

AUSTRALIAN TAXATION OFFICE

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AUSTRALIAN TAXATION OFFICE

Section 1: Agency overview

The role of the Australian Taxation Office (Tax Office) is to manage and shape taxation, excise and superannuation systems that fund services for Australians, giving effect to social and economic policy. Through these systems the Tax Office is the Australian Government's principal revenue management agency. In 2005-06, the Tax Office will collect 90.9 per cent of the Australian Government's revenue on behalf of the Australian community.

The main role of the Tax Office is to administer legislation for taxes, superannuation and excise (but not customs duty). In doing this, the Tax Office addresses broad issues affecting Australia's revenue system, such as aggressive tax planning, persistent tax debtors, globalisation and the cash economy.

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

- Private Health Insurance;
- Family Assistance;
- Energy Grants Credits Scheme;
- Valuation Services; and
- Cross-Agency Support, such as working with Centrelink to reduce benefit fraud, with the Child Support Agency (CSA) to ensure income transfer for the care of children, and with the Australian Bureau of Statistics (ABS) to reduce the cost to the community of collecting statistical data.

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 |

Section 2: Agency resources for 2005-06

2.1: APPROPRIATIONS AND OTHER RESOURCES

The total appropriation for the Tax Office in the 2005-06 Budget is \$10,260.7 million.

Table 2.1 shows the total resources from all origins for 2005-06, including appropriations. The table summarises how revenue will be applied by outcome, administered and departmental classification.

Table 2.1: Appropriations and other revenue 2005-06¹ ('000)

| Outcome | Appropriations | | | | | Revenue from other sources ⁴ | | Total resources ⁶ |
|---|------------------|------------|-----------------------------|---------------------------|----------------|---|----------------|------------------------------|
| | \$'000 | \$'000 | \$'000 | \$'000 | % ⁵ | \$'000 | % ⁵ | \$'000 |
| | Bill No. 1 | Bill No. 2 | Special approp ² | Total approp ³ | | | | |
| 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 | | | | | | | | |
| Administered | - | - | 7,817,087 | 7,817,087 | 100% | - | - | 7,817,087 |
| Departmental | 2,443,613 | - | - | 2,443,613 | 98% | 43,989 | 2% | 2,487,602 |
| Total agency | 2,443,613 | - | 7,817,087 | 10,260,700 | | 43,989 | | 10,304,689 |
| Departmental capital (equity injections) | - | - | - | - | - | - | - | - |
| Previous year's outputs | - | - | - | - | - | - | - | - |
| Administered assets and liabilities | - | - | - | - | - | - | - | - |
| Total resources | 2,443,613 | - | 7,817,087 | 10,260,700 | | 43,989 | | 10,304,689 |

1 This table has been redesigned to correspond with *Budget Paper No. 4, Agency Resourcing 2005-06*.

2 Estimated expenses from individual Special Appropriations are shown in table 2.5. The amount showing for appropriations represents appropriations to deliver Tax Office programmes. Amounts disclosed under special appropriations do not include the expenditure to pay refunds under the tax system.

3 Total appropriations = Bill No. 1 + Bill No. 2 + Special appropriations.

4 Revenue from other sources includes *Financial Management and Accountability Act 1997* (FMA) s.31 revenues, that are available to be expensed, special accounts (non-appropriation revenues) and resources received free of charge.

5 Percentage figures indicate the percentage contribution of Revenue from Government (Departmental Appropriations) to the total price of outputs, by outcome, and the percentage contribution of Revenue from other sources (Departmental) to the total price of outputs, by outcome.

6 Total resources = Total appropriations + Revenue from other sources.

Note: Refer to Budgeted departmental statement of financial performance for application of agency revenue.

2.2: 2005-06 BUDGET MEASURES

Budget measures relating to the Tax Office as explained in *Budget Paper No. 2, Budget Measures 2005-06* are summarised in Table 2.2. The table also identifies the relevant outcomes, administered items and outputs associated with each measure.

Table 2.2: Australian Taxation Office measures

| Measure | Outcome | Output groups affected | Appropriations budget | | | Appropriations forward estimate 2006-07 | | | Appropriations forward estimate 2007-08 | | | Appropriations forward estimate 2008-09 | | |
|---|---------|------------------------|-----------------------|--------------|---------|---|--------------|----------|---|--------------|----------|---|--------------|----------|
| | | | 2005-06 \$'000 | | | 2006-07 \$'000 | | | 2007-08 \$'000 | | | 2008-09 \$'000 | | |
| | | | Admin expenses | Dept outputs | Total | Admin expenses | Dept outputs | Total | Admin expenses | Dept outputs | Total | Admin expenses | Dept outputs | Total |
| Efficiency dividend — increase in the rate from 1 per cent to 1.25 percent ¹ | 1 | 1.1 | - | - 6,103 | - 6,103 | - | - 12,212 | - 12,212 | - | - 18,366 | - 18,366 | - | - 18,366 | - 18,366 |
| Family Tax Benefit Part B Supplement | 1 | 1.1 | 177,000 | - | 177,000 | 173,700 | - | 173,700 | 179,000 | - | 179,000 | 183,900 | - | 183,900 |
| Imports — additional revenue compliance activities | 1 | 1.1 | - | 1,493 | 1,493 | - | 1,523 | 1,523 | - | 1,554 | 1,554 | - | 1,585 | 1,585 |
| Increase in maximum rate — Family Tax Benefit Part A income threshold | 1 | 1.1 | - | - | - | 13,080 | - | 13,080 | 13,096 | - | 13,096 | 13,109 | - | 13,109 |
| Official statistics — upgrade | 1 | 1.1 | - | 6,909 | 6,909 | - | - | - | - | - | - | - | - | - |

¹ This is a cross portfolio measure. This table shows the Tax Office's contribution to the measure.

Note: Further information on these measures can be found in *Budget Paper No. 2, Budget Measures 2005-06* and the Measures affecting Outcomes table on page 227. This table shows the resourcing to be provided for these measures and may differ from those in *Budget Paper No. 2, Budget Measures 2005-06* and the Measures affecting Outcomes table as these are on a Government Finance Statistics (GFS) basis.

2.3: OTHER RECEIPTS AVAILABLE TO BE USED

Table 2.3 provides details of other receipts available to be used and includes FMA s.31 receipts, special accounts (non-appropriation receipts) and resources received free of charge.

Table 2.3: Other revenue¹

| | Estimated receipts 2004-05 \$'000 | Budget estimate 2005-06 \$'000 |
|---|---|--------------------------------------|
| Departmental other receipts | | |
| Sale of goods and services | 56,596 | 42,169 |
| Other | 1,730 | 1,820 |
| Total departmental other receipts available to be used | 58,326 | 43,989 |
| Administered other receipts | | |
| <i>Superannuation Guarantee (Administration) Act 1992 - shortfalls, penalties and fines</i> | 158,000 | 149,000 |
| <i>Superannuation Industry (Supervision) Act 1993 - Self Managed Superannuation Fund Levy</i> | 13,800 | 17,600 |
| Total taxation receipts | 215,400,000 | 229,490,000 |
| Miscellaneous receipts | 12,000 | 11,000 |
| Total administered other receipts | 215,583,800 | 229,667,600 |

¹ This table replaces the former table 'Agency and administered revenues'.

