

# TREASURY

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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 2006-07* (page 13).

**Table 1.1: Department outcomes and output groups**

Outcome	Description	Output groups
<b>Outcome 1</b>		
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
<b>Outcome 2</b>		
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
<b>Outcome 3</b>		
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
<b>Outcome 4</b>		
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 Treasury is seeking an additional \$0.5 million in departmental outputs through Appropriation Bill (No. 3) 2006-07 for measures relating to Tax Information Exchange Agreements – technical assistance (\$0.1 million) and Regulation Reform Agenda – coordination of implementation (\$0.4 million).

The Treasury is seeking an additional \$1.8 million in administered outputs through Appropriation Bill (No. 4) 2006-07 for compensation – companies regulation.

In addition, the Treasury is also seeking an additional \$14.1 million for administered assets and liabilities through Appropriation Bill (No. 4) 2006-07 for commitments for payments relating to the collapse of HHH (\$14.0 million) and commitments to the European Bank for Reconstruction and Development (\$0.1 million).

**Table 1.2: Additional estimates and variations to outcomes — measures**

	2006-07 \$'000	2007-08 \$'000	2008-09 \$'000	2009-10 \$'000
<b>Outcome 3</b>				
Increase in estimates (departmental)				
Tax Information Exchange Agreements				
- technical assistance	125	125	125	125
<b>Outcome 4</b>				
Increase in estimates (departmental)				
Regulation Reform Agenda - coordination of implementation <sup>1</sup>				
	418	278	284	290

<sup>1</sup> Related *Regulation Reform Agenda* measures can be found in the Prime Minister and Cabinet, Industry, Tourism and Resources and Human Services Portfolios.

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

	2006-07 \$'000	2007-08 \$'000	2008-09 \$'000	2009-10 \$'000
Variations (departmental)				
Adjustment to reflect movement in indices relating to prices and wages <sup>1</sup>				
	-	587	681	803
<b>Outcome 4</b>				
Variations (administered)				
Adjustment to reflect movement in indices relating to Compensation - companies regulation				
	1,800	2,700	3,114	3,193

<sup>1</sup> This variation applies to the Treasury's four outcomes.

## MEASURES — AGENCY SUMMARY

**Table 1.4: Summary of measures since the 2006-07 Budget**

Measure	Output groups affected	2006-07 \$'000			2007-08 \$'000			2008-09 \$'000			2009-10 \$'000		
		Admin items	Dept outputs	Total	Admin items	Dept outputs	Total	Admin items	Dept outputs	Total	Admin items	Dept outputs	Total
<b>Expense Measures</b>													
Tax Information Exchange Agreements - technical assistance	3.1	-	125	125	-	125	125	-	125	125	-	125	125
Regulation Reform Agenda - coordination of implementation <sup>1</sup>	4.1	-	418	418	-	278	278	-	284	284	-	290	290
<b>Total Expense Measures</b>		-	543	543	-	403	403	-	409	409	-	415	415

<sup>1</sup> Related *Regulation Reform Agenda* measures can be found in the Prime Minister and Cabinet, Industry, Tourism and Resources and Human Services Portfolios.

## BREAKDOWN OF ADDITIONAL ESTIMATES BY APPROPRIATION BILL

**Table 1.5: Appropriation Bill (No. 3) 2006-07**

	2005-06 available <sup>1</sup> \$'000	2006-07 budget \$'000	2006-07 revised \$'000	Additional estimates \$'000	Reduced estimates \$'000
<b>ADMINISTERED ITEMS</b>					
<b>Outcome 3</b>					
Effective taxation and retirement income arrangements	6,000	-	-	-	-
<b>Outcome 4</b>					
Well functioning markets	-	5,000	5,000	-	-
<b>Total</b>	<b>6,000</b>	<b>5,000</b>	<b>5,000</b>	<b>-</b>	<b>-</b>
<b>DEPARTMENTAL OUTPUTS</b>					
<b>Outcome 1</b>					
Sound macroeconomic environment	31,199	36,092	36,142	50	-
<b>Outcome 2</b>					
Effective government spending arrangements	57,149	15,775	15,783	8	-
<b>Outcome 3</b>					
Effective taxation and retirement income arrangements	45,692	42,326	42,141	(185)	-
<b>Outcome 4</b>					
Well functioning markets	-	38,800	39,470	670	-
<b>Total</b>	<b>134,040</b>	<b>132,993</b>	<b>133,536</b>	<b>543</b>	<b>-</b>
<b>Total administered and departmental</b>	<b>140,040</b>	<b>137,993</b>	<b>138,536</b>	<b>543</b>	<b>-</b>

