

PART C

Agency Additional Estimates Statements

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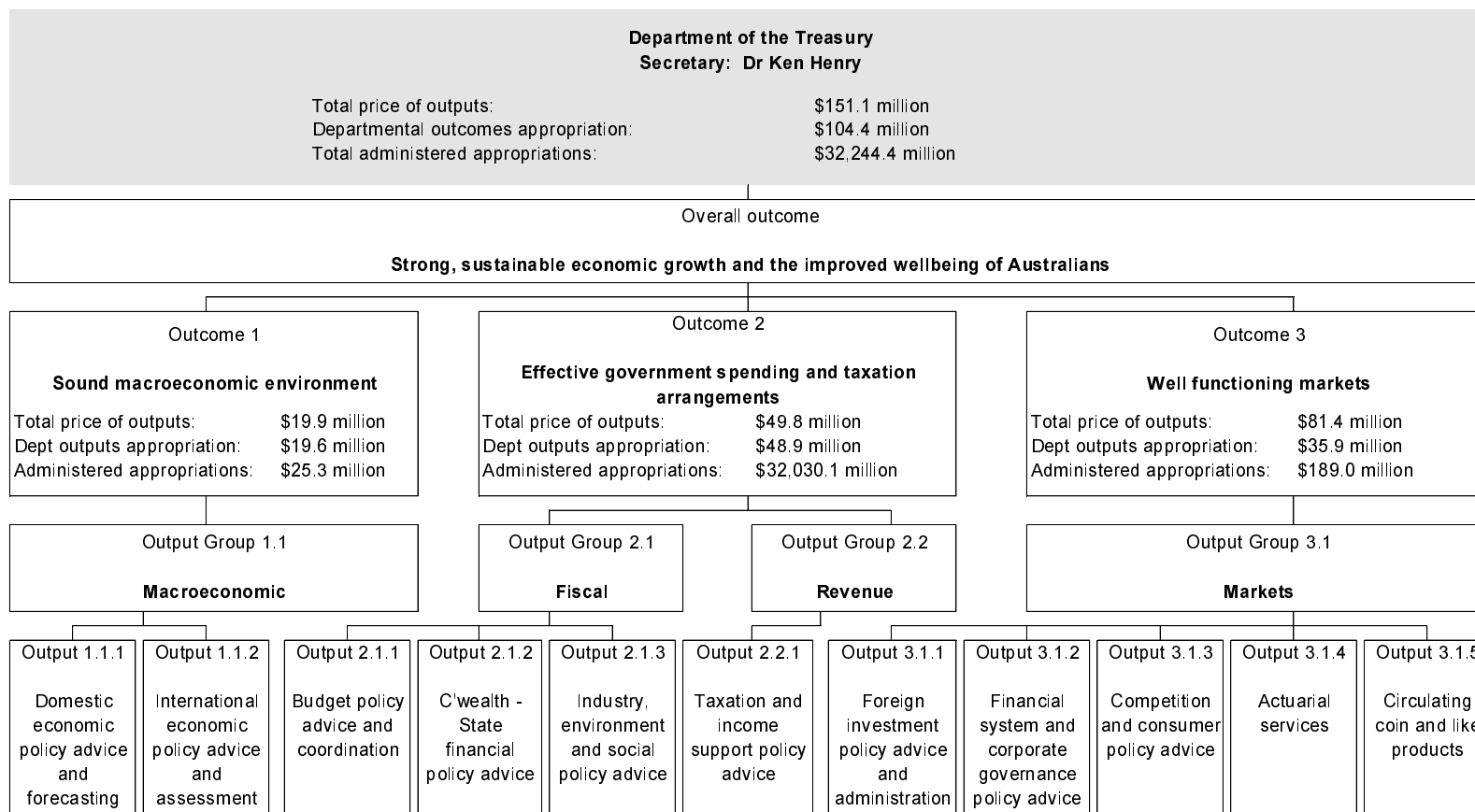
DEPARTMENT OF THE TREASURY

Section 1: Overview, variations and measures

OVERVIEW

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

Map 2: Outcomes and output groups



ADDITIONAL ESTIMATES AND VARIATIONS TO OUTCOMES

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

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

Explanations for these and other variations are detailed below.

Measures

Outcome 2 — Effective government spending and taxation arrangements

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

Note: These variations are funded through Special Appropriations.

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

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

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

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

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

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

Outcome 3 — Well functioning markets

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

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

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

Funding for Principles Based Review of the Law of Negligence

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

Terrorism insurance — commercial cover

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

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

Other variations to appropriations

Departmental

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

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

Administered

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

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

MEASURES: AGENCY SUMMARY**Table 1.1: Summary of measures since the 2002-03 Budget**

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

Note: These variations are funded through Special Appropriations.

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

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

BREAKDOWN OF ADDITIONAL ESTIMATES BY APPROPRIATION BILL

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

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

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

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

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

SUMMARY OF STAFFING CHANGES

Table 1.4: Average staffing level (ASL)

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

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

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

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

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

Section 2: Revisions to outcomes and outputs

OUTCOMES AND OUTPUT GROUPS

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

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

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

Revised performance information and level of achievement — 2002-03

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

Map 3: Outcomes and output groups

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

Section 3: Budgeted Financial Statements

Budgeted departmental statement of financial performance

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

Budgeted departmental statement of financial position

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

Budgeted departmental statement of cash flows

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

Departmental capital budget statement

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

Departmental non financial assets — summary of movement

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

NOTES OF ADMINISTERED ACTIVITY

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

Note of budgeted administered financial performance

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

Note of budgeted administered financial position

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

Note of budgeted administered cash flows

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

Note of administered capital budget

This note shows details of planned administered capital expenditure.

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

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

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

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

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

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

Table 3.4: Departmental capital budget statement

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

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

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

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

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

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

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

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

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

Part C: Agency Additional Estimates Statements — Treasury

Table 3.9: Note of administered capital budget

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

NOTES TO THE FINANCIAL STATEMENTS

Basis of accounting

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

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

Departmental

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

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

Administered

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

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

Appendices 1 and 2

Appendix 1

Departmental and administered revenue

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

Appendix 2

Estimates of expenses from special appropriations

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

