resulted in a shorter useful life and increased depreciation for some of APRA's legacy software systems.

***Write down of assets***

The write-down of assets in 2000-01 relates to a change in APRA's policy for recognition of assets. All assets which no longer met the new criteria or asset threshold were written down as at 1 July 2000.

In addition, this item includes write-offs and waivers of levy debt.

**Budgeted agency statement of financial position**

***Financial assets***

These include cash, levies invoiced but still outstanding at the financial year end and revenue accrued for any under-recovery of levies in a financial year, which are to be recovered through increased levies in the following financial year.

All accounts receivable are recorded at their estimated recoverable amount.

***Non-financial assets***

Non-financial assets include leasehold improvements, furniture and fittings, computer hardware and office equipment. Intangible assets comprise capitalised software, including work-in-progress. APRA does not own any land or buildings.

Other non-financial assets include prepayments.

***Debt***

The loan represents the balance of \$16.1 million appropriated in 1998-99 and \$4.0 million appropriated in 1999-2000 for the establishment of APRA. The final repayment is to be made before 30 June 2002.

Other debt includes lease incentives and over-recoveries of levies for the financial year where it is expected that the following year levies will be reduced to return these funds to industry.

***Provisions and payables***

Provisions and payables represent liabilities for miscellaneous accruals and employee benefits, including accrued salary and leave entitlements.

***Equity***

The opening balance represents the net value of assets and liabilities transferred from the Reserve Bank of Australia and the Insurance and Superannuation Commission on the formation of APRA on 1 July 1998.

### **Budgeted agency statement of cash flows**

Cash received from operating activities includes the appropriation for levies collected from industry less amounts collected on behalf of ATO and ASIC, cash from fees and charges, and interest earned on cash balances and investments held as government backed securities.

Cash used in investing activities includes cash spent on property, plant and equipment.

Cash used for financing activities is the cash used to repay the establishment funds.

### **Note of budgeted administered financial performance**

#### ***Revenues***

The taxation revenues are the levies, late lodgment and late payment penalties collected under the *Financial Institutions Supervisory Levies Collection Act 1998*. The revenue reported in this statement is higher than that reported by APRA in the budgeted agency statement of financial position by the amount retained in the Official Public Account to fund ASIC for consumer protection and market integrity functions, and to the ATO, for unclaimed moneys and lost member functions.

### **Note of budgeted administered financial position**

#### ***Financial assets***

The financial assets include levy debt invoiced and still outstanding at year end and accrued revenue for any increase in levies in the following year to recover current year deficits.

The 'Other' asset is recognition of the fact that over-recovery of levies which are recognised as unearned revenue will be absorbed by APRA, and will not impact on the amount retained in the Official Public Account.

#### ***Debt***

The 'Other' debt includes revenue in advance expected to be returned to industry through lower levies in the following year, the levy receivables outstanding at year end which are payable to APRA when collected, and cash which is due and payable to APRA under the special appropriation which have not yet been drawn down at year end.

**Note of budgeted administered cash flows**

All cash collected by APRA for levies, late lodgment and late payment penalties under the *Financial Institutions Supervisory Levies Collection Act 1998* and transferred to the Official Public Account at the close of business each day.

## Appendix 1

### Non-appropriation agency and administered revenue

	Estimated revenue 2000-01 \$'000	Estimated revenue 2001-02 \$'000
<b>Non-appropriation agency revenue</b>		
Sale of goods and services	300	400
Interest	1,508	800
<b>Total non-appropriation agency revenue</b>	<b>1,808</b>	<b>1,200</b>
<b>Non-appropriation administered revenue</b>		
<i>Financial Institutions Supervisory Levies Collection Act 1998</i>	64,570	66,579
<b>Total non-appropriation administered revenue</b>	<b>64,570</b>	<b>66,579</b>

Agency other income is derived from fees and charges and interest income. The interest income drops in 2001-02 mainly due to the lower average cash balance forecast over the financial year and the fall in market interest rates.

Administered revenue is the levies collected under the *Financial Institutions Supervisory Levies Collection Act 1998* from bodies regulated by APRA. Each year an amount determined by the Treasurer is retained in the consolidated revenue fund to fund certain activities undertaken by ASIC and the ATO (\$14.9 million in 2000-01 and \$14.7 million in 2001-02). The balance is transferred to APRA as a special appropriation.

## Appendix 2

### Estimates of expenses from special appropriations

	Estimated expenses 2000-01 \$'000	Estimated expenses 2001-02 \$'000
<b>Estimated expenses</b>		
<i>Australian Prudential Regulation Authority Act 1998</i>	49,651	51,911
<b>Total estimated expenses</b>	<b>49,651</b>	<b>51,911</b>

# **AUSTRALIAN SECURITIES AND INVESTMENTS COMMISSION**

## **Section 1: Overview, appropriations and budget measures summary**

### **OVERVIEW**

The Australian Securities and Investments Commission (ASIC) is an 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) throughout Australia. The Commission is established under the *Australian Securities and Investments Commission Act 1989*.

ASIC has the function of monitoring and promoting market integrity and consumer protection in relation to:

- the Australian financial system;
- the provision of financial services; and
- the payments system.

### **APPROPRIATIONS**

The total appropriation for ASIC in the 2001-02 Budget is \$159.2 million. Included in this figure is an administered special appropriation amount of \$18.0 million to cover payments related to banking unclaimed monies under the *Banking Act 1959*. Table 1.1 on the following page provides this detail.

Part C: Agency Budget Statements — ASIC

Australian Securities and Investments Commission — appropriations 2001-02

Table 1.1: Appropriations and other revenue

Outcome	Agency (price of outputs) (\$'000)		Price of outputs	Administered (\$'000)		Total Total appropriations	
	Revenue from Government (appropriations)	Revenue from other sources		Annual appropriations	Special approps		
	Bill No. 1 (A)	Special approps (B)	Total (C = A+B)	Bill No. 1 (F)	Bill No. 2 (SPPs & NAOs) (G)	(H) (I = F+G+H)	(J=C+I)
<b>Outcome 1</b> - A fair and efficient market characterised by integrity and transparency and supporting confident and informed participation of investors and consumers in the financial system	141,221	-	141,221	5,755	146,976	18,025	159,246
			(C1) <sup>(1)</sup>		(E1) <sup>(1)</sup>		(I1) <sup>(1)</sup>
			* 96%	4%	100%		
<b>Total</b>	141,221	-	(K1) <sup>(1)</sup> 141,221	5,755	146,976	18,025	159,246
			Agency capital (equity injections and loans)				
			Administered capital				
			Total appropriations				159,246

(1) C1, E1 and I1 refer to information provided in Table 2.1. K1 refers to information provided in Table 3.1. K2 refers to information provided in Table 3.6.

(2) Under the appropriation structure, Bill No. 2 includes Specific Purpose Payments (SPP's), New Agency Outcomes (NAO's), administered capital and agency capital via agency injections and loans.

(3) Refer to Table 3.1 for application of agency revenue.

(4) Revenue from other sources includes other revenue from government (for example, resources free of charge) and revenue from other sources (for example, sales of goods and services by agencies). Non-appropriated agency and administered revenues are detailed in Appendix 1.

\* Percentage figures indicate the percentage contribution of revenue from government (agency appropriations) to the total price of outputs, by outcome.



**BUDGET MEASURES — AUSTRALIAN SECURITIES AND INVESTMENTS COMMISSION SUMMARY**

**Table 1.2: Summary of measures in the 2001-02 Budget**

Measure	Outcome	Output groups affected	Appropriations budget 2001-02 (\$'000)		Appropriations estimate 2002-03 (\$'000)		Appropriations estimate 2003-04 (\$'000)		Appropriations estimate 2004-05 (\$'000)			
			Admin expenses	Agency outputs	Total	Admin expenses	Agency outputs	Total	Admin expenses	Agency outputs	Total	
Australian Securities and Investments Commission - supplementary funding for HIH investigation	1	1.1	-	2,500	2,500	-	2,500	2,500	-	-	-	-
Financial Services Reform Implementation	1	1.1	-	2,600	2,600	-	-	-	-	-	-	-
Managed Investments	1	1.1	-	2,900	2,900	-	-	-	-	-	-	-
Superannuation Complaints Tribunal	1	1.1	-	716	716	-	716	716	-	716	-	716

**ADMINISTERED CAPITAL AND AGENCY EQUITY INJECTIONS AND LOANS**

ASIC does not have an appropriation for an equity injection or loan or an appropriation for administered capital in 2001-02.

## Section 2: Outcomes and outputs information

### OUTCOMES AND OUTPUT GROUPS

The map on the following page shows the relationship between government outcomes and the contributing outputs for the Australian Securities and Investments Commission (ASIC). Financial detail for Outcome 1 by output appears in Table 2.1 while non-financial information for Outcome 1 appears in Table 2.2.

The activities contributing to each output are detailed below.

***Output 1: Policy and guidance about the laws administered by ASIC***

The design and drafting of policy statements, practice notes, guidance documents, class orders, applications for relief and modifications to the law, and all education and liaison activities.

***Output 2: Comprehensive and accurate information on companies and corporate activity***

All document registration and associated functions — ranging from annual returns, changes of directors, and substantial shareholder notices, to prospectuses and Part A or Part C statements of the Corporations Law — as well as the ‘consequential’ activities accompanying such registration, such as penalties, et cetera.

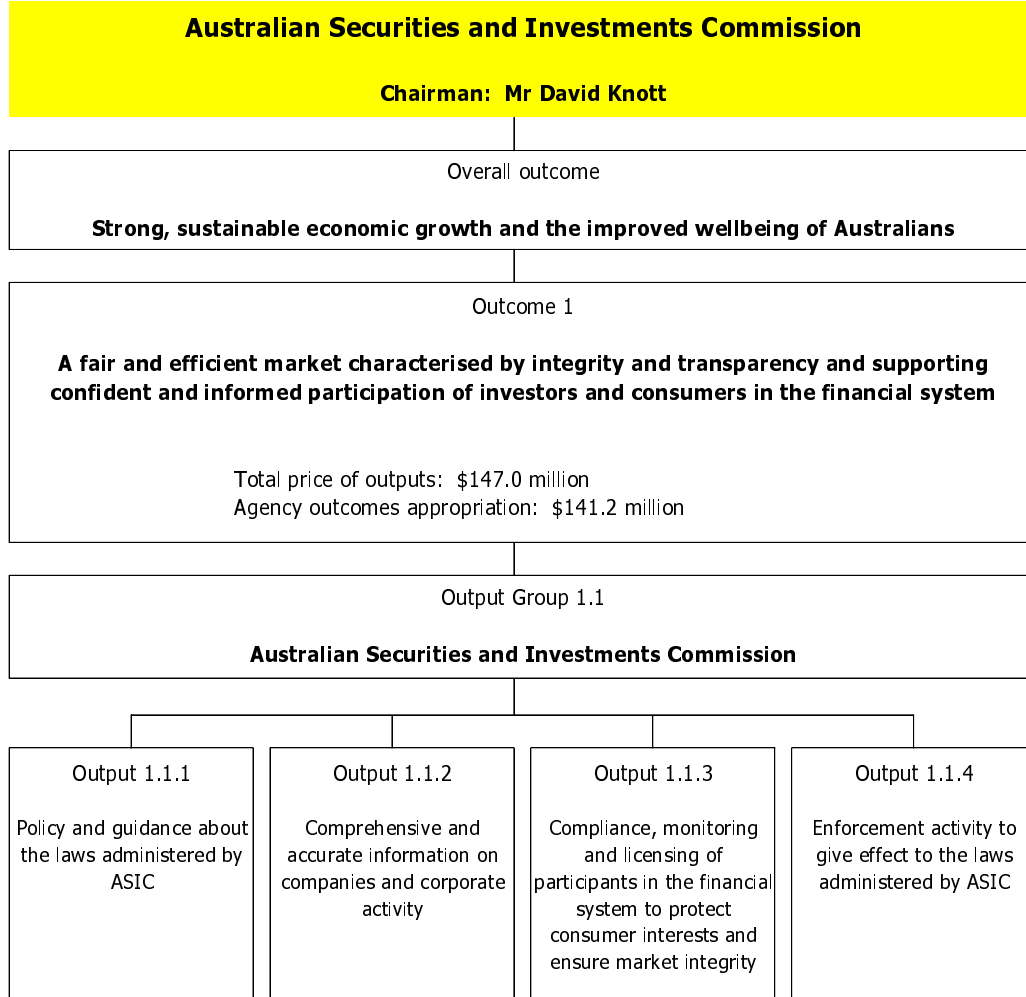
***Output 3: Compliance, monitoring and licensing of participants in the financial system to protect consumer interests and ensure market integrity***

Compliance checking, surveillance, managing complaints, analysis and targeting.

***Output 4: Enforcement activity to give effect to the laws administered by ASIC***

Investigations, civil and criminal litigation, administrative and banning action.

**Chart 6: Outcomes and output groups**



**CHANGES TO OUTCOMES AND OUTPUTS**

There are no proposed changes in outcomes or outputs since the previous year.

**OUTCOME 1 — DESCRIPTION**

***A fair and efficient market characterised by integrity and transparency and supporting confident and informed participation of investors and consumers in the financial system.***

## Measures affecting Outcome 1

### ***Australian Securities and Investments Commission — supplementary funding for HIH investigation***

Additional funding of \$5 million over two years will be provided to Australian Securities and Investments Commission to assist it with its investigation of the HIH Insurance Group, and any resulting prosecutions. This additional funding will supplement the Commission's existing enforcement budget, and not act as an upper limit.

### ***Financial Services Reform Implementation***

The Government has provided Australian Securities and Investments Commission with transitional funding of \$2.6 million to enable it to prepare for the implementation of the major reforms to the regulation of financial products, service providers, intermediaries and markets announced as part of the Corporate Law Economic Reform Programme. The reform programme will provide for a single, harmonised licensing and product disclosure framework.

### ***Managed Investments***

The Government will extend Managed Investments transitional funding for one year by \$2.9 million. This will allow Australian Securities and Investments Commission (ASIC) to maintain an enhanced level of regulation of managed investment funds while a review is undertaken of the *Managed Investments Act 1998* during 2001-02. The *Managed Investments Act 1998* provides an enhanced regime for managed investments, which includes their licensing and involves ASIC monitoring their operations, investigating and taking action in the event of a breach of law.

### ***Superannuation Complaints Tribunal***

The Government has increased the ongoing level of funding for the Superannuation Complaints Tribunal (SCT) by \$0.7 million per annum to restore its determinative role in resolving disputes between superannuation fund members and the funds. Funding for the SCT was reduced in 1998-99 following Federal Court judgements in 1997 and 1998 curtailing the tribunal's functions. The High Court restored full powers to the tribunal on 17 June 1999.

See also the related revenue measure *Superannuation Complaints Tribunal* in the Treasury portfolio.

## OUTCOME 1 — RESOURCING

Table 2.1 shows how the 2001-02 appropriation and programme structure relates to total resourcing for Outcome 1.

**Table 2.1: Total resources for Outcome 1**

	Estimated actual 2000-01 \$'000	Budget estimate 2001-02 \$'000
<b>Administered appropriations</b>		
<i>Banking Act 1959</i>	18,025	18,025
<b>Total administered appropriations</b>	18,025	(I1) <sup>(1)</sup> 18,025
<b>Agency appropriations</b>		
Output Group 1.1 Australian Securities and Investments Commission		
Output 1.1.1 Policy and guidance about laws administered by ASIC	13,500	14,502
Output 1.1.2 Comprehensive and accurate information on companies and corporate activity	39,860	42,818
Output 1.1.3 Compliance, monitoring and licensing of participants in the financial system to protect consumer interests and ensure market integrity	23,465	25,207
Output 1.1.4 Enforcement activity to give effect to the laws administered by ASIC	54,640	58,694
<b>Total revenue from government (appropriations)</b>	131,465	(C1) <sup>(1)</sup> 141,221
<b>Contributing to price of agency outputs</b>	93%	96%
<b>Revenue from other sources</b>	10,300	5,755
<b>Total revenue from other sources</b>	10,300	5,755
<b>Total price from agency outputs</b>		
(Total revenue from government and from other sources)	141,765	(E1) <sup>(1)</sup> 146,976
<b>Total estimated resourcing for Outcome 1</b>		
(Total price of outputs and administered appropriations)	159,790	165,001
	2000-01	2001-02
<b>Average staffing level (number)</b>	1,200	1,230

(1) C1, E1 and I1 — see Table 1.1.

## **OUTCOME 1 — CONTRIBUTION OF OUTPUTS**

The outputs reflect the programmes and activity that ASIC undertakes in fulfilling its function as a government regulatory authority and are essential for the achievement of the Government's outcome.

The Government seeks to ensure that consumers are adequately informed about the financial market and adequately protected from investing in improper and unfair financial products. To achieve these ASIC aims to reduce fraud and unfair practices in financial markets and financial products so consumers use them confidently and companies and markets perform effectively.

In carrying out its responsibilities ASIC strives for:

- high quality regulation at a reasonable cost to the market; and
- responsive, intelligent and consistent customer service, clearly communicated and with a strong educative role.

