

**PORTFOLIO ADDITIONAL
ESTIMATES STATEMENTS
2007-08**

TREASURY PORTFOLIO

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President of the Senate
Australian Senate
Parliament House
CANBERRA ACT 2600

Speaker
House of Representatives
Parliament House
CANBERRA ACT 2600

Dear Mr President
Dear Mr Speaker

I hereby submit Portfolio Additional Estimates Statements in support of the 2007-08 Additional Estimates for the Treasury portfolio.

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

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

Yours sincerely

A handwritten signature in black ink, appearing to read 'Wayne Swan'.

WAYNE SWAN

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**USER GUIDE
TO THE
PORTFOLIO ADDITIONAL
ESTIMATES STATEMENTS**

USER GUIDE

INTRODUCTION

The purpose of the Portfolio Additional Estimates Statements (PAES), like that of the Portfolio Budget Statements, is to inform Senators and Members of Parliament and the public of the proposed allocation of resources to Government outcomes by agencies within the portfolio. However, unlike the Portfolio Budget Statements, the PAES summarise only the *changes* in resourcing by outcome since the Budget, that is, they do not include a complete resourcing table for the agency. The PAES include new measures, summarise the changes by Appropriation Bill, and, where relevant, by Special Appropriation and Special Account. The 2007-08 PAES also cover any significant changes to the portfolio which may have arisen from the change in government and the subsequent Administrative Arrangements Orders.

The PAES facilitate understanding of the proposed appropriations in Appropriation Bills (No. 3 and No. 4) 2007-08. In this sense the PAES is declared by the Additional Estimates Appropriation Bills to be a 'relevant document' to the interpretation of the Bills according to section 15AB of the *Acts Interpretation Act 1901*.

Whereas the *Mid-Year Economic and Fiscal Outlook 2007-08* is a mid-year budget report which provides updated information to allow the assessment of the Government's fiscal performance against its fiscal strategy, the PAES update the most recent budget appropriations for agencies within the portfolio.

STRUCTURE OF THE PORTFOLIO ADDITIONAL ESTIMATES STATEMENTS

The PAES are presented in three parts with subsections.

User guide

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

Portfolio overview

Provides an overview of the portfolio, including a chart that outlines the outcomes for agencies in the portfolio.

Agency additional estimates statements

A statement (under the name of the agency) for each agency affected by Additional Estimates.

Section 1: Agency overview and resources; variations and measures

This section details the link between the resources appropriated, the impact of any post-Budget measures, and their application to the outputs and administered items (usually programs) that contribute to the achievement of outcomes. This section also reports changes to receipts from independent sources; changes to estimates of expenses from Special Appropriations; and changes to estimated Special Account flows.

Section 2: Revisions to agency outcomes

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

Section 3: Budgeted financial statements

This section contains revisions to the budgeted financial statements in accrual format covering the Budget year, the previous year and the three forward years for each agency.

Glossary

Explains key terms.

STYLES AND CONVENTIONS USED

(a) The following notations may be used:

- nil

na not applicable (unless otherwise specified)

\$m \$ million

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

ENQUIRIES

Should you have any enquiries regarding this publication please contact Nicole Scott in the Department of the Treasury on 02 6263 2111.

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

PORTFOLIO OVERVIEW

PORTFOLIO OVERVIEW

As a result of Administrative Arrangements Orders, the Commonwealth Grants Commission has moved to the Treasury portfolio from the Finance portfolio.

The Commonwealth Grants Commission provides advice to the Australian Government on the equitable distribution of GST revenue, and health care grants to state and territory governments.

There has been no other change to the portfolio overview since the *Portfolio Budget Statements 2007-08*.

ADMINISTRATIVE ARRANGEMENTS ORDERS

In addition to the Commonwealth Grants Commission moving to the Treasury portfolio, the Office of Best Practice Regulation has moved from the Productivity Commission to the Department of Finance and Deregulation and the regulation reform agenda – coordination of implementation measure has moved from the Department of the Treasury (Treasury) to the Department of Finance and Deregulation.

ADDITIONAL ESTIMATES AND VARIATIONS — PORTFOLIO LEVEL

Additional estimates are being sought for the Treasury, the Australian Bureau of Statistics, the Australian Competition and Consumer Commission, the Australian Prudential Regulation Authority, the Australian Securities and Investments Commission, the Australian Taxation Office and the Royal Australian Mint. Explanations of additional estimates for these agencies are detailed in their respective section in the Portfolio Additional Estimates Statements.

There are no additional estimates increases for the Australian Office of Financial Management, the Commonwealth Grants Commission, the Corporations and Markets Advisory Committee, the Inspector-General of Taxation, the National Competition Council and the Productivity Commission. The Government's election commitment savings for a 2 per cent efficiency dividend does apply to these agencies as outlined in Table P.1.

Portfolio overview

**Table P.1: Portfolio agencies only affected by measure relating to Election
Commitment Savings: 2 per cent Efficiency Dividend**

Agency	2007-08	2008-09	2009-10	2010-11
	\$'000	\$'000	\$'000	\$'000
Australian Office of Financial Management	(39)	(172)	(174)	(176)
Commonwealth Grants Commission	(36)	(160)	(150)	(113)
Corporations and Markets Advisory Committee	(5)	(21)	(21)	(21)
Inspector-General of Taxation	(10)	(44)	(45)	(45)
National Competition Council	(19)	(81)	(82)	(83)
Productivity Commission	(150)	(626)	(632)	(643)

Figure 1: Portfolio structure and outcomes

<p>Portfolio Minister - Treasurer The Hon Wayne Swan MP</p> <p>Assistant Treasurer and Minister for Competition Policy and Consumer Affairs The Hon Chris Bowen MP</p> <p>Minister for Superannuation and Corporate Law Senator the Hon Nick Sherry</p>
<p>Department of the Treasury Secretary: Dr Ken Henry AC</p> <p>Outcome 1: Sound macroeconomic environment</p> <p>Outcome 2: Effective government spending arrangements</p> <p>Outcome 3: Effective taxation and retirement income arrangements</p> <p>Outcome 4: Well functioning markets</p>
<p>Australian Bureau of Statistics Statistician: Mr Brian Pink</p> <p>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</p>
<p>Australian Competition and Consumer Commission Chairperson: Mr Graeme Samuel</p> <p>To enhance social and economic welfare of the Australian community by fostering competitive, efficient, fair and informed Australian markets</p>
<p>Australian Office of Financial Management Chief Executive Officer: Mr Neil Hyden</p> <p>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</p>
<p>Australian Prudential Regulation Authority Chairman: Dr John Laker</p> <p>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</p>
<p>Australian Securities and Investments Commission Chairman: Mr Tony D'Aloisio</p> <p>A fair and efficient market characterised by integrity and transparency and supporting confident and informed participation of investors and consumers</p>
<p>Australian Taxation Office Commissioner: Mr Michael D'Ascenzo</p> <p>Effectively managed and shaped systems that support and fund services for Australians and give effect to social and economic policy through the tax, superannuation, excise and other related systems</p>
<p>Commonwealth Grants Commission Secretary: Mr John Spasojevic</p> <p>Fiscal equalisation between the States, the Australian Capital Territory and the Northern Territory, is achieved through the distribution, by Government, of GST revenue and Health Care Grants</p>
<p>Corporations and Markets Advisory Committee Convenor: Mr Richard St John</p> <p>Fair and efficient financial markets characterised by integrity and transparency and supporting confident and informed participation of investors and consumers</p>
<p>Inspector-General of Taxation Inspector-General: Mr David Vos AM</p> <p>Improved administration of the tax laws for the benefit of all taxpayers</p>
<p>National Competition Council Acting President: Mr David Crawford</p> <p>The achievement of effective and fair competition reforms and better use of Australia's infrastructure for the benefit of the community</p>
<p>Productivity Commission Chairman: Mr Gary Banks</p> <p>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</p>
<p>Royal Australian Mint Chief Executive Officer: Ms Janine Murphy</p> <p>Satisfy the Reserve Bank of Australia's forecast for circulated coin</p>

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TREASURY

Section 1: Department overview and resources; variations and measures

OVERVIEW

There has been no change to the overview included in the *Portfolio Budget Statements 2007-08* (page 13).

Table 1.1: Department outcomes and output groups

Outcome	Description	Output groups
Outcome 1		
Sound macroeconomic environment	A sound macroeconomic environment is an essential foundation for strong sustainable economic growth and the improved wellbeing of Australians. It is characterised by stable prices, low interest rates, healthy employment growth, and a sustainable external position.	Output Group 1.1 Macroeconomic Group
Outcome 2		
Effective government spending arrangements	Government spending arrangements contribute to the overall fiscal outcome but also influence strong sustainable economic growth and the improved wellbeing of Australians.	Output Group 2.1 Fiscal Group
Outcome 3		
Effective taxation and retirement income arrangements	Taxation and retirement income arrangements contribute to the overall fiscal outcome and influence strong sustainable economic growth and the improved wellbeing of Australians.	Output Group 3.1 Revenue Group
Outcome 4		
Well functioning markets	Well functioning markets contribute to high sustainable economic and employment growth and the improved 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 informed and free of market distortions and impediments.	Output Group 4.1 Markets Group

ADDITIONAL ESTIMATES AND VARIATIONS TO OUTCOMES

The following variations in Table 1.2 and Table 1.3 contributed to a net increase in departmental outputs and administered items in 2007-08.

Table 1.2: Additional estimates and variations to outcomes — measures

	2007-08 \$'000	2008-09 \$'000	2009-10 \$'000	2010-11 \$'000
Expense measures				
Efficiency dividend - increase in the rate from 1 per cent to 1.25 per cent ¹	-	(354)	(367)	(352)
Election Commitment Savings: 2 per cent Efficiency Dividend ¹	(621)	(2,438)	(2,460)	(2,617)
Outcome 2				
Emissions Trading Scheme	3,159	3,261	3,358	3,229
Emissions Trading Scheme (<i>related capital</i>)	25	200	25	-
Outcome 4				
Asia-Pacific Economic Cooperation forum - supporting Australia's involvement	2,264	3,671	-	-
Financial Product Disclosure Simplification	1,000	2,000	-	-
Revision to measure - Australia-Japan Free Trade Agreement - commencement of negotiations	-	(119)	-	-
Revision to measure - Australia-China Free Trade Agreement - continuation of negotiations	(143)	(299)	-	-
Revision to measure - Financial Literacy Foundation	(2,650)	-	-	-
Revision to measure - Financial Literacy Foundation (<i>related revenue</i>)	-	(5,400)	(5,400)	-
Standard Business Reporting	13,119	16,974	17,551	4,671
Standard Business Reporting (<i>related capital</i>)	8,843	9,331	7,233	-

1. This measure applies to the Treasury's four outcomes.

Note: These figures represent the impact on the fiscal balance.

Table 1.3: Additional estimates and variations to outcomes — other variations

	2007-08 \$'000	2008-09 \$'000	2009-10 \$'000	2010-11 \$'000
Adjustment to reflect movement in indices relating to prices and wages (departmental) ¹	-	270	273	388
Outcome 2				
Adjustment to reflect movement in indices relating to prices and wages (administered)	14	-	-	-
Outcome 4				
Administrative Arrangements Orders - transfer of the regulation reform agenda - coordination of implementation measure to the Department of Finance and Deregulation	(164)	(284)	(290)	(290)
Adjustment to reflect movement in indices relating to prices and wages (administered)	664	1,725	1,773	1,811

1. This variation applies to the Treasury's four outcomes.

Note: These figures represent the impact on the fiscal balance.

MEASURES — AGENCY SUMMARY

Table 1.4: Summary of measures since the 2007-08 Budget

Measure	Outcome	Output groups affected	2007-08 \$'000			2008-09 \$'000			2009-10 \$'000			2010-11 \$'000		
			Admin items	Dept outputs	Total	Admin items	Dept outputs	Total	Admin items	Dept outputs	Total	Admin items	Dept outputs	Total
Expense measures														
Asia-Pacific Economic Cooperation forum - supporting Australia's involvement	4	4.1	-	2,264	2,264	-	3,671	3,671	-	-	-	-	-	-
Efficiency dividend - increase in the rate from 1 per cent to 1.25 per cent	1,2,3,4	All	-	-	-	-	(354)	(354)	-	(367)	(367)	-	(352)	(352)
Election Commitment Savings: 2 per cent Efficiency Dividend	1,2,3,4	All	-	(621)	(621)	-	(2,438)	(2,438)	-	(2,460)	(2,460)	-	(2,617)	(2,617)
Emissions Trading Scheme	2	2.1	-	3,159	3,159	-	3,261	3,261	-	3,358	3,358	-	3,229	3,229
Financial Product Disclosure Simplification	4	4.1	-	1,000	1,000	-	2,000	2,000	-	-	-	-	-	-
Revision to measure Australia-Japan Free Trade Agreement - commencement of negotiations	4	4.1	-	-	-	-	(119)	(119)	-	-	-	-	-	-

Table 1.4: Summary of measures since the 2007-08 Budget (continued)

Measure	Outcome	Output groups affected	2007-08 \$'000			2008-09 \$'000			2009-10 \$'000			2010-11 \$'000		
			Admin items	Dept outputs	Total	Admin items	Dept outputs	Total	Admin items	Dept outputs	Total	Admin items	Dept outputs	Total
			Expense measures (continued)											
Revision to measure - Australia-China Free Trade Agreement - continuation of negotiations	4	4.1	-	(143)	(143)	-	(299)	(299)	-	-	-	-	-	-
Revision to measure - Financial Literacy Foundation	4	4.1	-	(2,650)	(2,650)	-	-	-	-	-	-	-	-	-
Standard Business Reporting ¹	4	4.1	3,240	9,879	13,119	7,120	9,854	16,974	2,970	14,581	17,551	-	4,671	4,671
Total expense measures			3,240	12,888	16,128	7,120	15,576	22,696	2,970	15,112	18,082	-	4,931	4,931
Related capital														
Emissions Trading Scheme	2	2.1	-	25	25	-	200	200	-	25	25	-	-	-
Standard Business Reporting	4	4.1	-	8,843	8,843	-	9,331	9,331	-	7,233	7,233	-	-	-
Total related capital			-	8,868	8,868	-	9,531	9,531	-	7,258	7,258	-	-	-
Related revenue														
Revision to measure - Financial Literacy Foundation	4	4.1	-	-	-	(5,400)	-	(5,400)	(5,400)	-	(5,400)	-	-	-
Total of all measures			3,240	21,756	24,996	1,720	25,107	26,827	(2,430)	22,370	19,940	-	4,931	4,931

1. The Admin items for Standard Business Reporting have been transferred to the Treasury from the Australian Taxation Office.

Note: These figures represent the impact on the fiscal balance.

BREAKDOWN OF ADDITIONAL ESTIMATES BY APPROPRIATION BILL

Table 1.5: Appropriation Bill (No. 3) 2007-08

	2006-07 available \$'000	2007-08 budget ¹ \$'000	2007-08 budget ² \$'000	2007-08 revised \$'000	Additional estimates ³ \$'000	Reduced estimates \$'000
DEPARTMENTAL OUTPUTS						
Outcome 1						
Sound macroeconomic environment	36,142	28,534	28,534	28,282	(252)	-
Outcome 2						
Effective government spending arrangements	15,783	17,171	17,171	20,242	3,071	-
Outcome 3						
Effective taxation and retirement income arrangements	42,141	43,286	43,286	42,378	(908)	-
Outcome 4						
Well functioning markets	39,470	49,000	48,836	59,942	11,106	-
Total	133,536	137,991	137,827	150,844	13,017	-

1. Original budget as shown in the *Portfolio Budget Statements 2007-08*.
2. Original budget as shown in the *Portfolio Budget Statements 2007-08* less Administrative Arrangements Orders transfer of \$0.2 million to the Department of Finance and Deregulation.
3. These figures represent the impact on appropriations.

Table 1.6: Appropriation Bill (No. 4) 2007-08

	2006-07 available \$'000	2007-08 budget \$'000	2007-08 revised \$'000	Additional estimates ¹ \$'000	Reduced estimates \$'000
PAYMENTS TO STATES, ACT, NT AND LOCAL GOVERNMENT					
Outcome 2					
Effective government spending arrangements	19,504	2,399	2,413	14	-
Outcome 4					
Well functioning markets	170,292	173,204	177,108	3,904	-
Total	189,796	175,603	179,521	3,918	-
Non-operating					
Equity injections	276	110	8,978	8,868	-
Total non-operating	276	110	8,978	8,868	-
Total	190,072	175,713	188,499	12,786	-

1. These figures represent the impact on appropriations.

SUMMARY OF STAFFING CHANGES

Table 1.7: Average Staffing Level (ASL)

	2007-08 budget	2007-08 revised	Variation
Outcome 1			
Sound macroeconomic environment	187	189	2
Outcome 2			
Effective government spending arrangements	122	140	18
Outcome 3			
Effective taxation and retirement income arrangements	296	298	2
Outcome 4			
Well functioning markets	248	293	45
Total	853	920	67

OTHER RECEIPTS AVAILABLE TO BE USED

Table 1.8: Other receipts available to be used

The Treasury has not made any changes to other receipts available to be used since the *Portfolio Budget Statements 2007-08*.

ESTIMATES OF EXPENSES FROM SPECIAL APPROPRIATIONS

Table 1.9: Estimates of expenses from special appropriations

	Budget estimate 2007-08 \$'000	Revised estimate 2007-08 \$'000
Estimated expenses		
<i>International Monetary Agreements Act 1947</i>	1	33,751
Total estimated expenses	37,996	33,751

ESTIMATES OF SPECIAL ACCOUNT FLOWS

Table 1.10: Estimates of special account flows

The Treasury has not made any changes to special account flows since the *Portfolio Budget Statements 2007-08*.

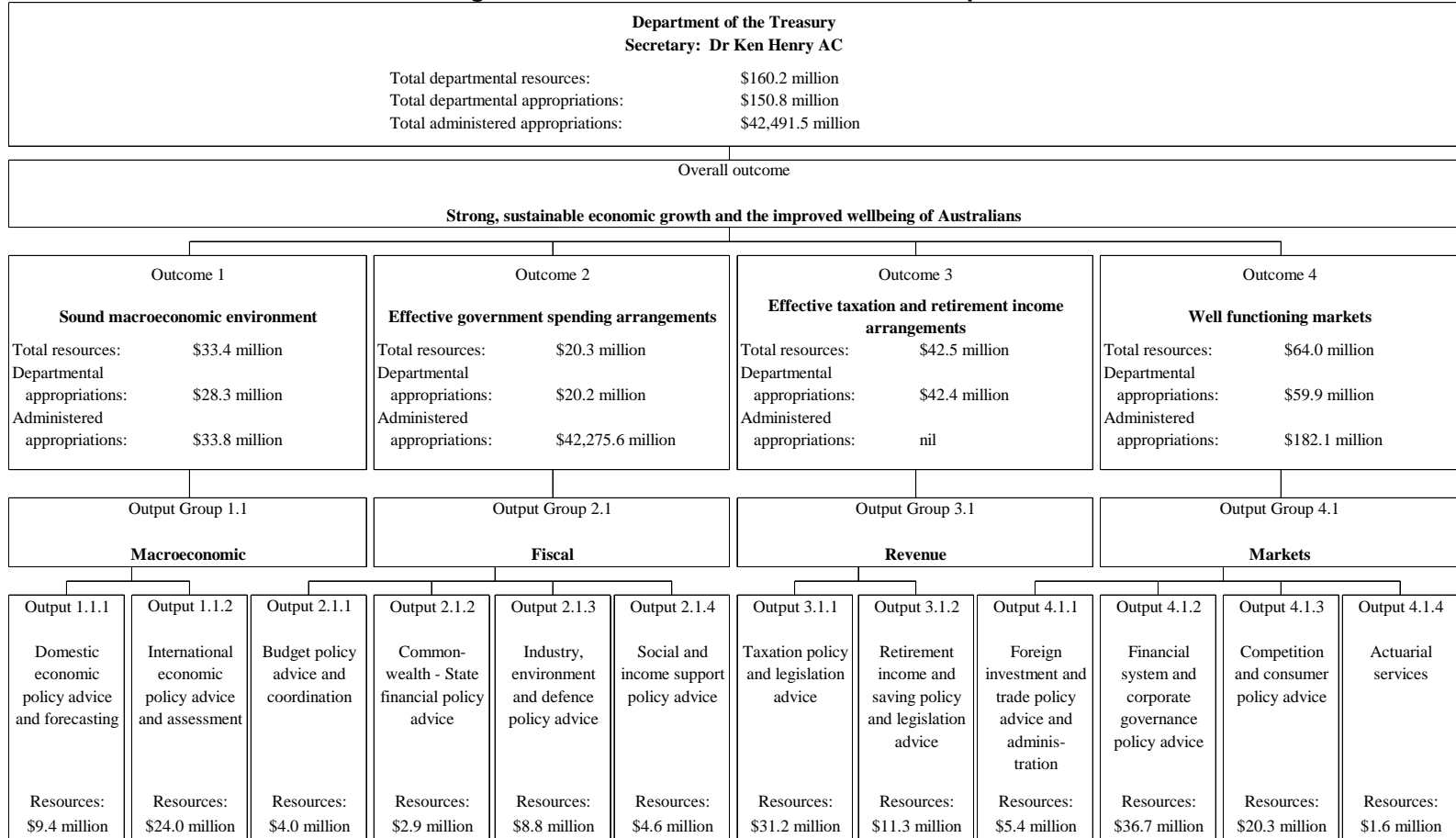
Section 2: Revisions to agency outcomes

OUTCOMES, ADMINISTERED ITEMS AND OUTPUTS

Table 1.1 ‘Agency outcomes and output groups’ lists the outcome statements and output groups for the Treasury.

The Treasury has not made any changes to its outcomes or outputs since the *Portfolio Budget Statements 2007-08*.

Figure 2: Contributions to outcomes and outputs



Revised performance information — 2007-08

The Treasury has not made any changes to its performance information since the *Portfolio Budget Statements 2007-08*.

Section 3: Budgeted financial statements

ANALYSIS OF BUDGETED FINANCIAL STATEMENTS

Departmental

The Treasury is budgeting towards a breakeven operating result for 2007-08.

The increase in appropriation revenue (\$13.0 million) since the 2007-08 Budget predominantly relates to net funding received for new measures. Refer to Table 1.2 and Table 1.4 for further details of these measures.

The Treasury has a sound financial position and currently has sufficient cash reserves to fund provisions and payables, and asset replacement, as they fall due.

Administered

For constitutional reasons the goods and services tax (GST) is levied by the Australian Government, and can therefore be technically considered Australian Government revenue under the reporting standards. The clear policy intent of the *Intergovernmental Agreement on the Reform of Commonwealth-State Financial Relations*, however, is that it is a State tax collected by the Australian Government in an agency capacity. Accordingly, GST related items recorded in the Treasury's administered budget statements, fully offset GST related items recorded by the Australian Taxation Office so that at a consolidated level the GST is not recorded by the Australian Government.