2.4: MOVEMENT OF ADMINISTERED FUNDS FROM 2004-05 TO 2005-06

Table 2.4: Movement of administered funds from 2004-05 to 2005-06

This table is not applicable to the Tax Office.

2.5: SPECIAL APPROPRIATIONS

Table 2.5: Estimates of expenses from special appropriations

| | Outcome | Note | Estimated expenses 2004-05 \$'000 | Budget estimate 2005-06 \$'000 |
|--|---------|--------------|---|--------------------------------------|
| Estimated expenses | | | | |
| Refunds - s16 <i>Tax Administration Act 1953</i> | 1 | ¹ | 50,359,000 | 52,761,000 |
| Family Tax Benefit | 1 | ² | 2,533,079 | 1,614,082 |
| Energy Grants (Credits) Scheme | 1 | | 3,557,000 | 3,712,000 |
| Fuel Sales Grants Scheme | 1 | | 269,000 | 270,000 |
| Measure for a Better Environment - Cleaner Fuels | 1 | | 2,000 | 8,000 |
| Product Stewardship Waste Oil | 1 | | 16,000 | 19,000 |
| Large Scale Film Production | 1 | | 85,000 | 95,000 |
| R & D refundable tax offset for small companies | 1 | | 453,000 | 247,000 |
| Superannuation Co-contribution | 1 | | 1,285,000 | 1,016,000 |
| <i>Superannuation Guarantee (Administration) Act 1992</i> Distribution of charges | 1 | | 232,000 | 217,000 |
| <i>Superannuation (Unclaimed Money and Lost Member) Act 1999</i> Repayment of unclaimed monies | 1 | | 5 | 5 |
| Total estimated expenses | | ³ | 58,791,084 | 59,959,087 |

1 Refunds under section 16 of the *Tax Administration Act 1953* are primarily taxation refunds but may include amounts for the First Child tax offset; the Private Health Insurance Benefit 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 Table 2.1 and 3.1 as it includes appropriations for taxation refunds. In other tables, taxation refunds are netted off against the taxation revenue.

2.6: SPECIAL ACCOUNTS

Table 2.6: Estimates of special account flows and balances

| | | Opening balance | Receipts | Payments | Closing balance |
|---|------------------|--------------------|---------------|---------------|--------------------|
| | A ⁽¹⁾ | 2005-06 | 2005-06 | 2005-06 | 2005-06 |
| | B ⁽¹⁾ | 2004-05 | 2004-05 | 2004-05 | 2004-05 |
| | Outcome | \$'000 | \$'000 | \$'000 | \$'000 |
| Australian Valuation Office ² | 1 | 5,558 | 19,489 | 19,986 | 5,061 |
| Excise Security Deposits ³ | 1 | 46 | 5 | 1 | 50 |
| Other Trust Monies ³ | 1 | 49 | 515 | 517 | 46 |
| Superannuation Holding Accounts Reserve Trust Accounts ⁴ | 1 | 1,228 | 4,216 | 4,216 | 1,228 |
| | | 21,228 | 4,216 | 24,216 | 1,228 |
| | | 58,231 | 9,000 | 20,000 | 47,231 |
| | | 58,531 | 12,200 | 12,500 | 58,231 |
| Total special accounts | | | | | |
| 2005-06 Budget estimate | | 65,064 | 32,710 | 44,203 | 53,571 |
| Total special accounts | | | | | |
| 2004-05 estimated actual | | 84,897 | 35,952 | 55,785 | 65,064 |

1 The opening balance for 2005-06 (reference A) is the same as the closing balance for 2004-05 (reference B)

2 This special account is departmental in nature and is governed by the *Financial Management and Accountability Act 1997*.

3 These special accounts are administered in nature and are governed by the *Financial Management and Accountability Act 1997*.

4 This special account is administered in nature and is governed by the *Superannuation Supervision Act 1995*.

Note: Figures are cash based and include transactions between the Australian Valuation Office and the Tax Office.

2.7: ADMINISTERED CAPITAL AND DEPARTMENTAL EQUITY INJECTIONS AND LOANS

The Tax Office does not have an appropriation for an equity injection or loan in the 2005-06 Budget.

Section 3: Agency outcomes

This section explains how the resources identified in Section 2 will be used to deliver outputs and administered items that contribute to the Australian Taxation Office's (Tax Office) outcome.