**Table 2.2: Performance information for Outcome 1**

<b>Performance information for agency outputs</b>	
<b>Output Group 1.1 — Australian Securities and Investments Commission</b>	
Output 1.1.1 — Policy and guidance about the laws administered by ASIC	<p>In financial year 2001-02, ASIC will measure:</p> <ul style="list-style-type: none"> <li>effectiveness of new policies to assist companies adjust to financial services reform legislation if enacted;</li> <li>extent to which consumers, investors and other stakeholders are consulted during policy formulation;</li> <li>infoline calls resolved during first call; and</li> <li>complaints to ASIC dealt within 28 days.</li> </ul>
Output 1.1.2 — Comprehensive and accurate information on companies and corporate activity	<ul style="list-style-type: none"> <li>Annual returns lodged electronically;</li> <li>searches conducted on-line; and</li> <li>company information lodged on time.</li> </ul>
Output 1.1.3 — Compliance monitoring and licensing of participants in the financial system to protect consumer interests and ensure market integrity	<p>ASIC's objective is to focus compliance activities on specific patterns, problems or risk areas and to respond to these problems with integrated national campaigns that use a range of regulatory tools. Generic performance indicators are not appropriate for this approach. Specific indicators will be developed for each campaign.</p> <p>In addition the following measures apply:</p> <ul style="list-style-type: none"> <li>final securities industry licenses issued within 60 business days of application;</li> <li>managed investment license application — letter of offer/refusal sent within 30 business days; and</li> <li>managed investment scheme registration — schemes registered within 10 business days (legislative timing 14 days).</li> </ul>
Output 1.1.4 — Enforcement activity to give effect to the laws administered by ASIC	<ul style="list-style-type: none"> <li>Investigations finalised within 12 months of resourcing;</li> <li>deliver timely results on matters of special urgency or national significance; and</li> <li>upgrade ability to enforce the law over the internet and e-commerce.</li> </ul>

## Evaluations

ASIC's new regulatory system will be subject to a review after five years by the Financial Sector Advisory Council. ASIC was established on 1 July 1998.

Information on evaluation activity that relates to this outcome is included in Table 2.2 above and the results will be shown in ASIC's Annual Report.

**Part C: Agency Budget Statements — ASIC**

**Competitive tendering and contracting**

ASIC is in the process of developing other IT outsourcing strategies following the Government's decision to allow agencies to determine the scope of their respective IT outsourcing strategies.



## Section 3: Budgeted financial statements

The budgeted financial statements will form the basis of the financial statements that will appear in the Australian Securities and Investments Commission (ASIC)'s 2001-02 Annual Report and form the basis for the input into the Whole of Government Accounts. The financial statements should be read in conjunction with the accompanying notes.

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

### **AGENCY STATEMENTS**

#### **Budgeted agency statement of financial performance**

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

#### **Budgeted agency statement of financial position**

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

#### **Budgeted agency statement of cash flows**

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

#### **Agency capital budget statement**

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

#### **Agency non-financial assets – summary of movement**

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

## **ADMINISTERED NOTES**

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

### **Note of budgeted administered financial performance**

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

### **Note of budgeted administered financial position**

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

### **Note of budgeted administered cash flows**

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

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

	Estimated actual 2000-01 \$'000	Budget estimate 2001-02 \$'000	Forward estimate 2002-03 \$'000	Forward estimate 2003-04 \$'000	Forward estimate 2004-05 \$'000
<b>Revenues from ordinary activities</b>		(K1) <sup>(1)</sup>			
Revenue from government	131,465	141,221	135,846	136,373	136,775
Sale of goods and services	1,500	1,500	1,500	1,500	1,500
Interest	1,900	2,005	2,155	2,210	2,290
Other	6,900	2,250	2,290	2,650	2,800
<b>Total revenues from ordinary activities</b>	<b>141,765</b>	<b>146,976</b>	<b>141,791</b>	<b>142,733</b>	<b>143,365</b>
<b>Expenses from ordinary activities (excluding borrowing cost expense)</b>					
Employees	84,313	86,784	85,609	87,834	88,689
Suppliers	46,921	51,642	50,184	50,880	50,957
Depreciation and amortisation	9,588	8,550	5,998	4,019	3,719
Net losses from sale of assets	200	-	-	-	-
<b>Total expenses from ordinary activities (excluding borrowing cost expense)</b>	<b>141,022</b>	<b>146,976</b>	<b>141,791</b>	<b>142,733</b>	<b>143,365</b>
Borrowing cost expense	-	-	-	-	-
<b>Net surplus or deficit from ordinary activities</b>	<b>743</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Gain or loss on extraordinary items	-	-	-	-	-
<b>Net surplus or deficit</b>	<b>743</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Capital use charge	-	-	-	-	-
<b>Net surplus or deficit after capital use charge</b>	<b>743</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

(1) K1 — see Table 1.1.

Part C: Agency Budget Statements — ASIC

**Table 3.2: Budgeted agency statement of financial position  
as at 30 June**

	Estimated actual 2000-01 \$'000	Budget estimate 2001-02 \$'000	Forward estimate 2002-03 \$'000	Forward estimate 2003-04 \$'000	Forward estimate 2004-05 \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash	10,507	9,431	9,416	9,657	8,598
Receivables	1,450	1,500	1,500	1,500	1,500
<b>Total financial assets</b>	<b>11,957</b>	<b>10,931</b>	<b>10,916</b>	<b>11,157</b>	<b>10,098</b>
<b>Non-financial assets</b>					
Land and buildings	4,921	6,746	5,639	4,673	3,707
Infrastructure, plant and equipment	8,063	8,465	10,865	12,485	15,405
Intangibles	5,260	4,283	3,992	3,319	2,646
Other	900	900	900	900	900
<b>Total non-financial assets</b>	<b>19,144</b>	<b>20,394</b>	<b>21,396</b>	<b>21,377</b>	<b>22,658</b>
<b>Total assets</b>	<b>31,101</b>	<b>31,325</b>	<b>32,312</b>	<b>32,534</b>	<b>32,756</b>
<b>LIABILITIES</b>					
<b>Debt</b>					
Other	3,917	2,925	2,312	1,880	1,448
<b>Total debt</b>	<b>3,917</b>	<b>2,925</b>	<b>2,312</b>	<b>1,880</b>	<b>1,448</b>
<b>Provisions and payables</b>					
Employees	26,160	27,376	28,976	29,630	30,284
Suppliers	1,400	1,400	1,400	1,400	1,400
<b>Total provisions and payables</b>	<b>27,560</b>	<b>28,776</b>	<b>30,376</b>	<b>31,030</b>	<b>31,684</b>
<b>Total liabilities</b>	<b>31,477</b>	<b>31,701</b>	<b>32,688</b>	<b>32,910</b>	<b>33,132</b>
<b>EQUITY</b>					
Reserves	325	325	325	325	325
Accumulated surpluses or deficits	-701	-701	-701	-701	-701
<b>Total equity</b>	<b>-376</b>	<b>-376</b>	<b>-376</b>	<b>-376</b>	<b>-376</b>
<b>Current liabilities</b>	<b>15,392</b>	<b>15,013</b>	<b>15,832</b>	<b>15,738</b>	<b>15,639</b>
<b>Non-current liabilities</b>	<b>16,085</b>	<b>16,688</b>	<b>16,856</b>	<b>17,172</b>	<b>17,493</b>
<b>Current assets</b>	<b>12,857</b>	<b>11,831</b>	<b>11,816</b>	<b>12,057</b>	<b>10,998</b>
<b>Non-current assets</b>	<b>18,244</b>	<b>19,494</b>	<b>20,496</b>	<b>20,477</b>	<b>21,758</b>

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

	Estimated actual 2000-01 \$'000	Budget estimate 2001-02 \$'000	Forward estimate 2002-03 \$'000	Forward estimate 2003-04 \$'000	Forward estimate 2004-05 \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Appropriations for outputs	131,465	141,221	135,846	136,373	136,775
Sale of goods and services	2,770	1,500	1,500	1,500	1,500
Interest	1,900	2,005	2,155	2,210	2,290
Other	7,100	2,200	2,290	2,650	2,800
<b>Total cash received</b>	<b>143,235</b>	<b>146,926</b>	<b>141,791</b>	<b>142,733</b>	<b>143,365</b>
<b>Cash used</b>					
Employees	81,786	86,068	84,009	87,180	88,035
Suppliers	53,416	52,134	50,797	51,312	51,389
Interest	222	-	-	-	-
<b>Total cash used</b>	<b>135,424</b>	<b>138,202</b>	<b>134,806</b>	<b>138,492</b>	<b>139,424</b>
<b>Net cash from operating activities</b>	<b>7,811</b>	<b>8,724</b>	<b>6,985</b>	<b>4,241</b>	<b>3,941</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash used</b>					
Purchase of property, plant and equipment	3,090	9,800	7,000	4,000	5,000
<b>Total cash used</b>	<b>3,090</b>	<b>9,800</b>	<b>7,000</b>	<b>4,000</b>	<b>5,000</b>
<b>Net cash from investing activities</b>	<b>-3,090</b>	<b>-9,800</b>	<b>-7,000</b>	<b>-4,000</b>	<b>-5,000</b>
<b>FINANCING ACTIVITIES</b>					
<b>Cash used</b>					
Repayments of debt	2,772	-	-	-	-
<b>Total cash used</b>	<b>2,772</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net cash from financing activities</b>	<b>-2,772</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net increase in cash held</b>	<b>1,949</b>	<b>-1,076</b>	<b>-15</b>	<b>241</b>	<b>-1,059</b>
Cash at beginning of reporting period	8,558	10,507	9,431	9,416	9,657
Cash at end of reporting period	10,507	9,431	9,416	9,657	8,598

**Part C: Agency Budget Statements — ASIC**

**Table 3.4: Agency capital budget statement**

	Estimated actual 2000-01 \$'000	Budget estimate 2001-02 \$'000	Forward estimate 2002-03 \$'000	Forward estimate 2003-04 \$'000	Forward estimate 2004-05 \$'000
<b>Purchase of non-current assets</b>					
Funded by capital appropriations	-	-	-	-	-
Funded internally by agency resources	3,090	9,800	7,000	4,000	5,000
<b>Total</b>	3,090	9,800	7,000	4,000	5,000

Table 3-5: Agency non-financial assets – summary of movement (Budget year 2001-02)

	Land \$'000	Buildings \$'000	Total land and buildings \$'000	Specialist military equipment \$'000	Other infrastructure plant and equipment \$'000	Total infrastructure plant and equipment \$'000	Intangibles \$'000	Total \$'000
<b>GROSS VALUE</b>								
<i>As at 1 July 2001 (opening)</i>	-	9,221	9,221	-	34,192	34,192	11,325	54,738
Additions	-	3,109	3,109	-	5,991	5,991	700	9,800
Disposals	-	-	-	-	6,000	6,000	-	6,000
<i>As at 30 June 2002 (closing)</i>	-	12,330	12,330	-	34,183	34,183	12,025	58,538
<b>ACCUMULATED DEPRECIATION</b>								
<i>As at 1 July 2001 (opening)</i>	-	4,300	4,300	-	25,129	25,129	6,065	35,494
Disposals	-	-	-	-	6,000	6,000	-	6,000
Charge for the reporting period	-	1,284	1,284	-	5,589	5,589	1,677	8,550
<i>As at 30 June 2002 (closing)</i>	-	5,584	5,584	-	24,718	24,718	7,742	38,044
<b>Net book value</b>								
<i>As at 30 June 2002 (closing book value)</i>	-	6,746	6,746	-	9,465	9,465	4,283	20,494
<b>Net book value</b>								
<i>As at 1 July 2001 (opening book value)</i>	-	4,921	4,921	-	9,063	9,063	5,260	19,244
<b>TOTAL ADDITIONS</b>								
Self funded	-	3,109	3,109	-	5,991	5,991	700	9,800
<b>Total</b>	-	3,109	3,109	-	5,991	5,991	700	9,800

Part C: Agency Budget Statements — ASIC

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

	Estimated actual 2000-01 \$'000	Budget estimate 2001-02 \$'000	Forward estimate 2002-03 \$'000	Forward estimate 2003-04 \$'000	Forward estimate 2004-05 \$'000
<b>REVENUES</b>					
<b>Non-taxation</b>					
Sale of goods and services	347,544	352,750	358,035	362,343	362,343
Appropriations	18,025	(K2) <sup>(1)</sup> 18,025	18,025	16,025	16,025
Other sources of non-taxation revenues	23,500	23,500	23,500	23,500	23,500
<b>Total non-taxation</b>	<b>389,069</b>	<b>394,275</b>	<b>399,560</b>	<b>401,868</b>	<b>401,868</b>
<b>Total revenues administered on behalf of the Government</b>	<b>389,069</b>	<b>394,275</b>	<b>399,560</b>	<b>401,868</b>	<b>401,868</b>
<b>EXPENSES</b>					
Net write down of assets	5,000	4,000	4,000	3,000	3,000
Other	18,025	18,025	18,025	16,025	16,025
<b>Total expenses administered on behalf of the Government</b>	<b>23,025</b>	<b>22,025</b>	<b>22,025</b>	<b>19,025</b>	<b>19,025</b>

(1) K2 — see Table 1.1



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

	Estimated actual 2000-01 \$'000	Budget estimate 2001-02 \$'000	Forward estimate 2002-03 \$'000	Forward estimate 2003-04 \$'000	Forward estimate 2004-05 \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash	1,134	134	134	134	134
Receivables	62,239	65,563	67,915	66,792	66,792
<b>Total financial assets</b>	63,373	65,697	68,049	66,926	66,926
<b>Total assets administered on behalf of the Government</b>	63,373	65,697	68,049	66,926	66,926
<b>LIABILITIES</b>					
<b>Provisions and payables</b>					
Other	47,643	52,118	56,593	56,593	56,593
<b>Total provisions and payables</b>	47,643	52,118	56,593	56,593	56,593
<b>Total liabilities administered on behalf of the Government</b>	47,643	52,118	56,593	56,593	56,593
<b>Current liabilities</b>	47,643	52,118	56,593	56,593	56,593
<b>Non-current liabilities</b>	-	-	-	-	-
<b>Current assets</b>	63,373	65,697	68,049	66,926	66,926
<b>Non-current assets</b>	-	-	-	-	-

**Part C: Agency Budget Statements — ASIC**

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

	Estimated actual 2000-01 \$'000	Budget estimate 2001-02 \$'000	Forward estimate 2002-03 \$'000	Forward estimate 2003-04 \$'000	Forward estimate 2004-05 \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Appropriations	18,025	18,025	18,025	16,025	16,025
Sale of goods and services	378,044	377,401	383,658	386,966	386,966
<b>Total cash received</b>	<b>396,069</b>	<b>395,426</b>	<b>401,683</b>	<b>402,991</b>	<b>402,991</b>
<b>Cash used</b>					
Cash to Official Public Account	373,044	374,401	379,658	383,966	383,966
Other	23,025	22,025	22,025	19,025	19,025
<b>Total cash used</b>	<b>396,069</b>	<b>396,426</b>	<b>401,683</b>	<b>402,991</b>	<b>402,991</b>
<b>Net cash from operating activities</b>	<b>-</b>	<b>-1,000</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net increase in cash held</b>					
Cash at beginning of reporting period	1,134	1,134	134	134	134
Cash at end of reporting period	1,134	134	134	134	134

## **NOTES TO THE FINANCIAL STATEMENTS**

### **Basis of accounting**

The financial statements have been prepared on an accrual basis and are in accordance with the historical cost convention.

## Appendix 1

### Non-appropriation agency and administered revenue

	Estimated revenue 2000-01 \$'000	Estimated revenue 2001-02 \$'000
<b>Non-appropriation agency revenue</b>		
Recoveries of costs	10,300	5,755
<b>Total non-appropriation agency revenue</b>	10,300	5,755
<b>Non-appropriation administered revenue</b>		
Banking unclaimed monies	23,500	23,500
Fees and charges collected under the Corporations Law	347,544	352,750
<b>Total non-appropriation administered revenue</b>	371,044	376,250

## Appendix 2

### Estimates of expenses from special appropriations

	Estimated expenses 2000-01 \$'000	Estimated expenses 2001-02 \$'000
<b>Estimated expenses</b>		
<i>Banking Act 1959</i> - Banking unclaimed monies payments	12,000	18,025
<b>Total estimated expenses</b>	12,000	18,025

# **AUSTRALIAN TAXATION OFFICE**

## **Section 1: Overview, appropriations and budget measures summary**

### **OVERVIEW**

The role of the Australian Taxation Office (ATO) is to manage and shape taxation, excise and superannuation systems that fund services for Australians, giving effect to social and economic policy. Through these systems the ATO is the Government's principal revenue management agency. In 2001-02, the ATO will collect 92 per cent of the Commonwealth Government's revenue on behalf of the Australian community (this excludes GST collections).

The ATO also supports the delivery of community benefits, having roles in other services, including:

- Private Health Insurance;
- Family Assistance;
- the Australian Valuation Office;
- the Development Allowance Authority; and
- cross-agency support, such as working with Centrelink to reduce benefit fraud, with the Child Support Agency (CSA) to ensure income transfer for the care of children, and with the Australian Bureau of Statistics to reduce the cost to the community of collecting statistical data.

### **APPROPRIATIONS**

The total appropriation for the ATO in the 2001-02 Budget is \$4,908.1 million. Table 1.1, on the following page, shows the total appropriations by administered expenses, price of output appropriation and agency capital (equity injections and loans).

Part C: Agency Budget Statements - ATO

Australian Taxation Office — appropriations 2001-02

Table 1.1: Appropriations and other revenue

Outcome	Agency (price of outputs) (\$'000)		Price of outputs <sup>(2)</sup>	Administered (\$'000)		Total administered appropriations	Total appropriations	
	Revenue from Government (appropriations)	Revenue from other sources <sup>(3)</sup>		Special approps	Special approps			
	Bill No. 1	Total		Bill No. 1	Bill No. 2 (SPPs & NAOs)			
	(A)	(C = A+B)	(D)	(E = C+D)	(F)	(G)	(H) (I = F+G+H) (J = C+I)	
<b>Outcome 1 -</b> Effectively managed and shaped systems that support and fund services for Australians and give effect to social and economic policy through the tax system	1,775,447	1,775,447	93,468	1,868,915	-	-	3,089,700	4,865,147
		*95%	5%	100%				
<b>Total</b>	<b>1,775,447</b>	<b>(K1)<sup>(1)</sup>1,775,447</b>	<b>93,468</b>	<b>1,868,915</b>	<b>-</b>	<b>-</b>	<b>3,089,700</b>	<b>(K2)<sup>(1)</sup>3,089,700</b>
								<b>(K3)<sup>(1)</sup>42,944</b>
								<b>Administered capital -</b>
								<b>Total appropriations 4,908,091</b>

(1) C1, E1 and I1 refer to information provided in Table 2.1. K1 refers to information provided in Table 3.1. K2 refers to information provided in Table 3.6. K3 refers to information provided in Table 3.4.