BUDGETED FINANCIAL STATEMENTS

Departmental financial statements

Budgeted departmental income statement

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

Budgeted departmental balance sheet

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

Budgeted departmental statement of cash flows

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

Departmental statement of changes in equity — summary of movement

This statement provides information on changes in the amount and nature of equity for the 2007-08 Budget year.

Departmental capital budget statement

This statement provides all proposed capital expenditure on non-financial assets, whether funded through capital appropriations for additional equity or from internally sourced funds.

Departmental property, plant, equipment and intangibles — summary of movement

This statement provides the budgeted movement in the Treasury's non-financial assets during the 2007-08 Budget year.

Schedule of administered activity

Schedule of budgeted income and expenses administered on behalf of government

This schedule identifies the income and expenses administered by the Treasury on behalf of the Australian Government.

Schedule of budgeted assets and liabilities administered on behalf of government

This schedule shows the assets and liabilities administered by the Treasury on behalf of the Australian Government.

Schedule of budgeted administered cash flows

This schedule shows cash flows administered by the Treasury on behalf of the Australian Government, categorised into expected cash flows from operating activities, investing activities and financing activities.

Schedule of administered capital budget

This schedule shows proposed administered capital expenditure.

Schedule of administered property, plant, equipment and intangibles — summary of movement

The Treasury does not have any administered property, plant, equipment or intangible assets.

BUDGETED FINANCIAL STATEMENTS TABLES

**Table 3.1: Budgeted departmental income statement
(for the period ended 30 June)**

	Actual 2006-07 \$'000	Revised budget 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000
INCOME					
Revenue					
Revenues from Government	133,536	150,844	143,597	147,401	141,161
Goods and services	7,219	8,660	8,857	9,063	9,277
Other	1,011	250	250	249	250
Total revenue	141,766	159,754	152,704	156,713	150,688
Gains					
Net gains from sale of assets	65	-	-	-	-
Other	398	398	399	400	400
Total gains	463	398	399	400	400
Total income	142,229	160,152	153,103	157,113	151,088
EXPENSE					
Employees	96,495	96,398	92,021	94,822	97,046
Suppliers	52,699	59,842	57,130	54,867	45,287
Depreciation and amortisation	3,270	3,754	3,794	7,266	8,597
Finance costs	126	158	158	158	158
impairment of assets	49	-	-	-	-
Total expenses	152,639	160,152	153,103	157,113	151,088
Net surplus or (deficit) attributable to the Australian Government	(10,410)	-	-	-	-

**Table 3.2: Budgeted departmental balance sheet
(as at 30 June)**

	Actual 2006-07 \$'000	Revised budget 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	2,256	2,256	2,256	2,256	2,256
Receivables	54,717	56,875	59,040	64,688	71,721
Total financial assets	56,973	59,131	61,296	66,944	73,977
Non-financial assets					
Land and buildings	7,092	7,367	7,642	7,417	7,192
Infrastructure, plant and equipment	7,870	16,709	26,171	28,888	23,016
Intangibles	930	991	1,051	1,051	1,051
Other	869	916	963	1,012	1,062
Total non-financial assets	16,761	25,983	35,827	38,368	32,321
Total assets	73,734	85,114	97,123	105,312	106,298
LIABILITIES					
Payables					
Suppliers	1,568	1,610	1,653	1,697	1,742
Other payables	3,973	4,044	4,115	4,189	4,265
Total payables	5,541	5,654	5,768	5,886	6,007
Interest bearing liabilities					
Leases	1,496	1,496	1,496	1,496	1,496
Total interest bearing liabilities	1,496	1,496	1,496	1,496	1,496
Provisions					
Employees	32,791	35,080	37,434	38,247	39,112
Total provisions	32,791	35,080	37,434	38,247	39,112
Total liabilities	39,828	42,230	44,698	45,629	46,615
EQUITY					
Contributed equity	3,961	12,939	22,480	29,738	29,738
Reserves	3,644	3,644	3,644	3,644	3,644
Retained surpluses or accumulated deficits	26,301	26,301	26,301	26,301	26,301
Total equity	33,906	42,884	52,425	59,683	59,683
Current assets	57,842	60,047	62,259	67,956	75,039
Non-current assets	15,892	25,067	34,864	37,356	31,259
Current liabilities	35,002	37,211	39,478	40,200	40,969
Non-current liabilities	4,826	5,019	5,220	5,429	5,646

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

	Actual 2006-07 \$'000	Revised budget 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000
OPERATING ACTIVITIES					
Cash received					
Goods and services	6,377	8,600	8,797	9,001	9,214
Appropriations	138,787	148,853	141,599	145,392	139,100
Net GST received	5,272	-	-	-	-
Other cash received	1,859	218	218	216	216
Total cash received	152,295	157,671	150,614	154,609	148,530
Cash used					
Employees	93,067	94,114	89,673	94,014	96,187
Suppliers	49,977	59,448	56,733	57,937	49,685
Grants	1,282	-	-	-	-
Financing costs	126	158	158	158	158
Net GST paid	5,264	-	-	-	-
Other cash used	102	-	-	-	-
Total cash used	149,818	153,720	146,564	152,109	146,030
Net cash from or (used by) operating activities	2,477	3,951	4,050	2,500	2,500
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of property, plant and equipment	110	-	-	-	-
Total cash received	110	-	-	-	-
Cash used					
Purchase of property, plant and equipment	1,976	12,929	13,591	9,758	2,500
Total cash used	1,976	12,929	13,591	9,758	2,500
Net cash from or (used by) investing activities	(1,866)	(12,929)	(13,591)	(9,758)	(2,500)
FINANCING ACTIVITIES					
Cash received					
Appropriations - contributed equity	276	8,978	9,541	7,258	-
Total cash received	276	8,978	9,541	7,258	-
Cash used					
Repayments of debt (including finance lease principal)	738	-	-	-	-
Total cash used	738	-	-	-	-
Net cash from or (used by) financing activities	(462)	8,978	9,541	7,258	-
Net increase or (decrease) in cash held	149	-	-	-	-
Cash at the beginning of the reporting period	2,107	2,256	2,256	2,256	2,256
Cash at the end of the reporting period	2,256	2,256	2,256	2,256	2,256

Table 3.4: Departmental statement of changes in equity — summary of movement (Budget 2007-08)

	Accumulated results \$'000	Asset revaluation reserve \$'000	Other reserves \$'000	Contributed equity/ capital \$'000	Total equity \$'000
Opening balance as at 1 July 2007					
Balance carried forward from previous period	26,301	3,644	-	3,961	33,906
Adjusted opening balance	26,301	3,644	-	3,961	33,906
Income and expense					
Net operating result	-	-	-	-	-
Total income and expenses	-	-	-	-	-
Transactions with owners					
<i>Contribution by owners</i>					
Appropriation (equity injection)	-	-	-	8,978	8,978
Total transactions with owners	-	-	-	8,978	8,978
Estimated closing balance as at 30 June 2008	26,301	3,644	-	12,939	42,884

Table 3.5: Departmental capital budget statement

	Actual 2006-07 \$'000	Revised budget 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000
CAPITAL APPROPRIATIONS					
Total equity injections	276	8,978	9,541	7,258	-
Previous years' outputs	-	1,820	-	-	-
Total capital appropriations	276	10,798	9,541	7,258	-
Represented by:					
Purchase of non-financial assets	276	8,978	9,541	7,258	-
Other	-	1,820	-	-	-
Total represented by	276	10,798	9,541	7,258	-
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriation	276	8,978	9,541	7,258	-
Funded internally by departmental resources	2,477	3,951	4,050	2,500	2,500
Total	2,753	12,929	13,591	9,758	2,500

Table 3.6: Departmental property, plant, equipment and intangibles — summary of movement (Budget year 2007-08)

	Land	Investment property	Buildings	Specialist military equipment	Other infrastructure plant and equipment	Heritage and cultural assets	Computer software	Other intangibles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
As at 1 July 2007									
Gross book value	-	-	11,716	-	13,614	-	3,934	-	29,264
Accumulated depreciation	-	-	(4,624)	-	(5,744)	-	(3,004)	-	(13,372)
Opening net book value	-	-	7,092	-	7,870	-	930	-	15,892
Additions:									
by purchase	-	-	1,000	-	11,368	-	561	-	12,929
Depreciation/amortisation expense	-	-	(725)	-	(2,529)	-	(500)	-	(3,754)
As at 30 June 2008									
Gross book value	-	-	12,716	-	24,982	-	4,495	-	42,193
Accumulated depreciation	-	-	(5,349)	-	(8,273)	-	(3,504)	-	(17,126)
Estimated closing net book value	-	-	7,367	-	16,709	-	991	-	25,067

Table 3.7: Schedule of budgeted income and expenses administered on behalf of government (for the period ended 30 June)

	Actual 2006-07 \$'000	Revised budget 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000
INCOME ADMINISTERED ON BEHALF OF GOVERNMENT					
Revenue					
Taxation					
Goods and services tax	(39,551,938)	(43,760,000)	(46,910,000)	(49,250,000)	(51,900,000)
Other taxes	-	230,000	260,000	260,000	280,000
Total taxation	(39,551,938)	(43,530,000)	(46,650,000)	(48,990,000)	(51,620,000)
Non-taxation					
Revenues from Government	39,757,690	42,491,468	45,493,667	47,888,985	50,350,608
Goods and services	618,792	635,900	644,500	633,600	639,300
Interest	10,235	4,048	3,653	3,651	3,651
Dividends	1,177,725	1,084,822	1,990,000	1,978,000	2,066,000
Other sources of non-taxation revenues	66,257	2,446	7,203	7,000	1,600
Total non-taxation	41,630,699	44,218,684	48,139,023	50,511,236	53,061,159
Total revenues administered on behalf of Government	2,078,761	688,684	1,489,023	1,521,236	1,441,159
Gains					
Net foreign exchange gains	-	166,581	-	-	-
Total gains administered on behalf of Government	-	166,581	-	-	-
Total income administered on behalf of Government	2,078,761	855,265	1,489,023	1,521,236	1,441,159
EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT					
Grants	169,973	202,717	186,377	186,709	188,332
Write down and impairment of assets	-	(680,000)	(730,000)	(775,000)	(810,000)
Interest	35,779	33,751	32,290	32,276	32,276
Other	-	5,000	5,000	-	-
Losses					
Net foreign exchange losses	197,948	-	-	-	-
Total expenses administered on behalf of Government	403,700	(438,532)	(506,333)	(556,015)	(589,392)

Table 3.8: Schedule of budgeted assets and liabilities administered on behalf of government (as at 30 June)

	Actual	Revised	Forward	Forward	Forward
	2006-07	budget	estimate	estimate	estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
ASSETS ADMINISTERED ON BEHALF OF GOVERNMENT					
Financial assets					
Cash and cash equivalents	13,168	13,168	13,168	13,168	13,168
Receivables	2,248	(9,988,397)	(10,509,222)	(10,924,222)	(11,864,222)
Investments	16,546,830	16,674,417	16,674,417	16,674,417	16,674,417
Total financial assets	16,562,246	6,699,188	6,178,363	5,763,363	4,823,363
Non-financial assets					
Other	2,081	2,075	2,075	2,075	2,075
Total non-financial assets	2,081	2,075	2,075	2,075	2,075
Total assets administered on behalf of Government	16,564,327	6,701,263	6,180,438	5,765,438	4,825,438
LIABILITIES ADMINISTERED ON BEHALF OF GOVERNMENT					
Interest bearing liabilities					
Loans	3,888,624	3,855,670	3,855,114	3,855,114	3,855,114
Other	839,509	862,435	862,435	862,435	862,435
Total interest bearing liabilities	4,728,133	4,718,105	4,717,549	4,717,549	4,717,549
Provisions					
Suppliers	127	127	127	127	127
Other provisions	735	(455,051)	(455,451)	(455,451)	(455,451)
Total provisions	862	(454,924)	(455,324)	(455,324)	(455,324)
Payables					
Grants and subsidies	194,397	141,778	102,487	75,501	55,736
Other payables	5,921	5,377	5,391	5,391	5,391
Total payables	200,318	147,155	107,878	80,892	61,127
Total liabilities administered on behalf of Government	4,929,313	4,410,336	4,370,103	4,343,117	4,323,352

**Table 3.9: Schedule of budgeted administered cash flows
(for the period ended 30 June)**

	Actual	Revised	Forward	Forward	Forward
	2006-07	budget	estimate	estimate	estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
OPERATING ACTIVITIES					
Cash received					
Rendering of services	628,778	635,900	644,500	633,600	639,300
Interest	11,849	4,343	3,651	3,651	3,651
Dividends	1,477,259	1,084,822	1,860,000	1,848,000	2,326,000
Other	52,214	2,539	7,630	7,000	1,600
Total cash received	2,170,100	1,727,604	2,515,781	2,492,251	2,970,551
Cash used					
Grant payments	39,647,303	42,452,717	45,456,377	47,856,709	50,318,332
Interest paid	86,756	34,295	32,276	32,276	32,276
Other	3,919	55,119	41,791	26,986	19,765
Total cash used	39,737,978	42,542,131	45,530,444	47,915,971	50,370,373
Net cash from operating activities	(37,567,878)	(40,814,527)	(43,014,663)	(45,423,720)	(47,399,822)
INVESTING ACTIVITIES					
Cash received					
Other	319,395	-	-	-	-
Total cash received	319,395	-	-	-	-
Cash used					
Purchase of equity instruments	1,603	3,635	3,056	-	-
Total cash used	1,603	3,635	3,056	-	-
Net cash from investing activities	317,792	(3,635)	(3,056)	-	-
Net increase or (decrease) in cash held	(37,250,086)	(40,818,162)	(43,017,719)	(45,423,720)	(47,399,822)
Cash at beginning of reporting period	7,736	13,168	13,168	13,168	13,168
Cash from Official Public Account - appropriations	39,744,635	42,545,766	45,533,500	47,915,971	50,370,373
Cash to Official Public Account	2,489,117	1,727,604	2,515,781	2,492,251	2,970,551
Cash at end of reporting period	13,168	13,168	13,168	13,168	13,168

Table 3.10: Schedule of administered capital budget

	Actual	Revised budget	Forward estimate	Forward estimate	Forward estimate
	2006-07	2007-08	2008-09	2009-10	2010-11
	\$'000	\$'000	\$'000	\$'000	\$'000
CAPITAL APPROPRIATIONS					
Administered capital	4,103	42,737	39,847	26,986	19,765
Special appropriations	51,330	11,017	-	-	-
Total capital appropriations	55,433	53,754	39,847	26,986	19,765
Represented by:					
Other	55,433	53,754	39,847	26,986	19,765
Total represented by	55,433	53,754	39,847	26,986	19,765
Total	55,433	53,754	39,847	26,986	19,765

Table 3.11: Schedule of administered property, plant, equipment and intangibles — summary of movement (Budget year 2007-08)

The Treasury does not have any administered property, plant, equipment or intangibles.

NOTES TO THE FINANCIAL STATEMENTS

Basics of accounting

The Treasury's budgeted statements have been prepared on an accrual basis in accordance with:

- Australian Government's financial budgeting and reporting framework;
- Australian Accounting Standards (AAS), being the Australian Equivalent to International Reporting Standards (AEIFRS); and
- Consensus Views of the Urgent Issues Group

The budgeted income statement and balance sheet have been prepared in accordance with the historical cost convention, except certain assets, which are at valuation.

Departmental and administered financial statements

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

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

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

AUSTRALIAN BUREAU OF STATISTICS

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AUSTRALIAN BUREAU OF STATISTICS

Section 1: Agency overview and resources; variations and measures

OVERVIEW

There has been no change to the overview included in the *Portfolio Budget Statements 2007-08*. (page 55).

Table 1.1: Agency outcomes and output groups

Outcome	Description	Output groups
Outcome 1		
Informed decision making, research and discussion within governments and the community based on the provision of a high quality, objective and responsive national statistical service	The ABS achieves its outcome by the provision of two outputs: (i) economic statistics; and (ii) population and social statistics	Output Group 1.1 Australian Bureau of Statistics - national statistical service

ADDITIONAL ESTIMATES AND VARIATIONS TO OUTCOMES

The following variations in Table 1.2 and Table 1.3 contributed to a net increase in agency outputs in 2007-08.

Table 1.2: Additional estimates and variations to outcomes — measures

	2007-08 \$'000	2008-09 \$'000	2009-10 \$'000	2010-11 \$'000
Outcome 1				
Expense measures				
Efficiency dividend - increase in the rate from 1 per cent to 1.25 per cent	-	(616)	(1,224)	(1,938)
Election Commitment Savings: 2 per cent				
Efficiency Dividend	(1,376)	(5,626)	(5,921)	(7,039)
Emissions Trading Scheme	653	2,202	2,718	2,750
Emissions Trading Scheme (<i>related capital</i>)	-	300	225	150
Standard Business Reporting	3,317	3,190	3,394	2,367
Standard Business Reporting (<i>related capital</i>)	5,880	4,754	3,809	895

Note: These figures represent the impact on the fiscal balance.

Table 1.3: Additional estimates and variations to outcomes — other variations

	2007-08	2008-09	2009-10	2010-11
	\$'000	\$'000	\$'000	\$'000
Outcome 1				
Adjustment to reflect movement in indices relating to prices and wages	-	482	513	925

Note: These figures represent the impact on the fiscal balance.

MEASURES — AGENCY SUMMARY

Table 1.4: Summary of measures since the 2007-08 Budget

Measure	Outcome	Output groups affected	2007-08 \$'000			2008-09 \$'000			2009-10 \$'000			2010-11 \$'000		
			Admin	Dept	Total	Admin	Dept	Total	Admin	Dept	Total	Admin	Dept	Total
			items	outputs		items	outputs		items	outputs		items	outputs	
Expense measures														
Efficiency dividend - increase in the rate from 1 per cent to 1.25 per cent	1	1.1	-	-	-	-	(616)	(616)	-	(1,224)	(1,224)	-	(1,938)	(1,938)
Election Commitment Savings: 2 per cent														
Efficiency Dividend	1	1.1	-	(1,376)	(1,376)	-	(5,626)	(5,626)	-	(5,921)	(5,921)	-	(7,039)	(7,039)
Emissions Trading Scheme	1	1.1	-	653	653	-	2,202	2,202	-	2,718	2,718	-	2,750	2,750
Standard Business Reporting	1	1.1	-	3,317	3,317	-	3,190	3,190	-	3,394	3,394	-	2,367	2,367
Total expense measures			-	2,594	2,594	-	(850)	(850)	-	(1,033)	(1,033)	-	(3,860)	(3,860)
Related capital														
Emissions Trading Scheme	1	1.1	-	-	-	-	300	300	-	225	225	-	150	150
Standard Business Reporting	1	1.1	-	5,880	5,880	-	4,754	4,754	-	3,809	3,809	-	895	895
Total related capital			-	5,880	5,880	-	5,054	5,054	-	4,034	4,034	-	1,045	1,045
Total of all measures			-	8,474	8,474	-	4,204	4,204	-	3,001	3,001	-	(2,815)	(2,815)

Note: These figures represent the impact on the fiscal balance.

BREAKDOWN OF ADDITIONAL ESTIMATES BY APPROPRIATION BILL

Table 1.5: Appropriation Bill (No. 3) 2007-08

	2006-07 available \$'000	2007-08 budget \$'000	2007-08 revised \$'000	Additional estimates ¹ \$'000	Reduced estimates \$'000
DEPARTMENTAL OUTPUTS					
Outcome 1					
Informed decision making, research and discussion within governments and the community based on the provision of a high quality, objective and responsive national statistical service	413,823	299,094	299,094	3,166	-
Total	413,823	299,094	299,094	3,166	-

1. This figure represents the impact on appropriations.

Table 1.6: Appropriation Bill (No. 4) 2007-08

	2006-07 available \$'000	2007-08 budget \$'000	2007-08 revised \$'000	Additional estimates ¹ \$'000	Reduced estimates \$'000
Non-operating					
Equity injections	666	1,498	7,377	5,879	-
Total	666	1,498	7,377	5,879	-

1. This figure represents the impact on appropriations.

SUMMARY OF STAFFING CHANGES

Table 1.7: Average Staffing Level (ASL)

	2007-08 budget	2007-08 revised	Variation
Outcome 1			
Informed decision making, research and discussion within governments and the community based on the provision of a high quality, objective responsive national statistical service	2,766	2,787	21
Total	2,766	2,787	21

OTHER RECEIPTS AVAILABLE TO BE USED

Table 1.8: Other receipts available to be used

The ABS has not made any changes to other receipts available to be used since the *Portfolio Budget Statements 2007-08*.

ESTIMATES OF EXPENSES FROM SPECIAL APPROPRIATIONS

Table 1.9: Estimates of expenses from special appropriations

The ABS does not have any special appropriations.

ESTIMATES OF SPECIAL ACCOUNT FLOWS

Table 1.10: Estimates of special account flows

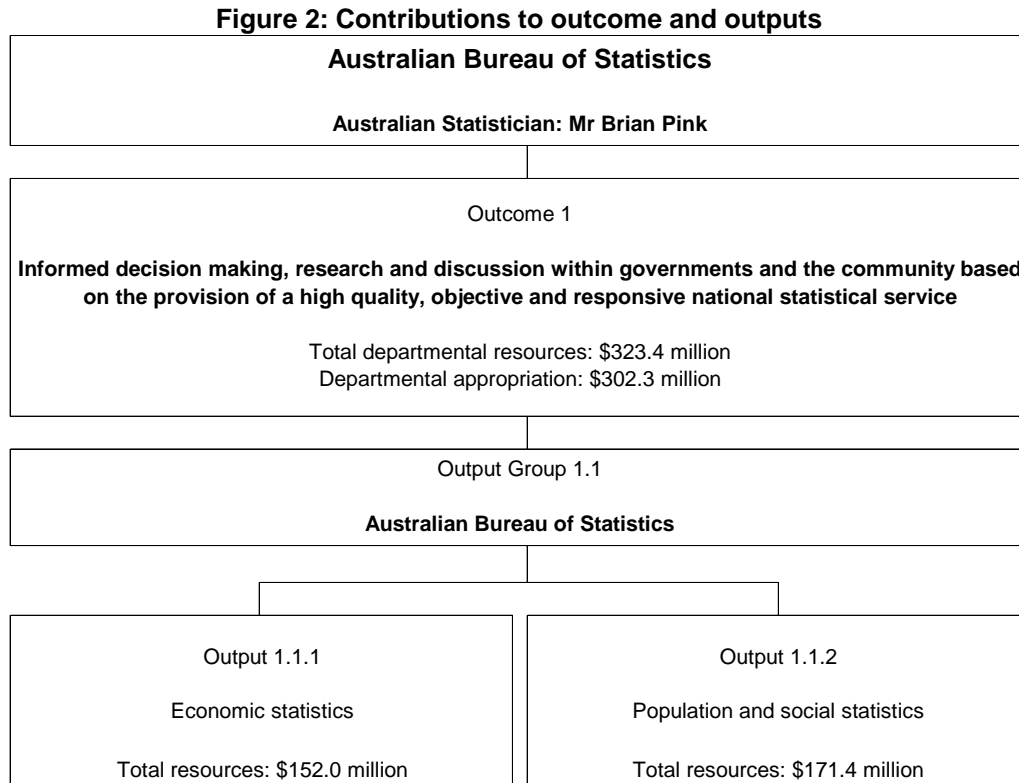
The ABS has not made any changes to special account flows since the *Portfolio Budget Statements 2007-08*.