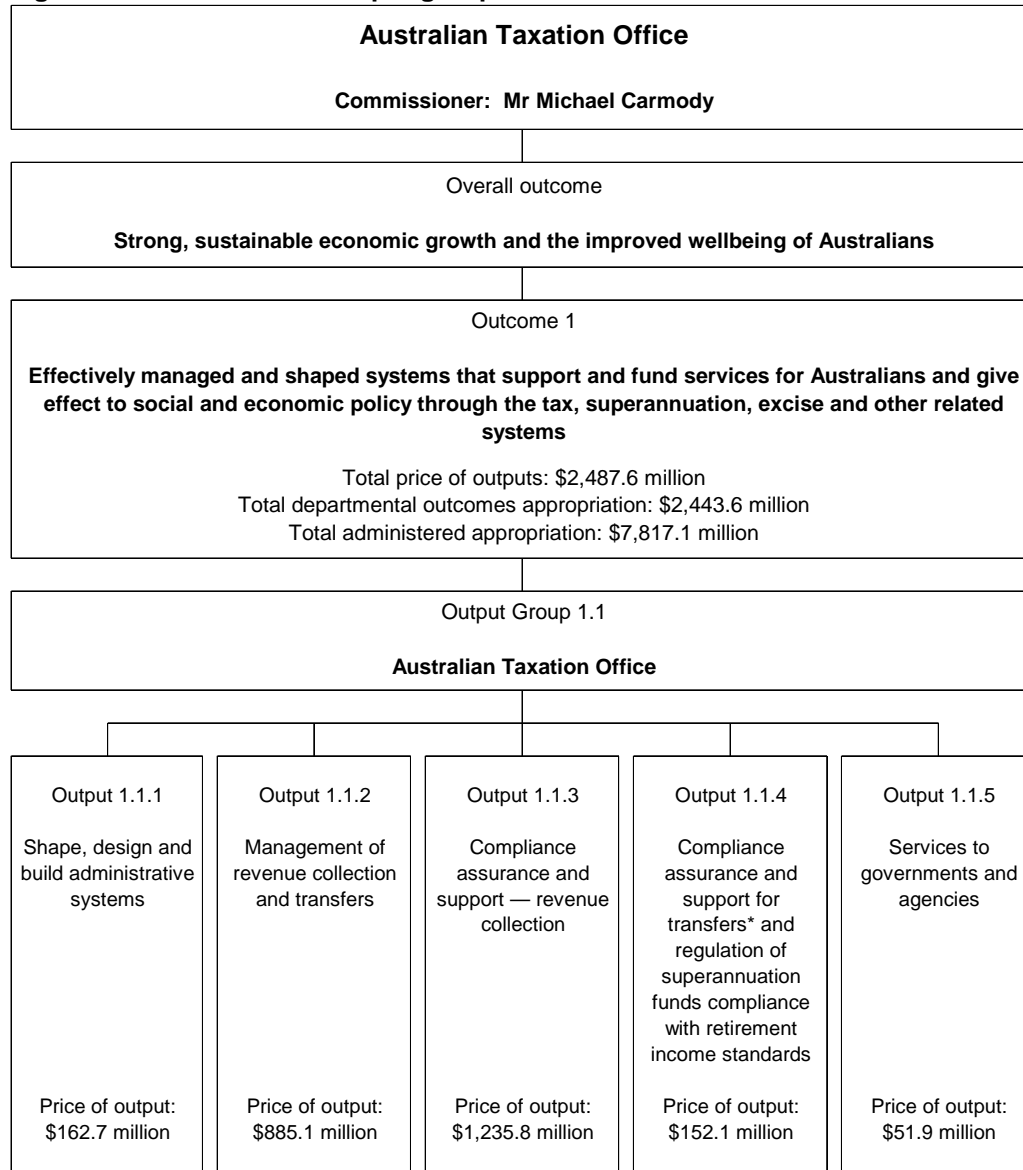
3.1: SUMMARY OF OUTCOMES, OUTPUTS AND ADMINISTERED ITEMS

The Tax Office uses a process of cost allocation to determine its actual costs incurred on each of the five outputs.

Mappings are based on cost centre manager estimates and the results of time recording. The costs of corporate services and facilities, for example, accommodation and information technology, are attributed to cost centres using relevant cost drivers. The cost drivers generally represent resource usage or FTE. Corporate overhead and some information technology related costs are not attributed to cost centres but are instead attributed to outputs as a final step in the costing process.

The relationship between activities of the Tax Office and the outcome is summarised in Figure 4.

Figure 4: Outcomes and output groups and administered items



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

3.2: OUTCOMES — DEPARTMENTAL AND ADMINISTERED

The Tax Office has one outcome, namely, ‘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 total appropriation for this outcome for 2005-06 is \$10,260.7 million.

Figure 5: Departmental appropriations by outcome, 2005-06

This figure is not applicable to the Tax Office.

Figure 6: Administered appropriations by outcome, 2005-06

This figure is not applicable to the Tax Office.

3.3: OUTCOMES RESOURCING

Outcome 1 description

Effectively managed and shaped systems that support and fund services for Australians and give effect to social and economic policy through the tax, superannuation, excise and other related systems.

Outcome 1 resourcing

Table 3.1 shows how the 2005-06 Budget appropriations translate to total resourcing for Outcome 1, including administered expenses, revenue from government (appropriation), revenue from other sources (Departmental) and the total price of outputs.

Table 3.1: Total resources for Outcome 1 (\$'000)

| | Estimated actual 2004-05 \$'000 | Budget estimate 2005-06 \$'000 |
|--|--|---|
| Administered appropriations | | |
| Special appropriations ¹ | 9,506,084 | 7,817,087 |
| Annual appropriations | 220,000 | - |
| Total administered appropriations | 9,726,084 | 7,817,087 |
| Special Accounts (estimated payments from Special Account balances)² | | |
| Excise Security Deposits - <i>Financial Management and Accountability Act 1997</i> | 517 | 1 |
| Other Trust Monies - <i>Financial Management and Accountability Act 1997</i> | 24,216 | 4,216 |
| Superannuation Holding Accounts Reserve Trust Account - <i>Superannuation Supervision Act 1995</i> | 12,500 | 20,000 |
| Total Special Account outflows | 37,233 | 24,217 |
| Departmental appropriations | | |
| Output Group 1.1 - Australian Taxation Office | | |
| Output 1.1.1 - Shape, design and build administrative systems | 118,512 | 162,666 |
| Output 1.1.2 - Management of revenue collection and transfers | 851,166 | 885,116 |
| Output 1.1.3 - Compliance assurance and support - revenue collection | 1,267,209 | 1,235,787 |
| Output 1.1.4 - Compliance assurance and support for transfers and regulation of superannuation funds compliance with retirement income standards | 131,579 | 152,102 |
| Output 1.1.5 - Services to government and agencies | 3,753 | 7,942 |
| Total revenue from government (appropriations) | | |
| Contributing to price of departmental outputs | 2,372,219 | 2,443,613 |
| Revenue from other sources | | |
| Goods and services | 56,596 | 42,169 |
| Other | 1,730 | 1,820 |
| Total revenue from other sources | 58,326 | 43,989 |
| Total price from departmental outputs (Total revenue from government and from other sources) | 2,430,545 | 2,487,602 |
| Special Accounts (estimated payments from Special Account balances)² | | |
| Australian Valuation Office - <i>Financial Management and Accountability Act 1997</i> | 18,552 | 19,986 |
| Total departmental Special Account outflows | 18,552 | 19,986 |
| Total estimated resourcing for Outcome 1 (Total price of outputs and administered appropriations) | 12,156,629 | 10,304,689 |
| | 2004-05 | 2005-06 |
| Average staffing level (number) | 20,800 | 20,792 |

1 The amount showing for administered appropriations represents appropriations to deliver Tax Office programmes and benefits. The amount disclosed under special appropriations does not include the expenditure to pay taxation refunds.

2 Special Account outflows are shown in the payments column of the Special Account table in Table 2.6. The estimated payments from special account balances are provided by way of note only and do not form part of the total estimated resourcing.

3.4: MEASURES AFFECTING OUTCOMES

Measures affecting Outcome 1

| | 2005-06 \$'000 | 2006-07 \$'000 | 2007-08 \$'000 | 2008-09 \$'000 |
|--|-------------------|-------------------|-------------------|-------------------|
| Efficiency dividend — increase in the rate from 1 per cent to 1.25 per cent ^{1,2} | - 5,576 | - 11,151 | - 16,769 | - 16,769 |
| Family Tax Benefit Part B Supplement | 177,000 | 173,700 | 179,000 | 183,900 |
| Imports — additional revenue compliance activities ³ | - | - | - | - |
| Increase in maximum — rate Family Tax Benefit Part A income threshold | - | 13,080 | 13,096 | 13,109 |
| Official statistics — upgrade | 6,909 | - | - | - |

1 This measure reduces the Tax Office's appropriation by \$6.103 million in 2005-06, \$12.212 million in 2006-07, \$18.366 million in 2007-08 and \$18.366 million in 2008-09. Also refer to Table 2.2 on page 219.

2 This is a cross portfolio measure. This table shows the Tax Office's contribution to the measure.

3 This measure involves funding of \$1.493 million in 2005-06, \$1.523 million in 2006-07, \$1.554 million in 2007-08 and \$1.585 million in 2008-09 for the Tax Office. Also refer to Table 2.2 on page 219.

Details of these measures are included in *Budget Paper No. 2, Budget Measures 2005-06*.

Outcome 1 contribution of outputs

Table 3.2 details the performance indicators used to assess our achievement of Outcome 1, and shows the link between the outputs and the outcome.