(2) Refer to Table 3.1 for application of agency revenue.

(3) Revenue from other sources includes other revenue from government (for example, resources free of charge) and revenue from sources other than government (for example, sales of goods and services) and excludes GST credits. Non-appropriated agency and administered revenues are detailed in Appendix 1.

\* Percentage figures indicate the percentage contribution of revenue from government (agency appropriations) to the total price of outputs, by outcome.

**BUDGET MEASURES — AUSTRALIAN TAXATION OFFICE SUMMARY****Table 1.2: Summary of measures in the 2001-02 Budget**

Measure	Outcome	Output groups affected	Appropriations budget 2001-02 (\$'000)			Appropriations estimate 2002-03 (\$'000)			Appropriations estimate 2003-04 (\$'000)			Appropriations estimate 2004-05 (\$'000)		
			Admin expenses	Agency outputs	Total	Admin expenses	Agency outputs	Total	Admin expenses	Agency outputs	Total	Admin expenses	Agency outputs	Total
Education campaign and other information initiatives for choice of superannuation fund and related measures	1	1.1	-	-	-	-	-	-	-	-	-	-	-	-
Simplification of Business Activity Statements	1	1.1	-	38,000	38,000	-	-	-	-	-	-	-	-	-

**Part C: Agency Budget Statements — ATO**

**Table 1.2b: Summary of post MYEFO measures**

Measure	Outcome	Output groups affected	Post MYEFO measures affecting 2000-01 (\$'000)		
			Administered expenses	Agency outputs	Total
GST Start-up Office residual funding	1	1.1	-	22,000	22,000
Simplification of Business Activity Statements	1	1.1	-	14,000	14,000



## **ADMINISTERED CAPITAL AND AGENCY EQUITY INJECTIONS AND LOANS**

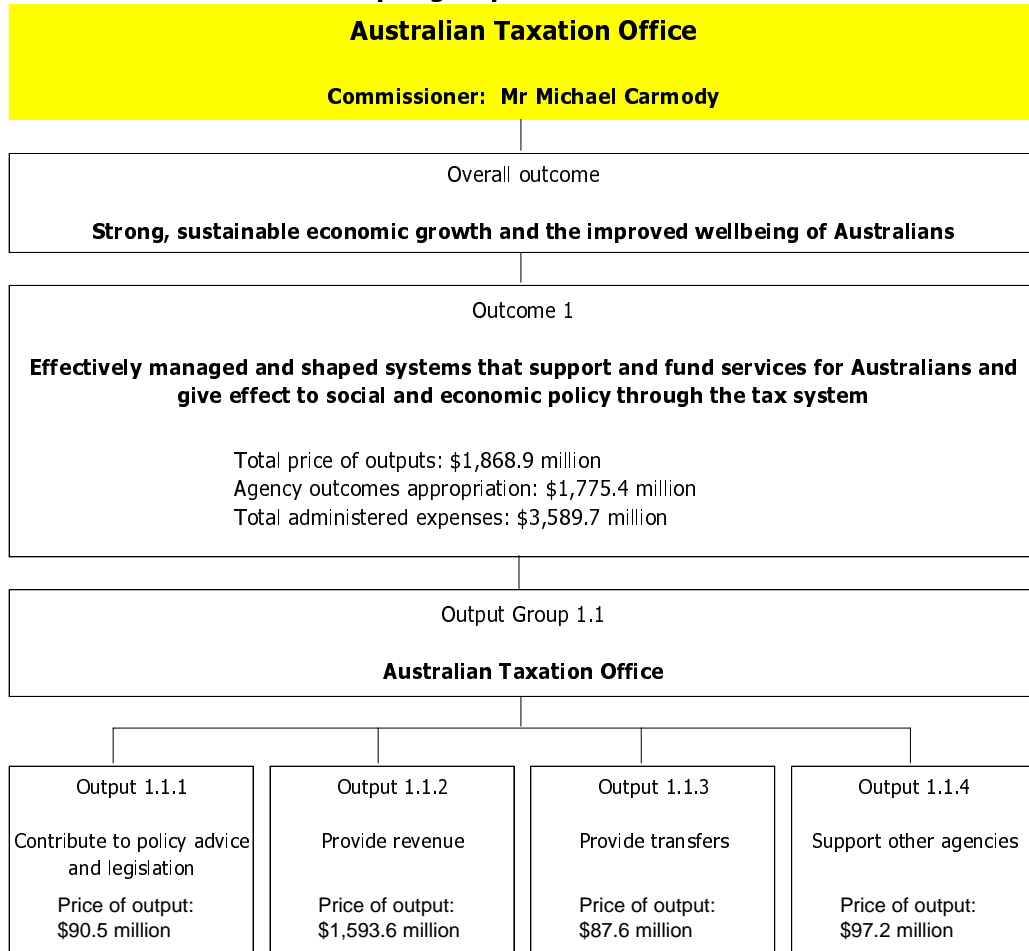
The ATO does not have an appropriation for an equity injection or loan, or an appropriation for administered capital in 2001-02. ATO's agency capital appropriation including equity injections and loans are detailed in Table 3.4.

## **Section 2: Outcomes and outputs information**

### **OUTCOMES AND OUTPUT GROUPS**

Chart 6 on the following page shows the relationship between Government outcomes and the contributing outputs for the Australian Taxation Office (ATO). Financial detail for Outcome 1 by output appears in Table 2.1 while non-financial information for Outcome 1 appears in Table 2.2.

**Chart 6: Outcomes and output groups**



## CHANGES TO OUTCOMES AND OUTPUTS

There are no proposed changes in outcomes or outputs since the previous year.

The ATO has, however, commenced a review of its outcome and outputs framework for the ATO's next Pricing Agreement. The new framework will reflect changes in our business deliverables due to tax reform, and new approaches to the way we plan and manage internally. Some of these changes will be reflected in our internal planning documents for 2001-02.

### OUTCOME 1 — DESCRIPTION

#### ***Effectively managed and shaped systems that support and fund services for Australians and give effect to social and economic policy through the tax system***

There is a single government outcome relating to the ATO which is 'effectively managed and shaped systems that support and fund services for Australians and give effect to social and economic policy through the tax system'.

In this context, 'effectively managed and shaped' means how well the ATO:

- implements tax reform structure whilst delivering our principal business outcomes;
- maintains compliance behaviour through providing comprehensive education and support services to the community and developing compliance strategies to address compliance risks, such as aggressive tax planning and the cash economy;
- minimises the costs of compliance through integrated taxation system design, and supporting the community to meet their tax obligations; and
- maintains community confidence through working in partnership with the community to foster community ownership of the tax system and providing timely and professional service.

This will be achieved through ensuring that the ATO is an efficient and adaptive organisation.

## Measures affecting Outcome 1

### ***Education campaign and other information initiatives for choice of superannuation fund and related measures***

The Government will allocate \$14 million over two years to the Australian Taxation Office to implement an education and communication campaign and other information initiatives for the Government's choice of superannuation fund and related measures. The choice of superannuation and related measures will make it easier for employees/members to select their own superannuation fund and to pursue their own needs within the superannuation system.

The Australian Taxation Office will absorb the cost of implementing the education and communication campaign and other information initiatives.

### ***Simplification of Business Activity Statements***

The Government will provide the Australian Taxation Office with funding of \$52 million over two years to fund development and implementation of simplified Business Activity Statements and Instalment Activity Statements. It is expected that \$14 million will be spent in 2000-01. The funding will also cover an information and communications campaign to inform taxpayers about the simplified reporting arrangements.

**OUTCOME 1 — RESOURCING**

Table 2.1 shows how the 2001-02 appropriations translate to total resourcing for Outcome 1.

**Table 2.1: Total resources for Outcome 1**

	Estimated actual 2000-01 \$'000	Budget estimate 2001-02 \$'000
<b>Administered appropriations</b>		
Special appropriations	2,887,600	3,089,700
<b>Total administered appropriations</b>	<b>2,887,600</b>	<b>(I1)<sup>(1)</sup> 3,089,700</b>
<b>Agency appropriations</b>		
Output Group 1.1 Australian Taxation Office		
Output 1.1.1 Contribute to policy advice and legislation	97,554	88,772
Output 1.1.2 Provide revenue	1,760,506	1,593,602
Output 1.1.3 Provide transfers	72,666	72,494
Output 1.1.4 Support other agencies	20,357	20,579
<b>Total revenue from government (appropriations)</b>	<b>1,951,083</b>	<b>(C1)<sup>(1)</sup> 1,775,447</b>
<b>Contributing to price of agency outputs</b>	<b>95%</b>	<b>95%</b>
<b>Revenue from other sources</b>		
Output Group 1.1 Australian Taxation Office		
Output 1.1.1 Contribute to policy advice and legislation	1,700	1,700
Output 1.1.2 Provide revenue	-	-
Output 1.1.3 Provide transfers	14,733	15,166
Output 1.1.4 Support other agencies	78,141	76,602
<b>Total revenue from other sources</b>	<b>94,574</b>	<b>93,468</b>
<b>Total price from agency outputs</b>		
(Total revenue from government and from other sources)	<b>2,045,657</b>	<b>(E1)<sup>(1)</sup> 1,868,915</b>
Administered capital	-	-
<b>Total estimated resourcing for Outcome 1</b>		
(Total price of outputs and administered expenses)	<b>4,933,257</b>	<b>4,958,615</b>
	2000-01	2001-02
<b>Average staffing level (number)</b>	<b>19,000</b>	<b>17,500</b>

(1) C1, E1 and I1 — see Table 1.1.

## OUTCOME 1 — CONTRIBUTION OF OUTPUTS

Table 2.2 details the performance indicators used to assess our achievement of Outcome 1, and shows the link between the outputs and the outcome.

There are four distinct outputs that contribute to Outcome 1:

- contribution to policy advice and legislation supports the formulation of effective taxation, excise and superannuation policy and the reflection of that policy in legislation and includes provision of Ministerial and Parliamentary Services;
- revenue contributes to effective taxation and excise arrangements through managing and shaping taxation systems that collect revenue effectively and efficiently which, in turn, maintains community confidence in the taxation and excise systems;
- transfers effect the movement of money to support government redistribution and savings initiatives such as Retirement Income and Family Initiatives; and
- cross agency support provides services, such as data matching and the provision of statistical information to other agencies (not involving monies).

## PERFORMANCE INFORMATION FOR OUTCOME 1

**Table 2.2: Performance information for Outcome 1**

<b>Effectiveness — Overall achievement of the outcome</b>	
<b>Deliver to Government</b>	
Agreed outputs	Performance for quantity, quality and cost measures for: <ul style="list-style-type: none"> <li>• contribution to policy advice and legislation;</li> <li>• provide revenue;</li> <li>• provide transfers; and</li> <li>• support other agencies.</li> </ul> (See next page for details).
Maintain overall compliance	Lodgment and payment compliance.
Tax design capability	Improved quality of stakeholder interactions with the systems we administer.
Tax reform infrastructure	Tax reform is effectively implemented on time.
Maintain community confidence	Community perceptions of the ATO.  Meeting ATO commitments in the Taxpayers' Charter.
Minimise compliance costs	Client satisfaction with ATO services.  Implementation of ATO measures to minimise compliance costs.

**Table 2.2: Performance information for Outcome 1 (continued)**

<b>Effectiveness – overall achievement of the outcome (continued)</b>	
<b>Efficient, adaptive organisation</b>	<p>Viability of our financial position.</p> <p>Efficiency and effectiveness of our key processes.</p> <p>Degree to which we have developed our people, culture, supporting systems and a safe work place.</p>
<b>Performance information for agency outputs</b>	
<b>Output Group 1.1 — Australian Taxation Office</b>	
<p>Output 1.1.1 — Contribution to policy advice and legislation</p> <p>Includes conducting strategic research/risk assessment</p> <p>Provide policy advice, design and develop legislation</p> <p>Provide Ministerial and Parliamentary Services.</p>	<p>Quantity measures</p> <ul style="list-style-type: none"> <li>• capacity to predict and manage risks;</li> <li>• legislation delivered according to government programmes;</li> <li>• costings/estimates delivered to anticipated volume; and</li> <li>• volume of services delivered.</li> </ul> <p>Quality measures — strategic intelligence</p> <ul style="list-style-type: none"> <li>• no significant risks remain unaddressed;</li> <li>• quality of legislation including consistency with policy, legislation and administration principles;</li> <li>• accuracy of revenue estimates;</li> <li>• current standard maintained; and</li> <li>• client satisfaction with services provided.</li> </ul>
<p>Output 1.1.2 — Provide revenue</p> <p>Includes Direct Revenue which includes Pay As You Go (Withholding), Gross Other Individuals, Medicare Levy, Individual refunds, companies superannuation funds (including Superannuation Contributions Surcharge), withholding taxes, petroleum resource rent tax and Fringe Benefits Tax.</p> <p>Indirect Revenue includes Excise, GST, Wine Equalisation Tax and Luxury Car Tax.</p>	<p>Quantity measures</p> <ul style="list-style-type: none"> <li>• tax collected as a percentage of estimate; and</li> <li>• current standard maintained.</li> </ul> <p>Quality measures</p> <ul style="list-style-type: none"> <li>• percentage of tax collected on time;</li> <li>• current standard maintained;</li> <li>• level of overdue debt as a percentage of total collectable debt is reduced;</li> <li>• technical quality of advice maintained;</li> <li>• charter service standards maintained;</li> <li>• improved professionalism in field operations; and</li> <li>• debt collection and maintenance of community confidence.</li> </ul>

**Table 2.2: Performance information for Outcome 1 (continued)**

<b>Performance information for agency outputs (continued)</b>	
<p>Output 1.1.3 — Provide transfers</p> <p>Includes all movement of monies (value) that are not classed as revenue including tax expenditures, Diesel Fuel Rebate, Diesel and Alternative Fuels Grants Scheme, Fuel Sales Grants scheme, Family Assistance Initiatives (Private Health Insurance, Family Tax Benefit and Aged Persons Savings Bonus), Higher Education Contribution Scheme, Retirements Incomes Framework (including Compulsory Super, Superannuation Holding Accounts Reserve,, Choice, Lost Members), Self Managed Super Funds , refund garnishees — transfers for example, Centrelink, the Department of Education, Training and Youth Affairs and the CSA; and wool tax.</p>	<p>Quantity measures</p> <p>Monetary value of:</p> <ul style="list-style-type: none"> <li>• expenditure;</li> <li>• outlay;</li> <li>• transfers;</li> <li>• refunds;</li> <li>• number of obligated employers; and</li> <li>• the number of funds regulated (from 2000-01).</li> </ul> <p>Quality measures</p> <ul style="list-style-type: none"> <li>• As for revenue (same measure);</li> <li>• charter service standards maintained;</li> <li>• technical quality maintained; and</li> <li>• achievement of measures as specified in memorandums of understanding with other agencies.</li> </ul>
<p>Output 1.1.4 — Support other agencies</p> <p>Includes services to other organisations that do not involve movement of monies (administered funds). Includes the transfer of statistical information, data matching, information to law enforcement agencies, tax technical advice to other Government agencies, support for tax agents board and Child Support Agency.</p>	<p>Quantity measures</p> <ul style="list-style-type: none"> <li>• Quantity of output is as determined by agreement with clients and measures as specified in MOUs with other agencies.</li> </ul> <p>Quality measures</p> <ul style="list-style-type: none"> <li>• Measures as specified in MOUs with other agencies.</li> </ul>

## Evaluations

The Australian National Audit Office and ATO Internal Audit have a rolling programme of issues that are audited during the financial year. Other issues are evaluated within the ATO during the financial year as required.

## Competitive tendering and contracting

The ATO has continued with its competitive tendering and contracting (CTC) process across a wide range of its activities. As part of the ATO's performance improvement and CTC strategy, functions continue to be benchmarked and expenditure reduced to benchmark levels. These other functions include data capture and management, property services, regional copying and forms storage and distribution.



## Section 3: Budgeted financial statements

The budgeted financial statements will form the basis of the financial statements that will appear in the Australian Taxation Office (ATO) 2000-01 Annual Report, and for the input into the Whole of Government Accounts. The financial statements should be read in conjunction with the accompanying notes.

These budgeted financial statements and administered notes are consistent with the forms of financial statements specified under the draft 2001-02 'Requirements for the Preparation of Financial Statements of Commonwealth Agencies and Authorities'.

### **AGENCY STATEMENTS**

#### **Budgeted agency statement of financial performance**

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.

#### **Budgeted agency statement of financial position**

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

#### **Budgeted agency statement of cash flows**

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

#### **Agency capital budget statement**

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

#### **Agency non-financial assets — summary of movement**

This statement shows the movement in the ATO's non-financial assets over the Budget year 2001-02.