Section 2: Revisions to agency outcomes

OUTCOMES, ADMINISTERED ITEMS AND OUTPUTS

Table 1.1 ‘Agency outcomes and output groups’ lists the outcome statement and output group for the Australian Bureau of Statistics (ABS).

The ABS has not made any changes to its outcome or outputs since the *Portfolio Budget Statements 2007-08*.



Revised performance information — 2007-08

The ABS has not made any changes to its performance information since the *Portfolio Budget Statements 2007-08*.

Section 3: Budgeted financial statements

ANALYSIS OF BUDGETED FINANCIAL STATEMENTS

Changes to the income statement for 2007-08 arise from new measures as outlined in Table 1.2 and Table 1.4.

Since the 2007-08 Budget, contributed equity has increased by \$5.9 million due to the Standard Business Reporting measure.

BUDGETED FINANCIAL STATEMENTS

Departmental financial statements

Budgeted departmental income statement

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

Budgeted departmental balance sheet

This statement provides the financial position of the ABS. It enables decision makers to track the management of assets and liabilities.

Budgeted departmental statement of cash flows

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

Departmental statement of changes in equity — summary of movement

This statement provides information on changes in the amount and nature of equity for the 2007-08 Budget year.

Departmental capital budget statement

This statement provides all proposed capital expenditure on non-financial assets, whether funded through capital appropriations for additional equity or from internal sourced resources.

Departmental property, plant, equipment and intangibles — summary of movement

This statement provides the budgeted movement in the ABS's non-financial assets during the 2007-08 Budget year.

BUDGETED FINANCIAL STATEMENTS TABLES

**Table 3.1: Budgeted departmental income statement
(for the period ended 30 June)**

	Actual 2006-07 \$'000	Revised budget 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000
INCOME					
Revenue					
Revenues from Government	414,431	302,260	282,531	297,853	351,455
Goods and services	22,968	20,983	17,706	17,418	17,766
Other	533	-	-	-	-
Total revenue	437,932	323,243	300,237	315,271	369,221
Gains					
Net gains from sale of assets	130	100	100	100	100
Other gains	134	100	100	100	100
Total gains	264	200	200	200	200
Total income	438,196	323,443	300,437	315,471	369,421
EXPENSE					
Employees	294,681	210,441	194,789	198,941	248,429
Suppliers	107,513	80,061	71,555	82,989	83,750
Depreciation and amortisation	33,443	32,317	33,379	33,111	36,897
Finance costs	435	351	261	167	65
Write-down of assets and impairment of assets	1,304	-	-	-	-
Other	219	273	452	264	280
Total expenses	437,595	323,443	300,436	315,472	369,421
Net surplus or (deficit) attributable to the Australian Government	601	-	-	-	-

**Table 3.2: Budgeted departmental balance sheet
(as at 30 June)**

	Actual 2006-07 \$'000	Revised budget 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	6,435	5,124	5,126	5,131	5,136
Receivables	8,509	6,132	11,263	6,957	9,521
Accrued revenues	497	553	429	422	430
Total financial assets	15,441	11,809	16,818	12,510	15,087
Non-financial assets					
Infrastructure, plant and equipment	51,312	54,022	48,374	43,172	47,709
Intangibles	95,380	103,508	109,772	116,433	122,277
Other	7,257	6,709	4,586	5,297	6,455
Total non-financial assets	153,949	164,239	162,732	164,902	176,441
Total assets	169,390	176,048	179,550	177,412	191,528
LIABILITIES					
Payables					
Suppliers	1,452	1,922	3,092	2,607	4,652
Other	6,378	5,973	4,818	5,116	12,457
Total payables	7,830	7,895	7,910	7,723	17,109
Interest bearing liabilities					
Loans	6,245	4,821	3,308	1,699	-
Other interest bearing liabilities	26,729	25,708	24,418	22,707	20,374
Total interest bearing liabilities	32,974	30,529	27,726	24,406	20,374
Provisions					
Employees	67,720	70,257	71,182	68,517	76,234
Other provisions	1,000	1,000	1,000	1,000	1,000
Total provisions	68,720	71,257	72,182	69,517	77,234
Total liabilities	109,524	109,681	107,818	101,646	114,717
EQUITY					
Contributed equity	14,033	20,534	25,899	29,933	30,978
Reserves	16,370	16,370	16,370	16,370	16,370
Retained surpluses or accumulated deficits	29,463	29,463	29,463	29,463	29,463
Total equity	59,866	66,367	71,732	75,766	76,811
Current assets	20,327	21,126	21,623	21,289	22,983
Non-current assets	149,063	154,922	157,951	156,123	168,545
Current liabilities	43,810	43,872	43,127	40,658	45,887
Non-current liabilities	65,714	65,809	64,690	60,988	68,830

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

	Actual 2006-07 \$'000	Revised budget 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000
OPERATING ACTIVITIES					
Cash received					
Goods and services	18,016	21,140	17,954	17,516	18,848
Appropriations	416,100	307,119	279,092	305,443	349,093
Other	13,223	9,546	7,912	9,159	9,607
Total cash received	447,339	337,805	304,958	332,118	377,548
Cash used					
Employees	293,359	211,196	195,622	203,885	240,712
Suppliers	106,174	79,771	67,860	87,069	78,177
Financing costs	435	351	261	167	65
Other cash used	12,735	9,570	8,379	9,468	10,051
Total cash used	412,703	300,888	272,122	300,589	329,005
Net cash from or (used by) operating activities	34,636	36,917	32,836	31,529	48,543
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of property, plant and equipment	665	100	100	100	100
Total cash received	665	100	100	100	100
Cash used					
Purchase of property, plant and equipment	35,892	43,405	36,786	34,049	47,984
Total cash used	35,892	43,405	36,786	34,049	47,984
Net cash from or (used by) investing activities	(35,227)	(43,305)	(36,686)	(33,949)	(47,884)
FINANCING ACTIVITIES					
Cash received					
Appropriations - contributed equity	-	6,501	5,365	4,034	1,045
Total cash received	-	6,501	5,365	4,034	1,045
Cash used					
Repayments of debt (including finance lease principal)	1,790	1,424	1,513	1,609	1,699
Total cash used	1,790	1,424	1,513	1,609	1,699
Net cash from or (used by) financing activities	(1,790)	5,077	3,852	2,425	(654)
Net increase or (decrease) in cash held	(2,381)	(1,311)	2	5	5
Cash at the beginning of the reporting period	8,816	6,435	5,124	5,126	5,131
Cash at the end of the reporting period	6,435	5,124	5,126	5,131	5,136

Table 3.4: Departmental statement of changes in equity — summary of movement (Budget 2007-08)

	Accumulated results \$'000	Asset revaluation reserve \$'000	Other reserves \$'000	Contributed equity/ capital \$'000	Total equity \$'000
Opening balance as at 1 July 2007					
Balance carried forward from previous period	29,463	16,370	-	14,033	59,866
Adjusted opening balance	29,463	16,370	-	14,033	59,866
Transactions with owners					
<i>Contribution by owners</i>					
Appropriation (equity injection)	-	-	-	6,501	6,501
Sub-total transactions with owners	-	-	-	6,501	6,501
Estimated closing balance as at 30 June 2008	29,463	16,370	-	20,534	66,367

Table 3.5: Departmental capital budget statement

	Actual 2006-07 \$'000	Revised budget 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000
CAPITAL APPROPRIATIONS					
Total equity injections	1,542	6,501	5,365	4,034	1,045
Appropriation of previous year accrued revenue	-	2,150	-	-	-
Total capital appropriations	1,542	8,651	5,365	4,034	1,045
Represented by:					
Purchase of non-financial assets	-	6,501	5,365	4,034	1,045
Other	-	2,150	-	-	-
Total represented by	-	8,651	5,365	4,034	1,045
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriation	-	6,501	5,365	4,034	1,045
Funded internally by departmental resources	35,892	35,413	29,231	30,536	48,310
Total	35,892	41,914	34,596	34,570	49,355

Table 3.6: Departmental property, plant, equipment and intangibles — summary of movement (Budget year 2007-08)

	Land	Investment property	Buildings	Specialist military equipment	Other infrastructure plant and equipment	Heritage and cultural assets	Computer software	Other intangibles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
As at 1 July 2007									
Gross book value	-	-	-	-	77,253	-	213,367	-	290,620
Accumulated depreciation	-	-	-	-	(25,941)	-	(117,987)	-	(143,928)
Opening net book value	-	-	-	-	51,312	-	95,380	-	146,692
Additions:									
by purchase	-	-	-	-	17,281	-	25,874	-	43,155
Depreciation/amortisation expense	-	-	-	-	(14,571)	-	(17,746)	-	(32,317)
As at 30 June 2008									
Gross book value	-	-	-	-	94,534	-	239,241	-	333,775
Accumulated depreciation	-	-	-	-	(40,512)	-	(135,733)	-	(176,245)
Estimated closing net book value	-	-	-	-	54,022	-	103,508	-	157,530

Table 3.7: Schedule of budgeted income and expenses administered on behalf of government (for the period ended 30 June)

The ABS does not have any administered activities.

Table 3.8: Schedule of budgeted assets and liabilities administered on behalf of government (as at 30 June)

The ABS does not have any administered activities.

Table 3.9: Schedule of budgeted administered cash flows (for the period ended 30 June)

The ABS does not have any administered activities.

Table 3.10: Schedule of administered capital budget

The ABS does not have any administered activities.

Table 3.11: Schedule of administered property, plant, equipment and intangibles — summary of movement (Budget year 2007-08)

The ABS does not have any administered activities.

NOTES TO THE FINANCIAL STATEMENTS

Basis of accounting

The ABS's budgeted statements have been prepared on an accrual basis in accordance with:

- Australian Government's financial budgeting and reporting framework;
- Australian Accounting Standards (AAS), being the Australian Equivalent to International Reporting Standards (AEIFRS); and
- Consensus Views of the Urgent Issues Group.

The budgeted income statement and balance sheet have been prepared in accordance with the historical cost convention, except certain assets, which are at valuation.

Departmental financial statements

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

AUSTRALIAN COMPETITION AND CONSUMER COMMISSION

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AUSTRALIAN COMPETITION AND CONSUMER COMMISSION

Section 1: Agency overview and resources; variations and measures

OVERVIEW

There has been no change to the overview included in the *Portfolio Budget Statements 2007-08* (page 83).

Table 1.1: Agency outcomes and output groups

Outcome	Description	Output groups
Outcome 1		
To enhance social and economic welfare of the Australian community by fostering competitive, efficient, fair and informed Australian markets	To bring about greater competitiveness in every sector of the economy	Output Group 1.1 Australian Competition and Consumer Commission

ADDITIONAL ESTIMATES AND VARIATIONS TO OUTCOMES

The following variations in Table 1.2 contributed to a net increase in agency outputs in 2007-08.

Table 1.2: Additional estimates and variations to outcomes — measures

	2007-08 \$'000	2008-09 \$'000	2009-10 \$'000	2010-11 \$'000
Outcome 1				
Expense measures				
Efficiency dividend - increase in the rate from 1 per cent to 1.25 per cent	-	(301)	(607)	(919)
Election Commitment Savings: 2 per cent Efficiency Dividend	(524)	(2,407)	(2,432)	(2,455)
National Plan for Water Security - Australian Competition and Consumer Commission regulatory arrangements	5,917	6,829	6,105	6,083
National Plan for Water Security - Australian Competition and Consumer Commission regulatory arrangements (<i>related capital</i>)	1,073	-	-	-

Note: These figures represent the impact on the fiscal balance.

Agency Additional Estimates Statements – ACCC

Table 1.3: Additional estimates and variations to outcomes — other variations

The ACCC does not have any other variations to Outcome 1.

MEASURES — AGENCY SUMMARY

Table 1.4: Summary of measures since the 2007-08 Budget

Measure	Outcome	Output groups affected	2007-08 \$'000			2008-09 \$'000			2009-10 \$'000			2010-11 \$'000		
			Admin items	Dept outputs	Total	Admin items	Dept outputs	Total	Admin items	Dept outputs	Total	Admin items	Dept outputs	Total
Expense measures														
Efficiency dividend - increase in the rate from 1 per cent to 1.25 per cent	1	1.1	-	-	-	-	(301)	(301)	-	(607)	(607)	-	(919)	(919)
Election Commitment Savings: 2 per cent Efficiency Dividend	1	1.1	-	(524)	(524)	-	(2,407)	(2,407)	-	(2,432)	(2,432)	-	(2,455)	(2,455)
National Plan for Water Security - Australian Competition and Consumer Commission regulatory arrangements	1	1.1	-	5,917	5,917	-	6,829	6,829	-	6,105	6,105	-	6,083	6,083
Total expense measures			-	5,393	5,393	-	4,121	4,121	-	3,066	3,066	-	2,709	2,709
Related capital														
National Plan for Water Security - Australian Competition and Consumer Commission regulatory arrangements	1	1.1	-	1,073	1,073	-	-	-	-	-	-	-	-	-
Total of all measures			-	6,466	6,466	-	4,121	4,121	-	3,066	3,066	-	2,709	2,709

Note: These figures represent the impact on the fiscal balance.

BREAKDOWN OF ADDITIONAL ESTIMATES BY APPROPRIATION BILL

Table 1.5: Appropriation Bill (No. 3) 2007-08

	2006-07 available \$'000	2007-08 budget \$'000	2007-08 revised \$'000	Additional estimates ¹ \$'000	Reduced estimates \$'000
DEPARTMENTAL OUTPUTS					
Outcome 1					
To enhance social and economic welfare of the Australian community by fostering competitive, efficient, fair and informed Australian markets					
	107,518	113,805	119,358	5,553	-
Total	107,518	113,805	119,358	5,553	-

1. This figure represents the impact on appropriations.

Table 1.6: Appropriation Bill (No. 4) 2007-08

	2006-07 available \$'000	2007-08 budget \$'000	2007-08 revised \$'000	Additional estimates ¹ \$'000	Reduced estimates \$'000
Non-operating					
Equity injections	3,958	-	1,073	1,073	-
Total	3,958	-	1,073	1,073	-

1. This figure represents the impact on appropriations.

SUMMARY OF STAFFING CHANGES

Table 1.7: Average Staffing Level (ASL)

	2007-08 budget	2007-08 revised	Variation
Outcome 1			
To enhance social and economic welfare of the Australian community by fostering competitive, efficient, fair and informed Australian markets			
	606	638	32
Total	606	638	32

OTHER RECEIPTS AVAILABLE TO BE USED

Table 1.8: Other receipts available to be used

The ACCC has not made any changes to other receipts available to be used since the *Portfolio Budget Statements 2007-08*.

ESTIMATES OF EXPENSES FROM SPECIAL APPROPRIATIONS

Table 1.9: Estimates of expenses from special appropriations

The ACCC does not have any special appropriations.

ESTIMATES OF SPECIAL ACCOUNT FLOWS

Table 1.10: Estimates of special account flows

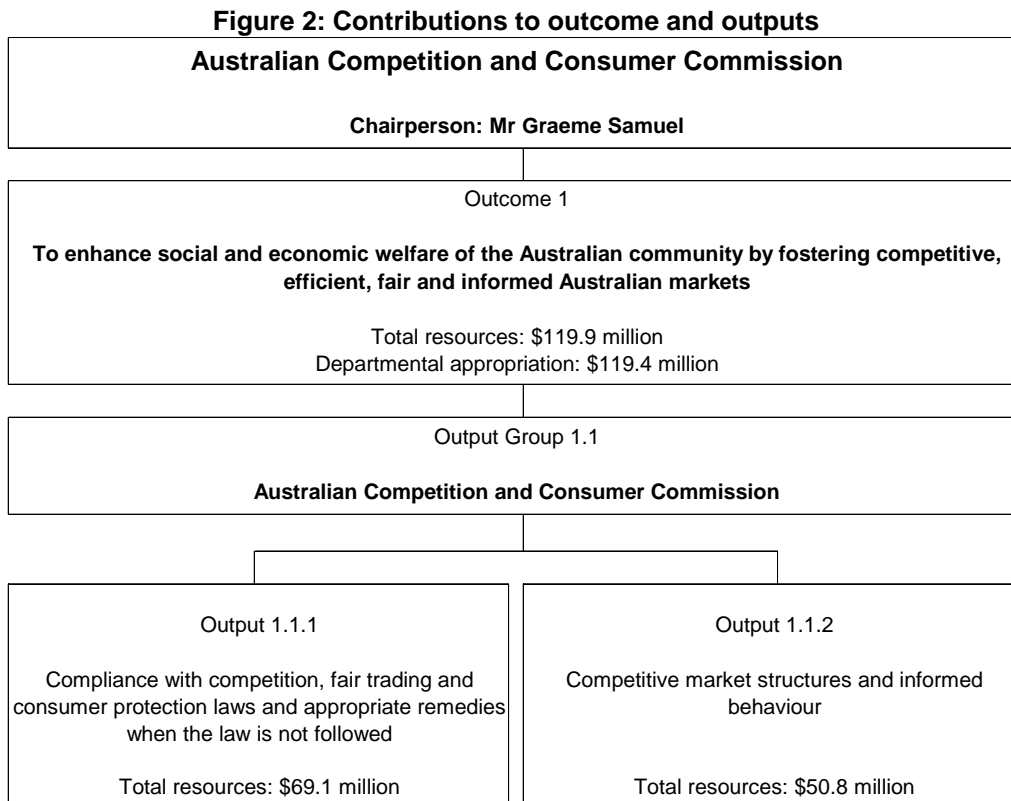
The ACCC has not made any change to special account flows since the *Portfolio Budget Statements 2007-08*.

Section 2: Revisions to agency outcomes

OUTCOMES, ADMINISTERED ITEMS AND OUTPUTS

Table 1.1 ‘Agency outcome and output groups’ lists the outcome statement and output group for the Australian Competition and Consumer Commission (ACCC).

The ACCC has not made any changes to its outcome or outputs since the *Portfolio Budget Statements 2007-08*.



Revised performance information — 2007-08

There has been no change to ACCC’s performance information since the *Portfolio Budget Statements 2007-08*.

Section 3: Budgeted financial statements

The budgeted financial statements contain estimates prepared in accordance with the requirements of the government's financial budgeting and reporting framework, and the Australian Equivalents to International Financial Reporting Standards (AEIFRS), as well as specific guidelines issued by the Department of Finance and Deregulation. The statements show the planned financial performance for the 2007-08 Budget year and each of the forward years from 2008-09 to 2010-11. The statements also include the actual for 2006-07 for comparative purposes.

ANALYSIS OF BUDGETED FINANCIAL STATEMENTS

An analysis of the Australian Competition and Consumer Commission's (ACCC) budgeted financial statements, as reflected in the budgeted departmental financial statements for 2007-08, is provided below.

Departmental

Income Statement

The ACCC is budgeting for a break even result for 2007-08. The actual operating result for 2006-07 was an operating surplus of \$5.0 million.

Operating revenues

Total revenue in 2007-08 is estimated to be \$119.9 million, an increase since the *Portfolio Budget Statements 2007-08* of \$5.6 million. The increase is primarily as a result of measures as outlined in Table 1.2 and Table 1.4.

BUDGETED FINANCIAL STATEMENTS

Departmental financial statements

Budgeted departmental income statement

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

Budgeted departmental balance sheet

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

Budgeted departmental statement of cash flows

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

Departmental statement of changes in equity — summary of movement

This statement shows the movement in the residual interest in assets after the deduction of liabilities.

Departmental capital budget statement

This statement shows all proposed capital expenditure funded from capital appropriation or from internal resources.

Departmental property, plant, equipment and intangibles — summary of movement

This statement shows the movement in the ACCC's non-financial assets over the 2006-07 Budget year.

Schedule of administered activity

Schedule of budgeted income and expenses administered on behalf of government

This schedule identifies the revenue and expenses administered on behalf of the Government. It also discloses administered revenues transferred to the Official Public Account.

Schedule of budgeted assets and liabilities administered on behalf of government

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

Schedule of budgeted administered cash flows

The schedule shows cash flows administered on behalf of the Government.

Schedule of administered capital budget

The ACCC does not have any administered capital.

Schedule of administered property, plant, equipment and intangibles — summary of movement

The ACCC does not have any administered property, plant, equipment or intangible assets.