1 2005-06 is shown in the Treasury's previous outcome structure prior to the change in outcome structure in 2006-07.

**Table 1.6: Appropriation Bill (No. 4) 2006-07**

	2005-06 available <sup>1</sup> \$'000	2006-07 budget \$'000	2006-07 revised \$'000	Additional estimates \$'000	Reduced estimates \$'000
<b>PAYMENTS TO STATES, ACT, NT AND LOCAL GOVERNMENT</b>					
<b>Outcome 2</b>					
Effective government spending arrangements	350,459	19,504	19,504	-	-
<b>Outcome 3</b>					
Effective taxation and retirement income arrangements	164,701	-	-	-	-
<b>Outcome 4</b>					
Well functioning markets	-	168,492	170,292	1,800	-
<b>Total</b>	<b>515,160</b>	<b>187,996</b>	<b>189,796</b>	<b>1,800</b>	<b>-</b>
<b>Non-operating</b>					
Equity injections	33	276	276	-	-
Administered assets and liabilities	4,737	4,165	18,233	14,068	-
<b>Total non-operating</b>	<b>4,770</b>	<b>4,441</b>	<b>18,509</b>	<b>14,068</b>	<b>-</b>
<b>Total</b>	<b>519,930</b>	<b>192,437</b>	<b>208,305</b>	<b>15,868</b>	<b>-</b>

1 2005-06 is shown in the Treasury's previous outcome structure prior to the change in outcome structure in 2006-07.

## SUMMARY OF STAFFING CHANGES

**Table 1.7: Average Staffing Level (ASL)**

	2006-07 budget	2006-07 revised	variation
<b>Outcome 1</b>			
Sound macroeconomic environment	213	218	5
<b>Outcome 2</b>			
Effective government spending arrangements	121	122	1
<b>Outcome 3</b>			
Effective taxation and retirement income arrangements	302	300	-2
<b>Outcome 4</b>			
Well functioning markets	231	247	16
<b>Total</b>	<b>867</b>	<b>887</b>	<b>20</b>

## SUMMARY OF AGENCY SAVINGS

**Table 1.8: Summary of agency savings**

The Treasury does not have any agency savings.

## OTHER RESOURCES AVAILABLE TO BE USED

Table 1.9 provides details of other resources available to be used under section 31 of the *Financial Management and Accountability Act 1997* as well as resources received free of charge by the Treasury.

**Table 1.9: Other resources available to be used**

	Budget estimate 2006-07 \$'000	Revised estimate 2006-07 \$'000
<b>Departmental resources</b>		
Goods and services	6,884	8,467
Other	800	648
<b>Total departmental resources available to be used</b>	<b>7,684</b>	<b>9,115</b>

## ESTIMATES OF EXPENSES FROM SPECIAL APPROPRIATIONS

**Table 1.10: Estimates of expenses from special appropriations**

	Outcome	Budget estimate 2006-07 \$'000	Revised estimate 2006-07 \$'000
<b>Estimated expenses</b>			
<i>International Monetary Agreements Act 1947</i>	1	31,647	31,764
<i>A New Tax System (Commonwealth-State Financial Arrangements) Act 1999</i>	2	-	-
<i>Superannuation Industry (Supervision) Act 1993</i>	4	-	1,477
<b>Total estimated expenses</b>		31,647	33,241