## **ADMINISTERED NOTES**

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

### **Note of budgeted administered financial performance**

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

### **Note of budgeted administered financial position**

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

### **Note of budgeted administered cash flows**

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

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

	Estimated actual 2000-01 \$'000	Budget estimate 2001-02 \$'000	Forward estimate 2002-03 \$'000	Forward estimate 2003-04 \$'000	Forward estimate 2004-05 \$'000
<b>Revenues from ordinary activities</b>		(K1) <sup>(1)</sup>			
Revenue from government	1,951,083	1,775,447	1,585,509	1,595,795	1,630,895
Sale of goods and services	88,578	87,968	87,762	88,018	88,018
Interest	5,996	5,500	6,500	7,500	9,000
<b>Total revenues from ordinary activities</b>	<b>2,045,657</b>	<b>1,868,915</b>	<b>1,679,771</b>	<b>1,691,313</b>	<b>1,727,913</b>
<b>Expenses from ordinary activities (excluding borrowing cost expense)</b>					
Employees	1,120,587	1,016,134	903,637	906,109	916,088
Suppliers	925,819	805,880	672,426	652,772	666,778
Depreciation and amortisation	68,209	90,203	103,091	107,244	122,471
Other	407	381	325	334	334
<b>Total expenses from ordinary activities (excluding borrowing cost expense)</b>	<b>2,115,022</b>	<b>1,912,598</b>	<b>1,679,479</b>	<b>1,666,459</b>	<b>1,705,671</b>
Borrowing cost expense	45	45	45	45	45
<b>Net surplus or deficit from ordinary activities</b>	<b>-69,410</b>	<b>-43,728</b>	<b>247</b>	<b>24,809</b>	<b>22,197</b>
Gain or loss on extraordinary items	-	-	-	-	-
<b>Net surplus or deficit</b>	<b>-69,410</b>	<b>-43,728</b>	<b>247</b>	<b>24,809</b>	<b>22,197</b>
Capital use charge	-	-	-	-	-
<b>Net surplus or deficit after capital use charge</b>	<b>-69,410</b>	<b>-43,728</b>	<b>247</b>	<b>24,809</b>	<b>22,197</b>

(1) K1 — see Table 1.1.

Part C: Agency Budget Statements — ATO

**Table 3.2: Budgeted agency statement of financial position  
as at 30 June**

	Estimated actual 2000-01 \$'000	Budget estimate 2001-02 \$'000	Forward estimate 2002-03 \$'000	Forward estimate 2003-04 \$'000	Forward estimate 2004-05 \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash	1,338	1,972	3,188	3,912	5,393
Receivables	56,603	19,405	18,361	18,236	18,356
Investments	65,541	96,609	156,234	191,685	264,265
Other	2,854	2,125	1,709	1,479	1,374
<b>Total financial assets</b>	<b>126,336</b>	<b>120,111</b>	<b>179,492</b>	<b>215,312</b>	<b>289,388</b>
<b>Non-financial assets</b>					
Land and buildings	88,357	72,914	74,175	68,166	60,014
Infrastructure, plant and equipment	69,887	69,305	66,460	73,513	68,660
Intangibles	174,854	187,323	154,799	161,080	147,612
Other	19,464	19,673	19,882	20,091	20,300
<b>Total non-financial assets</b>	<b>352,562</b>	<b>349,215</b>	<b>315,316</b>	<b>322,850</b>	<b>296,586</b>
<b>Total assets</b>	<b>478,898</b>	<b>469,326</b>	<b>494,808</b>	<b>538,162</b>	<b>585,974</b>
<b>LIABILITIES</b>					
<b>Debt</b>					
Loans	500	500	500	500	500
Leases	20,860	10,052	4,425	191	-
Other	1,937	1,508	1,409	1,310	1,231
<b>Total debt</b>	<b>23,297</b>	<b>12,060</b>	<b>6,334</b>	<b>2,001</b>	<b>1,731</b>
<b>Provisions and payables</b>					
Employees	375,467	406,242	430,520	455,756	479,958
Suppliers	152,547	123,346	106,691	104,333	106,016
<b>Total provisions and payables</b>	<b>528,014</b>	<b>529,588</b>	<b>537,211</b>	<b>560,089</b>	<b>585,974</b>
<b>Total liabilities</b>	<b>551,311</b>	<b>541,648</b>	<b>543,545</b>	<b>562,090</b>	<b>587,705</b>
<b>EQUITY</b>					
Capital	178,953	221,897	244,360	244,360	244,360
Reserves	2,454	3,329	4,204	4,204	4,204
Accumulated surpluses or deficits	-253,820	-297,548	-297,301	-272,492	-250,295
<b>Total equity</b>	<b>-72,413</b>	<b>-72,322</b>	<b>-48,737</b>	<b>-23,928</b>	<b>-1,731</b>
<b>Current liabilities</b>	<b>286,157</b>	<b>281,142</b>	<b>282,126</b>	<b>291,752</b>	<b>305,049</b>
<b>Non-current liabilities</b>	<b>265,154</b>	<b>260,506</b>	<b>261,419</b>	<b>270,338</b>	<b>282,656</b>
<b>Current assets</b>	<b>235,580</b>	<b>230,872</b>	<b>243,407</b>	<b>264,735</b>	<b>288,252</b>
<b>Non-current assets</b>	<b>243,318</b>	<b>238,454</b>	<b>251,401</b>	<b>273,427</b>	<b>297,722</b>

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

	Estimated actual 2000-01 \$'000	Budget estimate 2001-02 \$'000	Forward estimate 2002-03 \$'000	Forward estimate 2003-04 \$'000	Forward estimate 2004-05 \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Appropriations for outputs	1,915,083	1,799,447	1,585,509	1,595,795	1,630,895
Sale of goods and services	88,480	88,068	87,794	87,977	88,018
Interest	5,996	5,500	6,500	7,500	9,000
Other	-	7,715	6,616	5,604	5,440
<b>Total cash received</b>	<b>2,009,559</b>	<b>1,900,730</b>	<b>1,686,419</b>	<b>1,696,876</b>	<b>1,733,353</b>
<b>Cash used</b>					
Employees	1,131,708	986,761	880,046	882,455	893,185
Suppliers	912,695	840,840	700,573	665,263	671,407
<b>Total cash used</b>	<b>2,044,403</b>	<b>1,827,601</b>	<b>1,580,619</b>	<b>1,547,718</b>	<b>1,564,592</b>
<b>Net cash from operating activities</b>	<b>-34,844</b>	<b>73,129</b>	<b>105,800</b>	<b>149,158</b>	<b>168,761</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash received</b>					
Other	-	65,541	96,609	156,234	191,685
<b>Total cash received</b>	<b>-</b>	<b>65,541</b>	<b>96,609</b>	<b>156,234</b>	<b>191,685</b>
<b>Cash used</b>					
Purchase of property, plant and equipment	150,309	84,370	67,421	112,984	94,700
Other	65,541	96,609	156,234	191,685	264,265
<b>Total cash used</b>	<b>215,850</b>	<b>180,979</b>	<b>223,655</b>	<b>304,669</b>	<b>358,965</b>
<b>Net cash from investing activities</b>	<b>-215,850</b>	<b>-115,438</b>	<b>-127,046</b>	<b>-148,435</b>	<b>-167,280</b>
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Proceeds from issuing equity instruments	63,583	42,944	22,463	-	-
<b>Total cash received</b>	<b>63,583</b>	<b>42,944</b>	<b>22,463</b>	<b>-</b>	<b>-</b>
<b>Net cash from financing activities</b>	<b>63,583</b>	<b>42,944</b>	<b>22,463</b>	<b>-</b>	<b>-</b>
<b>Net increase in cash held</b>	<b>-187,111</b>	<b>635</b>	<b>1,217</b>	<b>723</b>	<b>1,481</b>
Cash at beginning of reporting period	188,449	1,337	1,971	3,189	3,912
Cash at end of reporting period	1,338	1,972	3,188	3,912	5,393

**Part C: Agency Budget Statements — ATO**

**Table 3.4: Agency capital budget statement**

	Estimated actual 2000-01 \$'000	Budget estimate 2001-02 \$'000	Forward estimate 2002-03 \$'000	Forward estimate 2003-04 \$'000	Forward estimate 2004-05 \$'000
<b>Capital appropriations</b>		(K3) <sup>1</sup>			
Total equity injections	59,145	42,944	22,463	-	-
Total loans	4,438	36,000	-	-	-
<b>Total</b>	<b>63,583</b>	<b>78,944</b>	<b>22,463</b>	<b>-</b>	<b>-</b>
<b>Represented by:</b>					
Purchase of non-current assets	63,583	42,944	22,463	-	-
Other	-	36,000	-	-	-
<b>Total</b>	<b>63,583</b>	<b>78,944</b>	<b>22,463</b>	<b>-</b>	<b>-</b>
<b>Purchase of non-current assets</b>					
Funded by capital appropriations	63,583	42,944	22,463	-	-
Funded internally by agency resources	86,726	41,426	44,958	112,984	94,700
<b>Total</b>	<b>150,309</b>	<b>84,370</b>	<b>67,421</b>	<b>112,984</b>	<b>94,700</b>

(1) K3 — see Table 1.1.

**Table 3-5: Agency non-financial assets — summary of movement (Budget year 2001-02)**

	Land	Buildings	Total land and buildings	Specialist military equipment	Other infrastructure plant and equipment	Total infrastructure plant and equipment	Intangibles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>GROSS VALUE</b>								
<i>As at 1 July 2001 (opening)</i>	512	238,042	238,554	-	160,298	160,298	246,248	645,100
Additions	-	5,500	5,500	-	14,206	14,206	66,066	85,772
Other movements	-	-	-	-	875	875	-	875
<i>As at 30 June 2002 (closing)</i>	512	243,542	244,054	-	175,379	175,379	312,314	731,747
<b>ACCUMULATED DEPRECIATION</b>								
<i>As at 1 July 2001 (opening)</i>	-	150,197	150,197	-	90,411	90,411	71,394	312,002
Charge for the reporting period	-	20,943	20,943	-	15,663	15,663	53,597	90,203
<i>As at 30 June 2002 (closing)</i>	-	171,140	171,140	-	106,074	106,074	124,991	402,205
<b>Net book value</b>								
<i>As at 30 June 2002 (closing book value)</i>	512	72,402	72,914	-	69,305	69,305	187,323	329,542
<b>Net book value</b>								
<i>As at 1 July 2001 (opening book value)</i>	512	87,845	88,357	-	69,887	69,887	174,854	333,098
<b>TOTAL ADDITIONS</b>								
Self funded	-	5,500	5,500	-	14,206	14,206	23,122	42,828
Appropriations	-	-	-	-	-	-	42,944	42,944
<b>Total</b>	-	5,500	5,500	-	14,206	14,206	66,066	85,772

Part C: Agency Budget Statements — ATO

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

	Estimated actual 2000-01 \$'000	Budget estimate 2001-02 \$'000	Forward estimate 2002-03 \$'000	Forward estimate 2003-04 \$'000	Forward estimate 2004-05 \$'000
<b>REVENUES</b>					
<b>Taxation</b>					
Income tax	120,527,989	117,252,049	124,257,455	133,834,514	142,694,054
Other indirect tax	2,126,928	810,000	853,000	878,000	902,000
GST	23,880,000	27,480,000	29,170,000	30,830,000	32,600,000
Fringe Benefits Tax	3,550,000	3,770,000	3,900,000	4,030,000	4,170,000
Excise	19,281,064	19,050,000	19,240,000	19,475,000	19,780,000
<b>Total taxation</b>	<b>169,365,981</b>	<b>168,362,049</b>	<b>177,420,455</b>	<b>189,047,514</b>	<b>200,146,054</b>
<b>Non-taxation</b>		(K2) <sup>(1)</sup>			
Appropriations	2,887,600	3,089,700	3,184,400	3,254,200	3,294,200
Other non-taxation revenue	-253,900	123,500	123,500	123,500	123,500
<b>Total non-taxation</b>	<b>2,633,700</b>	<b>3,213,200</b>	<b>3,307,900</b>	<b>3,377,700</b>	<b>3,417,700</b>
<b>Total revenues administered on behalf of the Government</b>	<b>171,999,681</b>	<b>171,575,249</b>	<b>180,728,355</b>	<b>192,425,214</b>	<b>203,563,754</b>
<b>EXPENSES</b>					
Subsidies	1,892,400	2,004,500	2,084,200	2,134,000	2,154,000
Grants	785,000	875,000	890,000	910,000	930,000
Net writedown of assets	630,000	500,000	500,000	500,000	500,000
Interest	150,000	150,000	150,000	150,000	150,000
Other	60,200	60,200	60,200	60,200	60,200
<b>Total expenses administered on behalf of the Government</b>	<b>3,517,600</b>	<b>3,589,700</b>	<b>3,684,400</b>	<b>3,754,200</b>	<b>3,794,200</b>
<b>Net cost to government</b>	<b>168,482,081</b>	<b>167,985,549</b>	<b>177,043,955</b>	<b>188,671,014</b>	<b>199,769,554</b>
Cash transfer to/from DOFA	-164,200,896	-169,255,549	-178,223,955	-188,911,014	-199,959,554
Opening accumulated results	4,572,168	8,853,353	7,583,353	6,403,353	6,163,353
<b>Accumulated results after transfer</b>	<b>8,853,353</b>	<b>7,583,353</b>	<b>6,403,353</b>	<b>6,163,353</b>	<b>5,973,353</b>

(1) K2 – see Table 1.1



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

	Estimated actual 2000-01 \$'000	Budget estimate 2001-02 \$'000	Forward estimate 2002-03 \$'000	Forward estimate 2003-04 \$'000	Forward estimate 2004-05 \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash	139,289	139,289	139,289	139,289	139,289
Receivables	10,005,220	8,735,220	7,555,220	7,315,220	7,125,220
Investments	2,541	2,541	2,541	2,541	2,541
<b>Total financial assets</b>	<b>10,147,050</b>	<b>8,877,050</b>	<b>7,697,050</b>	<b>7,457,050</b>	<b>7,267,050</b>
<b>Total non-financial assets</b>	-	-	-	-	-
<b>Total assets administered on behalf of the Government</b>	<b>10,147,050</b>	<b>8,877,050</b>	<b>7,697,050</b>	<b>7,457,050</b>	<b>7,267,050</b>
<b>LIABILITIES</b>					
<b>Provisions and payables</b>					
Other	1,293,697	1,293,697	1,293,697	1,293,697	1,293,697
<b>Total provisions and payables</b>	<b>1,293,697</b>	<b>1,293,697</b>	<b>1,293,697</b>	<b>1,293,697</b>	<b>1,293,697</b>
<b>Total liabilities administered on behalf of the Government</b>	<b>1,293,697</b>	<b>1,293,697</b>	<b>1,293,697</b>	<b>1,293,697</b>	<b>1,293,697</b>
<b>EQUITY</b>					
Accumulated results	8,853,353	7,583,353	6,403,353	6,163,353	5,973,353
<b>Total equity</b>	<b>8,853,353</b>	<b>7,583,353</b>	<b>6,403,353</b>	<b>6,163,353</b>	<b>5,973,353</b>
<b>Total liabilities and equity</b>	<b>10,147,050</b>	<b>8,877,050</b>	<b>7,697,050</b>	<b>7,457,050</b>	<b>7,267,050</b>
<b>Current liabilities</b>	<b>1,293,697</b>	<b>1,293,697</b>	<b>1,293,697</b>	<b>1,293,697</b>	<b>1,293,697</b>
<b>Non-current liabilities</b>	-	-	-	-	-
<b>Current assets</b>	<b>10,144,509</b>	<b>8,874,509</b>	<b>7,694,509</b>	<b>7,454,509</b>	<b>7,264,509</b>
<b>Non-current assets</b>	<b>2,541</b>	<b>2,541</b>	<b>2,541</b>	<b>2,541</b>	<b>2,541</b>

**Part C: Agency Budget Statements — ATO**

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

	Estimated actual 2000-01 \$'000	Budget estimate 2001-02 \$'000	Forward estimate 2002-03 \$'000	Forward estimate 2003-04 \$'000	Forward estimate 2004-05 \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Other taxes, fees and fines	163,847,481	169,243,549	178,211,955	188,899,014	199,947,554
Appropriations	2,887,600	3,089,700	3,184,400	3,254,200	3,294,200
Other	12,000	12,000	12,000	12,000	12,000
<b>Total cash received</b>	<b>166,747,081</b>	<b>172,345,249</b>	<b>181,408,355</b>	<b>192,165,214</b>	<b>203,253,754</b>
<b>Cash used</b>					
Subsidies	1,892,400	2,004,500	2,084,200	2,134,000	2,154,000
Grants	785,000	875,000	890,000	910,000	930,000
Interest	150,000	150,000	150,000	150,000	150,000
Cash to Official Public Account	164,200,896	169,255,549	178,223,955	188,911,014	199,959,554
Other	60,200	60,200	60,200	60,200	60,200
<b>Total cash used</b>	<b>167,088,496</b>	<b>172,345,249</b>	<b>181,408,355</b>	<b>192,165,214</b>	<b>203,253,754</b>
<b>Net cash from operating activities</b>	<b>-341,415</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net increase in cash held</b>	<b>-341,415</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Cash at beginning of reporting period	480,704	139,289	139,289	139,289	139,289
Cash at end of reporting period	139,289	139,289	139,289	139,289	139,289

## NOTES TO THE FINANCIAL STATEMENTS

### Basis of accounting

The financial statements have been prepared on an accrual basis and are in accordance with the historical cost convention.

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

### Notes to the agency statements

Details of agency items in the financial statements included in Table 3.1 to 3.5 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 (GST)***

Agency statements for 2000-01 and forward years include the estimated costs of administering the proposed GST pursuant to the 'intergovernmental agreement on the reform of Commonwealth — state financial relations', the GST revenue is collected on behalf of the states and territories which agree to compensate the Commonwealth for the agreed GST administration costs.