BUDGETED FINANCIAL STATEMENTS TABLES

**Table 3.1: Budgeted departmental income statement
(for the period ended 30 June)**

	Actual 2006-07 \$'000	Revised budget 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000
INCOME					
Revenue					
Revenues from Government	107,518	119,358	124,621	124,848	125,618
Goods and services	499	575	575	575	575
Total revenue	108,017	119,933	125,196	125,423	126,193
Gains					
Net gains from sale of assets	13	-	-	-	-
Other	75	-	-	-	-
Total gains	88	-	-	-	-
Total income	108,105	119,933	125,196	125,423	126,193
EXPENSE					
Employees	53,336	65,346	66,700	66,566	67,032
Suppliers	47,961	51,158	55,067	55,428	55,707
Depreciation and amortisation	1,663	3,429	3,429	3,429	3,454
Write-down of assets and impairment of assets	24	-	-	-	-
Net losses from sale of assets	86	-	-	-	-
Other	-	-	-	-	-
Total expenses	103,070	119,933	125,196	125,423	126,193
Net surplus or (deficit) attributable to the Australian Government	5,035	-	-	-	-

**Table 3.2: Budgeted departmental balance sheet
(as at 30 June)**

	Actual 2006-07 \$'000	Revised budget 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	1,008	1,624	1,624	1,624	1,624
Receivables	55,626	51,665	52,594	53,523	53,683
Total financial assets	56,634	53,289	54,218	55,147	55,307
Non-financial assets					
Land and buildings	4,626	6,291	4,879	3,467	2,030
Infrastructure, plant and equipment	3,559	3,009	4,267	5,434	6,870
Intangibles	534	566	560	645	486
Inventories	75	118	118	118	118
Other non-financial assets	749	663	663	663	663
Total non-financial assets	9,543	10,647	10,487	10,327	10,167
Total assets	66,177	63,936	64,705	65,474	65,474
LIABILITIES					
Payables					
Suppliers	4,883	2,491	2,466	2,441	2,441
Other payables	1,597	596	596	596	596
Total payables	6,480	3,087	3,062	3,037	3,037
Provisions					
Employees	13,778	13,857	14,651	15,445	15,445
Other provisions	1,857	1,857	1,857	1,857	1,857
Total provisions	15,635	15,714	16,508	17,302	17,302
Total liabilities	22,115	18,801	19,570	20,339	20,339
EQUITY					
Contributed equity	33,025	34,098	34,098	34,098	34,098
Reserves	968	968	968	968	968
Retained surpluses or accumulated deficits	10,069	10,069	10,069	10,069	10,069
Total equity	44,062	45,135	45,135	45,135	45,135
Current assets	57,421	53,952	54,881	55,810	55,970
Non-current assets	8,756	9,984	9,824	9,664	9,504
Current liabilities	17,724	10,944	11,316	11,688	11,688
Non-current liabilities	4,391	7,857	8,254	8,651	8,651

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

	Actual 2006-07 \$'000	Revised budget 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000
OPERATING ACTIVITIES					
Cash received					
Goods and services	629	500	500	500	500
Appropriations	100,344	119,358	124,621	124,848	125,617
Net GST received	4,036	-	-	-	-
Total cash received	105,009	119,858	125,121	125,348	126,117
Cash used					
Employees	51,974	64,555	66,600	61,295	61,760
Suppliers	50,977	51,183	55,092	60,624	60,903
Total cash used	102,951	115,738	121,692	121,919	122,663
Net cash from or (used by) operating activities	2,058	4,120	3,429	3,429	3,454
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of property, plant and equipment	38	-	-	-	-
Total cash received	38	-	-	-	-
Cash used					
Purchase of property, plant and equipment	3,165	4,577	3,429	3,429	3,454
Other cash used	562	-	-	-	-
Total cash used	3,727	4,577	3,429	3,429	3,454
Net cash from or (used by) investing activities	(3,689)	(4,577)	(3,429)	(3,429)	(3,454)
FINANCING ACTIVITIES					
Cash received					
Appropriations - contributed equity	1,040	1,073	-	-	-
Total cash received	1,040	1,073	-	-	-
Net cash from or (used by) financing activities	1,040	1,073	-	-	-
Net increase or (decrease) in cash held	(591)	616	-	-	-
Cash at the beginning of the reporting period	1,599	1,008	1,624	1,624	1,624
Cash at the end of the reporting period	1,008	1,624	1,624	1,624	1,624

Table 3.4: Departmental statement of changes in equity — summary of movement (Budget 2007-08)

	Accumulated results \$'000	Asset revaluation reserve \$'000	Other reserves \$'000	Contributed equity/ capital \$'000	Total equity \$'000
Opening balance as at 1 July 2007					
Balance carried forward from previous period	10,069	968	-	33,025	44,062
Adjustment for changes in accounting policies					
Adjusted opening balance	10,069	968	-	33,025	44,062
Income and expense					
Net operating result	-	-	-	-	-
Total income and expenses	-	-	-	-	-
Transactions with owners					
<i>Contribution by owners</i>					
Appropriation (equity injection)				1,073	1,073
Sub-total transactions with owners	-	-	-	1,073	1,073
Estimated closing balance as at 30 June 2008	10,069	968	-	34,098	45,135

Table 3.5: Departmental capital budget statement

	Actual 2006-07 \$'000	Revised budget 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000
CAPITAL APPROPRIATIONS					
Total equity injections	1,040	1,073	-	-	-
Total capital appropriations	1,040	1,073	-	-	-
Represented by:					
Purchase of non-financial assets	1,040	1,073	-	-	-
Total represented by	1,040	1,073	-	-	-
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriation	1,040	1,073	-	-	-
Funded internally by departmental resources	2,687	3,504	3,429	3,429	3,454
Total	3,727	4,577	3,429	3,429	3,454

Table 3.6: Departmental property, plant, equipment and intangibles — summary of movement (Budget year 2007-08)

	Land	Investment property	Buildings	Specialist military equipment	Other infrastructure plant and equipment	Heritage and cultural assets	Computer software	Other intangibles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
As at 1 July 2007									
Gross book value	-	-	6,094	-	5,524	-	2,058	-	13,676
Accumulated depreciation	-	-	(1,469)	-	(1,966)	-	(1,523)	-	(4,958)
Opening net book value	-	-	4,625	-	3,558	-	535	-	8,718
Additions:									
by purchase	-	-	3,078	-	1,335	-	164	-	4,577
Depreciation/amortisation expense	-	-	(1,412)	-	(1,884)	-	(133)	-	(3,429)
As at 30 June 2008									
Gross book value	-	-	9,172	-	6,859	-	2,222	-	18,253
Accumulated depreciation	-	-	(2,881)	-	(3,850)	-	(1,656)	-	(8,387)
Estimated closing net book value	-	-	6,291	-	3,009	-	566	-	9,866

Table 3.7: Schedule of budgeted income and expenses administered on behalf of government (for the period ended 30 June)

	Actual 2006-07 \$'000	Budget estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000
INCOME ADMINISTERED ON BEHALF OF GOVERNMENT					
Revenue					
Taxation					
Other taxes, fees and fines	23,433	10,000	10,000	10,000	10,000
Total taxation	23,433	10,000	10,000	10,000	10,000
Total revenues administered on behalf of Government	23,433	10,000	10,000	10,000	10,000
Total income administered on behalf of Government	23,433	10,000	10,000	10,000	10,000
EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT					
Write down and impairment of assets	5,414	-	-	-	-
Total expenses administered on behalf of Government	5,414	-	-	-	-

Table 3.8: Schedule of budgeted assets and liabilities administered on behalf of government (as at 30 June)

	Actual 2006-07 \$'000	Revised budget 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000
ASSETS ADMINISTERED ON BEHALF OF GOVERNMENT					
Financial assets					
Cash and cash equivalents	5	5	5	5	5
Receivables	2,497	4,334	4,334	4,334	4,334
Total financial assets	2,502	4,339	4,339	4,339	4,339
Total assets administered on behalf of Government	2,502	4,339	4,339	4,339	4,339

**Table 3.9: Schedule of budgeted administered cash flows
(for the period ended 30 June)**

	Actual 2006-07 \$'000	Revised budget 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000
OPERATING ACTIVITIES					
Cash received					
Other	19,856	10,000	10,000	10,000	10,000
Total cash received	19,856	10,000	10,000	10,000	10,000
Cash used					
Other	19,852	10,000	10,000	10,000	10,000
Total cash used	19,852	10,000	10,000	10,000	10,000
Net cash from operating activities	4	-	-	-	-
Net increase or (decrease) in cash held					
Cash at beginning of reporting period	1	5	5	5	5
Cash at end of reporting period	5	5	5	5	5

Table 3.10: Schedule of administered capital budget

The ACCC does not have any administered capital.

Table 3.11: Schedule of administered property, plant, equipment and intangibles — summary of movement (Budget year 2007-08)

The ACCC does not have any administered property, plant, equipment or intangible assets.

NOTES TO THE FINANCIAL STATEMENTS

Accounting policy

The budgeted financial statements have been prepared on an accrual accounting basis, having regard to Statements of Accounting Concepts, and in accordance with:

- the Finance Minister's Orders;
- Australian Equivalents to International Financial Reporting Standards (AEIFRS);
- other authoritative pronouncements of the Australian Accounting Standards Board; and
- the Consensus Views of the Urgent Issues Group.

Departmental and administered items

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

- computers, plant and equipment, and building fitout used in providing goods and services;
- liabilities for employee entitlements;
- revenue from appropriations or independent sources in payment for outputs; and
- employee, supplier and depreciation expenses incurred in providing agency outputs.

Administered items are those items incurred in providing programs that are controlled by the Government and managed, or oversighted, by the ACCC on behalf of the Government. Administered revenues include fees and fines.

Departmental revenue

Revenue from Government represents the purchase of outputs from the ACCC by the Government and is recognised to the extent that it has been received into the ACCC's bank account.

Revenue from other sources, representing sales from goods and services, is recognised at the time that it is imposed on customers.

Departmental expenses — employees

Payments and net increases in entitlements to employees for services rendered in the financial year.

Departmental expenses — suppliers

Payments to suppliers for goods and services used in providing agency outputs.

Departmental expenses — depreciation and amortisation

Depreciable property plant and equipment, buildings and intangible assets are written-off to their estimated residual values over their estimated useful life, using the straight-line calculation method.

Departmental assets — financial assets

The primary financial asset relates to receivables. Financial assets are used to fund the ACCC's capital program, employee entitlements, creditors and to provide working capital.

Departmental assets — non-financial assets

These items represent future benefits that the ACCC will consume in producing outputs. The reported value represents the purchase paid less depreciation incurred to date in using the asset.

Departmental liabilities — provisions and payables

Provision has been made for the ACCC's liability for employee entitlements arising from services rendered by employees. This liability includes unpaid annual leave and long service leave. No provision has been made for sick leave because the level of sick leave is less on average than the amount which employees are entitled to each year.

Provision has also been made for unpaid expenses as at balance date.

AUSTRALIAN PRUDENTIAL REGULATION AUTHORITY

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AUSTRALIAN PRUDENTIAL REGULATION AUTHORITY

Section 1: Agency overview and resources; variations and measures

OVERVIEW

There has been no change to the overview included in the *Portfolio Budget Statements 2007-08* (page 137).

Table 1.1: Agency outcomes and output groups

Outcome	Description	Output groups
Outcome 1		
To enhance public confidence in Australia's financial institutions through a framework of prudential regulation which balances financial safety, efficiency, competition, contestability and competitive neutrality	The single outcome consists of one output group comprising three outputs; namely policy development, surveillance program and prudential advice	Output Group 1.1 Australian Prudential Regulation Authority

ADDITIONAL ESTIMATES AND VARIATIONS TO OUTCOMES

The following variations in Table 1.2 contributed to a net increase in agency outputs in 2007-08.

Table 1.2: Additional estimates and variations to outcomes — measures

	2007-08 \$'000	2008-09 \$'000	2009-10 \$'000	2010-11 \$'000
Outcome 1				
Expense measures				
Efficiency dividend - increase in the rate from 1 per cent to 1.25 per cent	-	(236)	(473)	(713)
Election Commitment Savings: 2 per cent				
Efficiency Dividend	(427)	(1,886)	(1,879)	(1,890)
Standard Business Reporting	687	1,580	3,980	1,946
Standard Business Reporting (<i>related capital</i>)	-	1,865	1,022	-

Note: These figures represent the impact on the fiscal balance.

Table 1.3: Additional estimates and variations to outcomes — other variations

APRA does not have any other variations to Outcome 1.

MEASURES — AGENCY SUMMARY

Table 1.4: Summary of measures since the 2007-08 Budget

Measure	Outcome	Output groups affected	2007-08 \$'000			2008-09 \$'000			2009-10 \$'000			2010-11 \$'000		
			Admin items	Dept outputs	Total	Admin items	Dept outputs	Total	Admin items	Dept outputs	Total	Admin items	Dept outputs	Total
Expense measures														
Efficiency dividend - increase in the rate from 1 per cent to 1.25 per cent	1	1.1	-	-	-	(236)	(236)	(473)	(473)	(713)	(713)			
Election Commitment Savings: 2 per cent Efficiency Dividend	1	1.1	-	(427)	(427)	(1,886)	(1,886)	(1,879)	(1,879)	(1,890)	(1,890)			
Standard Business Reporting	1	1.1	-	687	687	1,580	1,580	3,980	3,980	1,946	1,946			
Total expense measures			-	260	260	-	(542)	(542)	-	1,628	1,628	-	(657)	(657)
Related capital														
Standard Business Reporting	1	1.1	-	-	-	-	1,865	1,865	-	1,022	1,022	-	-	-
Total of all measures			-	260	260	-	1,323	1,323	-	2,650	2,650	-	(657)	(657)

Note: These figures represent the impact on the fiscal balance.

BREAKDOWN OF ADDITIONAL ESTIMATES BY APPROPRIATION BILL

Table 1.5: Appropriation Bill (No. 3) 2007-08

	2006-07 available \$'000	2007-08 Budget \$'000	2007-08 revised \$'000	Additional estimates ¹ \$'000	Reduced estimates \$'000
DEPARTMENTAL OUTPUTS					
Outcome 1					
To enhance public confidence in Australia's financial institutions through a framework of prudential regulation which balances financial safety, efficiency, competition, contestability and competitive neutrality	3,687	2,580	2,840	260	-
Total	3,687	2,580	2,840	260	-

1. This figure represents the impact on appropriations.

Table 1.6: Appropriation Bill (No. 4) 2007-08

APRA does not have any appropriations from Appropriation Bill (No. 4) 2007-08.

SUMMARY OF STAFFING CHANGES

Table 1.7: Average Staffing Level (ASL)

There has been no change to the ASL estimates included in the *Portfolio Budget Statements 2007-08*.

OTHER RECEIPTS AVAILABLE TO BE USED

Table 1.8: Other receipts available to be used

APRA has not made any changes to other receipts available to be used since the *Portfolio Budget Statements 2007-08*.

ESTIMATES OF EXPENSES FROM SPECIAL APPROPRIATIONS

Table 1.9: Estimates of expenses from special appropriations

	Outcome No	Budget estimate 2007-08 \$'000	Revised estimate 2007-08 \$'000
Estimated expenses			
<i>Australian Prudential Regulation Authority Act 1998</i> - section 50	1	93,758	79,338
Total estimated expenses		93,758	79,338

ESTIMATES OF SPECIAL ACCOUNT FLOWS

Table 1.10: Estimates of special account flows

	Outcome No.	Opening Balance 2007-08 2006-07 \$'000	Receipts 2007-08 2006-07 \$'000	Payments 2007-08 2006-07 \$'000	Adjustments 2007-08 2006-07 \$'000	Closing Balance 2007-08 2006-07 \$'000
APRA Special Account - <i>Australian Prudential Regulation Authority Act 1998</i>	1	46,606	83,608	98,100	-	32,114
Total special accounts						
2007-08 Budget estimate		46,606	83,608	98,100	-	32,114
<i>Total special accounts 2006-07 actual</i>		-	-	-	-	-

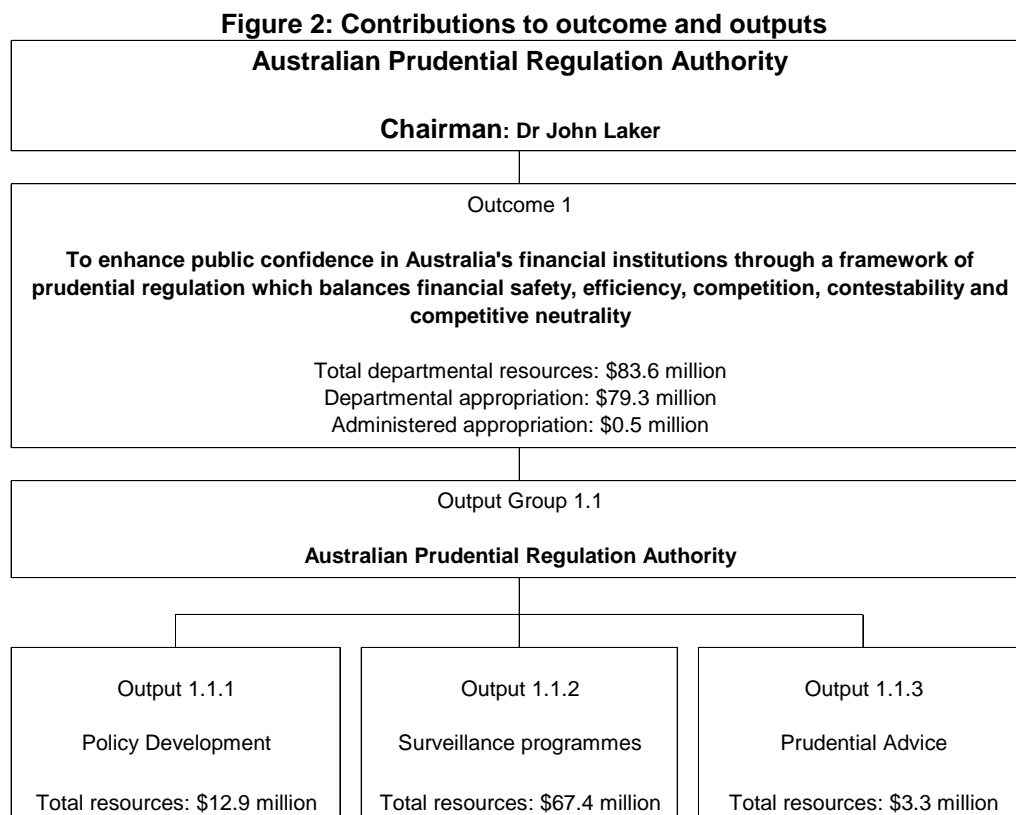
Note: The APRA special account was established in June 2007 in preparation for APRA's move to governance under the *Financial Management and Accountability Act 1997*.

Section 2: Revisions to agency outcomes

OUTCOMES, ADMINISTERED ITEMS AND OUTPUTS

The Australian Prudential Regulation Authority (APRA) has not made any changes to its outcome or outputs since the *Portfolio Budget Statements 2007-08*.

The relationship between the activities of APRA and its outcome, and the impact of additional estimates on resourcing is summarised in Figure 2 as follows:



Revised performance information — 2007-08

There has been no change to APRA's performance information since the *Portfolio Budget Statements 2007-08*.

Section 3: Budgeted financial statements

ANALYSIS OF BUDGETED FINANCIAL STATEMENTS

BUDGETED FINANCIAL STATEMENTS

Departmental financial statements

Budgeted departmental income statement

The budgeted Departmental Income Statement (refer Table 3.1) shows a decrease in appropriations in 2007-08 from \$93.8 million shown in the *Portfolio Budget Statements 2007-08* to \$79.3 million. The decrease reflects the impacts of budget measures, as shown in Table 1.2 and Table 1.4, and the use of cash reserves to partially offset 2007-08 operating costs.

In total, \$11.1 million is sought across 2007-08 and the forward estimates to meet the requirements of the Standard Business Reporting (SBR) measure.

SBR related costs will mainly arise around IT consultancy and contractor expenditure. Capitalisation of SBR related costs will not occur until the completion of the project in 2011-12. As a result there is no change in depreciation charges from those noted in the *Portfolio Budget Statement 2007-08*.

APRA is budgeting for an operating deficit of \$14.5 million in 2007-08.

Budgeted departmental balance sheet

The Departmental Balance Sheet (Table 3.2) reflects a decrease in total financial assets between 2006-07 and 2007-08 mainly reflecting the use of \$14.7 million cash surpluses to partially meet APRA's 2007-08 operating costs.

No material change in non-financial assets is expected in 2007-08, however capital investment related to the SBR project will see non-financial asset balances grow beyond 2007-08, see also Table 3.5.

Reserves of \$6.4 million reflect the establishment of a \$6.0 million Contingency Enforcement Fund to enable APRA to prosecute high profile enforcement proceedings as and when they arise, and a capital revaluation reserve of \$0.4 million.

Overall, APRA will maintain its sound financial position and continue to have sufficient resources available to cover its financial obligations.

Budgeted departmental statement of cash flows

The Departmental Statement of Cash Flows (Table 3.3) reflects the decrease in appropriations as detailed in Table 3.1. In addition, an increase in capital purchases related to SBR is offset by the corresponding capital measure reflected under Financing Activities.

Departmental statement of changes in equity — summary of movement

Table 3.4 shows the expected changes in equity from one financial year to the next.

Departmental capital budget statement

The Departmental Capital Budget Statement (Table 3.5) indicates that APRA's general capital requirements will be met from internally generated resources and appropriations to meet SBR related capital expenditure.

Departmental property, plant, equipment and intangibles — summary of movement

The expected movements in non-financial asset values between 2006-07 and 2007-08 are shown in Table 3.6, the main activity being in infrastructure, plant and equipment to replace retired assets.

Schedule of administered activity

Schedule of budgeted income and expenses administered on behalf of government

The Schedule of Budgeted Income and Expenses Administered on behalf of Government (Table 3.7) shows the amounts APRA collects in supervisory levies from the finance industry on behalf of the Government under the *Financial Institutions Supervisory Levies Collection Act 1998*. In addition to the amount required to fund APRA, the levies also include amounts to fund the activities of the Australian Taxation Office for unclaimed moneys and lost member functions and the Australian Securities and Investments Commission for consumer protection and market integrity functions. The expenses shown are an estimate of the amount of levies and penalties that will be waived or written off in the year.

Schedule of budgeted assets and liabilities administered on behalf of government

Table 3.8 refers to minor amounts of administered income that may not be collected at year end.

Schedule of budgeted administered cash flows

As indicated in the Schedule of Budgeted Administered Cash Flows (Table 3.9), the cash collected is swept daily from the APRA account to the Official Public Account.