There are five distinct outputs that contribute to Outcome 1:

- Output 1.1.1: reflects the Tax Office's role in effectively shaping the systems to give effect to the legislation administered by the organisation;
- Output 1.1.2: represents the operational aspects of managing the tax, superannuation and excise systems;
- Output 1.1.3: represents the processes required to assure and support compliance with tax obligations, providing the community with information and assistance;
- Output 1.1.4: represents the processes required to assure and support compliance with transfers and superannuation obligations administered by the Tax Office, providing the community with information and assistance; and
- Output 1.1.5: reflects the range of services the Tax Office provides to the Treasurer and Minister for Revenue and Assistant Treasurer, to the Parliament and to other Australian Public Service agencies.

Performance information for Outcome 1

Table 3.2: Performance information for Outcome 1

| Overall achievement of the Outcome | |
|--|---|
| | Effectiveness Indicators |
| Deliver to Government | <p>Revenue collections as a per cent of budgeted revenue.</p> <p>Dollar value of transfers by transfer type.</p> <p>Overall levels of compliance improved.</p> <p>Implementing new policy measures effectively and in accordance with Government's intent.</p> |
| Maintain community confidence | <p>Community perceptions of Tax Office fairness and effectiveness.</p> <p>Client perceptions of Tax Office professionalism and service</p> <ul style="list-style-type: none"> - professionalism Survey - corporate service standards (including Taxpayers' Charter). |
| Minimise compliance costs (within Tax Office control) | <p>Evaluation of administrative products in relation to community needs.</p> <p>Balancing revenue integrity with costs of compliance.</p> <p>Reduction in cost of compliance within Tax Office control.</p> |
| Efficient and adaptive organisation | <p>Management of financial resources</p> <ul style="list-style-type: none"> - capital expense against budget - operating expense against budget - current ratio: indication of Tax Office's ability to satisfy its obligations in the short term - debt to asset ratio: indication of Tax Office's ability to satisfy its obligations in the long term. <p>Effectiveness of key processes.</p> <p>Workforce management and development.</p> |

Table 3.2: Performance information for Outcome 1 (continued)

Overall achievement of the Outcome (continued)

Performance information for administered items (including third party outputs)

The management of administered items is integrated into outputs 1.1.2 and 1.1.4 to enable cost effective delivery of both revenue and transfers.

Performance information for agency outputs

Output Group 1.1 - Australian Taxation Office

Output 1.1.1 - Shape, design and build administrative systems

Includes:

- design, build and implementation of the administrative systems and products to enable the community to meet their obligations under the law; and
- the Tax Office's contribution to policy advice and legislative design, reflecting Tax Office insight into administration, compliance and interpretation perspectives.

Quantity

- Administrative advice and costings provided and managed to help shape Government's programme.
- The programme delivering easier, cheaper and more personalised service is implemented in accordance with schedule and costs.

Quality

- Treasury is satisfied with the timeliness and quality of Tax Office's input to the development of taxation policy and laws and with the reliability of Tax Office advice on the system in operation.
- The programme delivering easier, cheaper and more personalised service is implemented in accordance with the agreed intent and outcomes enabling delivery of promised improved user experience.
- Integrated tax design principles are applied in the implementation of all tax change.
- Tax Office evaluates the alignment of the change programme to progress or support strategic business outcomes.

Price: \$162.7 million

Output 1.1.2 - Management of revenue collection and transfers

Includes the transactions between the Tax Office and members of the community as they:

- enter the tax and other systems through appropriate registration;
- receive and provide the required information;
- make payments;
- receive refunds or other payments, or are notified of their obligations; and
- receive advice about outstanding obligations and, if necessary, remedial action from the Tax Office to ensure lodgement and payment compliance.

Quantity

- Dollar value of revenue collected.
- Dollar value of revenue transferred.
- Number of registrations processed and records maintained.
- Number of accounts managed, refunds issued and payments processed.
- Number of debt and lodgement cases finalised.
- Number of products processed.

Quality

- Performance to Service Standards.
- Client perceptions of professionalism of related areas against benchmark.
- Lodgement cases finalised as a percentage of cases referred.
- Collectable debt compared with total collections.

Price: \$885.1 million

Table 3.2: Performance information for Outcome 1 (continued)

| Performance information for agency outputs (continued) | |
|---|---|
| <p>Output 1.1.3 - Compliance assurance and support for revenue collection</p> <p>Includes:</p> <ul style="list-style-type: none"> - identifying and addressing non-compliance; - providing the community with information about their obligations and entitlements, and assistance to meet their obligations; and - providing assurance to the community and Government on the integrity of the tax system. | <p>Quantity</p> <ul style="list-style-type: none"> - Numbers of information, interpretation and active compliance products delivered, liabilities raised/collections and numbers of risk reviews conducted. <p>Quality</p> <ul style="list-style-type: none"> - Evaluation of selected Tax Office information products, from a client perspective, both pre and post implementation delivery. - Percentage of technical advice passing quality assurance - trend over time. - Performance to Service Standards. - Client perceptions of professionalism of related areas against benchmark. - Evaluation of Tax Office risk management and strategic intelligence. <p>Price: \$1,235.8 million</p> |
| <p>Output 1.1.4 - Compliance assurance and support for transfers and regulation of superannuation funds' compliance with retirement income standards</p> <p>Includes:</p> <ul style="list-style-type: none"> - identifying and addressing non-compliance; - providing assurance to the community and Government on the integrity of the tax system; and - providing the community with information about their obligations and entitlements, and assistance to meet their obligations. | <p>Quantity</p> <ul style="list-style-type: none"> - Dollar value of required transfers effected. - Numbers of information, interpretation and active compliance products delivered, liabilities raised/collections and numbers of risk reviews conducted. <p>Quality</p> <ul style="list-style-type: none"> - Evaluation of selected Tax Office information products, from a client perspective, both pre and post implementation delivery. - Percentage of technical advice passing quality assurance - trend over time. - Performance to Service Standards. - Client perceptions of professionalism of related areas against benchmark. - Evaluation of Tax Office risk management and strategic intelligence. <p>Price: \$152.1 million</p> |
| <p>Output 1.1.5 - Services to government and agencies</p> | <p>Quantity</p> <ul style="list-style-type: none"> - Number of valuations completed. - Required volume of services delivered for Cross Agency Support and Ministerial and Parliamentary services. <p>Quality</p> <ul style="list-style-type: none"> - Client satisfaction - number and per cent of work completed for Centrelink within seven days. - Cross Agency Support delivered to agreed standard and timeliness. - Ministerial and Parliamentary services delivered to agreed standard and timeliness. <p>Price: \$51.9 million</p> |

Evaluations for Outcome 1

The Australian National Audit Office and Tax Office Internal Audit have a rolling programme of issues that are audited during the financial year. Other issues are evaluated within the Tax Office during the financial year as required. Results of evaluation will be shown in the Tax Office Annual Report.