The recovery of GST administration costs are reported under the Department of the Treasury.

#### ***Costs of administering other tax reform proposals***

Agency statements for 2000-01 and forward years include a cost estimated for taxation reform proposals announced by the Government as part of *A New Tax System* or the result from the Government's response to the recommendations made by the Review of Business Taxation.

#### ***Operating loss***

In implementing tax reform, whilst maintaining the requirement of ongoing administration, the ATO is absorbing greater workloads than anticipated. The financial consequence has been an increase of \$33.1 million in the budgeted operating loss for 2000-01 with the loss increasing from \$36.3 million to \$69.4 million, while for 2001-02 the expected operating loss has increased from \$2.2 million to \$43.7 million.

## **Part C: Agency Budget Statements — ATO**

### **Resourcing**

The ATO is currently undergoing a Pricing Review. Through evaluation of the ATO's outputs, which will include the costing and benchmarking of those outputs, the Review aims to establish appropriate prices for the ATO's outputs. The results of the Review will take effect from 2002-03.

### **Notes to the administered statements**

Details of administered items in the financial statements included in Table 3.6 to 3.8 have been prepared in accordance with Schedule 2 of the Finance Ministers Orders for 1997-98. These statements incorporate a change in revenue recognition policy from prior years.

The budget statements and forward years have been prepared on the basis noted below and to reflect the following matters.

#### ***Recognition of taxation revenue***

For 1999–2000, 2000–01 and forward years administered taxation revenue has been brought to account on a year by year basis where:

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

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

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

***Items recognised as reductions to taxation revenue***

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

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

## Section 4: Purchaser/provider

### **Cross agency support overview**

In 2000-01 the ATO entered into purchaser/provider arrangements with both the Department of Family and Community Services (FaCS) and the Department of Health and Aged Care which will see the ATO continuing to provide services to each of these departments to enable them to achieve their stated Outcomes in 2001-02.

The ATO will be providing services to FaCS for the Family Assistance Office and the Child Support Agency.

The ATO will also be providing services to the Department of Health and Aged Care for the implementation of the Private Health Insurance rebate.

## Appendix 1

### Non-appropriation agency and administered revenue

	Estimated revenue 2000-01 \$'000	Estimated revenue 2001-02 \$'000
<b>Estimated revenue</b>		
External agency revenue	94,574	93,468
Total taxation revenue	169,377,481	168,373,549
<i>Superannuation Guarantee (Administration) Act 1992</i> - shortfalls, penalties and fines	100,000	100,000
Miscellaneous receipts	12,000	12,000
<i>Superannuation Guarantee (Supervision) Act 1993</i> - unclaimed monies	200	200
GST administration charged to States and Territories	-377,400	-
<b>Total estimated revenue</b>	<b>169,206,855</b>	<b>168,579,217</b>

## Appendix 2

### Estimates of expenses from special appropriations

	Estimated expenses 2000-01 \$'000	Estimated expenses 2001-02 \$'000
<b>Estimated expenses</b>		
<i>Taxation Administration Act 1953</i> - refunds of receipts	11,165,000	11,248,066
<i>Less</i> amount of refunds deducted from receipt items	-11,165,000	-11,248,066
Diesel fuel rebate	1,880,000	1,980,000
Conversion of diesel fuel credit scheme to diesel and alternative fuel grants scheme	580,000	665,000
Product stewardship waste oil	12,400	24,500
Assistance for cellar door and mail order sales of wine	-	-
Fuel sales grants scheme	205,000	210,000
<i>Superannuation Guarantee (administration) Act 1992</i> - distribution of charges	60,000	60,000
<i>Superannuation Guarantee (Supervision) Act 1993</i> - repayments of unclaimed monies	200	200
<i>Taxation Administration Act 1953</i> - ( <i>interest on overpayments and early payment</i> ) Act 1983	150,000	150,000
<b>Total estimated expenses</b>	<b>2,887,600</b>	<b>3,089,700</b>

# **COMPANIES AND SECURITIES ADVISORY COMMITTEE**

## **Section 1: Overview, appropriations and budget measures summary**

### **OVERVIEW**

The Companies and Securities Advisory Committee (CASAC) was established in September 1989. Its role, as set out in Section 148 of the *Australian Securities and Investments Commission Act 1989* (the ASIC Act), is to advise the Minister on any matters concerning the Corporations Law or improving the efficiency of securities and futures markets. CASAC may undertake reviews on its own initiative, as well as at the request of the Minister.

The Legal Committee was established in September 1991 to provide expert legal analysis, assessment and advice to the Advisory Committee.

The Treasurer appoints the members of the Advisory Committee and Legal Committee in their personal capacities.

### **APPROPRIATIONS**

The total appropriations for CASAC in the 2001-02 Budget are \$0.9 million (see Table 1.1 on the following page).





## ADMINISTERED CAPITAL AND AGENCY EQUITY INJECTIONS AND LOANS

CASAC does not have an appropriation for an equity injection or loan or an appropriation for administered capital in 2001-02.

## Section 2: Outcomes and outputs information

### OUTCOMES AND OUTPUT GROUPS

The map below shows the relationship between Government outcomes and the contributing outputs for the Companies and Securities Advisory Committee (CASAC). Financial detail for Outcome 1 by output appears in Table 2.1 while non-financial information for Outcome 1 appears in Table 2.2.

**Chart 6: Outcomes and output groups**



## CHANGES TO OUTCOMES AND OUTPUTS

There are no proposed changes in outcomes or outputs from the previous year.

## OUTCOME 1 — DESCRIPTION

*A fair and efficient market characterised by integrity and transparency and supporting confident and informed participation of investors and consumers.*

### Measures Affecting Outcome 1

There are no measures for CASAC in the 2001-02 Budget.

## OUTCOME 1 — RESOURCING

**Table 2.1: Total resources for Outcome 1**

	Estimated actual 2000-01 \$'000	Budget estimate 2001-02 \$'000
<b>Agency appropriations</b>		
Output Group 1.1 Companies and Security Advisory Committee		
Output 1.1.1 Annual report and discussion papers	400	400
Output 1.1.2 Recommendations and reports	451	451
<b>Total revenue from government (appropriations)</b>	851	(C1) <sup>(1)</sup> 851
<b>Contributing to price of agency outputs</b>	97%	97%
<b>Revenue from other sources</b>	25	25
<b>Total revenue from other sources</b>	25	25
<b>Total price from agency outputs</b>		
(Total revenue from government and from other sources)	851	851
<b>Total estimated resourcing for Outcome 1</b>		
(Total price of outputs and administered expenses)	876	(E1) <sup>(1)</sup> 876
	2000-01	2001-02
<b>Average staffing level (number)</b>	4	4

(1) C1 and E1 — see Table 1.1.

## OUTCOME 1 — CONTRIBUTION OF OUTPUTS

The output of CASAC is similar to the first output of the Australian Securities and Investments Commission (ASIC) policy and guidance about the laws administered by ASIC. CASAC focuses on the legislation related to companies and financial markets, and its operations involve initiating major policy innovation in corporate law, reviewing procedural and other issues in current practice, and reviewing draft legislative policy and Bills. This is basic to the achievement of the Government outcome of confident and informed participation of investors and consumers in the financial system.

**Table 2.2: Performance information for Outcome 1**

<b>Performance information for agency outputs</b>	
<b>Output Group 1.1 — Companies and Securities Advisory Committee</b>	
Output 1.1.1 — Annual Report and discussion papers	The Advisory Committee seeks to stimulate and lead public debate on the enhancement of standards for corporations and participants in securities and futures markets, and proposes regulatory reform where necessary.
Output 1.1.2 — Recommendations and reports	<p>To achieve these performance goals, the Advisory Committee seeks the expert advice of its Legal Committee, encourages public comment on its discussion papers and thoroughly reviews all submissions received on them. This well established process of public review is designed to ensure that the commercial community has the opportunity to fully participate in the law reform process.</p> <p>Through this consultation and review process, and the provision of timely advice to the Treasurer and the Minister for Financial Services and Regulation in the form of Advisory Committee Reports and other papers, the Committee seeks to ensure that Australian securities and futures markets and corporations continue to operate in a commercial environment of the highest standards supported by appropriate legislation.</p>

### Evaluations

There are no planned evaluation activities in the 2001-02 financial year.

### Competitive tendering and contracting

CASAC predominantly achieves cost effectiveness in its non-core operations through the use of contracts arranged by or through ASIC. This would mainly relate to travel management and other general administrative expenditure, including capital item purchases.

## **Section 3: Budgeted financial statements**

The budgeted financial statements will form the basis of the financial statements that will appear in the Companies and Securities Advisory Committee (CASAC) 2001-02 Annual Report, and form the basis for the input into the Whole of Government Accounts. The financial statements should be read in conjunction with the accompanying notes.

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

### **AGENCY STATEMENTS**

#### **Budgeted agency statement of financial performance**

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

#### **Budgeted agency statement of financial position**

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

#### **Budgeted agency statement of cash flows**

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

#### **Agency capital budget statement**

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

#### **Agency non-financial assets — summary of movement**

This statement shows the movement in CASAC's non-financial assets over the Budget year 2001-02.

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

	Estimated actual 2000-01 \$'000	Budget estimate 2001-02 \$'000	Forward estimate 2002-03 \$'000	Forward estimate 2003-04 \$'000	Forward estimate 2004-05 \$'000
<b>Revenues from ordinary activities</b>		(K1) <sup>(1)</sup>			
Revenue from government	851	851	873	895	895
Interest	25	25	25	25	25
<b>Total revenues from ordinary activities</b>	<b>876</b>	<b>876</b>	<b>898</b>	<b>920</b>	<b>920</b>
<b>Expenses from ordinary activities (excluding borrowing cost expense)</b>					
Employees	400	416	432	450	457
Suppliers	385	367	369	366	349
Other	60	62	66	73	73
<b>Total expenses from ordinary activities (excluding borrowing cost expense)</b>	<b>845</b>	<b>845</b>	<b>867</b>	<b>889</b>	<b>879</b>
Borrowing cost expense	-	-	-	-	-
<b>Net surplus or deficit from ordinary activities</b>	<b>31</b>	<b>31</b>	<b>31</b>	<b>31</b>	<b>41</b>
Gain or loss on extraordinary items	-	-	-	-	-
<b>Net surplus or deficit</b>	<b>31</b>	<b>31</b>	<b>31</b>	<b>31</b>	<b>41</b>
Capital use charge	31	31	31	31	41
<b>Net surplus or deficit after capital use charge</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

(1) K1 — see Table 1.1.

Part C: Agency Budget Statements — CASAC

**Table 3.2: Budgeted agency statement of financial position  
as at 30 June**

	Estimated actual 2000-01 \$'000	Budget estimate 2001-02 \$'000	Forward estimate 2002-03 \$'000	Forward estimate 2003-04 \$'000	Forward estimate 2004-05 \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash	230	185	173	180	180
Receivables	23	20	21	21	21
<b>Total financial assets</b>	253	205	194	201	201
<b>Non-financial assets</b>					
Land and buildings	7	5	4	3	3
Infrastructure, plant and equipment	152	168	178	181	181
Other	36	37	37	37	37
<b>Total non-financial assets</b>	195	210	219	221	221
<b>Total assets</b>	448	415	413	422	422
<b>LIABILITIES</b>					
<b>Debt</b>					
Leases	32	12	-	-	-
<b>Total debt</b>	32	12	-	-	-
<b>Provisions and payables</b>					
Employees	114	121	129	137	137
Suppliers	47	27	29	30	30
<b>Total provisions and payables</b>	161	148	158	167	167
<b>Total liabilities</b>	193	160	158	167	167
<b>EQUITY</b>	10	10	10	10	10
Accumulated surpluses or deficits	245	245	245	245	245
<b>Total equity</b>	255	255	255	255	255
<b>Current liabilities</b>	100	86	77	79	79
<b>Non-current liabilities</b>	93	74	81	88	88
<b>Current assets</b>	297	242	231	238	238
<b>Non-current assets</b>	151	173	182	184	184

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

	Estimated actual 2000-01 \$'000	Budget estimate 2001-02 \$'000	Forward estimate 2002-03 \$'000	Forward estimate 2003-04 \$'000	Forward estimate 2004-05 \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Appropriations for outputs	851	851	873	895	895
Interest	25	25	25	25	25
<b>Total cash received</b>	<b>876</b>	<b>876</b>	<b>898</b>	<b>920</b>	<b>920</b>
<b>Cash used</b>					
Employees	392	402	421	439	443
Suppliers	424	441	412	397	400
<b>Total cash used</b>	<b>816</b>	<b>843</b>	<b>833</b>	<b>836</b>	<b>843</b>
<b>Net cash from operating activities</b>	<b>60</b>	<b>33</b>	<b>65</b>	<b>84</b>	<b>77</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash used</b>					
Purchase of property, plant and equipment	69	78	77	77	77
<b>Total cash used</b>	<b>69</b>	<b>78</b>	<b>77</b>	<b>77</b>	<b>77</b>
<b>Net cash from investing activities</b>	<b>-69</b>	<b>-78</b>	<b>-77</b>	<b>-77</b>	<b>-77</b>
<b>Net increase in cash held</b>					
Cash at beginning of reporting period	239	230	185	173	180
Cash at end of reporting period	230	185	173	180	180

**Part C: Agency Budget Statements — CASAC**

**Table 3.4: Agency capital budget statement**

	Estimated actual 2000-01 \$'000	Budget estimate 2001-02 \$'000	Forward estimate 2002-03 \$'000	Forward estimate 2003-04 \$'000	Forward estimate 2004-05 \$'000
<b>Purchase of non-current assets</b>					
Funded by capital appropriations	-	-	-	-	-
Funded internally by agency resources	69	78	77	77	77
<b>Total</b>	69	78	77	77	77



Table 3-5: Agency non-financial assets — summary of movement (Budget year 2001-02)

	Land \$'000	Buildings \$'000	Total land and buildings \$'000	Specialist military equipment \$'000	Other infrastructure plant and equipment \$'000	Total infrastructure plant and equipment \$'000	Intangibles \$'000	Total \$'000
<b>GROSS VALUE</b>								
<i>As at 1 July 2001 (opening)</i>	-	19	19	-	441	441	-	460
Additions	-	-	-	-	78	78	-	78
Disposals	-	-	-	-	6	6	-	6
<i>As at 30 June 2002 (closing)</i>	-	19	19	-	513	513	-	532
<b>ACCUMULATED DEPRECIATION</b>								
<i>As at 1 July 2001 (opening)</i>	-	12	12	-	289	289	-	301
Disposals	-	-	-	-	4	4	-	4
Charge for the reporting period	-	2	2	-	60	60	-	62
<i>As at 30 June 2002 (closing)</i>	-	14	14	-	345	345	-	359
<b>Net book value</b>								
<i>As at 30 June 2002 (closing book value)</i>	-	5	5	-	168	168	-	173
<b>Net book value</b>								
<i>As at 1 July 2001 (opening book value)</i>	-	7	7	-	152	152	-	159
<b>TOTAL ADDITIONS</b>								
Self funded	-	-	-	-	78	78	-	78
<b>Total</b>	-	-	-	-	78	78	-	78

**NOTES TO THE FINANCIAL STATEMENTS**

**Basis of accounting**

The financial statements have been prepared in accordance with the historical cost convention.

**Appendix 1**

**Non-appropriation agency revenue**

	Estimated revenue 2000-01 \$'000	Estimated revenue 2001-02 \$'000
<b>Non-appropriation agency revenue</b>		
Recoveries of cost	25	25
<b>Total non-appropriation agency revenue</b>	25	25



# **NATIONAL COMPETITION COUNCIL**

## **Section 1: Overview, appropriations and budget measures summary**

### **OVERVIEW**

The role of the National Competition Council (NCC) is to oversight and assist the implementation of National Competition Policy and related reforms outlined in frameworks developed and agreed by all Australian governments. Its responsibilities include assisting public awareness of competition reform agendas, recommending on the design and coverage of infrastructure access regimes under Part IIIA of the *Trade Practices Act 1974*, and assessing whether States and Territories have made satisfactory progress towards competition policy reform.

The NCC vision is that through constructive engagement with governments it will work towards completing the reform program originally envisaged in April 1995. The NCC's second broad goal is to help the community to become better attuned to the scope and potential outcomes of competition reform. This approach will enable increased competition to be introduced where it will result in greater economic growth, less unemployment, better social outcomes and the better use of resources for all Australians. The above vision is embodied in the Council's mission: 'To help raise the living standards of the Australian community by ensuring that conditions for competition prevail throughout the economy that promote growth, innovation and productivity'.

### **APPROPRIATIONS**

The total appropriations for the NCC in the 2001-02 Budget are \$3.6 million (see Table 1.1 on the following page).

Part C: Agency Budget Statements — NCC

National Competition Council — appropriations 2001-02

Table 1.1: Appropriations and other revenue

Outcome	Agency (price of outputs) (\$'000)		Administered (\$'000)		Total Total appropriations
	Revenue from Government (appropriations)	Revenue from other sources	Annual appropriations	Special approps	
	Bill No. 1 (A)	Total (C) = A+B (D)	Price of outputs <sup>(3)</sup> (E) = C+D (F)	Special approps (H)	(I = F+G+H) (J=C+I)
<b>Outcome 1</b> - The achievement of effective and fair competition reforms and better use of Australia's infrastructure for the benefit of the community	3,603	3,603 (C1) <sup>(1)</sup>	3,634 (E1) <sup>(1)</sup>	-	3,603
		*99% (K1) <sup>(1)</sup> 3,603	1% 100% 3,634	-	-
<b>Total</b>	<b>3,603</b>	<b>3,603</b>	<b>3,634</b>	<b>-</b>	<b>3,603</b>
				Agency capital (equity injections and loans)	-
				Administered capital	-
				Total appropriations	3,603

(1) C1 and E1 refer to information provided in Table 2.1. K1 refers to information provided in Table 3.1.