## ESTIMATES OF SPECIAL ACCOUNT FLOWS

**Table 1.11: Estimates of special account flows**

	Opening Balance 2006-07 2005-06 \$'000	Credits 2006-07 2005-06 \$'000	Debits 2006-07 2005-06 \$'000	Adjustments 2006-07 2005-06 \$'000	Closing Balance 2006-07 2005-06 \$'000
Australian Government Actuary Account	1,557 1,369	1,533 1,668	1,510 1,488	- 8	1,580 1,557
Lloyd's Deposit Trust Account	2,000 2,000	180 150	180 150	- -	2,000 2,000
Trustee Companies (ACT) Deposits Trust Account	- 120	- 8	- 128	- -	- -
Other Trust Moneys Account	-	-	-	-	-
Services for other Governments and Non-Agency Bodies Account	-	-	-	-	-
<b>Total special accounts</b>					
<b>2006-07 Budget estimate</b>	<b>3,557</b>	<b>1,713</b>	<b>1,690</b>	<b>-</b>	<b>3,580</b>
<i>Total special accounts</i>					
<i>2005-06 actual</i>	3,489	1,826	1,766	8	3,557

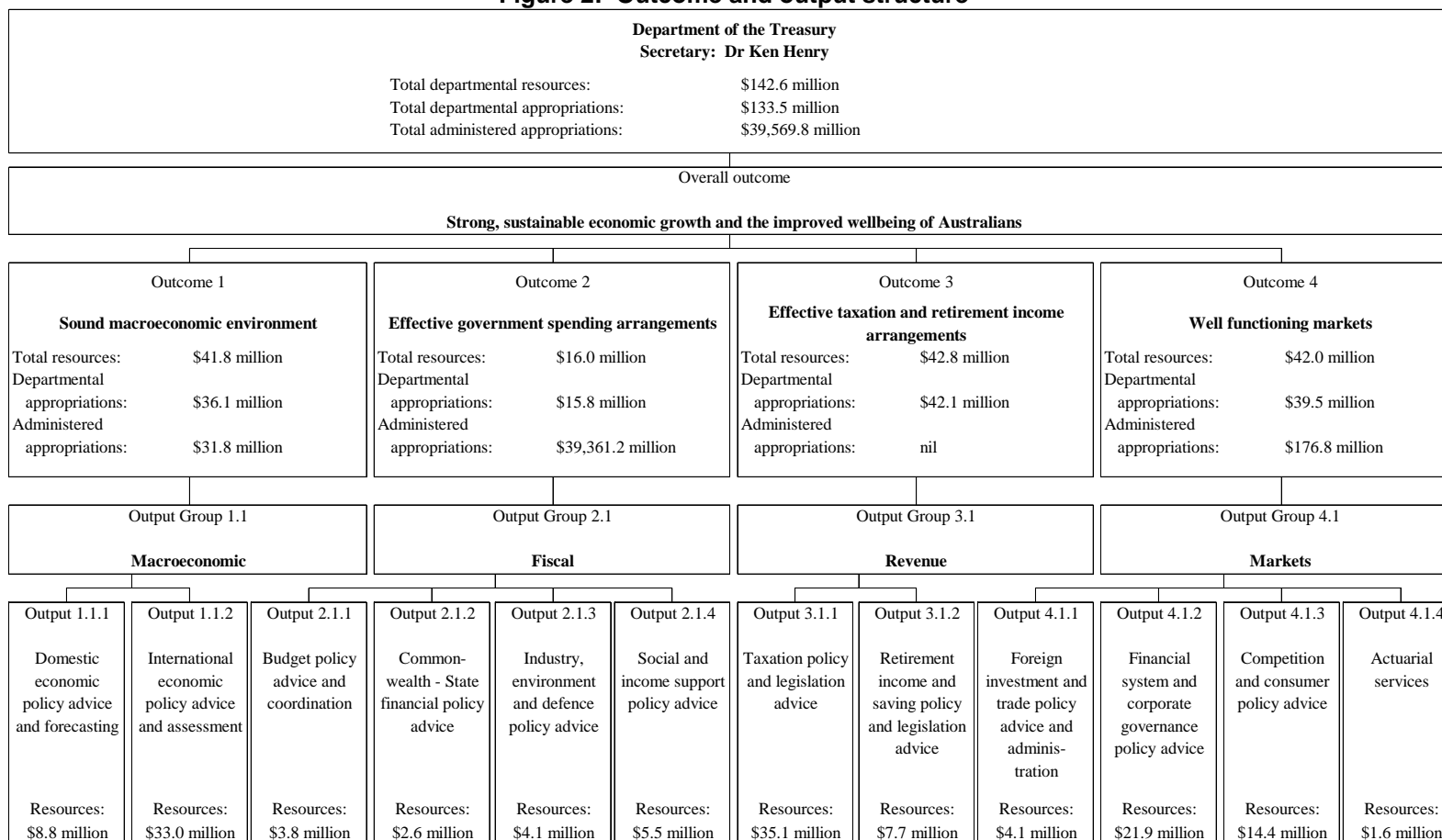
## Section 2: Revisions to agency outcomes