BUDGETED FINANCIAL STATEMENTS TABLES

**Table 3.1: Budgeted departmental income statement
(for the period ended 30 June)**

	Actual 2006-07 \$'000	Revised budget 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000
INCOME					
Revenue					
Revenues from Government	97,832	79,338	94,027	95,845	94,068
Goods and services	5,306	4,220	2,495	2,495	2,495
Interest	3,607	-	-	-	-
Rents	737	-	-	-	-
Other	679	50	50	50	50
Total income	108,161	83,608	96,572	98,390	96,613
EXPENSE					
Employees	61,261	69,196	68,533	69,472	69,596
Suppliers	26,529	25,481	24,687	25,132	23,258
Depreciation and amortisation	3,272	3,423	3,246	3,684	3,684
Total expenses	91,062	98,100	96,466	98,288	96,538
Net surplus or (deficit) attributable to the Australian Government	17,099	(14,492)	106	102	75

**Table 3.2: Budgeted departmental balance sheet
(as at 30 June)**

	Actual 2006-07 \$'000	Revised budget 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000
ASSETS					
Financial assets					
Cash	46,626	32,027	31,588	32,024	31,450
Receivables	1,682	2,040	1,128	768	1,088
Accrued revenues	211	500	500	450	450
Total financial assets	48,519	34,567	33,216	33,242	32,988
Non-financial assets					
Infrastructure, plant and equipment	5,101	5,235	8,888	10,788	11,609
Intangibles	3,419	3,357	2,924	2,549	2,220
Other	902	923	940	960	979
Total non-financial assets	9,422	9,515	12,752	14,297	14,808
Total assets	57,941	44,082	45,968	47,539	47,796
LIABILITIES					
Provisions					
Employees	17,245	17,696	17,459	17,733	17,747
Other	2,303	2,356	2,401	2,451	2,500
Total provisions	19,548	20,052	19,860	20,184	20,247
Payables					
Suppliers	5,590	5,719	5,827	5,950	6,069
Total payables	5,590	5,719	5,827	5,950	6,069
Total liabilities	25,138	25,771	25,687	26,134	26,316
EQUITY					
Contributed equity	3,155	3,155	3,155	3,155	3,155
Reserves	6,368	6,368	6,368	6,368	6,368
Retained surpluses or accumulated deficits	23,280	8,788	10,759	11,881	11,957
Total equity	32,803	18,311	20,282	21,404	21,480
Current assets	49,421	35,490	34,157	34,201	33,967
Non-current assets	8,520	8,593	11,812	13,337	13,829
Current liabilities	20,347	20,859	20,791	21,153	21,300
Non-current liabilities	4,791	4,912	4,896	4,981	5,016

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

	Actual 2006-07 \$'000	Revised budget 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000
OPERATING ACTIVITIES					
Cash received					
Goods and services	9,489	2,110	1,248	1,248	250
Appropriations	96,551	79,338	94,027	95,845	94,068
Interest	3,553	-	-	-	-
Other	3,427	50	50	50	50
Total cash received	113,020	81,498	95,325	97,143	94,368
Cash used					
Employees	59,810	67,120	66,477	67,388	67,508
Suppliers	31,401	25,481	24,687	25,132	23,258
Total cash used	91,211	92,601	91,164	92,520	90,766
Net cash from or (used by) operating activities	21,809	(11,103)	4,161	4,623	3,602
INVESTING ACTIVITIES					
Cash received					
Investments (s.39 FMA Act; s.18 CAC Act; s.19 CAC Act)	14,849	-	-	-	-
Total cash received	14,849	-	-	-	-
Cash used					
Purchase of property, plant and equipment	(3,464)	(3,496)	(6,465)	(5,209)	(4,176)
Total cash used	(3,464)	(3,496)	(6,465)	(5,209)	(4,176)
Net cash from or (used by) investing activities	11,385	(3,496)	(6,465)	(5,209)	(4,176)
FINANCING ACTIVITIES					
Cash received					
Appropriation - Capital Measure	-	-	1,865	1,022	-
Total cash received	-	-	1,865	1,022	-
Net cash from or (used by) financing activities	-	-	1,865	1,022	-
Net increase or (decrease) in cash held	33,194	(14,599)	(439)	436	(574)
Cash at the beginning of the reporting period	13,432	46,626	32,027	31,588	32,024
Cash at the end of the reporting period	46,626	32,027	31,588	32,024	31,450

Table 3.4: Departmental statement of changes in equity — summary of movement (Budget 2007-08)

	Accumulated results \$'000	Asset revaluation reserve \$'000	Other reserves \$'000	Contributed equity/ capital \$'000	Total equity \$'000
Opening balance as at 1 July 2007					
Balance carried forward from previous period	23,280	368	6,000	3,155	32,803
Adjusted opening balance	23,280	368	6,000	3,155	32,803
Income and expense					
Net operating result	(14,492)	-	-	-	(14,492)
Total income and expenses recognised directly in equity	(14,492)	-	-	-	(14,492)
Estimated closing balance as at 30 June 2008	8,788	368	6,000	3,155	18,311

Table 3.5: Departmental capital budget statement

	Actual 2006-07 \$'000	Revised budget 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000
CAPITAL APPROPRIATIONS					
Total equity injections	-	-	1,865	1,022	-
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriation	-	-	1,865	1,022	-
Funded internally by departmental resources	3,464	3,496	4,600	4,187	4,176
Total	3,464	3,496	6,465	5,209	4,176

Table 3.6: Departmental property, plant, equipment and intangibles — summary of movement (Budget year 2007-08)

	Land	Investment property	Buildings	Specialist military equipment	Other infrastructure plant and equipment	Heritage and cultural assets	Computer software	Other intangibles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
As at 1 July 2007									
Gross book value	-	-	-	-	6,978	-	13,145	-	20,123
Accumulated depreciation	-	-	-	-	(3,087)	-	(8,516)	-	(11,603)
Opening net book value	-	-	-	-	3,891	-	4,629	-	8,520
Additions:									
by purchase	-	-	-	-	2,561	-	935	-	3,496
Depreciation/amortisation expense	-	-	-	-	(2,426)	-	(997)	-	(3,423)
As at 30 June 2008									
Gross book value	-	-	-	-	9,539	-	14,080	-	23,619
Accumulated depreciation	-	-	-	-	(5,514)	-	(9,512)	-	(15,026)
Estimated closing net book value	-	-	-	-	4,025	-	4,568	-	8,593

Table 3.7: Schedule of budgeted income and expenses administered on behalf of government (for the period ended 30 June)

	Actual 2006-07 \$'000	Revised budget 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000
INCOME ADMINISTERED ON BEHALF OF GOVERNMENT					
Revenue					
Non-taxation					
Other sources of non-taxation revenues	114,732	105,238	119,927	121,745	119,968
Total revenues administered on behalf of Government	114,732	105,238	119,927	121,745	119,968
Total income administered on behalf of Government	114,732	105,238	119,927	121,745	119,968
EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT					
Write down and impairment of assets	500	500	500	500	500
Total expenses administered on behalf of Government	500	500	500	500	500

Table 3.8: Schedule of budgeted assets and liabilities administered on behalf of government (as at 30 June)

	Actual 2006-07 \$'000	Revised budget 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000
ASSETS ADMINISTERED ON BEHALF OF GOVERNMENT					
Financial assets					
Receivables	150	150	150	150	150
Total financial assets	150	150	150	150	150
Total assets administered on behalf of Government	150	150	150	150	150

**Table 3.9: Schedule of budgeted administered cash flows
(for the period ended 30 June)**

	Actual	Revised budget	Forward estimate	Forward estimate	Forward estimate
	2006-07	2007-08	2008-09	2009-10	2010-11
	\$'000	\$'000	\$'000	\$'000	\$'000
OPERATING ACTIVITIES					
Cash received					
Other	114,732	105,238	119,927	121,745	119,968
Net cash from or (used by) operating activities	114,732	105,238	119,927	121,745	119,968
FINANCING ACTIVITIES					
Cash used					
Cash to Official Public Account	(114,732)	(105,238)	(119,927)	(121,745)	(119,968)
Net cash from or (used by) financing activities	(114,732)	(105,238)	(119,927)	(121,745)	(119,968)
Cash at end of reporting period	-	-	-	-	-

Table 3.10: Schedule of administered capital budget

APRA does not have any administered capital.

Table 3.11: Schedule of administered property, plant, equipment and intangibles — summary of movement (Budget year 2007-08)

APRA does not have any administered property, plant, equipment or intangible assets.

NOTES TO THE FINANCIAL STATEMENTS

Basis of accounting

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

Budgeted departmental statement of financial performance

Revenues from government

APRA is funded by a special appropriation for levies 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 the Australian Taxation Office (ATO), for unclaimed monies and lost member functions.

Other revenue

Revenue from rendering of specific services is recognised by reference to the stage of completion of contracts or other agreements. Revenue from licence fees is recognised on receipt of the application and licence fee. Revenue from sub-lease rentals is recognised upon issue of invoice. Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Depreciation and amortisation

APRA's depreciation expense remains in balance with the capital program aimed at maintaining APRA's processes and infrastructure to an appropriate standard.

Budgeted departmental statement of financial position

Financial assets

These include within receivables, levies invoiced but still outstanding at the financial year end and accrued revenues being interest and fees prorated over the periods to which they relate.

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. All of the foregoing assets are shown at fair value. Intangible assets comprise capitalised software, including work in progress and are shown at cost. APRA does not own any land or buildings.

Other non-financial assets include prepayments.

Provisions and payables

Provisions and payables represent liabilities for miscellaneous accruals and employee benefits, including accrued salary and leave entitlements, provisions for making good leased premises and payments to trade creditors.

Equity

The opening balance of contributed equity 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, less an amount of \$2.1 million returned to the Consolidated Revenue Fund as a return of unused appropriation in 2004-05.

Budgeted departmental statement of cash flows

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

Schedule of budgeted revenues and expenses administered on behalf of Government

Revenues

The other non taxation revenues are the levies 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 and ATO activities described above.

Write down and impairment of assets

Write down and impairment of assets represents waivers and write-offs of levies.

Schedule of budgeted assets and liabilities administered on behalf of Government

Financial assets

The financial assets include levy debt invoiced and still outstanding at year end.

Schedule of budgeted administered cash flows

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

AUSTRALIAN SECURITIES AND INVESTMENTS COMMISSION

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AUSTRALIAN SECURITIES AND INVESTMENTS COMMISSION

Section 1: Agency overview and resources; variations and measures

OVERVIEW

There has been no change to the overview included in the *Portfolio Budget Statements 2007-08* (page 165).

Table 1.1: Agency outcomes and output groups

Outcome	Description	Output groups
Outcome 1		
A fair and efficient market characterised by integrity and transparency and supporting confident and informed participation of investors and consumers	Through ASIC, the Government seeks to ensure that consumers and investors receive honest and competent financial advice that is untainted by conflicts of interest, and that information about corporations is current and accurate ASIC also has an enforcement and regulatory role designed to deal with misconduct in order to promote a confident and informed market	Output Group 1.1 Australian Securities and Investments Commission

ADDITIONAL ESTIMATES AND VARIATIONS TO OUTCOMES

The following variations in Table 1.2 and Table 1.3 contributed to a net increase in agency outputs in 2007-08.

Table 1.2: Additional estimates and variations to outcomes — measures

	2007-08	2008-09	2009-10	2010-11
	\$'000	\$'000	\$'000	\$'000
Outcome 1				
Expense measures				
Efficiency dividend - increase in the rate from 1 per cent to 1.25 per cent (<i>administered</i>)	-	(9)	(9)	(9)
Efficiency dividend - increase in the rate from 1 per cent to 1.25 per cent (<i>departmental</i>)	-	(763)	(769)	(711)
Election Commitment Savings: 2 per cent				
Efficiency Dividend	(1,341)	(6,068)	(6,112)	(5,651)
Standard Business Reporting	1,741	1,387	1,622	761
Standard Business Reporting (<i>related capital</i>)	1,548	3,159	1,024	-

Note: These figures represent the impact on the fiscal balance.

Table 1.3: Additional estimates and variations to outcomes — other variations

	2007-08	2008-09	2009-10	2010-11
	\$'000	\$'000	\$'000	\$'000
Outcome 1				
Adjustment to reflect movement in indices relating to prices and wages (<i>administered</i>)	-	7	7	3
Adjustment to reflect movement in indices relating to prices and wages (<i>departmental</i>)	-	530	528	244

Note: These figures represent the impact on the fiscal balance.

MEASURES — AGENCY SUMMARY

Table 1.4: Summary of measures since the 2007-08 Budget

Measure	Outcome	Output groups affected	2007-08 \$'000			2008-09 \$'000			2009-10 \$'000			2010-11 \$'000		
			Admin items	Dept outputs	Total	Admin items	Dept outputs	Total	Admin items	Dept outputs	Total	Admin items	Dept outputs	Total
			Expense measures											
Efficiency dividend - increase in the rate from 1 per cent to 1.25 per cent	1	1.1	-	-	-	(9)	(763)	(772)	(9)	(769)	(778)	(9)	(711)	(720)
Election Commitment Savings: 2 per cent Efficiency Dividend	1	1.1	-	(1,341)	(1,341)	-	(6,068)	(6,068)	-	(6,112)	(6,112)	-	(5,651)	(5,651)
Standard Business Reporting	1	1.1	-	1,741	1,741	-	1,387	1,387	-	1,622	1,622	-	761	761
Total expense measures			-	400	400	(9)	(5,444)	(5,453)	(9)	(5,259)	(5,268)	(9)	(5,601)	(5,610)
Related capital														
Standard Business Reporting	1	1.1	-	1,548	1,548	-	3,159	3,159	-	1,024	1,024	-	-	-
Total of all measures			-	1,948	1,948	(9)	(2,285)	(2,294)	(9)	(4,235)	(4,244)	(9)	(5,601)	(5,610)

Note: These figures represent the impact on the fiscal balance

BREAKDOWN OF ADDITIONAL ESTIMATES BY APPROPRIATION BILL

Table 1.5: Appropriation Bill (No. 3) 2007-08

	2006-07 available \$'000	2007-08 budget \$'000	2007-08 revised \$'000	Additional estimates ¹ \$'000	Reduced estimates \$'000
ADMINISTERED ITEMS					
Outcome 1					
A fair and efficient market characterised by integrity and transparency and supporting confident and informed participation of investors and consumers	1,984	5,206	5,206	-	-
Total	1,984	5,206	5,206	-	-
DEPARTMENTAL OUTPUTS					
Outcome 1					
A fair and efficient market characterised by integrity and transparency and supporting confident and informed participation of investors and consumers	255,694	291,566	292,173	607	-
Total	255,694	291,566	292,173	607	-
Total administered and departmental	257,678	296,772	297,379	607	-

1. This figure represents the impact on appropriations.

Table 1.6: Appropriation Bill (No. 4) 2007-08

	2006-07 available \$'000	2007-08 budget \$'000	2007-08 revised \$'000	Additional estimates ¹ \$'000	Reduced estimates \$'000
Non-operating					
Equity injections	6,513	37,210	38,758	1,548	-
Total	6,513	37,210	38,758	1,548	-

1. This figure represents the impact on appropriations.

SUMMARY OF STAFFING CHANGES

Table 1.7: Average Staffing Level (ASL)

	2007-08 budget	2007-08 revised	Variation
Outcome 1			
A fair and efficient market characterised by integrity and transparency and supporting confident and informed participation of investors and consumers	1,586	1,712	126
Total	1,586	1,712	126

OTHER RECEIPTS AVAILABLE TO BE USED**Table 1.8: Other receipts available to be used**

	Budget estimate 2007-08 \$'000	Revised estimate 2007-08 \$'000
Departmental other receipts		
Services	3,922	5,082
Other	3,177	6,300
Total departmental other receipts available to be used	7,099	11,382

ESTIMATES OF EXPENSES FROM SPECIAL APPROPRIATIONS**Table 1.9: Estimates of expenses from special appropriations**

ASIC does not have any changes to special appropriations since the *Portfolio Budget Statements 2007-08*.

Table 1.10: Estimates of special account flows

	Outcome No.	Opening Balance 2007-08 2006-07 \$'000	Receipts 2007-08 2006-07 \$'000	Payments 2007-08 2006-07 \$'000	Adjustments 2007-08 2006-07 \$'000	Closing Balance 2007-08 2006-07 \$'000
Enforcement Special Account (ESA) - <i>Financial Management and Accountability Act 1997 (FMA Act 1997)</i> ^{1,2}	1	13,863	30,000	(43,863)	-	-
Other Trust Monies - FMA Act 1997 ²	1	-	-	-	-	-
Services from Other Government and Non-Agency Bodies - FMA Act 1997 ²	1	-	-	-	-	-
Companies and Unclaimed Monies Special Account - FMA Act 1997 ³	1	-	-	(200)	4,861	4,661
Total special accounts 2007-08 budget estimates		13,863	30,000	(44,063)	4,861	4,661
Total special accounts 2006-07 actual		-	30,000	(16,137)	-	13,863

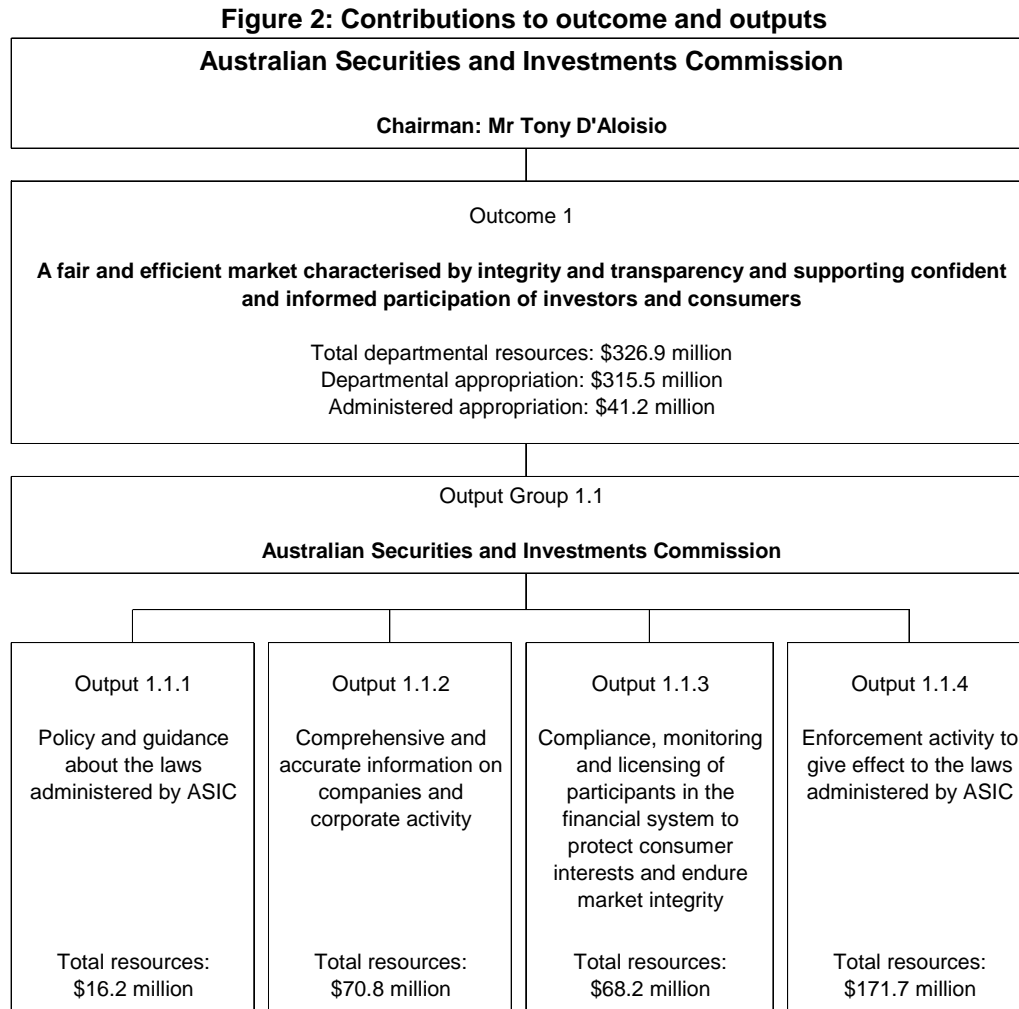
1. For the year ended 30 June 2007, ASIC recognised ESA revenue of \$17.0 million, of which \$16.1 million was drawdown resulting in a balance of \$0.9 million appropriation receivable as at 30 June 2007.
2. The special accounts are governed by section 20 of the FMA Act 1997.
3. This special account was established in July 2007 as a result of ASIC becoming a prescribed agency under the FMA Act 1997. The account is governed by section 21 of the FMA Act 1997. The amount of \$4.9 million represents an adjustment to the limit of appropriation available for the purpose of the special account.

Section 2: Revisions to agency outcomes

OUTCOMES, ADMINISTERED ITEMS AND OUTPUTS

Table 1.1 'Agency outcome and output groups' lists the outcome statement and output group for the Australian Securities and Investments Commission (ASIC).

ASIC has not made any changes to its outcome or outputs since the *Portfolio Budget Statements 2007-08*.



Revised performance information — 2007-08

ASIC has not made any changes to its performance information since the *Portfolio Budget Statements 2007-08*.

Section 3: Budgeted financial statements

The budgeted departmental and administered financial statements and related notes for the Australian Securities and Investments Commission (ASIC) are presented in this section. The financial statements should be read in conjunction with the accompanying notes.

The budgeted financial statements contain estimates prepared in accordance with the requirements of the Australian Government's financial budgeting and reporting framework, including the principles of Australian Accounting Standards (incorporating the Australian Equivalents to International Financial Reporting Standards (AEIFRS)) and Statements of Accounting Concepts, as well as specific guidelines issued by the Department of Finance and Deregulation.

ANALYSIS OF BUDGETED FINANCIAL STATEMENTS

BUDGETED FINANCIAL STATEMENTS

Departmental financial statements

Budgeted departmental income statement

ASIC is currently budgeting for a break-even operating result for 2007-08 and for the remainder of the forward estimates.

Appropriation for 2007-08 is \$315.5 million, which is an increase of \$23.9 million from the 2007-08 Budget. Of this amount, \$23.3 million relates to unutilised appropriation carried forward from 2006-07 to 2007-08. The balance of the \$0.6 million increase in appropriation is attributable to measures as shown in Table 1.2 and Table 1.4.

Other revenue has increased by \$3.1 million from the 2007-08 Budget. Of this amount \$2.6 million relates to the application of accumulated interest from the Companies Unclaimed Monies Special Account (CUMA) to fund a number of projects approved by the Minister under section 135 of the *Australian Securities and Investments Commission Act 2001*.

Total revenue and expenses are estimated to be \$326.9 million for 2007-08. The expenditure will be used to fund activities that contribute towards achieving the output objectives outlined in Figure 2.

Budgeted departmental balance sheet

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

ASIC's budgeted equity (or net asset position) for 2007-08 is expected to be \$60.1 million. The capital funding for 2007-08 has increased by \$1.5 million for the Standard Business Reporting measure.

Cash and cash equivalents are estimated to be \$3.8 million at 30 June 2008. Since July 2007, ASIC is required to keep cash at a working capital level agreed with the Department of Finance and Deregulation. The difference between the appropriation entitled and cash appropriation drawn down is recognised as appropriation receivable. Of the budgeted receivable balance of \$47.9 million as at 30 June 2008, \$43.6 million represents appropriation receivable from government.

The increase in non-financial assets in 2007-08 relates primarily to the increase in capitalised software as part of the information technology security and risk mitigation phase 2 and application development project.

Budgeted departmental statement of cash flows

The budgeted 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.

Departmental statement of changes in equity — summary of movement

This statement shows the changes in the equity position of ASIC. It helps decision-makers to track the management of ASIC's equity.

Departmental capital budget statement

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

Departmental property, plant, equipment and intangibles — summary of movement

This statement shows the movement in ASIC's non-financial assets during the budget year.

Schedule of administered activity

Schedule of budgeted income and expenses administered on behalf of government

The statement of financial performance shows the revenue and expenses associated with the collection of revenue under the *Corporations Act 2001*, and ASIC's

Agency Additional Estimates Statements – ASIC

responsibilities in administering unclaimed monies under the *Banking Act 1959* and the *Life Insurance Act 1995*.

Other non-taxation revenue represents the amount of fees and charges budgeted to be levied under the *Corporations Act 2001* and estimated receipts of unclaimed monies under the *Banking Act 1959* and the *Life Insurance Act 1995*.

Expenses represent budgeted payments of unclaimed monies, refund of overpaid fees and charges to be levied under the *Corporations Act 2001*, bad debt expense and payments to registered insolvency practitioners to investigate breaches of directors' duties and fraudulent conduct.

Schedule of budgeted assets and liabilities administered on behalf of government

The amount shown for receivables in 2007-08 and in the forward estimates is the estimated amount of fees and charges under the *Corporations Act 2001* remaining unpaid at 30 June.

The amounts shown in other payables for 2007-08 and the forward estimates represent the estimated amount of refunds relating to the over payments of annual review and other fees under the *Corporations Act 2001*.

Schedule of budgeted administered cash flows

Budgeted administered 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.