(2) Under the appropriation structure, Bill No. 2 includes Specific Purpose Payments (SPP's), New Agency Outcomes (NAO's), administered capital and agency capital via agency injections and loans.

(3) Refer to Table 3.1 for application of agency revenue.

\* Percentage figures indicate the percentage contribution of revenue from government (agency appropriations) to the total price of outputs, by outcome.

**BUDGET MEASURES — NATIONAL COMPETITION COUNCIL SUMMARY**

**Table 1.2: Summary of measures in the 2001-02 Budget**

Measure	Outcome	Output groups affected	Appropriations budget 2001-02 (\$'000)		Appropriations estimate 2002-03 (\$'000)		Appropriations estimate 2003-04 (\$'000)		Appropriations estimate 2004-05 (\$'000)	
			Admin expenses	Agency outputs	Admin expenses	Agency outputs	Admin expenses	Agency outputs	Admin expenses	Agency outputs
Continued funding for legal matters relating to Part IIIA of the <i>Trade Practices Act 1974</i>	1	1.1	-	300	-	300	-	300	-	300
			Total		Total		Total		Total	
National Competition Policy communication and education	1	1.1	-	200	-	200	-	200	-	200

**ADMINISTERED CAPITAL AND AGENCY EQUITY INJECTIONS AND LOANS**

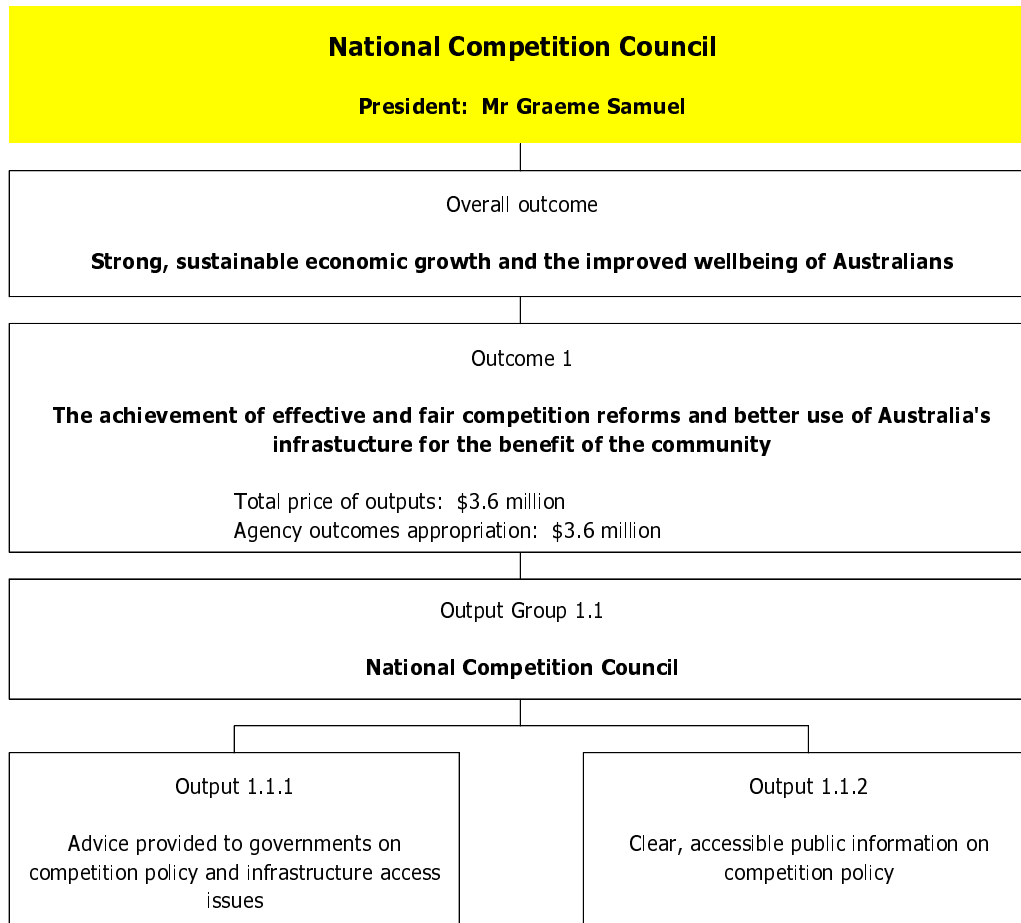
The NCC does not have an appropriation for an equity injection or loan or appropriations for administered capital in 2001-02.

## Section 2: Outcomes and outputs information

### OUTCOMES AND OUTPUT GROUPS

The map on the following page shows the relationship between Government outcomes and the contributing outputs for the National Competition Council (NCC). Financial detail for Outcome 1 by output appears in Table 2.1 while non-financial information for Outcome 1 appears in Table 2.2.

**Chart 6: Outcomes and output groups**





## **CHANGES TO OUTCOMES AND OUTPUTS**

There is no change in outcomes or outputs from the previous year.

### **OUTCOME 1 — DESCRIPTION**

*The achievement of effective and fair competition reforms and better use of Australia's infrastructure for the benefit of the community.*

#### **Measures affecting Outcome 1**

##### ***Continued funding for legal matters relating to Part IIIA of the Trade Practices Act 1974***

The Government has provided \$1.2 million over four years to the National Competition Council to fund any legal proceedings relating to recommendations by the Council on the coverage of access arrangements under Part IIIA of the *Trade Practices Act 1974*.

##### ***National Competition Policy communication and education***

The Government has extended the funding for the National Competition Council's communication and education programme by \$0.8 million over four years. The measure will fund community information papers, participation and promotion at industry and education conferences and the production of other briefing and information related to competition policy.

## OUTCOME 1 — RESOURCING

Table 2.1 shows how the 2001-02 appropriations translate to total resourcing for Outcome 1 including revenue from government (appropriation), revenue from other sources and the total price of outputs.

**Table 2.1: Total resources for Outcome 1**

	Estimated actual 2000-01 \$'000	Budget estimate 2001-02 \$'000
<b>Agency appropriations</b>		
Output Group 1.1 National Competition Council		
Output 1.1.1 Advice provided to governments on competition policy and infrastructure access issues	3,080	3,403
Output 1.1.2 Clear, accessible public information on competition policy	200	200
<b>Total revenue from government (appropriations)</b>	3,280	(C1) <sup>(1)</sup> 3,603
<b>Contributing to price of agency outputs</b>	95%	99%
<b>Revenue from other sources</b>		
Output Group 1.1 National Competition Council		
Output 1.1.1 Advice provided to governments on competition policy and infrastructure access issues	166	31
Output 1.1.2 Clear, accessible public information on competition policy	-	-
<b>Total revenue from other sources</b>	166	31
<b>Total price from agency outputs</b>		
(Total revenue from government and from other sources)	3,446	(E1) <sup>(1)</sup> 3,634
<b>Total estimated resourcing for Outcome 1</b>		
(Total price of outputs and administered expenses)	3,446	3,634
	2000-01	2001-02
<b>Average staffing level (number)</b>	21	21

(1) C1 and E1 — see Table 1.1

## OUTCOME 1 — CONTRIBUTION OF OUTPUTS

The NCC pursues goals and strategies that allow it to provide advice to governments on competition policy and infrastructure access and public information on competition policy. Further, these goals and strategies work towards the achievement of effective and fair competition reforms and better use of Australia’s infrastructure for the benefit of the community.

**Table 2.2: Performance information for Outcome 1**

Performance information for agency outputs	
Output Group 1.1 — National Competition Council	
Output 1.1.1 — Advice provided to governments on competition policy and infrastructure access issues	<p>Advice and recommendations meet criteria as to quality, accuracy and timeliness.</p> <p>Advice and recommendations take into account all relevant considerations and meet Ministers’ needs.</p> <p>Recommendations to governments and representations to the Australian Competition Tribunal on access to essential infrastructure services, and reviews requested by governments, are effective and timely.</p>
Output 1.1.2 — Clear, accessible public information on competition policy	<p>Publications and explanatory material, including the Annual Report are comprehensive and meet deadlines, and information provided is effective in promoting understanding of competition reform policy and processes.</p>

### Evaluations

An evaluation programme that relates to this outcome is currently being undertaken by government and results will be shown in the NCC’s Annual Report.

### Competitive tendering and contracting

The NCC is currently ‘testing’ the market for the provision of an interactive website.

## **Section 3: Budgeted financial statements**

The budgeted financial statements will form the basis of the financial statements that will appear in the National Competition Council (NCC)'s 2001-02 Annual Report and form the basis for the input into the Whole of Government Accounts. The financial statements should be read in conjunction with the accompanying notes.

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

### **AGENCY STATEMENTS**

#### **Budgeted agency statement of financial performance**

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

#### **Budgeted agency statement of financial position**

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

#### **Budgeted agency statement of cash flows**

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

#### **Agency capital budget statement**

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

#### **Agency non-financial assets — summary of movement**

This statement shows the movement in NCC's non-financial assets over the Budget year 2001-02.

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

	Estimated actual 2000-01 \$'000	Budget estimate 2001-02 \$'000	Forward estimate 2002-03 \$'000	Forward estimate 2003-04 \$'000	Forward estimate 2004-05 \$'000
<b>Revenues from ordinary activities</b>		(K1) <sup>(1)</sup>			
Revenue from government	3,280	3,603	3,558	3,620	3,651
Sale of goods and services	138	8	9	9	9
Interest	28	23	23	24	25
Other	-	-	-	-	-
<b>Total revenues from ordinary activities</b>	<b>3,446</b>	<b>3,634</b>	<b>3,590</b>	<b>3,653</b>	<b>3,685</b>
<b>Expenses from ordinary activities (excluding borrowing cost expense)</b>					
Employees	1,878	1,933	2,031	2,132	2,239
Suppliers	1,448	1,594	1,554	1,476	1,401
Depreciation and amortisation	120	107	5	17	17
Other	-	-	-	28	28
<b>Total expenses from ordinary activities (excluding borrowing cost expense)</b>	<b>3,446</b>	<b>3,634</b>	<b>3,590</b>	<b>3,653</b>	<b>3,685</b>
Borrowing cost expense	-	-	-	-	-
<b>Net surplus or deficit from ordinary activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Gain or loss on extraordinary items	-	-	-	-	-
<b>Net surplus or deficit</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Capital use charge	-	-	-	-	-
<b>Net surplus or deficit after capital use charge</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

1. K1 — see Table 1.1

Part C: Agency Budget Statements — NCC

**Table 3.2: Budgeted agency statement of financial position  
as at 30 June**

	Estimated actual 2000-01 \$'000	Budget estimate 2001-02 \$'000	Forward estimate 2002-03 \$'000	Forward estimate 2003-04 \$'000	Forward estimate 2004-05 \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash	300	463	457	405	248
Receivables - other	96	-	-	-	-
Receivables - GST clearing	12	12	12	13	13
Investments	300	300	300	300	300
<b>Total financial assets</b>	<b>708</b>	<b>775</b>	<b>770</b>	<b>718</b>	<b>561</b>
<b>Non-financial assets</b>					
Land and buildings	342	492	492	492	492
Infrastructure, plant and equipment	344	344	394	394	394
Accumulated depreciation	-589	-696	-700	-717	-734
Intangibles	10	10	10	10	10
<b>Total non-financial assets</b>	<b>107</b>	<b>150</b>	<b>196</b>	<b>179</b>	<b>162</b>
<b>Total assets</b>	<b>814</b>	<b>925</b>	<b>965</b>	<b>896</b>	<b>722</b>
<b>LIABILITIES</b>					
<b>Provisions and payables</b>					
Employees	485	485	486	487	487
Suppliers	70	71	72	74	75
<b>Total provisions and payables</b>	<b>555</b>	<b>556</b>	<b>558</b>	<b>561</b>	<b>562</b>
<b>Total liabilities</b>	<b>555</b>	<b>556</b>	<b>558</b>	<b>561</b>	<b>562</b>
<b>EQUITY</b>					
Profits plus accumulated at start	-20	-20	-20	-20	-20
Accumulated surpluses or deficits	279	389	428	356	180
<b>Total equity</b>	<b>259</b>	<b>369</b>	<b>408</b>	<b>336</b>	<b>160</b>
<b>Current liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Non-current liabilities</b>	<b>555</b>	<b>556</b>	<b>558</b>	<b>561</b>	<b>562</b>
<b>Current assets</b>	<b>708</b>	<b>775</b>	<b>770</b>	<b>718</b>	<b>561</b>
<b>Non-current assets</b>	<b>107</b>	<b>150</b>	<b>196</b>	<b>179</b>	<b>162</b>

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

	Estimated actual 2000-01 \$'000	Budget estimate 2001-02 \$'000	Forward estimate 2002-03 \$'000	Forward estimate 2003-04 \$'000	Forward estimate 2004-05 \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Appropriations for outputs	3,280	3,603	3,558	3,620	3,651
Sale of goods and services	138	8	9	9	9
Interest	28	23	23	24	28
<b>Total cash received</b>	<b>3,446</b>	<b>3,634</b>	<b>3,590</b>	<b>3,653</b>	<b>3,688</b>
<b>Cash used</b>					
Employees	1,897	1,933	2,031	2,132	2,239
Suppliers	1,466	1,387	1,516	1,545	1,579
<b>Total cash used</b>	<b>3,363</b>	<b>3,320</b>	<b>3,546</b>	<b>3,705</b>	<b>3,845</b>
<b>Net cash from operating activities</b>	<b>83</b>	<b>314</b>	<b>44</b>	<b>-52</b>	<b>-157</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash received</b>					
Other	200	-	-	-	-
<b>Total cash received</b>	<b>200</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash used</b>					
Purchase of property, plant and equipment	29	150	50	-	-
<b>Total cash used</b>	<b>29</b>	<b>150</b>	<b>50</b>	<b>-</b>	<b>-</b>
<b>Net cash from investing activities</b>	<b>171</b>	<b>-150</b>	<b>-50</b>	<b>-</b>	<b>-</b>
<b>Net increase in cash held</b>	<b>254</b>	<b>164</b>	<b>-6</b>	<b>-52</b>	<b>-157</b>
Cash at beginning of reporting period	45	300	463	457	405
Cash at end of reporting period	300	463	457	405	248

**Part C: Agency Budget Statements — NCC**

**Table 3.4: Agency capital budget statement**

	Estimated actual 2000-01 \$'000	Budget estimate 2001-02 \$'000	Forward estimate 2002-03 \$'000	Forward estimate 2003-04 \$'000	Forward estimate 2004-05 \$'000
<b>Purchase of non-current assets</b>					
Funded by capital appropriations	-	-	-	-	-
Funded internally by agency resources	29	150	50	-	-
<b>Total</b>	29	150	50	-	-



Table 3-5: Agency non-financial assets — summary of movement (Budget year 2001-02)

	Land \$'000	Buildings \$'000	Total land and buildings \$'000	Specialist military equipment \$'000	Other infrastructure plant and equipment \$'000	Total infrastructure plant and equipment \$'000	Intangibles \$'000	Total \$'000
<b>GROSS VALUE</b>								
<i>As at 1 July 2001 (opening)</i>	-	342	342	-	344	344	-	686
Additions	-	150	150	-	-	-	-	150
Disposals	-	-	-	-	-	-	-	-
<i>As at 30 June 2002 (closing)</i>	-	492	492	-	344	344	-	836
<b>ACCUMULATED DEPRECIATION</b>								
<i>As at 1 July 2001 (opening)</i>	-	306	306	-	283	283	-	589
Disposals	-	-	-	-	-	-	-	-
Charge for the reporting period	-	55	55	-	51	51	-	107
<i>As at 30 June 2002 (closing)</i>	-	361	361	-	335	335	-	696
<b>Net book value</b>								
<i>As at 30 June 2002 (closing book value)</i>	-	131	131	-	9	9	-	140
<b>Net book value</b>								
<i>As at 1 July 2001 (opening book value)</i>	-	37	37	-	60	60	-	97
<b>TOTAL ADDITIONS</b>								
Self funded	-	150	150	-	-	-	-	150
<b>Total</b>	-	150	150	-	-	-	-	150

## NOTES TO THE FINANCIAL STATEMENTS

### Basis of accounting

The financial statements have been prepared on an accrual basis in accordance with the historical cost convention.

### Appendix 1

#### Non-appropriation agency revenue

	Estimated revenue 2000-01 \$'000	Estimated revenue 2001-02 \$'000
<b>Non appropriation agency revenue</b>		
Sale of goods and services	138	8
Interest	28	23
<b>Total non-appropriation agency revenue</b>	<b>166</b>	<b>31</b>

# **PRODUCTIVITY COMMISSION**

## **Section 1: Overview, appropriations and budget measures summary**

### **OVERVIEW**

The Productivity Commission (PC) is the Commonwealth Government's principal review and advisory body on microeconomic policy and regulation. The PC's work covers all sectors of the economy. It extends to the public and private sectors and focuses on areas of Commonwealth as well as State and Territory responsibility.

As a review and advisory body the PC does not have responsibility for implementing government programmes. It carries out research, inquiry, advising and incidental functions prescribed under the *Productivity Commission Act 1998*.

The PC contributes to well-informed policy decision-making and public understanding on matters relating to Australia's productivity and living standards, based on independent and transparent analysis from a community-wide perspective. It does this by undertaking:

- government commissioned projects;
- performance reporting and other services to government bodies;
- regulation review activities;
- competitive neutrality complaints activities; and
- supporting research and activities and statutory annual reporting.