### **OUTCOMES, ADMINISTERED ITEMS AND OUTPUTS**

Table 1.1 'Department outcomes and output groups' lists the outcomes and output groups for the Treasury.

The Treasury has not made any changes to its outcomes or outputs since the *Portfolio Budget Statements 2006-07*.

**Figure 2: Outcome and output structure**



**Revised performance information — 2006-07**

The Treasury has not made any changes to its performance information since the *Portfolio Budget Statements 2006-07*.

## Section 3: Budgeted financial statements

### **ANALYSIS OF BUDGETED FINANCIAL STATEMENTS**

#### **Departmental**

The Treasury is budgeting for an operating deficit in 2006-07. This operating deficit is due to timing differences between the recognition of revenues and expenses.

The increase in appropriation revenue (\$0.5 million) since the 2006-07 Budget relates to funding received for new measures. Refer to Table 1.4 for further details of these measures.

The Treasury has a sound financial position and currently has sufficient cash 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 expenses and revenues.

##### **Budgeted departmental balance sheet**

This statement shows 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 2006-07 Budget year.

**Departmental capital budget statement**

This statement shows 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 shows the budgeted movement in the Treasury's non-financial assets during the 2006-07 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.

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

	Actual 2005-06 \$'000	Revised budget 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000
<b>INCOME</b>					
<b>Revenue</b>					
Revenues from Government	134,040	133,536	124,044	120,052	121,273
Goods and services	6,258	8,467	8,660	8,857	9,063
Other	210	250	250	250	249
<b>Total revenue</b>	<b>140,508</b>	<b>142,253</b>	<b>132,954</b>	<b>129,159</b>	<b>130,585</b>
<b>Gains</b>					
Other	394	398	398	399	400
<b>Total gains</b>	<b>394</b>	<b>398</b>	<b>398</b>	<b>399</b>	<b>400</b>
<b>Total income</b>	<b>140,902</b>	<b>142,651</b>	<b>133,352</b>	<b>129,558</b>	<b>130,985</b>
<b>EXPENSE</b>					
Employees	84,847	92,059	85,672	82,931	86,120
Suppliers	35,144	58,546	43,897	42,844	41,082
Depreciation and amortisation	3,460	3,625	3,625	3,625	3,625
Finance costs	109	158	158	158	158
Write-down and impairment of assets	7	-	-	-	-
Net losses from sale of assets	43	-	-	-	-
<b>Total expenses</b>	<b>123,610</b>	<b>154,388</b>	<b>133,352</b>	<b>129,558</b>	<b>130,985</b>
<b>Operating result</b>	<b>17,292</b>	<b>(11,737)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net surplus or (deficit) attributable to the Australian Government</b>	<b>17,292</b>	<b>(11,737)</b>	<b>-</b>	<b>-</b>	<b>-</b>