**Table 3.1: Budgeted departmental income statement
(for the period ended 30 June)**

	Actual	Revised budget	Forward estimate	Forward estimate	Forward estimate
	2006-07	2007-08	2008-09	2009-10	2010-11
	\$'000	\$'000	\$'000	\$'000	\$'000
INCOME					
Revenue					
Revenues from Government	244,058	315,479	298,704	301,056	278,189
Sale of services	4,144	5,082	4,000	4,080	4,162
Interest	5,457	-	-	-	-
Royalties	360	-	-	-	-
Other	3,833	6,300	3,241	3,305	3,371
Total revenue	257,852	326,861	305,945	308,441	285,722
Gains					
Net gains from sale of assets	2	-	-	-	-
Total gains	2	-	-	-	-
Total income	257,854	326,861	305,945	308,441	285,722
EXPENSE					
Employees	147,734	169,446	170,447	169,838	157,733
Suppliers	90,787	131,598	104,468	104,093	96,676
Depreciation and amortisation	16,568	25,663	30,862	34,282	31,073
Finance costs	292	154	168	228	240
Write-down of assets	329	-	-	-	-
Total expenses	255,710	326,861	305,945	308,441	285,722
Net surplus or (deficit) attributable to the Australian Government	2,144	-	-	-	-

**Table 3.2: Budgeted departmental balance sheet
as at 30 June)**

	Actual 2006-07 \$'000	Revised budget 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	51,660	3,816	3,880	3,826	3,676
Receivables	5,703	47,857	30,739	43,879	47,032
Total financial assets	57,363	51,673	34,619	47,705	50,708
Non-financial assets					
Leasehold improvement	26,851	29,354	41,939	39,110	36,562
Plant and equipment	9,414	16,094	20,694	18,531	18,867
Intangibles	13,505	42,374	58,377	55,128	49,067
Other non-financial assets	2,010	3,948	3,134	3,123	2,895
Total non-financial assets	51,780	91,770	124,144	115,892	107,391
Total assets	109,143	143,443	158,763	163,597	158,099
LIABILITIES					
Payables					
Suppliers	22,070	22,372	17,760	17,696	16,435
Other payables	23,660	11,341	13,908	11,994	10,784
Total payables	45,730	33,713	31,668	29,690	27,219
Interest bearing liabilities					
Leases	882	190	-	-	-
Total interest bearing liabilities	882	190	-	-	-
Provisions					
Employees	37,005	45,751	46,021	45,857	42,589
Other provisions	4,218	3,723	3,891	4,119	4,360
Total provisions	41,223	49,474	49,912	49,976	46,949
Total liabilities	87,835	83,377	81,580	79,666	74,168
EQUITY					
Contributed equity	20,596	59,354	76,471	83,219	83,219
Reserves	11,199	11,199	11,199	11,199	11,199
Retained surpluses or accumulated deficits	(10,487)	(10,487)	(10,487)	(10,487)	(10,487)
Total equity	21,308	60,066	77,183	83,931	83,931
Current assets	59,373	55,621	37,753	50,828	53,603
Non-current assets	49,770	87,822	121,010	112,769	104,496
Current liabilities	67,034	65,206	61,920	60,790	56,334
Non-current liabilities	20,801	18,171	19,660	18,876	17,834

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

	Actual 2006-07 \$'000	Revised budget 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000
OPERATING ACTIVITIES					
Cash received					
Services	5,295	6,326	5,704	4,717	4,811
Appropriations	251,331	262,432	314,828	287,950	275,072
Interest	5,542	-	-	-	-
Net GST received	9,495	18,490	18,202	13,996	12,718
Other cash received	3,700	4,264	11,688	1,742	1,808
Total cash received	275,363	291,512	350,422	308,405	294,409
Cash used					
Employees	144,274	160,700	170,177	170,002	161,001
Suppliers	89,676	152,315	132,865	119,164	110,758
Financing costs	93	692	190	-	-
Return of appropriation to Government	9,500	-	-	-	-
Total cash used	243,543	313,707	303,232	289,166	271,759
Net cash from or (used by) operating activities	31,820	(22,195)	47,190	19,239	22,650
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of leasehold improvement, plant and equipment	20	-	-	-	-
Total cash received	20	-	-	-	-
Cash used					
Purchase of leasehold improvement, plant and equipment	21,381	63,715	64,050	26,041	22,800
Total cash used	21,381	63,715	64,050	26,041	22,800
Net cash from or (used by) investing activities	(21,361)	(63,715)	(64,050)	(26,041)	(22,800)
FINANCING ACTIVITIES					
Cash received					
Appropriations - contributed equity	6,514	38,758	17,117	6,748	-
Total cash received	6,514	38,758	17,117	6,748	-
Cash used					
Repayments of finance lease principal	886	692	193	-	-
Total cash used	886	692	193	-	-
Net cash from or (used by) financing activities	5,628	38,066	16,924	6,748	-
Net increase or (decrease) in cash held	16,087	(47,844)	64	(54)	(150)
Cash at the beginning of the reporting period	35,573	51,660	3,816	3,880	3,826
Cash at the end of the reporting period	51,660	3,816	3,880	3,826	3,676

Table 3.4: Departmental statement of changes in equity — summary of movement (Budget 2007-08)

	Accumulated results \$'000	Asset revaluation reserve \$'000	Other reserves \$'000	Contributed equity/ capital \$'000	Total equity \$'000
Opening balance as at 1 July 2007					
Balance carried forward from previous period	(10,487)	11,199	-	20,596	21,308
Adjusted opening balance	(10,487)	11,199	-	20,596	21,308
Transactions with owners					
<i>Contribution by owners</i>					
Appropriation (equity injection)	-	-	-	38,758	38,758
Total transactions with owners	-	-	-	38,758	38,758
Estimated closing balance as at 30 June 2008	(10,487)	11,199	-	59,354	60,066

Table 3.5: Departmental capital budget statement

	Actual 2006-07 \$'000	Revised budget 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000
CAPITAL APPROPRIATIONS					
Total equity injections	6,514	38,758	17,117	6,748	-
Total capital appropriations	6,514	38,758	17,117	6,748	-
Represented by:					
Purchase of non-financial assets	21,381	63,715	64,050	26,041	22,800
Total represented by	21,381	63,715	64,050	26,041	22,800
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriation	6,514	38,758	17,117	6,748	-
Funded internally by departmental resources	14,867	24,957	46,933	19,293	22,800
Total	21,381	63,715	64,050	26,041	22,800

Table 3.6: Departmental property, plant, equipment and intangibles — summary of movement (Budget year 2007-08)

	Land	Investment	Leasehold	Specialist	Other	Heritage	Computer	Other	Total
	property	property	Improvement	military	infrastructure	and cultural	software	intangibles	
				equipment	plant and	assets			
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
As at 1 July 2007									
Gross book value	-	-	31,226	-	22,426	-	42,833	-	96,485
Accumulated depreciation	-	-	(4,375)	-	(13,012)	-	(29,328)	-	(46,715)
Opening net book value	-	-	26,851	-	9,414	-	13,505	-	49,770
Additions:									
by purchase	-	-	7,258	-	13,702	-	42,755	-	63,715
Depreciation/amortisation expense	-	-	(4,755)	-	(7,022)	-	(13,886)	-	(25,663)
As at 30 June 2008									
Gross book value	-	-	38,484	-	36,128	-	85,588	-	160,200
Accumulated depreciation	-	-	(9,130)	-	(20,034)	-	(43,214)	-	(72,378)
Estimated closing net book value	-	-	29,354	-	16,094	-	42,374	-	87,822

Table 3.7: Schedule of budgeted income and expenses administered on behalf of government (for the period ended 30 June)

	Actual 2006-07 \$'000	Revised budget 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000
INCOME ADMINISTERED ON BEHALF OF GOVERNMENT					
Revenue					
Non-taxation					
Interest	155	-	-	-	-
Other sources of non-taxation revenues	558,334	572,544	580,911	589,353	597,874
Total non-taxation	558,489	572,544	580,911	589,353	597,874
Total income administered on behalf of Government	558,489	572,544	580,911	589,353	597,874
EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT					
Suppliers	1,563	5,206	3,421	3,424	3,488
Write down and impairment of assets	22,427	23,511	22,458	22,728	23,000
Other	26,259	30,000	32,000	33,000	34,000
Total expenses administered on behalf of Government	50,249	58,717	57,879	59,152	60,488

Table 3.8: Schedule of budgeted assets and liabilities administered on behalf of government (as at 30 June)

	Actual 2006-07 \$'000	Revised budget 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000
ASSETS ADMINISTERED ON BEHALF OF GOVERNMENT					
Financial assets					
Cash and cash equivalents	2,506	3,095	3,095	3,090	3,094
Receivables	76,877	76,911	77,808	78,647	79,416
Total financial assets	79,383	80,006	80,903	81,737	82,510
Total assets administered on behalf of Government	79,383	80,006	80,903	81,737	82,510
LIABILITIES ADMINISTERED ON BEHALF OF GOVERNMENT					
Payables					
Other payables	4,614	5,600	5,600	5,600	5,600
Total payables	4,614	5,600	5,600	5,600	5,600
Total liabilities administered on behalf of Government	4,614	5,600	5,600	5,600	5,600

**Table 3.9: Schedule of budgeted administered cash flows
(for the period ended 30 June)**

	Actual 2006-07 \$'000	Revised budget 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000
OPERATING ACTIVITIES					
Cash received					
Interest	155	-	-	-	-
Net GST received	84	292	313	313	319
Other	531,922	549,985	557,556	565,786	574,105
Total cash received	532,161	550,277	557,869	566,099	574,424
Cash used					
Suppliers	925	5,498	3,734	3,737	3,807
Other	26,228	30,000	32,000	33,000	34,000
Total cash used	27,153	35,498	35,734	36,737	37,807
Net cash from operating activities	505,008	514,779	522,135	529,362	536,617
FINANCING ACTIVITIES					
Cash received					
Cash from Official Public Account	30,689	41,206	41,421	42,424	43,488
Total cash received	30,689	41,206	41,421	42,424	43,488
Cash used					
Cash to Official Public Account	536,153	555,396	563,556	571,791	580,101
Total cash used	536,153	555,396	563,556	571,791	580,101
Net cash from financing activities	(505,464)	(514,190)	(522,135)	(529,367)	(536,613)
Net increase or (decrease) in cash held					
Cash at beginning of reporting period	2,962	2,506	3,095	3,095	3,090
Cash at end of reporting period	2,506	3,095	3,095	3,090	3,094

Table 3.10: Schedule of administered capital budget

ASIC does not have any administered capital.

Table 3.11: Schedule of administered property, plant, equipment and intangibles — summary of movement (Budget year 2007-08)

ASIC does not have any administered property, plant, equipment or intangible assets.

NOTES TO THE FINANCIAL STATEMENTS

Basis of accounting

The financial statements have been prepared on an accrual basis and in accordance with the historical cost convention except for certain assets, which are at fair value.

Budgeted agency financial statements

Under the Australian Government'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 that 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.

Departmental items are those assets, liabilities, revenues and expenses in relation to an agency or authority that 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 and liabilities that are managed by an agency or authority on behalf of the Australian Government according to set government directions. Administered expenses and administered revenues include fees, fines and expenses that have been earmarked for a specific purpose by the government.

Appropriations in the accrual budgeting framework

Under the Australian Government's accrual budgeting framework, separate annual appropriations are provided for:

- departmental price of outputs appropriations representing the Australian Government's purchase of outputs from agencies;
- departmental capital appropriations for investments by the Australian Government for either additional equity or loans in agencies;
- administered expense appropriations for the estimated administered expenses relating to an existing outcome or a new outcome; and
- administered capital appropriations for increases in administered equity through funding non-expense administered payments.

Departmental

Asset valuation

ASIC has adopted fair value as a basis for valuing its leasehold improvements and plant and equipment. Valuation is conducted with sufficient frequency to ensure that the carrying amounts of assets do not differ materially from the assets' fair values as at the reporting date.

Asset recognition threshold

Purchases of property, plant and equipment are recognised initially at cost in the balance sheet, except for purchases costing less than \$2,000, which are expensed in the year of acquisition.

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 lower of fair value or 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 income statement on a basis that is representative of the pattern of benefits derived from the lease assets.

Depreciation and amortisation

Computer equipment is depreciated using the declining-balance method whilst, for all other plant and equipment, the straight-line method of depreciation is applied. 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) are reviewed at each balance date and necessary adjustments are recognised.

Receivables

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.

Provisions and payables

Provisions and payables represent liabilities for miscellaneous accruals and employee benefits, including accrued salary and leave entitlements, provisions for making-good leased premises and lease incentives. No provision for sick leave is required as all sick leave is non-vesting.

Administered

Schedule of budgeted revenues and expenses administered on behalf of government

Revenues

Non-taxation revenues are predominately comprised of Corporations Act fees and charges and collections of unclaimed monies under the *Banking Act 1959* and the *Life Insurance Act 1995*.

Write down and impairment of assets

Write down and impairment of assets represents waivers and write-offs of Corporations Law fees.

Schedule of budgeted assets and liabilities administered on behalf of government

Financial assets

The financial assets include Corporations Law debt invoiced and still outstanding at year-end.

Schedule of budgeted administered cash flows

All cash collected by ASIC for Corporations Law revenue, is transferred to the Official Public Account (OPA) at the close of business each day. Cash collected for Banking Act unclaimed monies and Life Insurance Act unclaimed monies is transferred to the OPA when received.

AUSTRALIAN TAXATION OFFICE

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AUSTRALIAN TAXATION OFFICE

Section 1: Agency overview and resources; variations and measures

OVERVIEW

There has been no change to the overview included in the Portfolio Budget Statements 2007-08 (page 197).

Table 1.1: Agency outcomes and output groups

Outcome	Description	Output groups
Outcome 1		
Effectively managed and shaped systems that support and fund services for Australians and give effect to social and economic policy through the tax, superannuation, excise and other related systems	The provision of an integrated platform for a viable and sustainable revenue administration	Output Group 1.1 Australian Taxation Office

ADDITIONAL ESTIMATES AND VARIATIONS TO OUTCOMES

The following variations in Table 1.2 and Table 1.3 contributed to a net increase in agency outputs in 2007-08.

Table 1.2: Additional estimates and variations to outcomes — measures

	2007-08	2008-09	2009-10	2010-11
	\$'000	\$'000	\$'000	\$'000
Outcome 1				
Expense measures				
Efficiency dividend - increase in the rate from				
1 per cent to 1.25 per cent	-	(6,062)	(6,258)	(6,212)
Election Commitment Savings:				
2 per cent Efficiency Dividend	(11,194)	(47,871)	(47,225)	(46,939)
Regulations for private rulings requiring valuations	4,100	-	-	-
Screen Media Support Package - further policy amendment (<i>administered</i>)	2,100	1,100	1,100	1,100
Simplified Superannuation – additional funding for media coverage	3,200	-	-	-
Standard Business Reporting	10,967	8,724	9,845	7,778
Standard Business Reporting (<i>related capital</i>)	9,603	19,384	3,495	-
Revenue measures				
Australian Taxation Office - enhanced compliance activity (<i>related expense</i>)	-	73,322	122,256	117,702
Australian Taxation Office - enhanced compliance activity (<i>related capital</i>)	-	8,565	-	-
Superannuation – payment of temporary residents' superannuation to the Australian Government (<i>related expense</i>)	10,000	10,000	10,000	10,000

Note: These figures represent the impact on the fiscal balance

Table 1.3: Additional estimates and variations to outcomes — other variations

	2007-08	2008-09	2009-10	2010-11
	\$'000	\$'000	\$'000	\$'000
Outcome 1				
Superannuation - taxation of lump sum superannuation death benefit payments to non-dependents of defence personnel and police (<i>administered</i>)	300	(300)	-	-
Adjustment to reflect movement in indices relating to prices and wages (<i>departmental</i>)	-	4,643	4,627	6,886

Note: These figures represent the impact on the fiscal balance

MEASURES — AGENCY SUMMARY

Table 1.4: Summary of measures since the 2007-08 Budget

Measure	Outcome	Output groups affected	2007-08 \$'000			2008-09 \$'000			2009-10 \$'000			2010-11 \$'000		
			Admin	Dept	Total	Admin	Dept	Total	Admin	Dept	Total	Admin	Dept	Total
			items	outputs		items	outputs		items	outputs		items	outputs	
Expense measures														
Efficiency dividend - increase in the rate from 1 per cent to 1.25 per cent	1	1.1	-	-	-	-	(6,062)	(6,062)	-	(6,258)	(6,258)	-	(6,212)	(6,212)
Election Commitment Savings: 2 per cent Efficiency Dividend	1	1.1	-	(11,194)	(11,194)	-	(47,871)	(47,871)	-	(47,225)	(47,225)	-	(46,939)	(46,939)
Regulations for private rulings requiring valuations ¹	1	1.1	-	4,100	4,100	-	-	-	-	-	-	-	-	-
Screen Media Support Package - further policy amendment (<i>administered</i>)	1	1.1	2,100	-	2,100	1,100	-	1,100	1,100	-	1,100	1,100	-	1,100
Simplified Superannuation – additional funding for media coverage ¹	1	1.1	-	3,200	3,200	-	-	-	-	-	-	-	-	-
Standard Business Reporting ²	1	1.1	-	10,967	10,967	-	8,724	8,724	-	9,845	9,845	-	7,778	7,778
Total expense measures			2,100	7,073	9,173	1,100	(45,209)	(44,109)	1,100	(43,638)	(42,538)	1,100	(45,373)	(44,273)
Related capital														
Standard Business Reporting	1	1.1	-	9,603	9,603	-	19,384	19,384	-	3,495	3,495	-	-	-
Total related capital			-	9,603	9,603	-	19,384	19,384	-	3,495	3,495	-	-	-

Table 1.4: Summary of measures since the 2007-08 Budget (continued)

Measure	Outcome	Output groups affected	2007-08 \$'000			2008-09 \$'000			2009-10 \$'000			2010-11 \$'000		
			Admin items	Dept outputs	Total	Admin items	Dept outputs	Total	Admin items	Dept outputs	Total	Admin items	Dept outputs	Total
			Revenue measures											
Related expenses														
Australian Taxation Office - enhanced compliance activity	1	1.1	-	-	-	-	73,322	73,322	-	122,256	122,256	-	117,702	117,702
Superannuation – payment of temporary residents' superannuation to the Australian Government	1	1.1	-	10,000	10,000	-	10,000	10,000	-	10,000	10,000	-	10,000	10,000
Total related expenses			-	10,000	10,000	-	83,322	83,322	-	132,256	132,256	-	127,702	127,702
Related capital														
Australian Taxation Office - enhanced compliance activity	1	1.1	-	-	-	-	8,565	8,565	-	-	-	-	-	-
Total related capital			-	-	-	-	8,565	8,565	-	-	-	-	-	-
Total of all measures			2,100	26,676	28,776	1,100	66,062	67,162	1,100	92,113	93,213	1,100	82,329	83,429

1. The Government has varied these measures announced by the previous government in the 2007-08 Mid Year Economic and Fiscal Outlook (MYEFO).

2. The Admin items for Standard Business Reporting have been transferred from the Australian Taxation Office to the Treasury.

Note: These figures represent the impact on the fiscal balance

BREAKDOWN OF ADDITIONAL ESTIMATES BY APPROPRIATION BILL

Table 1.5: Appropriation Bill (No. 3) 2007-08

	2006-07 available \$'000	2007-08 budget \$'000	2007-08 revised \$'000	Additional estimates ¹ \$'000	Reduced estimates \$'000
ADMINISTERED ITEMS					
Outcome 1					
Effectively managed and shaped systems that support and fund services for Australians and give effect to social and economic policy through the tax, superannuation, excise and other related systems	-	-	1,100	1,100	-
DEPARTMENTAL OUTPUTS					
Outcome 1					
Effectively managed and shaped systems that support and fund services for Australians and give effect to social and economic policy through the tax, superannuation, excise and other related systems	2,593,135	2,782,828	2,798,805	15,977	-
Total administered and departmental	2,593,135	2,782,828	2,799,905	17,077	-

1. These figures represent the impact on appropriations.

Table 1.6: Appropriation Bill (No. 4) 2007-08

	2006-07 available \$'000	2007-08 budget \$'000	2007-08 revised \$'000	Additional estimates ¹ \$'000	Reduced estimates \$'000
Non-operating					
Equity injections	14,457	46,580	56,183	9,603	-
Total	14,457	46,580	56,183	9,603	-

1. This figures represent the impact on appropriations

SUMMARY OF STAFFING CHANGES

Table 1.7: Average Staffing Level (ASL)

	2007-08 budget	2007-08 revised	Variation
Outcome 1			
Effectively managed and shaped systems that support and fund services for Australians and give effect to social and economic policy through the tax, superannuation, excise and other related systems	20,792	21,205	413
Total	20,792	21,205	413

OTHER RECEIPTS AVAILABLE TO BE USED

Table 1.8: Other receipts available to be used

The ATO has not made any changes to other receipts available to be used since the *Portfolio Budget Statements 2007-08*.

ESTIMATES OF EXPENSES FROM SPECIAL APPROPRIATIONS

Table 1.9: Estimates of expenses from special appropriations

	Outcome No.	Budget estimate 2007-08 \$'000	Revised estimate 2007-08 \$'000
Estimated expenses (administered)			
Refunds - s16 <i>Tax Administration Act 1953</i> ¹	1	72,744,100	76,181,100
Family Tax Benefit ²	1	2,138,000	2,070,000
Cleaner Fuels Grant Scheme	1	226,000	146,000
Product Stewardship (Oil)	1	30,000	30,000
Large Scale Film Production	1	120,000	122,100
R&D refundable tax offset for small companies	1	320,000	343,000
Superannuation Co-contribution	1	1,266,000	1,189,000
<i>Superannuation Guarantee (Administration) Act 1992</i> - Distribution of charges	1	205,000	205,000
Total estimated expenses³		77,049,100	80,286,200

1. Refunds under section 16 of the *Tax Administration Act 1953* are primarily taxation refunds from revenue but may include amounts for the First Child tax offset, the Private Health Insurance Benefit, Fuel Tax Credits and interest on overpayments.
2. This represents the portion of the Family Tax Benefit administered by the Tax Office only.
3. The total amount showing for special appropriations differs to the amount shown in Figure 2 as it includes appropriations for taxation refunds from revenue. In Figure 2, taxation refunds are netted off against taxation revenue.