### **APPROPRIATIONS**

The total appropriations for the PC in the 2001-02 Budget are \$22.6 million (see Table 1.1 on the following page).



## **ADMINISTERED CAPITAL AND AGENCY EQUITY INJECTIONS AND LOANS**

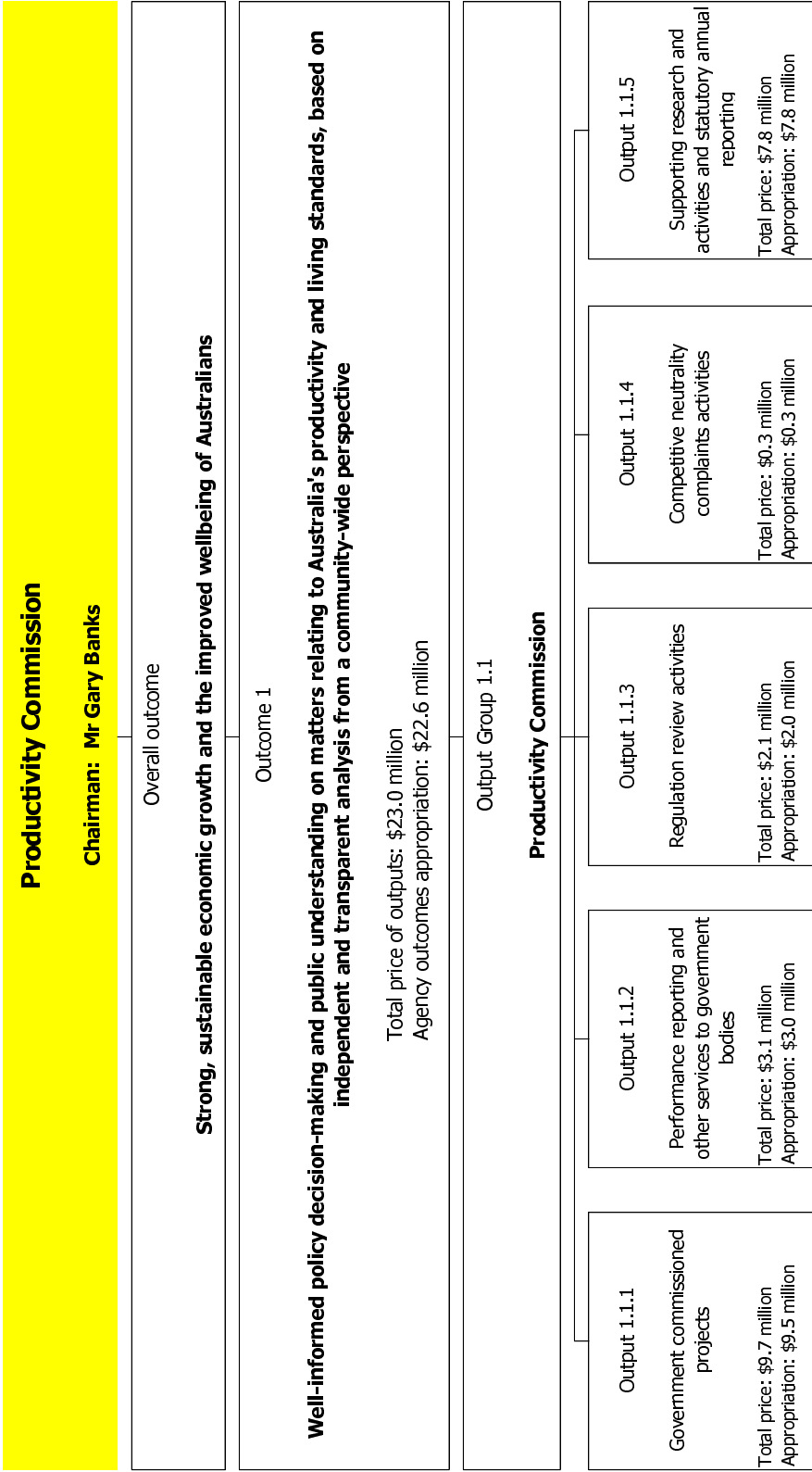
The PC does not have an appropriation for an equity injection or loan or an appropriation for administered capital in 2001-02.

## **Section 2: Outcomes and outputs information**

### **OUTCOMES AND OUTPUT GROUPS**

The map on the following page shows the relationship between Government outcomes and the contributing outputs for the Productivity Commission (PC). Financial detail for Outcome 1 by output appears in Table 2.1 while non-financial information for Outcome 1 appears in Table 2.2.

**Chart 6: Outcomes and output groups**



## **CHANGES TO OUTCOMES AND OUTPUTS**

There are no proposed changes in outcomes or outputs since the previous year.

### **OUTCOME 1 — DESCRIPTION**

*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.*

### **Measures affecting Outcome 1**

There are no measures for the PC in the 2001-02 Budget.

## OUTCOME 1 — RESOURCING

**Table 2.1: Total resources for Outcome 1**

	Estimated actual 2000-01 \$'000	Budget estimate 2001-02 \$'000
<b>Agency appropriations</b>		
Output Group 1.1 Productivity Commission		
Output 1.1.1 Government commissioned projects	9,300	9,500
Output 1.1.2 Performance reporting and other services to government bodies	2,900	3,000
Output 1.1.3 Regulation review activities	2,000	2,000
Output 1.1.4 Competitive neutrality complaints activities	300	300
Output 1.1.5 Supporting research and activities and statutory annual reporting	7,648	7,805
<b>Total revenue from government (appropriations)</b>	22,148	(C1) <sup>(1)</sup> 22,605
<b>Contributing to price of agency outputs</b>	98%	98%
<b>Revenue from other sources</b>		
Sale of goods and services	195	207
Interest	200	177
Other	40	40
<b>Total revenue from other sources</b>	435	424
<b>Total price from agency outputs</b>		
(Total revenue from government and from other sources)	22,583	(E1) <sup>(1)</sup> 23,029
<b>Total estimated resourcing for Outcome 1</b>		
(Total price of outputs and administered expenses)	22,583	23,029
	2000-01	2001-02
<b>Average staffing level (number)</b>	200	195

(1) C1 and E1 — see Table 1.1.



## **OUTCOME 1 — CONTRIBUTION OF OUTPUTS**

The PC's five outputs derive from its statutory functions. The quantum and scope of the work under each output is largely determined externally (for example, government commissioned projects, regulation impact statement assessments, competitive neutrality complaints investigations). In view of this, the PC requires the flexibility to vary resources amongst its various outputs.

The effectiveness with which the PC's outputs contribute to achievement of the outcome is difficult to assess. The PC is but one source of policy advice on matters relating to Australia's productivity and living standards and many issues are complex and long term. The PC aims to demonstrate its effectiveness by reporting annually on the relevance, quality, timeliness and cost-effectiveness of its outputs.

An elaboration of the activities covered by each of the outputs is as follows:

### ***Output 1: Government commissioned projects***

Public inquiries (for example, telecommunications competition and regulation, access to essential infrastructure, cost recovery by government agencies), case studies (such as private sector contribution to biodiversity) and other commissioned work (such as international pharmaceutical price differences).

### ***Output 2: Performance reporting and other services to government bodies***

Government services performance reports, performance monitoring and related research on government trading enterprises, as well as international benchmarking of economic infrastructure.

### ***Output 3: Regulation review activities***

Assessments of regulation impact statements, a range of associated activities such as annual reporting, research, advice and education.

### ***Output 4: Competitive neutrality complaints activities***

Investigations of competitive neutrality complaints and associated activities such as research, advice and education.

### ***Output 5: Supporting research and activities and statutory annual reporting***

Statutory annual reporting, research and working papers and associated activities such as submissions, conferences and speeches.

## Part C: Agency Budget Statements — PC

**Table 2.2: Performance information for Outcome 1**

<b>Performance information for agency outputs</b>	
<b>Output Group 1.1 — Productivity Commission</b>	
Output 1.1.1 — Government commissioned projects	Capacity to undertake projects to a cost of \$9.7 million.  Projects of a high standard, useful to government, undertaken in accordance with required processes and on time.
Output 1.1.2 — Performance reporting and other services to government bodies	Capacity to provide reports and services to a cost of \$3.1 million.  Reports of a high standard, useful to government and completed on time.
Output 1.1.3 — Regulation review activities	Capacity to undertake Regulation Impact Statement assessments and associated activities to a cost of \$2.1 million.  Regulation Impact Statement assessments and associated activities of a high standard, advice useful to government and on time.
Output 1.1.4 — Competitive neutrality complaints activities	Capacity to undertake activities to a cost of \$0.3 million.  Competitive neutrality complaints successfully resolved within 90 days; associated activities of a high standard and useful to government.
Output 1.1.5 — Supporting research and activities and statutory annual reporting	Capacity to undertake annual reporting, research projects and associated activities to a cost of \$7.8 million.  Reports, projects and associated activities of a high standard, useful to government, raising community awareness and on time.

## Evaluations

Evaluation of actual levels of achievement will be shown in the PC's 2001-02 Annual Report. The framework for evaluation is described in the 1999-2000 Annual Report, and will be updated in the 2000-01 Annual Report.

## Competitive tendering and contracting

The PC is reviewing its information technology function in accordance with government policy, and has scheduled reviews of its other corporate services functions and agency banking arrangements.

## Section 3: Budgeted financial statements

The budgeted financial statements will form the basis of the financial statements that will appear in the Productivity Commission (PC)'s 2001-02 Annual Report and form the basis for the input into the Whole of Government Accounts. The financial statements should be read in conjunction with the accompanying notes.

The financial statements are prepared consistent with Goods and Services Tax (GST) accounting requirements, as outlined by the Urgent Issues Group (UIG) of the Australian Accounting Standards Board. The UIG consensus requires that expenses and assets be accounted for net of recoverable GST, revenues be accounted for net of GST payable and that cash flows and accounts payable and receivable are reported gross. Appropriations are thus net of recoverable GST amounts.

### **AGENCY STATEMENTS**

#### **Budgeted agency statement of financial performance**

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

#### **Budgeted agency statement of financial position**

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

#### **Budgeted agency statement of cash flows**

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

#### **Agency capital budget statement**

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

#### **Agency non-financial assets — summary of movement**

This statement shows the movement in the PC's non-financial assets over the Budget year 2001-02.

Part C: Agency Budget Statements — PC

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

	Estimated actual 2000-01 \$'000	Budget estimate 2001-02 \$'000	Forward estimate 2002-03 \$'000	Forward estimate 2003-04 \$'000	Forward estimate 2004-05 \$'000
<b>Revenues from ordinary activities</b>		(K1) <sup>(1)</sup>			
Revenue from government	22,148	22,605	22,660	22,804	23,018
Sale of goods and services	195	207	215	223	232
Interest	200	177	225	270	312
Other	40	40	40	40	40
<b>Total revenues from ordinary activities</b>	<b>22,583</b>	<b>23,029</b>	<b>23,140</b>	<b>23,337</b>	<b>23,602</b>
<b>Expenses from ordinary activities (excluding borrowing cost expense)</b>					
Employees	16,590	16,900	17,000	17,200	17,400
Suppliers	5,193	5,233	5,266	5,335	5,400
Depreciation and amortisation	800	870	848	776	776
<b>Total expenses from ordinary activities (excluding borrowing cost expense)</b>	<b>22,583</b>	<b>23,003</b>	<b>23,114</b>	<b>23,311</b>	<b>23,576</b>
Borrowing cost expense	-	-	-	-	-
<b>Net surplus or deficit from ordinary activities</b>	<b>-</b>	<b>26</b>	<b>26</b>	<b>26</b>	<b>26</b>
Gain or loss on extraordinary items	-	-	-	-	-
<b>Net surplus or deficit</b>	<b>-</b>	<b>26</b>	<b>26</b>	<b>26</b>	<b>26</b>
Capital use charge	-	26	26	26	26
<b>Net surplus or deficit after capital use charge</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

(1) K1 — see Table 1.1.

**Table 3.2: Budgeted agency statement of financial position  
as at 30 June**

	Estimated actual 2000-01 \$'000	Budget estimate 2001-02 \$'000	Forward estimate 2002-03 \$'000	Forward estimate 2003-04 \$'000	Forward estimate 2004-05 \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash	204	231	203	299	295
Receivables	50	50	50	50	50
Investments	3,100	4,000	5,000	5,800	6,700
Other	155	155	155	155	155
<b>Total financial assets</b>	<b>3,509</b>	<b>4,436</b>	<b>5,408</b>	<b>6,304</b>	<b>7,200</b>
<b>Non-financial assets</b>					
Infrastructure, plant and equipment	2,568	2,115	1,611	1,095	589
Intangibles	172	88	-	-	-
<b>Total non-financial assets</b>	<b>2,740</b>	<b>2,203</b>	<b>1,611</b>	<b>1,095</b>	<b>589</b>
<b>Total assets</b>	<b>6,249</b>	<b>6,639</b>	<b>7,019</b>	<b>7,399</b>	<b>7,789</b>
<b>LIABILITIES</b>					
<b>Debt</b>					
Other	30	20	10	-	-
<b>Total debt</b>	<b>30</b>	<b>20</b>	<b>10</b>	<b>-</b>	<b>-</b>
<b>Provisions and payables</b>					
Employees	5,756	6,156	6,546	6,936	7,326
Suppliers	250	250	250	250	250
<b>Total provisions and payables</b>	<b>6,006</b>	<b>6,406</b>	<b>6,796</b>	<b>7,186</b>	<b>7,576</b>
<b>Total liabilities</b>	<b>6,036</b>	<b>6,426</b>	<b>6,806</b>	<b>7,186</b>	<b>7,576</b>
<b>EQUITY</b>					
Capital	1,686	1,686	1,686	1,686	1,686
Reserves	96	96	96	96	96
Accumulated surpluses or deficits	-1,569	-1,569	-1,569	-1,569	-1,569
<b>Total equity</b>	<b>213</b>	<b>213</b>	<b>213</b>	<b>213</b>	<b>213</b>
<b>Current liabilities</b>	<b>3,099</b>	<b>3,159</b>	<b>3,209</b>	<b>3,259</b>	<b>3,319</b>
<b>Non-current liabilities</b>	<b>2,937</b>	<b>3,267</b>	<b>3,597</b>	<b>3,927</b>	<b>4,257</b>
<b>Current assets</b>	<b>3,509</b>	<b>4,436</b>	<b>5,408</b>	<b>6,304</b>	<b>7,200</b>
<b>Non-current assets</b>	<b>2,740</b>	<b>2,203</b>	<b>1,611</b>	<b>1,095</b>	<b>589</b>

Part C: Agency Budget Statements — PC

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

	Estimated actual 2000-01 \$'000	Budget estimate 2001-02 \$'000	Forward estimate 2002-03 \$'000	Forward estimate 2003-04 \$'000	Forward estimate 2004-05 \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Appropriations for outputs	22,148	22,605	22,660	22,804	23,018
Sale of goods and services	195	207	215	223	232
Interest	200	177	225	270	312
<b>Total cash received</b>	<b>22,543</b>	<b>22,989</b>	<b>23,100</b>	<b>23,297</b>	<b>23,562</b>
<b>Cash used</b>					
Employees	16,190	16,500	16,600	16,800	17,000
Suppliers	5,281	5,213	5,256	5,325	5,380
<b>Total cash used</b>	<b>21,471</b>	<b>21,713</b>	<b>21,856</b>	<b>22,125</b>	<b>22,380</b>
<b>Net cash from operating activities</b>	<b>1,072</b>	<b>1,276</b>	<b>1,244</b>	<b>1,172</b>	<b>1,182</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash received</b>					
Sale of property, plant and equipment	10	10	10	10	10
<b>Total cash received</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>Cash used</b>					
Purchase of property, plant and equipment	1,192	333	256	260	270
Investments	1,600	900	1,000	800	900
<b>Total cash used</b>	<b>2,792</b>	<b>1,233</b>	<b>1,256</b>	<b>1,060</b>	<b>1,170</b>
<b>Net cash from investing activities</b>	<b>-2,782</b>	<b>-1,223</b>	<b>-1,246</b>	<b>-1,050</b>	<b>-1,160</b>
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Other	1,686	-	-	-	-
<b>Total cash received</b>	<b>1,686</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash used</b>					
Capital use and dividends paid	-	26	26	26	26
<b>Total cash used</b>	<b>-</b>	<b>26</b>	<b>26</b>	<b>26</b>	<b>26</b>
<b>Net cash from financing activities</b>	<b>1,686</b>	<b>-26</b>	<b>-26</b>	<b>-26</b>	<b>-26</b>
<b>Net increase in cash held</b>					
Cash at beginning of reporting period	228	204	231	203	299
Cash at end of reporting period	204	231	203	299	295

**Table 3.4: Agency capital budget statement**

	Estimated actual 2000-01 \$'000	Budget estimate 2001-02 \$'000	Forward estimate 2002-03 \$'000	Forward estimate 2003-04 \$'000	Forward estimate 2004-05 \$'000
<b>Purchase of non-current assets</b>					
Funded by capital appropriations	-	-	-	-	-
Funded internally by agency resources	1,192	333	256	260	270
<b>Total</b>	1,192	333	256	260	270

Part C: Agency Budget Statements — PC

**Table 3-5: Agency non-financial assets — summary of movement (Budget year 2001-02)**

	Land	Buildings	Total land and buildings	Specialist military equipment	Other infrastructure plant and equipment	Total infrastructure plant and equipment	Intangibles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>GROSS VALUE</b>								
<i>As at 1 July 2001 (opening)</i>	-	-	-	-	6,106	6,106	477	6,583
Additions	-	-	-	-	323	323	10	333
Disposals	-	-	-	-	-175	-175	-	-175
<i>As at 30 June 2002 (closing)</i>	-	-	-	-	6,254	6,254	487	6,741
<b>ACCUMULATED DEPRECIATION</b>								
<i>As at 1 July 2001 (opening)</i>	-	-	-	-	3,538	3,538	305	3,843
Disposals	-	-	-	-	-175	-175	-	-175
Charge for the reporting period	-	-	-	-	776	776	94	870
<i>As at 30 June 2002 (closing)</i>	-	-	-	-	4,139	4,139	399	4,538
<b>Net book value</b>								
<i>As at 30 June 2002 (closing book value)</i>	-	-	-	-	2,115	2,115	88	2,203
<b>Net book value</b>								
<i>As at 1 July 2001 (opening book value)</i>	-	-	-	-	2,568	2,568	172	2,740
<b>TOTAL ADDITIONS</b>								
Self funded	-	-	-	-	323	323	10	333
<b>Total</b>	-	-	-	-	323	323	10	333



## NOTES TO THE FINANCIAL STATEMENTS

### Basis of accounting

These financial statements have been prepared on a full accrual basis with the PC being funded accordingly from 2000-01 onwards.