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

	Actual 2005-06 \$'000	Revised budget 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash and cash equivalents	2,107	1,997	1,964	1,940	1,991
Receivables	58,869	48,482	50,544	52,544	54,520
<b>Total financial assets</b>	<b>60,976</b>	<b>50,479</b>	<b>52,508</b>	<b>54,484</b>	<b>56,511</b>
<b>Non-financial assets</b>					
Land and buildings	7,158	7,433	5,588	4,758	3,958
Infrastructure, plant and equipment	8,141	8,482	8,542	8,642	8,742
Intangibles	810	1,142	1,627	1,687	1,748
Other	1,809	1,163	1,901	1,948	1,997
<b>Total non-financial assets</b>	<b>17,918</b>	<b>18,220</b>	<b>17,658</b>	<b>17,035</b>	<b>16,445</b>
<b>Total assets</b>	<b>78,894</b>	<b>68,699</b>	<b>70,166</b>	<b>71,519</b>	<b>72,956</b>
<b>LIABILITIES</b>					
<b>Payables</b>					
Suppliers	1,634	1,675	1,717	1,760	1,804
Other payables	2,737	2,805	2,876	2,947	3,021
<b>Total payables</b>	<b>4,371</b>	<b>4,480</b>	<b>4,593</b>	<b>4,707</b>	<b>4,825</b>
<b>Interest bearing liabilities</b>					
Leases	1,192	1,192	1,192	1,192	1,192
<b>Total interest bearing liabilities</b>	<b>1,192</b>	<b>1,192</b>	<b>1,192</b>	<b>1,192</b>	<b>1,192</b>
<b>Provisions</b>					
Employees	29,291	30,448	31,692	32,941	34,240
<b>Total provisions</b>	<b>29,291</b>	<b>30,448</b>	<b>31,692</b>	<b>32,941</b>	<b>34,240</b>
<b>Total liabilities</b>	<b>34,854</b>	<b>36,120</b>	<b>37,477</b>	<b>38,840</b>	<b>40,257</b>
<b>EQUITY</b>					
Accumulated results	36,711	24,974	24,974	24,974	24,974
Reserves	3,644	3,644	3,644	3,644	3,644
Contributed equity	3,685	3,961	4,071	4,081	4,081
<b>Total equity</b>	<b>44,040</b>	<b>32,579</b>	<b>32,689</b>	<b>32,699</b>	<b>32,699</b>
<b>Current assets</b>	<b>62,785</b>	<b>51,642</b>	<b>54,409</b>	<b>56,432</b>	<b>58,508</b>
<b>Non-current assets</b>	<b>16,109</b>	<b>17,057</b>	<b>15,757</b>	<b>15,087</b>	<b>14,448</b>
<b>Current liabilities</b>	<b>20,494</b>	<b>21,239</b>	<b>22,036</b>	<b>22,838</b>	<b>23,671</b>
<b>Non-current liabilities</b>	<b>14,360</b>	<b>14,881</b>	<b>15,441</b>	<b>16,002</b>	<b>16,586</b>