Section 4: Other reporting requirements

4.1: PURCHASER-PROVIDER ARRANGEMENTS

Cross agency overview

The Australian Taxation Office (Tax Office) maintains purchaser/provider arrangements with both the Department of Family and Community Services (FaCS) and the Department of Health and Ageing. These allow the Tax Office to provide services to each of these departments to enable them to achieve their stated outcomes in 2005-06.

The Tax Office will be providing services to FaCS for the Family Assistance Office and the Compliance Package – Prevention and Detection, and to the Child Support Agency.

The Tax Office also provides services to the Department of Health and Ageing for the implementation of the Private Health Insurance rebate.

4.2: COST RECOVERY ARRANGEMENTS

The Tax Office does not presently have any significant cost recovery arrangements. The majority of receipts from independent sources are excluded for the purposes of the Commonwealth Cost Recovery Guidelines for Regulatory Agencies as they relate to intergovernmental charging, taxation and/or comply with competitive neutrality principles.

4.3: AUSTRALIAN GOVERNMENT INDIGENOUS EXPENDITURE

Table 4.1: Australian Government Indigenous Expenditure

For information on the Tax Office's Australian Government Indigenous Expenditure refer to the Portfolio table on page 8.

Section 5: Budgeted financial statements

5.1: ANALYSIS OF BUDGETED FINANCIAL STATEMENTS

Budgeted departmental statement of financial performance

The Australian Taxation Office (Tax Office) is budgeting for an operating loss of \$15.1 million in 2005-06 after income tax equivalents payable by the Australian Valuation Office (AVO). The operating loss is mainly due to timing differences as expenditure originally planned for 2004-05 will now be spent in 2005-06.

Operating revenues

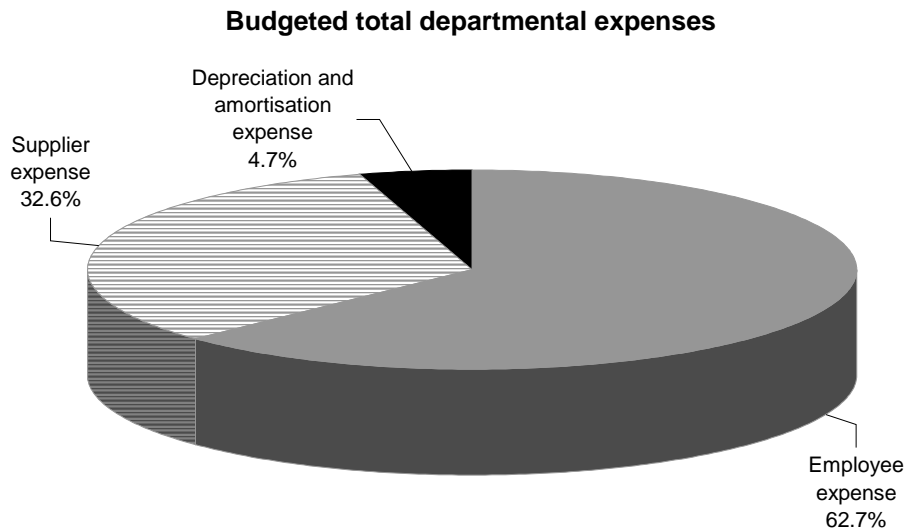
Total agency revenue is estimated to be \$2,487.6 million and consists of \$2,443.6 million appropriation and revenue from other sources of \$44.0 million. This is an increase of \$57.1 million from the 2004-05 estimated actual.

This rise in revenue is primarily as a result of the 2002-03 Outputs Pricing Agreement forecast for 2005-06. The remaining increase relates to increases in appropriation as a result of new budget measures.

Operating expenses

Total expenses are estimated to be \$2,502.4 million. This is an increase of \$57.1 million from the 2004-05 estimated actual.

Operating expenses consist of \$1,569.8 million in employees expenditure, \$815.0 million in suppliers and \$117.6 million in depreciation and amortisation, as illustrated in the following chart.



Parameter adjustments

There was a reduction in appropriation of \$2.3 million in 2005-06 as a result of applying revised economic parameters. Employees account for \$1.5 million of the reduction, with the remaining \$0.8 million being supplier expenditure.

Application of increased efficiency dividend

The efficiency dividend increase resulted in reduced appropriation for 2005-06 of \$6.1 million which was allocated across employees (\$3.0 million) and supplier expenses (\$3.1 million).

Budgeted departmental statement of financial position

In 2005-06 the Tax Office's equity position will be negative \$48.4 million. This is a decline of \$15.4 million from the 2004-05 result, as a result of the approved operating loss.

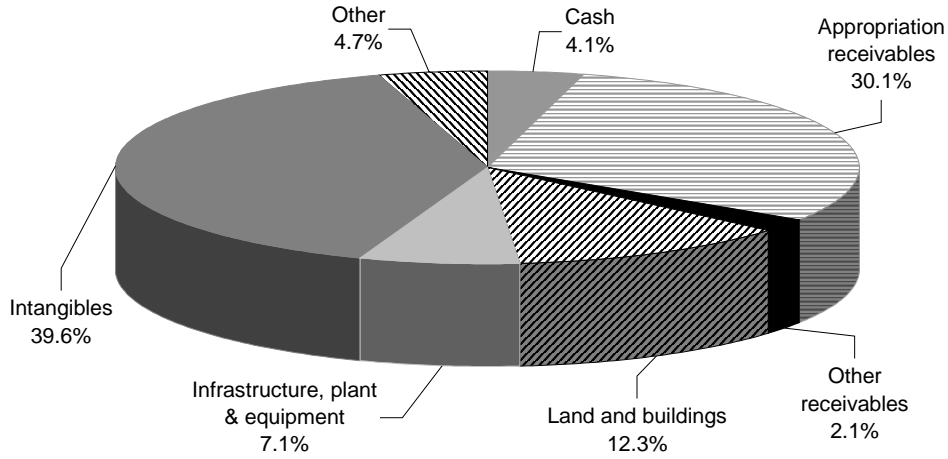
Assets

The Tax Office's assets are predominantly non-financial assets.

In 2005-06 the Tax Office will be maintaining its commitment to long term improvement, investing \$154.4 million in capital expenditure.

A significant proportion of the Tax Office's capital investment is directed toward the development or improvement of internally developed systems and software in support of the Tax Office's intention of making people's experience with the revenue systems easier, cheaper and more personalised, and improving the integrity/flexibility of the Superannuation Business systems.