ESTIMATES OF SPECIAL ACCOUNT FLOWS

Table 1.10: Estimates of special account flows

	Outcome No.	Opening Balance 2007-08 <i>2006-07</i> \$'000	Receipts 2007-08 <i>2006-07</i> \$'000	Payments 2007-08 <i>2006-07</i> \$'000	Adjustments 2007-08 <i>2006-07</i> \$'000	Closing Balance 2007-08 <i>2006-07</i> \$'000
Australian Valuation Office <i>Financial Management and Accountability Act 1997 (FMA Act 1997)</i>	1	5,847 <i>3,296</i>	25,499 <i>27,360</i>	25,354 <i>24,809</i>	- -	5,992 <i>5,847</i>
Excise Security Deposits - sections 20 to 22 FMA Act 1997	1	46 <i>52</i>	- -	- <i>6</i>	- -	46 <i>46</i>
Other Trust Monies - sections 20 to 22 FMA Act 1997	1	24,982 <i>19,844</i>	30,000 <i>16,002</i>	- <i>10,864</i>	- -	54,982 <i>24,982</i>
Superannuation Holding Accounts Reserve Trust Accounts - <i>Small</i> <i>Superannuation Accounts</i> <i>Act 1995</i>	1	47,840 <i>57,743</i>	210,000 <i>174</i>	32,500 <i>10,077</i>	- -	225,340 <i>47,840</i>
Total special accounts 2007-08 Budget estimate		78,715	265,499	57,854	-	286,360
<i>Total special accounts</i> <i>2006-07 actual</i>		<i>80,935</i>	<i>43,536</i>	<i>45,756</i>	-	<i>78,715</i>

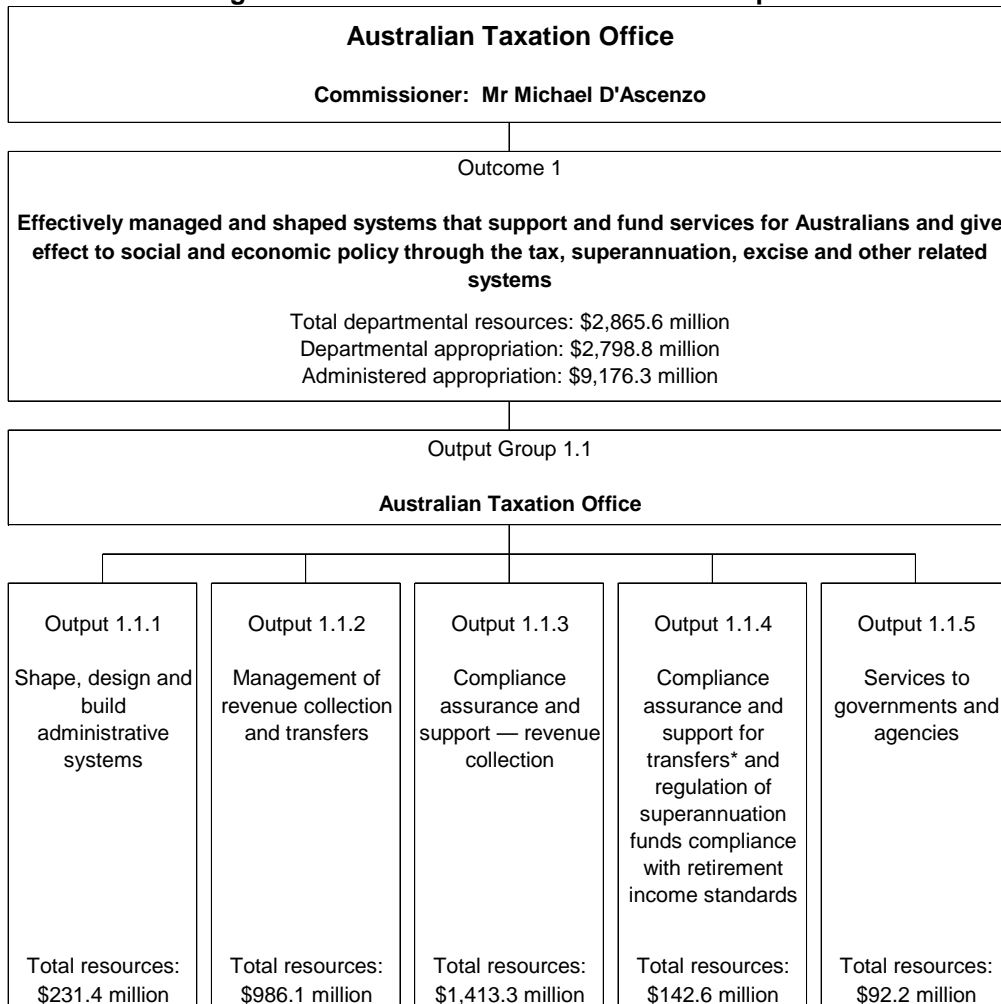
Section 2: Revisions to agency outcomes

OUTCOMES, ADMINISTERED ITEMS AND OUTPUTS

Table 1.1 'Agency outcome and output groups' lists the outcome statement and output group for the Australian Taxation Office (Tax Office).

The Tax Office has not made any changes to its outcome or outputs since the *Portfolio Budget Statements 2007-08*.

Figure 2: Contributions to outcome and outputs



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

Revised performance information — 2007-08

The Tax Office has not made any changes to its performance information since the *Portfolio Budget Statements 2007-08*.

Section 3: Budgeted financial statements

The budgeted departmental and administered financial statements and related notes for the Australian Taxation Office (Tax Office) are in this section. The financial statements are produced for 2006-07 (actual results), 2007-08 (revised budget estimate) and three forward years. The financial statements should be read in conjunction with the accompanying notes.

ANALYSIS OF BUDGETED FINANCIAL STATEMENTS

Budgeted departmental income statement

There has been no change to the Tax Office budgeting for a balanced budget in 2007-08 (as outlined in the *Portfolio Budget Statements 2007-08*).

Revenue

Total departmental revenue is estimated to be \$2,865.6 million. This consists of government appropriations of \$2,798.8 million and income from other sources of \$66.8 million. This represents an increase in government appropriations, from the *Portfolio Budget Statements 2007-08*, of \$16.0 million due to measures.

Expenses

Total departmental expenses are estimated to be \$2,865.3 million. This consists of \$1,680.8 million in employee expenses, \$1,063.2 million in suppliers and \$121.3 million in depreciation/amortisation. The increase in expenses from the *Portfolio Budget Statements 2007-08*, of \$16.0 million corresponds to the increase in total departmental revenue.

Budgeted departmental balance sheet

Equity

The estimated equity position of the Tax Office at the end of 2007-08 is \$98 million. This represents an increase in equity of \$55.9 million from the 2006-07 actual results, due to equity injections in 2007-08.

Assets

The Tax Office's assets are predominantly non-financial assets. In 2007-08 the Tax Office will continue to maintain its commitment to long term improvement, investing \$201.5 million in capital expenditure. This represents an increase of \$9.6 million from the *Portfolio Budget Statements 2007-08*, due to asset purchases associated with measures shown in Table 1.2 and Table 1.4.

BUDGETED FINANCIAL STATEMENTS

Departmental financial statements

Budgeted departmental income statement

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

Budgeted departmental balance sheet

This statement shows the financial position of the Tax Office. It helps decision makers track the management of assets and liabilities.

Budgeted departmental statement of cash flows

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

Departmental statement of changes in equity — summary of movement

This statement provides details of changes in the amount and nature of equity balances for 2007-08.

Departmental capital budget statement

This statement shows the amount of planned capital expenditure, whether funded through capital appropriations or from internal resources.

Departmental property, plant, equipment and intangibles — summary of movement

This statement shows expected acquisitions and disposals of non-financial assets for 2007-08.

Schedule of administered activity

Schedule of budgeted income and expenses administered on behalf of government

This statement shows the main revenues and expenses administered by the Tax Office on behalf of the Australian Government.

Schedule of budgeted assets and liabilities administered on behalf of government

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

Schedule of budgeted administered cash flows

This statement shows the cash flows administered on behalf of the Australian Government. It also discloses transfers to the Official Public Account.

**Table 3.1: Budgeted departmental income statement
(for the period ended 30 June)**

	Actual 2006-07 \$'000	Revised budget 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000
INCOME					
Revenue					
Revenues from Government	2,593,135	2,798,805	2,805,099	2,832,414	2,814,338
Goods and services	63,294	63,894	52,456	52,696	52,891
Interest	249	-	-	-	-
Other	2,008	2,900	3,200	3,500	3,800
Total revenue	2,658,686	2,865,599	2,860,755	2,888,610	2,871,029
Gains					
Other	2,500	-	-	-	-
Total gains	2,500	-	-	-	-
Total income	2,661,186	2,865,599	2,860,755	2,888,610	2,871,029
EXPENSE					
Employees	1,651,992	1,680,799	1,716,409	1,775,155	1,774,662
Suppliers	844,165	1,063,215	1,001,000	952,866	934,348
Depreciation and amortisation	90,466	121,318	143,079	160,322	161,752
Write-down of assets and impairment of assets	11,193	-	-	-	-
Net losses from sale of assets	6	-	-	-	-
Other	1,932	-	-	-	-
Total expenses	2,599,754	2,865,332	2,860,488	2,888,343	2,870,762
Operating result					
before Income Tax	61,432	267	267	267	267
Income Tax expense	549	267	267	267	267
Net surplus or (deficit)					
attributable to the					
Australian Government	60,883	-	-	-	-

**Table 3.2: Budgeted departmental balance sheet
(as at 30 June)**

	Actual 2006-07 \$'000	Revised budget 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	31,397	26,783	29,795	40,358	39,756
Receivables	234,541	231,740	232,525	263,391	288,702
Total financial assets	265,938	258,523	262,320	303,749	328,458
Non-financial assets					
Land and buildings	132,739	132,212	139,393	138,020	136,656
Infrastructure, plant and equipment	58,582	54,424	50,266	46,108	41,950
Intangibles	340,563	425,423	471,678	458,992	440,072
Deferred tax asset	1,127	1,127	1,127	1,127	1,127
Other	38,421	38,630	38,630	38,630	38,630
Total non-financial assets	571,432	651,816	701,094	682,877	658,435
Total assets	837,370	910,339	963,414	986,626	986,893
LIABILITIES					
Payables					
Suppliers	194,841	194,493	186,792	180,215	180,215
Dividends	641	641	641	641	641
Tax liabilities	-	-	-	267	534
Other Payables and Accrued expenses	4,613	4,613	4,613	4,613	4,613
Total payables	200,095	199,747	192,046	185,736	186,003
Interest bearing liabilities					
Leases	32,048	30,058	28,147	26,236	26,236
Total interest bearing liabilities	32,048	30,058	28,147	26,236	26,236
Provisions					
Employees	527,412	547,114	555,065	581,703	581,703
Other provisions	35,705	35,438	35,438	35,438	35,438
Total provisions	563,117	582,552	590,503	617,141	617,141
Total liabilities	795,260	812,357	810,696	829,113	829,380
EQUITY					
Contributed equity	198,648	254,831	309,878	314,673	314,673
Reserves	47,121	47,121	47,121	47,121	47,121
Retained surpluses or accumulated deficits	(203,659)	(203,970)	(204,281)	(204,281)	(204,281)
Total equity	42,110	97,982	152,718	157,513	157,513
Current assets	274,657	298,591	316,000	323,613	323,701
Non-current assets	562,713	611,748	647,414	663,013	663,192
Current liabilities	606,783	619,828	618,561	632,613	632,817
Non-current liabilities	188,477	192,529	192,135	196,500	196,563

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

	Actual 2006-07 \$'000	Revised budget 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000
OPERATING ACTIVITIES					
Cash received					
Goods and services	73,369	68,665	54,364	54,606	52,891
Appropriations	2,550,543	2,805,472	2,797,020	2,799,565	2,789,027
Cash from the Official Public Account	(705)	-	-	-	-
Net GST received	84,499	90,547	98,380	89,819	84,790
Other cash received	106	(1,871)	3,200	3,500	3,800
Total cash received	2,707,812	2,962,813	2,952,964	2,947,490	2,930,508
Cash used					
Employees	1,614,360	1,661,098	1,708,458	1,748,516	1,774,662
Suppliers	874,943	1,064,120	1,010,606	961,354	934,348
Taxes Paid	302	267	267	-	-
Net GST paid	91,241	96,321	93,000	89,747	84,790
Other cash used	1,932	-	-	-	-
Total cash used	2,582,778	2,821,806	2,812,331	2,799,617	2,793,800
Net cash from or (used by) operating activities	125,034	141,007	140,633	147,873	136,708
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of property, plant and equipment	155	-	-	-	-
Total cash received	155	-	-	-	-
Cash used					
Purchase of property, plant and equipment & intangibles	144,292	201,493	192,357	142,105	137,310
Total cash used	144,292	201,493	192,357	142,105	137,310
Net cash from or (used by) investing activities	(144,137)	(201,493)	(192,357)	(142,105)	(137,310)
FINANCING ACTIVITIES					
Cash received					
Appropriations - contributed equity	14,457	56,183	55,047	4,795	-
Total cash received	14,457	56,183	55,047	4,795	-
Cash used					
Dividends paid	369	311	311	-	-
Total cash used	369	311	311	-	-
Net cash from or (used by) financing activities	14,088	55,872	54,736	4,795	-
Net increase or (decrease) in cash held	(5,015)	(4,614)	3,012	10,563	(602)
Cash at the beginning of the reporting period	36,412	31,397	26,783	29,795	40,358
Cash at the end of the reporting period	31,397	26,783	29,795	40,358	39,756

Table 3.4: Departmental statement of changes in equity — summary of movement (Budget 2007-08)

	Accumulated results \$'000	Asset revaluation reserve \$'000	Other reserves \$'000	Contributed equity/ capital \$'000	Total equity \$'000
Opening balance as at 1 July 2007					
Balance carried forward from previous period	(203,659)	47,121		198,648	42,110
Adjusted opening balance	(203,659)	47,121	-	198,648	42,110
Transactions with owners					
<i>Distributions to owners</i>					
Returns on capital					
Dividends	(311)	-	-	-	(311)
<i>Contribution by owners</i>					
Appropriation (equity injection)	-	-	-	56,183	56,183
Sub-total transactions with owners	(311)	-	-	56,183	55,872
Closing balance less minority interests	(203,970)	47,121	-	254,831	97,982
Estimated closing balance as at 30 June 2008	(203,970)	47,121	-	254,831	97,982

Table 3.5: Departmental capital budget statement

	Actual 2006-07 \$'000	Revised budget 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000
CAPITAL APPROPRIATIONS					
Total equity injections	14,457	56,183	55,047	4,795	-
Total capital appropriations	14,457	56,183	55,047	4,795	-
Represented by:					
Purchase of non-financial assets	14,457	56,183	55,047	4,795	-
Total represented by	14,457	56,183	55,047	4,795	-
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriation	14,457	56,183	55,047	4,795	-
Funded internally by departmental resources	129,835	145,310	137,310	137,310	137,310
Total	144,292	201,493	192,357	142,105	137,310

Table 3.6: Departmental property, plant, equipment and intangibles — summary of movement (Budget year 2007-08)

	Land	Investment property	Buildings	Specialist military equipment	Other infrastructure plant and equipment	Heritage and cultural assets	Computer software	Other intangibles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
As at 1 July 2007									
Gross book value	-	-	149,008	-	62,388	-	582,213	-	793,609
Accumulated depreciation			(16,269)		(3,806)		(241,650)		(261,725)
Opening net book value	-	-	132,739	-	58,582	-	340,563	-	531,884
Additions:									
by purchase	-	-	25,140	-	12,150	-	164,203	-	201,493
Depreciation/amortisation expense	-	-	(25,667)	-	(16,308)	-	(79,343)	-	(121,318)
As at 30 June 2008									
Gross book value	-	-	174,148	-	74,538	-	746,416	-	995,102
Accumulated depreciation	-	-	(41,936)	-	(20,114)	-	(320,993)	-	(383,043)
Estimated closing net book value	-	-	132,212	-	54,424	-	425,423	-	612,059

Table 3.7: Schedule of budgeted income and expenses administered on behalf of government (for the period ended 30 June)

	Actual 2006-07 \$'000	Revised budget 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000
INCOME ADMINISTERED ON BEHALF OF GOVERNMENT					
Revenue					
Taxation					
Income tax	189,382,121	203,057,800	213,213,590	226,279,460	233,038,620
Indirect tax	65,018,244	67,930,000	71,370,000	74,340,000	77,750,000
Other taxes, fees and fines	420,820	330,200	395,500	443,800	485,800
Total taxation	254,821,185	271,318,000	284,979,090	301,063,260	311,274,420
Non-taxation					
Other sources of non-taxation revenues	-	26,000	26,000	26,000	26,000
Total non-taxation	-	26,000	26,000	26,000	26,000
Total revenues administered on behalf of Government	254,821,185	271,344,000	285,005,090	301,089,260	311,300,420
Total income administered on behalf of Government	254,821,185	271,344,000	285,005,090	301,089,260	311,300,420
EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT					
Subsidies	4,693,639	5,148,200	5,461,200	5,730,200	6,095,100
Personal benefits	4,266,552	3,543,100	3,551,000	3,601,000	3,682,000
Write down and impairment of assets	3,497,283	3,778,000	3,873,000	4,108,000	4,193,000
Interest	221,899	280,000	330,000	330,000	330,000
Other	87,597	205,000	230,000	250,000	280,000
Total expenses administered on behalf of Government	12,766,970	12,954,300	13,445,200	14,019,200	14,580,100

Table 3.8: Schedule of budgeted assets and liabilities administered on behalf of government (as at 30 June)

	Actual	Revised budget	Forward estimate	Forward estimate	Forward estimate
	2006-07	2007-08	2008-09	2009-10	2010-11
	\$'000	\$'000	\$'000	\$'000	\$'000
ASSETS ADMINISTERED ON BEHALF OF GOVERNMENT					
Financial assets					
Cash and cash equivalents	335,801	335,801	335,801	335,801	335,801
Receivables	12,902,821	13,279,821	14,071,821	15,068,821	16,360,821
Accrued revenues	8,145,220	8,690,220	9,305,220	9,680,220	10,045,220
Total financial assets	21,383,842	22,305,842	23,712,842	25,084,842	26,741,842
Total assets administered on behalf of Government	21,383,842	22,305,842	23,712,842	25,084,842	26,741,842
LIABILITIES ADMINISTERED ON BEHALF OF GOVERNMENT					
Provisions					
Taxation refunds provided	1,476,116	1,476,116	1,476,116	1,476,116	1,476,116
Other provisions	418,617	443,617	473,617	503,617	533,617
Total provisions	1,894,733	1,919,733	1,949,733	1,979,733	2,009,733
Payables					
Grants and subsidies	1,065,406	1,015,306	965,306	926,306	1,005,306
Personal benefits payable	3,776,223	3,647,223	3,624,223	3,650,223	3,710,223
Other payables	22,804	22,804	22,804	22,804	22,804
Total payables	4,864,433	4,685,333	4,612,333	4,599,333	4,738,333
Total liabilities administered on behalf of Government	6,759,166	6,605,066	6,562,066	6,579,066	6,748,066

**Table 3.9: Schedule of budgeted administered cash flows
(for the period ended 30 June)**

	Actual 2006-07 \$'000	Revised budget 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000
OPERATING ACTIVITIES					
Cash received					
Income tax	213,239,910	199,857,800	209,583,590	222,429,460	229,168,620
Indirect tax	95,202,256	66,460,000	69,780,000	72,810,000	76,040,000
Other taxes, fees and fines	317,105	300,200	335,500	343,800	215,800
Other	-	26,000	26,000	26,000	26,000
Total cash received	308,759,271	266,644,000	279,725,090	295,609,260	305,450,420
Cash used					
Grant payments	-	-	-	-	-
Interest paid	262,643	280,000	330,000	330,000	330,000
Subsidies paid	4,900,791	5,198,300	5,511,200	5,769,200	6,016,100
Personal benefits	4,243,098	3,672,100	3,574,000	3,575,000	3,622,000
Other	205,297	180,000	200,000	220,000	250,000
Total cash used	9,611,829	9,330,400	9,615,200	9,894,200	10,218,100
Net cash from operating activities	299,147,442	257,313,600	270,109,890	285,715,060	295,232,320
FINANCING ACTIVITIES					
Cash received					
Cash from Official Public Account	9,611,829	9,330,400	9,615,200	9,894,200	10,218,100
Total cash received	9,611,829	9,330,400	9,615,200	9,894,200	10,218,100
Cash used					
Cash to Official Public Account	308,647,445	266,644,000	279,725,090	295,609,260	305,450,420
Total cash used	308,647,445	266,644,000	279,725,090	295,609,260	305,450,420
Net cash from financing activities	(299,035,616)	(257,313,600)	(270,109,890)	(285,715,060)	(295,232,320)
Net increase or (decrease) in cash held	111,826	-	-	-	-
Cash at beginning of reporting period	223,976	335,802	335,802	335,802	335,802
Cash at end of reporting period	335,802	335,802	335,802	335,802	335,802

Table 3.10: Schedule of administered capital budget

The ATO does not have any administered capital.

**Table 3.11: Schedule of administered property, plant, equipment and intangibles
– summary of movement (Budget year 2007-08)**

The ATO does not have any administered property, plant, equipment or intangible assets.

NOTES TO THE FINANCIAL STATEMENTS

Basis of accounting

The budgeted financial statements have been prepared on an accrual basis.

Notes to the departmental statements

The departmental financial statements, included in Table 3.1 through to Table 3.6 have been prepared on the basis of Australian Accounting Standards and Department of Finance and Deregulation guidance for the preparation of financial statements.

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

Australian Valuation Office

The Tax Office's budgeted financial statements are consolidated to include the financial operations of the Australian Valuation Office.

Cost of administering goods and services tax

Departmental statements include the estimated costs of administering the goods and services tax pursuant to the 'intergovernmental agreement on the reform of Commonwealth State Financial Regulations'. The GST revenue is collected on behalf of the States and Territories which agree to compensate the Australian Government for the agreed GST administration costs.

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

Administered

The administered financial statements included in Table 3.7 through to Table 3.9 have been prepared on the basis of Australian Accounting Standards.

The standards require that taxation revenues are recognised on an accrual basis when the following conditions apply:

- the taxpayer or the taxpayer group can be identified in a reliable manner;
- the amount of tax or other statutory charge is payable by the taxpayer or taxpayer group under legislative provisions; and
- the amount of the tax or statutory charge payable by the taxpayer or taxpayer group can be reliably measured, and it is probable that the amount will be collected.

The amount of taxation revenue recognised takes account of legislative steps, discretion to be exercised and any refunds and/or credit amendments to which the taxpayers may become entitled.

Recognition of taxation revenue

Taxation revenue is recognised when the Government, through the application of legislation by the Tax Office and other relevant activities, gains control over the future economic benefits that flow from taxes and other statutory charges – the Economic Transaction Method (ETM). This methodology relies on the estimation of the probable flows of taxes from transactions which have occurred in the economy, but not yet reported, and are likely to be reported, to the Tax Office through an assessment or disclosure.

However in circumstances when there is an ‘inability to reliably measure tax revenues when the underlying transactions or events occur’, the standards permit an alternative approach – the Taxation Liability Method (TLM). Under this basis, taxation revenue is recognised at the earlier of when an assessment of a tax liability is made or payment is received by the Tax Office. This recognition policy means that taxation revenue is generally measured at a later time than would be the case if it were measured under the ETM method.

In accordance with the above revenue recognition approach, the Tax Office uses ETM as the basis for revenue recognition, except for income tax for individuals, companies and superannuation funds and superannuation surcharge which are recognised on a TLM basis.

Items recognised as reductions to taxation revenue

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

- refunds of revenue; and
- increase (decrease) in movement of provision for credit amendments.

ROYAL AUSTRALIAN MINT

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ROYAL AUSTRALIAN MINT

Section 1: Agency overview and resources; variations and measures

OVERVIEW

There has been no change to the overview included in the *Portfolio Budget Statements 2007-08* (page 309).

Table 1.1: Agency outcomes and output group

Outcome	Description	Output groups
Outcome 1		
Satisfy the Reserve Bank of Australia's forecast for circulated coin	The single outcome consists of one output group, namely coin production, associated policy advice and visitors services	Output Group 1.1 Royal Australian Mint

ADDITIONAL ESTIMATES AND VARIATIONS TO OUTCOMES

The following variations in Table 1.2 contributed to a net increase in agency outputs in 2007-08.