Non-financial assets consist mainly of Leasehold Improvements to the PC's leased accommodation and are being depreciated over the period of the leases. As no major capital expenditure is being proposed during the current estimating period through to year 2004-05, the written-down value is decreasing annually. Conversely the PC's financial assets are increasing through the funding of depreciation and will be available when required for future improvements.

### Performance against outcomes and outputs

Performance information is included earlier under Table 2.2.

## Appendix 1

### Non-appropriation agency revenue

	Estimated revenue 2000-01 \$'000	Estimated revenue 2001-02 \$'000
<b>Non-appropriation agency revenue</b>		
Sale of goods and services	195	207
Interest	200	177
Other	40	40
<b>Total non-appropriation agency revenue</b>	<b>435</b>	<b>424</b>



## TECHNICAL TERMS

<b>Additional estimates</b>	Where amounts appropriated at budget time are insufficient, Parliament may appropriate more funds to portfolios through the <b>Additional Estimates Acts</b> . This is the Additional Estimates process.
<b>Additional estimates bills or acts</b>	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.
<b>Administered items</b>	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.
<b>Annotated appropriation</b>	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.
<b>Annual appropriation</b>	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 <b>Additional Estimates</b> .
<b>Appropriation</b>	An authorisation by Parliament to spend moneys from the <b>Consolidated Revenue Fund</b> .
<b>Commonwealth funds</b>	
<i>Consolidated Revenue Fund</i>	(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).
<i>Loan Fund</i>	Established by the <i>Financial Management and Accountability Act 1997</i> , 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.

## Technical Terms

<b><i>Financial Management and Accountability (FMA) Act 1997</i></b>	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.
<b>Forward estimates</b>	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.
<b>Outcomes</b>	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.
<b>Output groups</b>	The aggregation based on homogeneity, type of product or beneficiary target group, of outputs.
<b>Outputs</b>	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.
<b>Portfolio Budget Statements</b>	Statements prepared by portfolios to explain the budget appropriations in terms of government outcomes.
<b>Price</b>	The amount the government or the community pays for the delivery of agreed outputs.
<b>Quality</b>	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.
<b>Quantity</b>	Size of an output. Count or volume measures.
<b>Revenue</b>	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.
<b>Section 31 receipts</b>	See <b>Annotated appropriation</b> .

## Technical Terms

### **Special appropriations**

Monies 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.

### **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.



## ACRONYMS

ABS	Australian Bureau of Statistics
ACCC	Australian Competition and Consumer Commission
AGA	Australian Government Actuary
ANAO	Australian National Audit Office
AOFM	Australian Office of Financial Management
APRA	Australian Prudential Regulation Authority
ASIC	Australian Securities and Investments Commission
ATO	Australian Taxation Office
CASAC	Companies and Securities Advisory Committee
CSA	Child Support Agency
CTC	Competitive Tendering and Contracting
CUC	Capital Use Charge
DOFA	Department of Finance and Administration
EFIC	Export Finance and Insurance Corporation
FaCS	Department of Family and Community Services
FMA	<i>Financial Management and Accountability Act 1997</i>
GST	Goods and Services Tax
IMF	International Monetary Fund
IT	Information Technology
MIGA	Multilateral Investment Guarantee Agency
MOU	Memorandum of Understanding
NAO	New Agency Outcomes
NCC	National Competition Council
nfp	Not for publication
PC	Productivity Commission
SCT	Superannuation Complaints Tribunal
SPP	Special Purpose Payments
TPA	Trade Practices Act
UIG	Urgent Issues Group





## Index

### A

- A New Tax System (Trade Practices Amendment) Act, 67, 71
- Agency evaluations, 16, 22, 53, 76, 97, 123, 147, 172, 191, 207, 222
- Asian Development Bank (ADB), 15
- Asia-Pacific Economic Cooperation (APEC), 15
- Australian Accounting Standards Board, 208
- Australian Bureau of Statistics (ABS), 1, 45–65
  - Appropriations, 45–46, 50
  - Competitive tendering and contracting, 53
  - Cross agency overview, 64
  - Evaluations, 53
  - Financial Statements and Notes, 54
    - Agency and administered revenue, 65
    - Agency capital budget statement, 58
    - Agency non-financial assets, 59
    - Agency statement of cash flows, 57
    - Agency statement of financial performance, 54–65
    - Agency statement of financial position, 56
  - Measures, 49
    - Fitout of the Australian Bureau of Statistics new national office building, 47
  - Outcomes, Outputs, Structures, 48
  - Performance information, 52
  - Resources, 50
- Australian Competition and Consumer Commission (ACCC), 1, 67–90
  - Appropriations, 67, 72
  - Competitive tendering and contracting, 76
  - Evaluations, 76
  - Financial Statements and Notes, 77
    - Agency and administered revenue, 90
    - Agency non-financial assets, 82
    - Agency statement of cash flows, 81
    - Agency statement of financial performance, 77–90
    - Agency statement of financial position, 80
    - Budgeted administered cash flows, 85
    - Budgeted administered financial performance, 83–84
  - Measures, 71
    - Pricing review of the Australian Competition and Consumer Commission, 69
  - Outcomes, Outputs, Structures, 70
  - Performance information, 73
  - Resources, 72
- Australian Government Actuary (AGA), 20
- Australian National Audit Office (ANAO), 172
- Australian Office of Financial Management (AOFM), 1, 91–116
  - Appropriations, 91–92, 95
  - Budgeted administered cash flows, 108
  - Competitive tendering and contracting, 97
  - Evaluations, 97
  - Financial Statements and Notes, 98
    - Administered capital budget, 109
    - Administered non-financial assets, 110
    - Agency and administered revenue, 115
    - Agency capital budget statement, 103
    - Agency non-financial assets, 104
    - Agency statement of cash flows, 102
    - Agency statement of financial performance, 98–116
    - Agency statement of financial position, 101
    - Budgeted administered cash flows, 107
    - Budgeted administered financial performance, 105–6
    - Estimates of expenses from special appropriations, 116
  - Outcomes, Outputs, Structures, 93
  - Performance information, 96
  - Resources, 95
- Australian Prudential Regulation Authority (APRA), 1, 117–38
  - Appropriations, 117–18, 121
  - Competitive tendering and contracting, 123
  - Evaluations, 123
  - Financial Statements and Notes, 124
    - Agency and administered revenue, 138
    - Agency capital budget statement, 129
    - Agency non-financial assets, 130
    - Agency statement of cash flows, 128
    - Agency statement of financial performance, 124–38
    - Agency statement of financial position, 127
    - Budgeted administered cash flows, 133
    - Budgeted administered financial performance, 131–32
    - Estimates of expenses from special appropriations, 138
  - Outcomes, Outputs, Structures, 119
  - Performance information, 122
  - Resources, 121
- Australian Securities and Investments Commission (ASIC), 2, 134, 139–60
  - Appropriations, 139–40, 145
  - Competitive tendering and contracting, 148
  - Evaluations, 147
  - Financial Statements and Notes, 149
    - Agency and administered revenue, 160

## Index

Agency capital budget statement, 154  
Agency non-financial assets, 155  
Agency statement of cash flows, 153  
Agency statement of financial performance, 148–60  
Agency statement of financial position, 152  
Budgeted administered cash flows, 158  
Budgeted administered financial performance, 156–57  
Estimates of expenses from special appropriations, 160  
Measures, 141, 144  
Australian Securities and Investments Commission - supplementary funding for HIH investigation, 141  
Financial Services Reform Implementation, 141  
Managed Investments, 141  
Superannuation Complaints Tribunal, 141  
Outcomes, Outputs, Structures, 143  
Performance information, 147  
Resources, 145  
*Australian Securities and Investments Commission Act 1989*, 139  
Australian Taxation Office (ATO), 2, 134, 161–86  
Appropriations, 161–62, 169  
Competitive tendering and contracting, 172  
Cross agency overview, 185  
Evaluations, 172  
Financial Statements and Notes, 173  
Agency and administered revenue, 186  
Agency capital budget statement, 178  
Agency non-financial assets, 179  
Agency statement of cash flows, 177  
Agency statement of financial performance, 173–86  
Agency statement of financial position, 176  
Budgeted administered cash flows, 182  
Budgeted administered financial performance, 180–81  
Estimates of expenses from special appropriations, 186  
Measures, 163, 168  
Education campaign and other information initiatives for choice of superannuation fund and related measures, 163  
Simplification of Business Activity Statements, 163  
Outcomes, Outputs, Structures, 166  
Performance information, 170  
Resources, 169  
Axiss Australia, 25

## B

*Banking Act 1959*, 139

## C

Capital budget statement  
Purchase of Non-financial Assets, 63  
Capital use charge, 41  
Companies and Securities Advisory Committee (CASAC), 2, 187–99  
Appropriations, 187–88, 190  
Competitive tendering and contracting, 191  
Evaluations, 191  
Financial Statements and Notes, 192  
Agency and administered revenue, 199, 214, 229  
Agency capital budget statement, 196  
Agency non-financial assets, 197  
Agency statement of cash flows, 195  
Agency statement of financial performance, 192–99  
Agency statement of financial position, 194  
Outcomes, Outputs, Structures, 189  
Performance information, 191  
Resources, 190  
Competitive tendering and contracting  
Australian Bureau of Statistics, 53  
Australian Competition and Consumer Commission, 76  
Australian Office of Financial Management, 97  
Australian Prudential Regulation Authority, 123  
Australian Securities and Investments Commission, 148  
Australian Taxation Office, 172  
Companies and Securities Advisory Committee, 191  
National Competition Council, 207  
Productivity Commission, 222  
Treasury, 16  
Consumer Information Programme, 9, 22  
Cross agency overview  
Aboriginal and Torres Strait Islander Commission, 64  
Australian Agency for International Development, 64  
Australian Institute of Health and Welfare, 64  
Department of Agriculture, Fisheries and Forestry-Australia, 64  
Department of Communications, Information Technology and the Arts, 64  
Department of Education, Training and Youth Affairs, 64

- Department of Employment Workplace Relations and Small Business, 64  
 Department of Family and Community Services, 64  
 Department of Health and Aged Care, 64, 185  
 Department of Transport and Regional Services, 64  
 Family and Community Services, 185
- E**
- European Bank of Reconstruction and Development (EBRD), 15
- F**
- Financial Institutions Supervisory Levies Collection Act 1998*, 134  
*Financial Management and Accountability (FMA) Act 1997*, 91, 231  
 Financial Reporting Council, 25  
 Financial Services Reform Implementation, 141, 144  
 Financial Stability Forum, 15  
 First Home Owners Scheme – new homes, 9
- G**
- Goods and services tax (GST), 192, 208  
 Group of Twenty, 15
- I**
- Insurance and Superannuation Commission (ISC), 135  
 International Monetary Fund (IMF), 15
- M**
- Manila Framework Group, 15  
 Measures  
   Additional funding for the First Home Owners Scheme – new homes, 9, 17  
   Australian Securities and Investments Commission - supplementary funding for HIH investigation, 141, 144  
   Consumer Information Programme, 9, 22  
   Continued funding for legal matters relating to Part IIIA of the *Trade Practices Act 1974*, 203, 205  
   Education campaign and other information initiatives for choice of superannuation fund and related measures, 163, 168  
   Financial Services Reform Implementation, 141, 144  
   Fitout of the Australian Bureau of Statistics new national office building, 49  
   Funding for Secretariat support to the fuel tax inquiry, 9, 17  
   GST – Allowing entities with substituted accounting periods to lodge GST returns quarterly, 9, 17  
   GST – Allowing full input tax credits for motor vehicles, 9, 17  
   GST – Flexible administration of GST errors, 9, 17  
   GST – GDP-adjusted method for calculating GST remittances, 9, 17  
   Information and implementation of 1 July 2001 tax changes, 9, 17  
   Loan for fitout of the ABS new national office building, 47  
   Managed Investments, 141, 144  
   National Competition Policy communication and education, 203, 205  
   Pricing review of the Australian Competition and Consumer Commission, 69, 71  
   Renewed funding of Axiss Australia, 9, 22  
   Simplification of Business Activity Statements, 163, 168  
   Superannuation Complaints Tribunal, 141, 144  
   *Mid-Year Economic and Fiscal Outlook (MYEFO)*, 164
- N**
- National Competition Council (NCC), 2, 201–14  
 Appropriations, 201–2, 206  
 Competitive tendering and contracting, 207  
 Evaluations, 207  
 Financial Statements and Notes, 208  
   Agency capital budget statement, 212  
   Agency non-financial assets, 213  
   Agency statement of cash flows, 211  
   Agency statement of financial performance, 208–14  
   Agency statement of financial position, 210  
 Measures, 203, 205  
   Continued funding for legal matters relating to Part IIIA of the *Trade Practices Act 1974*, 203  
   National Competition Policy communication and education, 203  
 Outcomes, Outputs, Structures, 204  
 Performance information, 207  
 Resources, 206

## Index

### O

- Organisation for Economic Cooperation and Development (OECD), 15
- Outcomes, Outputs, Structures
  - Australian Bureau of Statistics, 48
  - Australian Competition and Consumer Commission, 70
  - Australian Office of Financial Management, 93
  - Australian Prudential Regulation Authority, 119
  - Australian Securities and Investments Commission, 143
  - Australian Taxation Office, 166
  - Companies and Securities Advisory Committee, 189
  - National Competition Council, 204
  - Productivity Commission, 218
  - Treasury, 12

### P

- Pacific Forum Economic Ministers' Meeting, 15
- Papua New Guinea, 15
- Performance information
  - Australian Bureau of Statistics, 52
  - Australian Competition and Consumer Commission, 73
  - Australian Office of Financial Management, 96
  - Australian Prudential Regulation Authority, 122
  - Australian Securities and Investments Commission, 147
  - Australian Taxation Office, 170
  - Companies and Securities Advisory Committee, 191
  - National Competition Council, 207
  - Productivity Commission, 222
  - Treasury, 15, 21, 26
- Portfolio overview, 1–2
- Portfolio structure, 3
- Prices Surveillance Act 1983*, 67, 71, 74
- Pricing review
  - Australian Competition and Consumer Commission, 69
- Productivity Commission (PC), 2, 215–29
  - Appropriations, 215–16, 220
  - Competitive tendering and contracting, 222
  - Evaluations, 222
  - Financial Statements and Notes, 223
    - Agency capital budget statement, 227
    - Agency non-financial assets, 228
    - Agency statement of cash flows, 226
    - Agency statement of financial performance, 223–29

Agency statement of financial position, 225

- Outcomes, Outputs, Structures, 218
- Performance information, 222
- Resources, 220
- Productivity Commission Act 1998*, 215

### R

- Reserve Bank of Australia (RBA), 135
- Resources
  - Australian Bureau of Statistics, 50
  - Australian Competition and Consumer Commission, 72
  - Australian Office of Financial Management, 95
  - Australian Prudential Regulation Authority, 121
  - Australian Securities and Investments Commission, 145
  - Australian Taxation Office, 169
  - Companies and Securities Advisory Committee, 190
  - National Competition Council, 206
  - Productivity Commission, 220
  - Treasury, 14, 19, 24
- Royal Australian Mint, 40

### T

- Taxation Revenue Payments, 41
- Technical Terms, 231
- Trade Practices Act 1974*, 67, 71, 74, 205
- Treasury, 1, 7–43
  - Appropriations, 7–8, 14, 19, 24
  - Competitive tendering and contracting, 16
  - Evaluations, 16, 22
  - Financial Statements and Notes, 29
    - Administered capital budget, 39
    - Budgeted administered cash flows, 38
    - Budgeted administered financial performance, 36–37
    - Departmental and administered revenue, 42
    - Departmental capital budget statement, 34
    - Departmental non-financial assets, 35
    - Departmental statement of cash flows, 33
    - Departmental statement of financial performance, 29–43
    - Departmental statement of financial position, 32
    - Estimates of expenses from special appropriations, 43
- Measures, 17, 22
  - Additional funding for the First Home Owners Scheme – new homes, 9
  - Consumer Information Programme, 9

## Index

Funding for Secretariat support to the fuel tax inquiry, 9  
GST – Allowing entities with substituted accounting periods to lodge GST returns quarterly, 9  
GST – Allowing full input tax credits for motor vehicles, 9  
GST – Flexible administration of GST errors, 9  
GST – GDP-adjusted method for calculating GST remittances, 9  
Information and implementation of 1 July 2001 tax changes, 9  
Renewed funding of Axiss Australia, 9

Outcomes, Outputs, Structures, 12  
Performance information, 15, 21, 26  
Resources, 14, 19, 24

### U

Unclaimed monies, 139  
Urgent Issues Group (UIG), 192, 208

### W

World Bank, 15