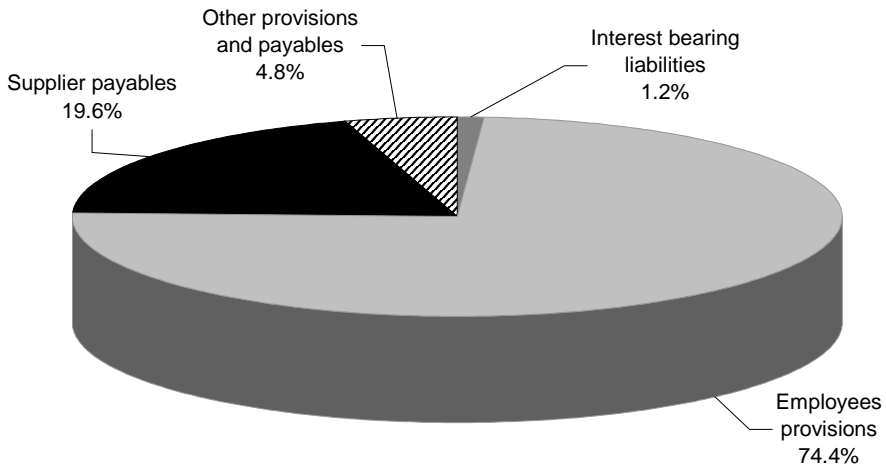
Budgeted total departmental assets 2005-06



Liabilities

The Tax Office’s liabilities are predominantly employee entitlements. Total liabilities have decreased by \$24.8 million from 2004-05. This has been driven by a decrease in other provisions of \$50.3 million due to the 2004-05 estimated actual including anticipation of several large payables at the end of the financial year. This decrease is partially offset by an increase in employee entitlements.

Budgeted total departmental liabilities 2005-06



5.2: BUDGETED FINANCIAL STATEMENTS TABLES

Table 5.1: Budgeted departmental statement of financial performance for the period ended 30 June

| | Estimated actual 2004-05 \$'000 | Budget estimate 2005-06 \$'000 | Forward estimate 2006-07 \$'000 | Forward estimate 2007-08 \$'000 | Forward estimate 2008-09 \$'000 |
|--|--|---|--|--|--|
| REVENUE | | | | | |
| Revenues from ordinary activities | | | | | |
| Revenues from Government | 2,372,219 | 2,443,613 | 2,441,218 | 2,459,358 | 2,492,098 |
| Goods and services | 56,596 | 42,169 | 41,828 | 41,869 | 42,610 |
| Other | 1,730 | 1,820 | 1,910 | 1,910 | 1,910 |
| Revenues from ordinary activities | 2,430,545 | 2,487,602 | 2,484,956 | 2,503,137 | 2,536,618 |
| EXPENSE | | | | | |
| Expenses from ordinary activities (excluding borrowing costs expense) | | | | | |
| Employees | 1,522,156 | 1,569,835 | 1,540,358 | 1,572,819 | 1,595,884 |
| Suppliers | 818,443 | 814,974 | 814,488 | 800,210 | 810,623 |
| Depreciation and amortisation | 104,697 | 117,623 | 129,242 | 129,242 | 129,242 |
| Expenses from ordinary activities (excluding borrowing costs expense) | 2,445,296 | 2,502,432 | 2,484,088 | 2,502,271 | 2,535,749 |
| Operating surplus or deficit from ordinary activities | - 14,751 | - 14,830 | 868 | 866 | 869 |
| Income Tax expense | 252 | 261 | 267 | 267 | 267 |
| Net surplus or deficit | - 15,003 | - 15,091 | 601 | 599 | 602 |
| Net surplus or deficit attributable to the Australian Government | - 15,003 | - 15,091 | 601 | 599 | 602 |

Table 5.2: Budgeted departmental statement of financial position as at 30 June

| | Estimated actual 2004-05 \$'000 | Budget estimate 2005-06 \$'000 | Forward estimate 2006-07 \$'000 | Forward estimate 2007-08 \$'000 | Forward estimate 2008-09 \$'000 |
|---|--|---|--|--|--|
| ASSETS | | | | | |
| Financial assets | | | | | |
| Cash | 29,641 | 27,268 | 27,175 | 27,484 | 27,492 |
| Receivables | 287,425 | 212,611 | 209,644 | 212,617 | 212,955 |
| Total financial assets | 317,066 | 239,879 | 236,819 | 240,101 | 240,447 |
| Non-financial assets | | | | | |
| Land and buildings | 83,714 | 81,501 | 79,117 | 78,590 | 78,063 |
| Infrastructure, plant and equipment | 52,953 | 46,909 | 38,284 | 34,126 | 29,968 |
| Intangibles | 216,936 | 261,994 | 301,071 | 321,824 | 334,577 |
| Other non-financial assets | 31,130 | 31,298 | 31,507 | 31,716 | 31,716 |
| Total non-financial assets | 384,733 | 421,702 | 449,979 | 466,256 | 474,324 |
| Total assets | 701,799 | 661,581 | 686,798 | 706,357 | 714,771 |
| LIABILITIES | | | | | |
| Interest bearing liabilities | | | | | |
| Other interest bearing liabilities | 8,622 | 8,543 | 8,464 | 8,385 | 8,385 |
| Total interest bearing liabilities | 8,622 | 8,543 | 8,464 | 8,385 | 8,385 |
| Provisions | | | | | |
| Employees | 503,164 | 528,337 | 552,748 | 572,796 | 580,546 |
| Other provisions | 84,567 | 34,300 | 34,032 | 33,765 | 33,765 |
| Total provisions | 587,731 | 562,637 | 586,780 | 606,561 | 614,311 |
| Payables | | | | | |
| Suppliers | 138,479 | 138,819 | 139,673 | 139,239 | 139,611 |
| Other payables | 10 | 20 | 27 | 27 | 27 |
| Total payables | 138,489 | 138,839 | 139,700 | 139,266 | 139,638 |
| Total liabilities | 734,842 | 710,019 | 734,944 | 754,212 | 762,334 |
| EQUITY* | | | | | |
| Parent entity interest | | | | | |
| Contributed equity | 184,796 | 184,796 | 184,796 | 184,796 | 184,796 |
| Reserves | 27,209 | 27,209 | 27,209 | 27,209 | 27,209 |
| Retained surpluses or (accumulated deficits) | - 245,048 | - 260,443 | - 260,151 | - 259,860 | - 259,568 |
| Total parent entity interest | - 33,043 | - 48,438 | - 48,146 | - 47,855 | - 47,563 |
| Total equity | - 33,043 | - 48,438 | - 48,146 | - 47,855 | - 47,563 |
| Current assets | 343,091 | 266,044 | 263,159 | 266,616 | 266,962 |
| Non-current assets | 358,708 | 395,537 | 423,639 | 439,741 | 447,809 |
| Current liabilities | 324,801 | 332,094 | 343,637 | 349,412 | 355,122 |
| Non-current liabilities | 410,041 | 377,925 | 391,307 | 404,800 | 407,212 |

* 'Equity' is the residual interest in assets after deduction of liabilities.