Table 1.2: Additional estimates and variations to outcomes — measures

	2007-08 \$'000	2008-09 \$'000	2009-10 \$'000	2010-11 \$'000
Outcome 1				
Expense measure				
Royal Australian Mint - information management system upgrade - Phase 2	2,652	2,193	1,027	1,048
Royal Australian Mint - information management system upgrade - Phase 2 (<i>related capital</i>)	4,197	1,847	175	-
Capital measure				
Royal Australian Mint - refurbishment	8,502	8,032	-	-
Royal Australian Mint - refurbishment (<i>related expense</i>)	-	76	159	162

Note: These figures represent the impact on the fiscal balance.

Table 1.3: Additional estimates and variations to outcomes — other variations

The Mint does not have any other variations to Outcome 1.

MEASURES — AGENCY SUMMARY

Table 1.4: Summary of measures since the 2007-08 Budget

Measure	Outcome	Output groups affected	2007-08 \$'000			2008-09 \$'000			2009-10 \$'000			2010-11 \$'000		
			Admin	Dept	Total	Admin	Dept	Total	Admin	Dept	Total	Admin	Dept	Total
			items	outputs		items	outputs		items	outputs		items	outputs	
Expense measures														
Royal Australian Mint - information management system upgrade - Phase 2	1	1.1	-	2,652	2,652	-	2,193	2,193	-	1,027	1,027	-	1,048	1,048
Related capital														
Royal Australian Mint - information management system upgrade - Phase 2	1	1.1	-	4,197	4,197	-	1,847	1,847	-	175	175	-	-	-
Capital measures														
Royal Australian Mint - refurbishment	1	1.1	-	8,502	8,502	-	8,032	8,032	-	-	-	-	-	-
Related expense														
Royal Australian Mint - refurbishment	1	1.1	-	-	-	-	76	76	-	159	159	-	162	162
Total of all measures			-	15,351	15,351	-	12,148	12,148	-	1,361	1,361	-	1,210	1,210

Note: These figures represent the impact on the fiscal balance.

BREAKDOWN OF ADDITIONAL ESTIMATES BY APPROPRIATION BILL

Table 1.5: Appropriation Bill (No. 3) 2007-08

The Mint does not have any appropriations from Appropriation Bill (No. 3) 2007-08.

Table 1.6: Appropriation Bill (No. 4) 2007-08

	2006-07 available \$'000	2007-08 budget \$'000	2007-08 revised \$'000	Additional estimates ¹ \$'000	Reduced estimates \$'000
Non-operating					
Equity injections	11,015	15,100	27,799	12,699	-
Total	11,015	15,100	27,799	12,699	-

1. This figure represents the impact on appropriations.

SUMMARY OF STAFFING CHANGES

Table 1.7: Average Staffing Level (ASL)

	2007-08 budget	2007-08 revised	Variation
Outcome 1			
Satisfy the Reserve Bank of Australia's forecast for circulated coin	175	179	4
Total	175	179	4

OTHER RECEIPTS AVAILABLE TO BE USED

Table 1.8 provides details of other receipts available to be used and includes special accounts (non-appropriation receipts) established under the *Financial Management and Accountability Act 1997* (FMA) and resources received free of charge by the Mint.

Table 1.8: Other receipts available to be used

	Budget estimate 2007-08 \$'000	Revised estimate 2007-08 \$'000
Departmental other receipts		
Goods and services	55,953	58,817
Other	145	665
Total departmental other receipts available to be used	56,098	59,482

ESTIMATES OF EXPENSES FROM SPECIAL APPROPRIATIONS

Table 1.9: Estimates of expenses from special appropriations

The Mint does not have any special appropriations.

ESTIMATES OF SPECIAL ACCOUNT FLOWS

Table 1.10: Estimates of special account flows

	Outcome No.	Opening Balance 2007-08 2006-07 \$'000	Receipts 2007-08 2006-07 \$'000	Payments 2007-08 2006-07 \$'000	Adjustments 2007-08 2006-07 \$'000	Closing Balance 2007-08 2006-07 \$'000
Minting and Coinage Special Account - s20 Financial Management and Accountability Act 1997	1	22,472 5,608	174,228 185,305	173,735 168,441	732 -	23,697 22,472
Total special accounts 2007-08 Budget estimate		22,472	174,228	173,735	732	23,697
Total special accounts 2006-07 actual		5,608	185,305	168,441	-	22,472

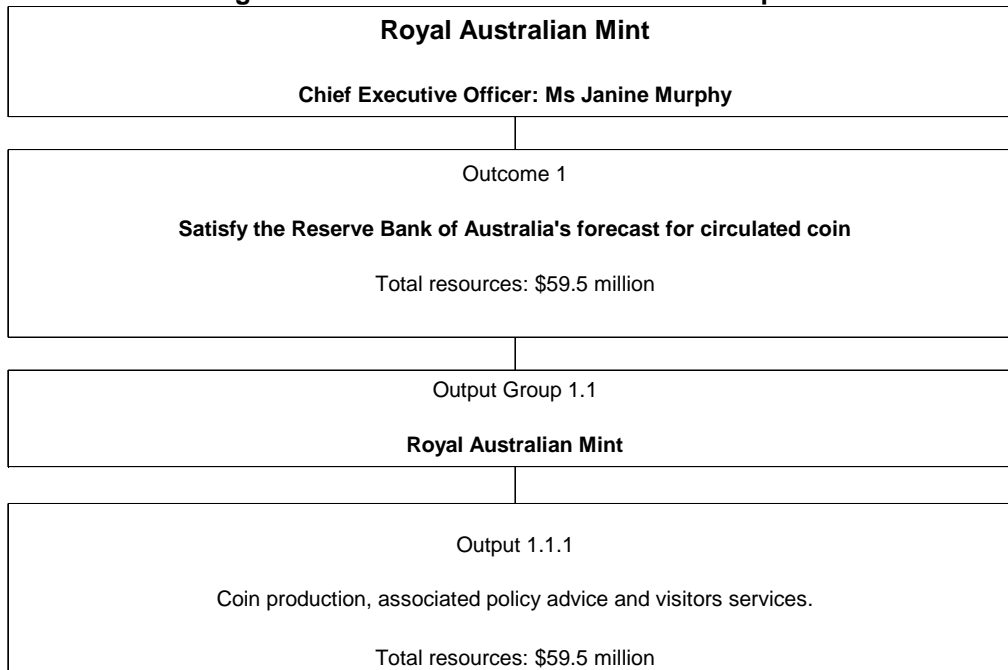
Section 2: Revisions to agency outcomes

OUTCOMES, ADMINISTERED ITEMS AND OUTPUTS

Table 1.1 'Agency outcome and output groups' lists the outcome statement and output group for the Mint.

The Mint has not made any changes to its outcome or output since the *Portfolio Budget Statements 2007-08*.

Figure 2: Contributions to outcome and outputs



Revised performance information — 2007-08

The Mint has not made any changes to its performance information since the *Portfolio Budget Statements 2007-08*.

Section 3: Budgeted financial statements

The budgeted departmental and administered financial statement and related notes for the Mint are in this section. The financial statements are produced for 2006-07 (actual results), 2007-08 (revised budget estimate) and three forward years. The financial statements should be read in conjunction with the accompanying notes.

ANALYSIS OF BUDGETED FINANCIAL STATEMENTS

There has been no change to the Mint's 2007-08 budgeted operating surplus of \$1.0 million as outlined in the *Portfolio Budget Statements 2007-08*. The increase in goods and services revenue since the 2007-08 Budget relates to funding received for new measures funded through seigniorage. This income is offset by increases in employees, suppliers and depreciation expenses related to the same measures. Refer to Table 1.2 and Table 1.4 for further details of these measures.

The Mint's net asset position of \$93.8 million represents an increase of \$24.1 million from the 2007-08 Budget. The increase is primarily due to equity injections of \$12.7 million associated with measures and the effects of a revaluation of the coin collection and property, plant and equipment in 2006-07.

BUDGETED FINANCIAL STATEMENTS

Departmental financial statements

Budgeted departmental income statement

This statement provides a picture of the expected financial results for the Mint by identifying full accrual expenses and revenues, which indicates the sustainability of the Mint's finances.

Budgeted departmental balance sheet

This statement shows the financial position of the Mint. 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 statement of changes in equity — summary of movement

This statement shows the budgeted movement in equity, from the operating result, changes in revaluations and injections of equity from capital appropriations.

Departmental capital budget statement

This statement shows all planned departmental capital expenditure, whether funded through capital appropriations for additional equity, or funded from internal sources.

Departmental property, plant, equipment and intangibles — summary of movement

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

Schedule of administered activity

Schedule of budgeted income and expenses administered on behalf of government

This schedule identifies the main revenue and expenses administered on behalf of the Australian Government.

Schedule of budgeted administered cash flows

This schedule identifies the cash flows administered on behalf of the Australian Government.

**Table 3.1: Budgeted departmental income statement
(for the period ended 30 June)**

	Actual	Revised budget	Forward estimate	Forward estimate	Forward estimate
	2006-07	2007-08	2008-09	2009-10	2010-11
	\$'000	\$'000	\$'000	\$'000	\$'000
INCOME					
Revenue					
Goods and services	60,196	58,817	58,342	58,305	57,427
Interest	613	480	490	499	499
Rents	177	185	189	193	193
Total revenue	60,986	59,482	59,021	58,997	58,119
Gains					
Other	152	-	-	-	-
Total gains	152	-	-	-	-
Total income	61,138	59,482	59,021	58,997	58,119
EXPENSE					
Employees	11,765	9,618	8,436	10,627	10,735
Suppliers	45,215	12,557	11,300	10,097	10,013
Depreciation and amortisation	1,206	1,867	2,841	3,705	3,648
Write-down of assets and impairment of assets	774	-	-	-	-
Net losses from sale of assets	5	-	-	-	-
Other	1,089	34,422	33,887	33,723	33,723
Total expenses	60,054	58,464	56,464	58,152	58,119
Operating result before Income Tax	1,084	1,018	2,557	845	-
Income Tax expense	40	-	-	-	-
Net surplus or (deficit) attributable to the Australian Government	1,044	1,018	2,557	845	-

**Table 3.2: Budgeted departmental balance sheet
(as at 30 June)**

	Actual 2006-07 \$'000	Revised budget 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	16,444	16,444	16,686	17,169	17,652
Receivables	12,713	14,206	16,405	17,564	17,564
Total financial assets	29,157	30,650	33,091	34,733	35,216
Non-financial assets					
Infrastructure, plant and equipment	12,830	39,801	51,439	49,228	46,761
Intangibles	314	275	248	229	220
Inventories	60,123	20,123	20,000	20,000	20,000
Deferred tax asset	856	856	856	856	856
Other non financial assets	11,492	11,492	11,492	11,492	11,492
Total non-financial assets	85,615	72,547	84,035	81,805	79,329
Total assets	114,772	103,197	117,126	116,538	114,545
LIABILITIES					
Payables					
Suppliers	972	1,539	1,246	1,246	1,346
Tax liabilities	677	677	677	677	677
Deferred tax liabilities	825	825	825	825	825
Other payables	44,003	3,266	5,042	2,991	1,000
Total payables	46,477	6,307	7,790	5,739	3,848
Provisions					
Employees	3,359	3,137	3,047	3,490	3,388
Total provisions	3,359	3,137	3,047	3,490	3,388
Total liabilities	49,836	9,444	10,837	9,229	7,236
EQUITY					
Contributed equity	45,444	73,243	83,222	83,397	83,397
Reserves	13,917	13,917	13,917	13,917	13,917
Retained surpluses or accumulated deficits	5,575	6,593	9,150	9,995	9,995
Total equity	64,936	93,753	106,289	107,309	107,309
Current assets	89,329	50,822	53,140	54,782	55,265
Non-current assets	25,443	52,375	63,986	61,756	59,280
Current liabilities	48,784	989	1,018	1,226	1,297
Non-current liabilities	1,052	8,455	9,819	8,003	5,939

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

	Actual 2006-07 \$'000	Revised budget 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000
OPERATING ACTIVITIES					
Cash received					
Goods and services	172,108	162,327	159,238	159,247	158,987
Other cash received	177	185	189	193	200
Total cash received	172,285	162,512	159,427	159,440	159,187
Cash used					
Employees	10,778	9,840	10,308	10,184	10,387
Suppliers	86,817	35,788	34,348	33,959	34,053
Cash to the Official Public Account	59,568	113,629	111,467	111,473	111,291
Net GST paid	2,692	2,255	2,062	2,341	1,973
Total cash used	159,855	161,512	158,185	157,957	157,704
Net cash from or (used by) operating activities	12,430	1,000	1,242	1,483	1,483
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of property, plant and equipment	4	-	-	-	-
Total cash received	4	-	-	-	-
Cash used					
Purchase of property, plant and equipment	3,150	28,799	14,076	1,175	1,000
Total cash used	3,150	28,799	14,076	1,175	1,000
Net cash from or (used by) investing activities	(3,146)	(28,799)	(14,076)	(1,175)	(1,000)
FINANCING ACTIVITIES					
Cash received					
Appropriations - contributed equity	1,132	27,799	13,076	175	-
Total cash received	1,132	27,799	13,076	175	-
Net cash from or (used by) financing activities	1,132	27,799	13,076	175	-
Net increase or (decrease) in cash held	10,416	-	242	483	483
Cash at the beginning of the reporting period	6,028	16,444	16,444	16,686	17,169
Cash at the end of the reporting period	16,444	16,444	16,686	17,169	17,652

Table 3.4: Departmental statement of changes in equity — summary of movement (Budget 2007-08)

	Accumulated results \$'000	Asset revaluation reserve \$'000	Other reserves \$'000	Contributed equity/ capital \$'000	Total equity \$'000
Opening balance as at 1 July 2007					
Balance carried forward from previous period	5,575	13,917	-	45,444	64,936
Adjusted opening balance	5,575	13,917	-	45,444	64,936
Income and expense					
Net operating result	1,018	-	-	-	1,018
Total income and expenses	1,018	-	-	-	1,018
Transactions with owners					
<i>Contribution by owners</i>					
Appropriation (equity injection)	-	-	-	27,799	27,799
Sub-total transactions with owners	-	-	-	27,799	27,799
Estimated closing balance as at 30 June 2008	6,593	13,917	-	73,243	93,753

Table 3.5: Departmental capital budget statement

	Actual 2006-07 \$'000	Revised budget 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000
CAPITAL APPROPRIATIONS					
Total equity injections	11,015	27,799	13,076	175	-
Represented by:					
Purchase of non-financial assets	11,065	28,799	14,076	1,175	1,000
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriation	11,015	27,799	13,076	175	-
Funded internally by departmental resources	50	1,000	1,000	1,000	1,000
Total	11,065	28,799	14,076	1,175	1,000

Table 3.6: Departmental property, plant, equipment and intangibles — summary of movement (Budget year 2007-08)

	Land	Investment property	Buildings	Specialist military equipment	Infrastructure and plant and equipment	Heritage and cultural assets	Computer software	Other intangibles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
As at 1 July 2007									
Gross book value	-	-	-	-	12,878	-	2,251	-	15,129
Accumulated depreciation	-	-	-	-	(48)	-	(1,937)	-	(1,985)
Opening net book value	-	-	-	-	12,830	-	314	-	13,144
Additions:									
by finance lease	-	-	-	-	28,799	-	-	-	28,799
Depreciation/amortisation expense	-	-	-	-	(1,828)	-	(39)	-	(1,867)
As at 30 June 2008									
Gross book value	-	-	-	-	41,677	-	2,251	-	43,928
Accumulated depreciation	-	-	-	-	(1,876)	-	(1,976)	-	(3,852)
Estimated closing net book value	-	-	-	-	39,801	-	275	-	40,076

Table 3.7: Schedule of budgeted income and expenses administered on behalf of government (for the period ended 30 June)

	Actual	Revised budget	Forward estimate	Forward estimate	Forward estimate
	2006-07	2007-08	2008-09	2009-10	2010-11
	\$'000	\$'000	\$'000	\$'000	\$'000
INCOME ADMINISTERED ON BEHALF OF GOVERNMENT					
Revenue					
Non-taxation					
Goods and services	98,320	104,076	101,417	101,125	101,225
Total revenues administered on behalf of Government	98,320	104,076	101,417	101,125	101,225
Total income administered on behalf of Government	98,320	104,076	101,417	101,125	101,225

Table 3.8: Schedule of budgeted assets and liabilities administered on behalf of government (as at 30 June)

The Mint does not have any administered assets and liabilities.

Table 3.9: Schedule of budgeted administered cash flows (for the period ended 30 June)

The Mint has not had any changes to administered cash flows

Table 3.10: Schedule of administered capital budget

The Mint does not have any administered capital.

Table 3.11: Schedule of administered property, plant, equipment and intangibles — summary of movement (Budget year 2007-08)

The Mint does not have any administered property, plant, equipment or intangibles.

NOTES TO THE FINANCIAL STATEMENTS

Departmental

Basis of accounting

The Mint's budgeted statements have been prepared on an accrual basis and in accordance with:

- Australian Government's financial budgeting and reporting framework;
- Australian Accounting Standards (AAS), being the Australian Equivalent to International Reporting Standards (AEIFRS); and
- Consensus Views of the Urgent Issues Group.

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

Budgeted departmental income statement

Revenues

Revenue is derived from the sale of numismatic coin, the production of circulating coin and the sale of coin like products. The amount of revenue earned in any one year is dependent upon the demand for such products by the Reserve Bank of Australia and the coin collecting market.

Expenses

Employees

This includes wages and salaries, superannuation, provision for annual leave and long service leave and workers compensation.

Depreciation and amortisation

Depreciable assets are written off over their estimated useful lives. Depreciation is calculated using the straight-line method.

Other

Other expenses include the cost of goods sold.

Budgeted departmental balance sheet

Non-financial assets

Inventory

Inventories held for resale are at the lower of cost and net realisable value. Work in progress and finished goods are brought to account to include direct costs and a proportion of direct labour and overhead. All precious metals are purchased and brought to account at cost.

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.

Asset valuation

Australian Government agencies are required to value property, plant and equipment and other infrastructure assets using the fair value method of valuation.

Departmental capital budget statement

This shows proposed capital expenditure for the ongoing replacement program of non-financial assets. This asset replacement program has been funded by capital appropriation.

Administered

Seigniorage is collected by the Mint on behalf of the Australian Government. Seigniorage represents the difference between the face value of coinage sold to the Reserve Bank of Australia and its cost of production to the Mint. Seigniorage is treated as an administered item within the Mint's administered budget statements.

PORTFOLIO GLOSSARY

Accrual accounting	System of accounting where items are brought to account and included in the financial statements as they are earned or incurred, rather than as they are received or paid.
Accumulated depreciation	The aggregate depreciation recorded for a particular depreciating asset.
Administered items	Expenses, revenues, assets or liabilities managed by agencies on behalf of the Australian Government. Agencies do not control administered items. Administered expenses include grants, subsidies and benefits. In many cases, administered expenses fund the delivery of third party outputs.
Additional estimates	Where amounts appropriated at Budget time are insufficient, Parliament may appropriate more funds to portfolios through the Additional Estimates Appropriation Acts.
Appropriation	An authorisation by Parliament to spend moneys from the Consolidated Revenue Fund for a particular purpose.
Annual Appropriation	Two Appropriation Bills are introduced into Parliament in May and comprise the Budget for the financial year beginning 1 July. Further Bills are introduced later in the financial year as part of the additional estimates. Parliamentary departments have their own appropriations.
Capital expenditure	Expenditure by an agency on capital projects, for example purchasing a building.
Consolidated Revenue Fund	Section 81 of the <i>Commonwealth of Australia Constitution Act 1900</i> stipulates that all revenue raised or money received by the Commonwealth forms the one Consolidated Revenue Fund (CRF). The CRF is not a bank account. The Official Public Account reflects most of the operations of the CRF.

Glossary

Departmental items	Assets, liabilities, income and expenses that are controlled by the agency in providing its outputs. Departmental items would generally include computers, plant and equipment assets used by agencies in providing goods and services and most employee expenses, supplier costs and other administrative expenses incurred.
Depreciation	Apportionment of an asset's capital value as an expense over its estimated useful life to take account of normal usage, obsolescence, or the passage of time.
Effectiveness indicators	Measures the joint or independent contribution of outputs and administered items to the achievement of their specified outcome.
Efficiency indicators	Measures the adequacy of an agency's management of its outputs (and where applicable, administered items). Includes price, quality and quantity indicators. The interrelationship between the three efficiency indicators of any one output should be considered when judging efficiency.
Equity or net assets	Residual interest in the assets of an entity after deduction of its liabilities.
Expense	Total value of all of the resources consumed in producing goods and services or the loss of future economic benefits in the form of reductions in assets or increases in liabilities of an entity.
Fair value	A valuation methodology whereby the amount for which an asset could be exchanged, or a liability settled, between knowledgeable and willing parties in an arm's length transaction. The fair value can be affected by the conditions of the sale, market conditions and the intentions of the asset holder.

Operating result	Equals income less expense.
Outcomes	The Government's objectives in each portfolio area. Outcomes are desired results, impacts or consequences for the Australian community as influenced by the actions of the Australian Government. Actual outcomes are assessments of the end-results or impacts actually achieved.
Output groups	A logical aggregation of agency outputs, where useful, and based either on homogeneity, type of product, business line or beneficiary target group. Aggregation of outputs may also be needed for the provision of adequate information for performance monitoring, or based on a materiality test.
Outputs	The goods and services produced by agencies on behalf of government for external organisations or individuals. Outputs also include goods and services for other areas of government external to the agency.
Price	One of the three key efficiency indicators. The amount the government or the community pays for the delivery of agreed outputs.
Quality	One of the three key efficiency indicators. Relates to the characteristics by which customers or stakeholders judge an organisation, product or service. Assessment of quality involves use of information gathered from interested parties to identify differences between user's expectations and experiences.
Quantity	One of the three key efficiency indicators. Examples include: the size of an output; count or volume measures; how many or how much.
Revenue	Total value of resources earned or received to cover the production of goods and services.

Glossary

Special Account

Balances existing within the Consolidated Revenue Fund (CRF) that are supported by standing appropriations (*Financial Management and Accountability Act 1997* (FMA Act), subsection 20 and 21). Special accounts allow money in the CRF to be acknowledged as set-aside (hypothecated) for a particular purpose. Amounts credited to a Special Account may only be spent for the purposes of the Special Account. Special Accounts can only be established by a written determination of the Minister for Finance and Deregulation (section 20 FMA Act) or through an Act of Parliament (referred to in section 21 of the FMA Act).

Special Appropriations
(including Standing
Appropriations)

An amount of money appropriated by a particular Act of Parliament for a specific purpose and number of years. For special appropriations the authority to withdraw funds from the Consolidated Revenue Fund does not generally cease at the end of the financial year.

Standing appropriations are a sub-category consisting of ongoing special appropriations – the amount appropriated will depend on circumstances specified in the legislation.