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

	Actual 2005-06 \$'000	Revised budget 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Goods and services	6,442	8,707	8,865	9,062	9,266
Appropriations	110,779	143,938	122,065	118,107	119,317
Net GST received	503	-	-	-	-
Other cash received	1,697	-	-	-	-
<b>Total cash received</b>	<b>119,421</b>	<b>152,645</b>	<b>130,930</b>	<b>127,169</b>	<b>128,583</b>
<b>Cash used</b>					
Employees	83,891	90,902	84,428	81,682	84,821
Suppliers	34,549	57,393	42,421	41,297	41,048
Grants	1,317	-	-	-	-
Financing costs	110	158	158	158	158
Net GST paid	-	5	5	6	5
Other cash used	228	-	-	-	-
<b>Total cash used</b>	<b>120,095</b>	<b>148,458</b>	<b>127,012</b>	<b>123,143</b>	<b>126,032</b>
<b>Net cash from or (used by) operating activities</b>	<b>(674)</b>	<b>4,187</b>	<b>3,918</b>	<b>4,026</b>	<b>2,551</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash received</b>					
Proceeds from sales of property, plant and equipment	10	-	-	-	-
<b>Total cash received</b>	<b>10</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash used</b>					
Purchase of property, plant and equipment	1,437	4,573	4,061	4,060	2,500
<b>Total cash used</b>	<b>1,437</b>	<b>4,573</b>	<b>4,061</b>	<b>4,060</b>	<b>2,500</b>
<b>Net cash from or (used by) investing activities</b>	<b>(1,427)</b>	<b>(4,573)</b>	<b>(4,061)</b>	<b>(4,060)</b>	<b>(2,500)</b>
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Appropriations - contributed equity	33	276	110	10	-
<b>Total cash received</b>	<b>33</b>	<b>276</b>	<b>110</b>	<b>10</b>	<b>-</b>
<b>Cash used</b>					
Repayments of debt (including finance lease principal)	807	-	-	-	-
Other cash used	7,901	-	-	-	-
<b>Total cash used</b>	<b>8,708</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net cash from or (used by) financing activities</b>	<b>(8,675)</b>	<b>276</b>	<b>110</b>	<b>10</b>	<b>-</b>
<b>Net increase or (decrease) in cash held</b>	<b>(10,776)</b>	<b>(110)</b>	<b>(33)</b>	<b>(24)</b>	<b>51</b>
Cash at the beginning of the reporting period	12,883	2,107	1,997	1,964	1,940
<b>Cash at the end of the reporting period</b>	<b>2,107</b>	<b>1,997</b>	<b>1,964</b>	<b>1,940</b>	<b>1,991</b>

**Table 3.4: Departmental statement of changes in equity — summary of movement (Budget 2006-07)**

	Accumulated results \$'000	Asset revaluation reserve \$'000	Other reserves \$'000	Contributed equity/ capital \$'000	Total equity \$'000
<b>Opening balance as at 1 July 2006</b>					
Balance carried forward from previous period	36,711	3,644	-	3,685	44,040
<b>Opening balance</b>	36,711	3,644	-	3,685	44,040
<b>Income and expense</b>					
Net operating result	(11,737)	-	-	-	(11,737)
<b>Total income and expenses recognised directly in equity</b>	(11,737)	-	-	-	(11,737)
<b>Transactions with owners</b>					
<i>Contribution by owners</i>					
Appropriation (equity injection)	-	-	-	276	276
<b>Sub-total transactions with owners</b>	-	-	-	276	276
<b>Estimated closing balance as at 30 June 2007</b>	24,974	3,644	-	3,961	32,579

**Table 3.5: Departmental capital budget statement**

	Actual 2005-06 \$'000	Revised budget 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000
<b>CAPITAL APPROPRIATIONS</b>					
Total equity injections	33	276	110	10	-
<b>Total capital appropriations</b>	33	276	110	10	-
<b>Represented by:</b>					
Purchase of non-financial assets	33	276	110	10	-
<b>Total represented by</b>	33	276	110	10	-
<b>PURCHASE OF NON-FINANCIAL ASSETS</b>					
Funded by capital appropriation	33	276	110	10	-
Funded internally by					
Departmental resources	1,404	4,297	3,951	4,050	2,500
<b>Total</b>	1,437	4,573	4,061	4,060	2,500

**Table 3.6: Departmental property, plant, equipment and intangibles — summary of movement (Budget year 2006-07)**

	Land	Investment property	Buildings - leasehold improvements	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
<b>As at 1 July 2006</b>									
Gross book value	-	-	10,943	-	11,908	-	3,360	-	26,211
Accumulated depreciation	-	-	(3,785)	-	(3,767)	-	(2,550)	-	(10,102)
<b>Opening net book value</b>	-	-	7,158	-	8,141	-	810	-	16,109
Additions:									
by purchase	-	-	1,000	-	2,741	-	832	-	4,573
Depreciation/amortisation expense	-	-	(725)	-	(2,400)	-	(500)	-	(3,625)
<b>As at 30 June 2007</b>									
Gross book value	-	-	11,943	-	14,649	-	4,192	-	30,784
Accumulated depreciation	-	-	(4,510)	-	(6,167)	-	(3,050)	-	(13,727)
<b>Estimated closing net book value</b>	-	-	7,433	-	8,482	-	1,142	-	17,057