Table 5.3: Budgeted departmental statement of cash flows for the period ended 30 June

| | Estimated actual 2004-05 \$'000 | Budget estimate 2005-06 \$'000 | Forward estimate 2006-07 \$'000 | Forward estimate 2007-08 \$'000 | Forward estimate 2008-09 \$'000 |
|--|--|---|--|--|--|
| OPERATING ACTIVITIES | | | | | |
| Cash received | | | | | |
| Appropriations | 2,316,068 | 2,516,113 | 2,444,218 | 2,456,358 | 2,492,098 |
| Goods and services | 57,835 | 44,479 | 41,882 | 41,861 | 42,912 |
| GST - input credit receipts | 80,182 | 83,342 | 84,249 | 83,940 | 84,790 |
| GST - receipts from customers | 3,069 | 2,212 | 2,175 | 2,179 | 4,261 |
| Total cash received | 2,457,154 | 2,646,146 | 2,572,524 | 2,584,338 | 2,624,061 |
| Cash used | | | | | |
| Employees | 1,533,895 | 1,544,661 | 1,515,943 | 1,552,772 | 1,588,134 |
| Suppliers | 758,395 | 863,333 | 812,281 | 799,287 | 810,246 |
| GST - payments to suppliers | 81,747 | 83,440 | 84,371 | 83,941 | 85,644 |
| GST - payments (agency) | 2,120 | 2,106 | 2,141 | 2,141 | 2,141 |
| Taxes paid | 252 | 261 | 267 | 267 | 267 |
| Total cash used | 2,376,409 | 2,493,801 | 2,415,003 | 2,438,408 | 2,486,432 |
| Net cash from or used by operating activities | 80,745 | 152,345 | 157,521 | 145,930 | 137,629 |
| INVESTING ACTIVITIES | | | | | |
| Cash used | | | | | |
| Purchase of property, plant and equipment | 124,339 | 154,424 | 157,310 | 145,310 | 137,310 |
| Total cash used | 124,339 | 154,424 | 157,310 | 145,310 | 137,310 |
| Net cash from or used by investing activities | - 124,339 | - 154,424 | - 157,310 | - 145,310 | - 137,310 |
| FINANCING ACTIVITIES | | | | | |
| Cash used | | | | | |
| Dividends paid | 284 | 294 | 304 | 311 | 311 |
| Cash to Official Public Account | 1,200 | - | - | - | - |
| Total cash used | 1,484 | 294 | 304 | 311 | 311 |
| Net cash from or used by financing activities | - 1,484 | - 294 | - 304 | - 311 | - 311 |
| Net increase or decrease in cash held | - 45,078 | - 2,373 | - 93 | 309 | 8 |
| Cash at the beginning of the reporting period | 74,719 | 29,641 | 27,268 | 27,175 | 27,484 |
| Cash at the end of the reporting period | 29,641 | 27,268 | 27,175 | 27,484 | 27,492 |

Table 5.4: Departmental capital budget statement

| | Estimated actual 2004-05 \$'000 | Budget estimate 2005-06 \$'000 | Forward estimate 2006-07 \$'000 | Forward estimate 2007-08 \$'000 | Forward estimate 2008-09 \$'000 |
|---|--|---|--|--|--|
| CAPITAL APPROPRIATIONS | | | | | |
| Total equity injections | - 1,200 | | | | |
| Previous year's outputs | 9,616 | - | - | - | - |
| Total capital appropriations | 8,416 | - | - | - | - |
| Represented by: | | | | | |
| Other | 8,416 | - | - | - | - |
| Total represented by | 8,416 | - | - | - | - |
| PURCHASE OF NON-FINANCIAL ASSETS | | | | | |
| Funded by capital appropriations | - | - | - | - | - |
| Funded internally by | | | | | |
| Departmental resources | 124,339 | 154,424 | 157,310 | 145,310 | 137,310 |
| Total | 124,339 | 154,424 | 157,310 | 145,310 | 137,310 |

Table 5.5: Departmental property, plant, equipment and intangibles — summary of movement (Budget year 2005-06)

| | 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 2005 | | | | | | | | | |
| Gross book value | - | - | 112,153 | - | 70,738 | - | 446,195 | - | 629,086 |
| Accumulated depreciation | - | - | - 28,439 | - | - 17,785 | - | - 229,259 | - | - 275,483 |
| Opening net book value | - | - | 83,714 | - | 52,953 | - | 216,936 | - | 353,603 |
| Additions: | | | | | | | | | |
| by purchase | - | - | 25,040 | - | 13,150 | - | 116,234 | - | 154,424 |
| by finance lease | - | - | - | - | - | - | - | - | - |
| from acquisitions of entities or operations (including restructuring) | - | - | - | - | - | - | - | - | - |
| Net revaluation increment/decrement | - | - | - | - | - | - | - | - | - |
| Reclassifications | - | - | - | - | - | - | - | - | - |
| Depreciation/amortisation expense | - | - | - 27,253 | - | - 19,194 | - | - 71,176 | - | - 117,623 |
| Recoverable amount write-downs | - | - | - | - | - | - | - | - | - |
| Other movements | - | - | - | - | - | - | - | - | - |
| Disposals: | | | | | | | | | |
| from disposal of entities or operations (including restructuring) | - | - | - | - | - | - | - | - | - |
| other disposals | - | - | - | - | - | - | - | - | - |
| As at 30 June 2006 | | | | | | | | | |
| Gross book value | - | - | 137,193 | - | 83,888 | - | 562,429 | - | 783,510 |
| Accumulated depreciation | - | - | - 55,692 | - | - 36,979 | - | - 300,435 | - | - 393,106 |
| Closing net book value | - | - | 81,501 | - | 46,909 | - | 261,994 | - | 390,404 |

Table 5.6: Schedule of budgeted revenues and expenses administered on behalf of Government for the period ended 30 June

| | Estimated actual 2004-05 \$'000 | Budget estimates 2005-06 \$'000 | Forward estimate 2006-07 \$'000 | Forward estimate 2007-08 \$'000 | Forward estimate 2008-09 \$'000 |
|--|--|--|--|--|--|
| REVENUES ADMINISTERED ON BEHALF OF GOVERNMENT | | | | | |
| Taxation | | | | | |
| Income tax | 156,380,000 | 167,280,000 | 174,460,000 | 183,430,000 | 193,930,000 |
| Indirect tax | 58,510,000 | 60,710,000 | 63,150,000 | 65,820,000 | 68,470,000 |
| Other taxes, fees and fines | 4,043,800 | 4,377,600 | 4,498,900 | 4,660,200 | 4,821,500 |
| Total taxation | 218,933,800 | 232,367,600 | 242,108,900 | 253,910,200 | 267,221,500 |
| Non-taxation | | | | | |
| Revenues from government ¹ | 9,726,084 | 7,817,087 | 7,869,894 | 8,017,501 | 8,541,062 |
| Other sources of non-taxation revenues | 649,000 | 641,000 | 759,000 | 756,000 | 766,000 |
| Total non-taxation | 10,375,084 | 8,458,087 | 8,628,894 | 8,773,501 | 9,307,062 |
| Total revenues administered on behalf of Government | 229,308,884 | 240,825,687 | 250,737,794 | 262,683,701 | 276,528,562 |
| EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT | | | | | |
| Subsidies | 4,602,000 | 4,351,000 | 4,277,000 | 4,438,000 | 4,985,000 |
| Personal benefits | 4,712,079 | 3,069,082 | 3,096,889 | 3,094,496 | 3,071,057 |
| Write down and impairment of assets | 2,407,000 | 1,706,000 | 1,789,000 | 1,828,000 | 1,908,000 |
| Interest | 180,000 | 180,000 | 180,000 | 180,000 | 180,000 |
| Other | 232,005 | 217,005 | 316,005 | 305,005 | 305,005 |
| Total expenses administered on behalf of Government | 12,133,084 | 9,523,087 | 9,658,894 | 9,845,501 | 10,449,062 |

¹ The amount showing for 'Revenue from government' represents special appropriations and annual appropriations to deliver Tax Office administered programmes and benefits. This amount does not include amounts to pay taxation refunds. Total taxation revenue is shown net of taxation refunds.