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

	Actual 2005-06 \$'000	Revised budget 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000
<b>INCOME ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
<b>Revenue</b>					
<b>Taxation</b>					
Goods and services tax	(37,181,586)	(40,790,000)	(43,340,000)	(45,870,000)	(48,290,000)
Other taxes, fees and fines	-	160,000	210,000	240,000	290,000
<b>Total taxation</b>	<b>(37,181,586)</b>	<b>(40,630,000)</b>	<b>(43,130,000)</b>	<b>(45,630,000)</b>	<b>(48,000,000)</b>
<b>Non-taxation</b>					
Revenues from Government	38,629,422	39,569,739	42,090,367	44,616,000	46,856,498
Goods and services	605,888	619,400	632,900	639,200	627,900
Interest	690	-	-	-	-
Dividends	1,363,690	1,177,725	1,324,000	1,383,000	1,438,000
Other sources of non-taxation revenues	53,889	17,164	17,082	16,748	16,545
<b>Total non-taxation</b>	<b>40,653,579</b>	<b>41,384,028</b>	<b>44,064,349</b>	<b>46,654,948</b>	<b>48,938,943</b>
<b>Total revenues administered on behalf of Government</b>	<b>3,471,993</b>	<b>754,028</b>	<b>934,349</b>	<b>1,024,948</b>	<b>938,943</b>
<b>Total income administered on behalf of Government</b>	<b>3,471,993</b>	<b>754,028</b>	<b>934,349</b>	<b>1,024,948</b>	<b>938,943</b>
<b>EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
Grants	1,423,140	161,498	193,603	199,236	204,734
Write down and impairment of assets	-	(550,000)	(585,000)	(620,000)	(650,000)
Other	34,979	38,241	36,764	36,764	31,764
<b>Losses</b>					
Net foreign exchange losses	-	72,924	16	-	-
<b>Total expenses administered on behalf of Government</b>	<b>1,458,119</b>	<b>(277,337)</b>	<b>(354,617)</b>	<b>(384,000)</b>	<b>(413,502)</b>

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

	Actual 2005-06 \$'000	Revised budget 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000
<b>ASSETS ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
<b>Financial assets</b>					
Cash and cash equivalents	7,736	7,736	7,736	7,736	7,736
Receivables	388,663	(3,730,949)	(4,416,371)	(5,047,198)	(5,777,198)
Investments	20,033,896	19,946,826	19,946,826	19,946,826	19,946,826
<b>Total financial assets</b>	<b>20,430,295</b>	<b>16,223,613</b>	<b>15,538,191</b>	<b>14,907,364</b>	<b>14,177,364</b>
<b>Non-financial assets</b>					
Other	2,347	2,322	2,316	2,316	2,316
<b>Total non-financial assets</b>	<b>2,347</b>	<b>2,322</b>	<b>2,316</b>	<b>2,316</b>	<b>2,316</b>
<b>Total assets administered on behalf of Government</b>	<b>20,432,642</b>	<b>16,225,935</b>	<b>15,540,507</b>	<b>14,909,680</b>	<b>14,179,680</b>
<b>LIABILITIES ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
<b>Interest bearing liabilities</b>					
Loans	3,870,825	3,894,687	3,893,570	3,893,004	3,893,004
Other	928,829	916,170	916,170	916,170	916,170
<b>Total interest bearing liabilities</b>	<b>4,799,654</b>	<b>4,810,857</b>	<b>4,809,740</b>	<b>4,809,174</b>	<b>4,809,174</b>
<b>Provisions</b>					
Other provisions	1,405	(482,750)	(483,085)	(483,485)	(483,485)
<b>Total provisions</b>	<b>1,405</b>	<b>(482,750)</b>	<b>(483,085)</b>	<b>(483,485)</b>	<b>(483,485)</b>
<b>Payables</b>					
Suppliers	474	474	474	474	474
Grants and subsidies	290,663	180,406	127,787	88,496	61,510
Other payables	5,600	5,600	5,600	5,600	5,600
<b>Total payables</b>	<b>296,737</b>	<b>186,480</b>	<b>133,861</b>	<b>94,570</b>	<b>67,584</b>
<b>Total liabilities administered on behalf of Government</b>	<b>5,097,796</b>	<b>4,514,587</b>	<b>4,460,516</b>	<b>4,420,259</b>	<b>4,393,273</b>

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

	Actual 2005-06 \$'000	Revised budget 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Rendering of services	595,902	629,386	632,900	639,200	627,900
Interest	690				
Dividends	1,383,000	1,477,259	1,324,000	1,383,000	1,438,000
Other	54,620	17,156	17,175	17,175	16,545
<b>Total cash received</b>	<b>2,034,212</b>	<b>2,123,801</b>	<b>1,974,075</b>	<b>2,039,375</b>	<b>2,082,445</b>
<b>Cash used</b>					
Grant payments	38,604,726	39,531,498	42,053,603	44,579,236	46,824,734
Other	105,079	118,916	86,883	73,555	58,750
<b>Total cash used</b>	<b>38,709,805</b>	<b>39,650,414</b>	<b>42,140,486</b>	<b>44,652,791</b>	<b>46,883,484</b>
<b>Net cash from or (used by) operating activities</b>	<b>(36,675,593)</b>	<b>(37,526,613)</b>	<b>(40,166,411)</b>	<b>(42,613,416)</b>	<b>(44,801,039)</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash received</b>					
Repayments of advances	219,400	74,600	-	-	-
Loans	14,804	-	-	-	-
Other	152,523	-	-	-	-
<b>Total cash received</b>	<b>386,727</b>	<b>74,600</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash used</b>					
Advances and loans made	74,600	-	-	-	-
Transfers to other entities	4,799	4,233	3,633	3,066	-
<b>Total cash used</b>	<b>79,399</b>	<b>4,233</b>	<b>3,633</b>	<b>3,066</b>	<b>-</b>
<b>Net cash from or (used by) investing activities</b>	<b>307,328</b>	<b>70,367</b>	<b>(3,633)</b>	<b>(3,066)</b>	<b>-</b>
<b>Net increase or (decrease) in cash held</b>	<b>(36,368,265)</b>	<b>(37,456,246)</b>	<b>(40,170,044)</b>	<b>(42,616,482)</b>	<b>(44,801,039)</b>
Cash at beginning of reporting period	7,736	7,736	7,736	7,736	7,736
Cash from Official Public Account for: - appropriations	38,789,204	39,654,647	42,144,119	44,655,857	46,883,484
Cash to Official Public Account for: - appropriations	(2,420,939)	(2,198,401)	(1,974,075)	(2,039,375)	(2,082,445)
<b>Cash at end of reporting period</b>	<b>7,736</b>	<b>7,736</b>	<b>7,736</b>	<b>7,736</b>	<b>7,736</b>

**Table 3.10: Schedule of administered capital budget**

	Actual 2005-06 \$'000	Revised budget 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000
<b>CAPITAL APPROPRIATIONS</b>					
Administered capital	4,799	18,233	53,752	39,857	26,986
Special appropriations	156,852	66,675	-	-	-
<b>Total capital appropriations</b>	<b>161,651</b>	<b>84,908</b>	<b>53,752</b>	<b>39,857</b>	<b>26,986</b>
<b>Represented by:</b>					
Other	161,651	84,908	53,752	39,857	26,986
<b>Total represented by</b>	<b>161,651</b>	<b>84,908</b>	<b>53,752</b>	<b>39,857</b>	<b>26,986</b>

**Table 3.11: Schedule of administered property, plant, equipment and intangibles — summary of movement (Budget year 2006-07)**

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

## **NOTES TO THE FINANCIAL STATEMENTS**

### **Basis 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.