Note: The Tax Office reviewed its accounting policy for recognising its administered expense programmes in 2004-05, which has resulted in a one-off increase in the expenses for 2004-05. The change in policy reflects an improved capability to measure the expense programmes on a full accrual basis.

Table 5.7: Schedule of budgeted assets and liabilities administered on behalf of Government as at 30 June

| | Estimated actual 2004-05 \$'000 | Budget estimate 2005-06 \$'000 | Forward estimate 2006-07 \$'000 | Forward estimate 2007-08 \$'000 | Forward estimate 2008-09 \$'000 |
|---|--|---|--|--|--|
| ASSETS ADMINISTERED ON BEHALF OF GOVERNMENT | | | | | |
| Financial assets | | | | | |
| Cash | 183,055 | 183,055 | 183,055 | 183,055 | 183,055 |
| Receivables | 15,553,297 | 17,188,297 | 19,545,297 | 21,960,297 | 24,605,297 |
| Total financial assets | 15,736,352 | 17,371,352 | 19,728,352 | 22,143,352 | 24,788,352 |
| Non-financial assets | | | | | |
| Other non-financial assets | 4,662 | 4,662 | 4,662 | 4,662 | 4,662 |
| Total non-financial assets | 4,662 | 4,662 | 4,662 | 4,662 | 4,662 |
| Total assets administered on behalf of Government | 15,741,014 | 17,376,014 | 19,733,014 | 22,148,014 | 24,793,014 |
| LIABILITIES ADMINISTERED ON BEHALF OF GOVERNMENT | | | | | |
| Provisions | | | | | |
| Taxation refunds provided | 1,297,960 | 1,297,960 | 1,297,960 | 1,297,960 | 1,297,960 |
| Other provisions | 420,326 | 464,326 | 577,326 | 679,326 | 781,326 |
| Total provisions | 1,718,286 | 1,762,286 | 1,875,286 | 1,977,286 | 2,079,286 |
| Payables | | | | | |
| Grants and subsidies | 635,605 | 608,605 | 569,605 | 537,605 | 560,605 |
| Personal benefits payable | 2,937,401 | 3,177,986 | 3,218,878 | 3,226,208 | 3,212,605 |
| Other payables | 5,019 | 5,019 | 5,019 | 5,019 | 5,019 |
| Total payables | 3,578,025 | 3,791,610 | 3,793,502 | 3,768,832 | 3,778,229 |
| Total liabilities administered on behalf of Government | 5,296,311 | 5,553,896 | 5,668,788 | 5,746,118 | 5,857,515 |

Note: The Tax Office reviewed its accounting policy for recognising its administered expense programmes in 2004-05, which has resulted in a one-off increase in the expenses for 2004-05. The change in policy reflects an improved capability to measure the expense programmes on a full accrual basis.

Table 5.8: Schedule of budgeted administered cash flows for the period ended 30 June

| | Estimated actual 2004-05 \$'000 | Budget estimate 2005-06 \$'000 | Forward estimate 2006-07 \$'000 | Forward estimate 2007-08 \$'000 | Forward estimate 2008-09 \$'000 |
|--|--|---|--|--|--|
| OPERATING ACTIVITIES | | | | | |
| Cash received | | | | | |
| Income tax | 153,210,000 | 164,880,000 | 171,460,000 | 180,410,000 | 190,690,000 |
| Indirect tax | 57,610,000 | 59,890,000 | 62,130,000 | 64,710,000 | 67,270,000 |
| Other taxes, fees and fines | 4,203,800 | 4,337,600 | 4,508,900 | 4,670,200 | 4,831,500 |
| Cash from Official Public Account - appropriations ¹ | 6,383,683 | 7,559,502 | 7,755,002 | 7,940,171 | 8,429,665 |
| Other | 560,000 | 560,000 | 623,000 | 633,000 | 643,000 |
| Total cash received | 221,967,483 | 237,227,102 | 246,476,902 | 258,363,371 | 271,864,165 |
| Cash used | | | | | |
| Interest paid | 180,000 | 180,000 | 180,000 | 180,000 | 180,000 |
| Subsidies paid | 4,076,000 | 4,378,000 | 4,316,000 | 4,470,000 | 4,962,000 |
| Personal benefits | 1,774,678 | 2,828,497 | 3,055,997 | 3,087,166 | 3,084,660 |
| Cash to Official Public Account - other | 215,583,800 | 229,667,600 | 238,721,900 | 250,423,200 | 263,434,500 |
| Other | 353,005 | 173,005 | 203,005 | 203,005 | 203,005 |
| Total cash used | 221,967,483 | 237,227,102 | 246,476,902 | 258,363,371 | 271,864,165 |
| Net cash from or used by operating activities | - | - | - | - | - |
| Net increase or decrease in cash held | | | | | |
| Cash at beginning of reporting period | 183,055 | 183,055 | 183,055 | 183,055 | 183,055 |
| Cash at end of reporting period | 183,055 | 183,055 | 183,055 | 183,055 | 183,055 |

1 The amount showing for 'appropriations' represents appropriations to deliver Tax Office administered programmes and benefits. This amount does not include amounts to pay taxation refunds. Taxation receipts are shown net of taxation refunds.

Table 5.9: Schedule of administered capital budget

This table is not applicable to the Tax Office.

Table 5.10: Schedule of property, plant, equipment and intangibles — summary of movement (Budget Year 2005-06)

This table is not applicable to the Tax Office.

5.3: NOTES TO THE FINANCIAL STATEMENTS

Basis of accounting

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

Notes to the departmental statements

Details of agency items in the financial statements included in Table 5.1 to 5.5 have been prepared on the basis of Australian Accounting Standards and Department of Finance and Administration 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 agency budget 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 Relations'. 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 Department of the Treasury.

Notes to the administered statements

Details of administered revenue items in the financial statements included in Tables 5.6 to 5.8 have been prepared under the Tax Liability Method (TLM) of revenue recognition, consistent with the Australian Government's recognition of taxation revenue. Under TLM, taxation revenue is recognised at the time a taxpayer makes a self-assessment or when an assessment of a tax liability is raised by the Tax Office or the Australian Customs Service. This method retains some elements of cash revenue recognition, for example, when a cash payment occurs prior to an assessment being raised.

The administered expense items in the financial statements included in tables 5.6 to 5.8 have been prepared on a full accrual basis. This change in accounting policy follows improvements in the capability of the Tax Office to measure all expense programmes

Budgeted financial statements – Tax Office

on a full accrual basis. Expenses were previously recognised based on payments to be made plus known claims on hand (equivalent to the TLM for revenue recognition). The change in accounting policy was applied in 2004-05.

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

Recognition of taxation revenue

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

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

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

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

Items recognised as reductions to taxation revenue

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

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