

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 2007-08* (page 13).

Table 1.1: Department outcomes and output groups

Outcome	Description	Output groups
Outcome 1		
Sound macroeconomic environment	A sound macroeconomic environment is an essential foundation for strong sustainable economic growth and the improved wellbeing of Australians. It is characterised by stable prices, low interest rates, healthy employment growth, and a sustainable external position.	Output Group 1.1 Macroeconomic Group
Outcome 2		
Effective government spending arrangements	Government spending arrangements contribute to the overall fiscal outcome but also influence strong sustainable economic growth and the improved wellbeing of Australians.	Output Group 2.1 Fiscal Group
Outcome 3		
Effective taxation and retirement income arrangements	Taxation and retirement income arrangements contribute to the overall fiscal outcome and influence strong sustainable economic growth and the improved wellbeing of Australians.	Output Group 3.1 Revenue Group
Outcome 4		
Well functioning markets	Well functioning markets contribute to high sustainable economic and employment growth and the improved wellbeing of Australians, by enabling resources to flow to those parts of the economy where they can be used most productively. Well functioning markets operate when investors and consumers have confidence and certainty about the regulatory framework, and are able to make decisions that are informed and free of market distortions and impediments.	Output Group 4.1 Markets Group

ADDITIONAL ESTIMATES AND VARIATIONS TO OUTCOMES

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

Table 1.2: Additional estimates and variations to outcomes — measures

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

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

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

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

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

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

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

MEASURES — AGENCY SUMMARY

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

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

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

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

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

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

BREAKDOWN OF ADDITIONAL ESTIMATES BY APPROPRIATION BILL

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

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

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

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

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

1. These figures represent the impact on appropriations.

SUMMARY OF STAFFING CHANGES

Table 1.7: Average Staffing Level (ASL)

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

OTHER RECEIPTS AVAILABLE TO BE USED

Table 1.8: Other receipts available to be used

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

ESTIMATES OF EXPENSES FROM SPECIAL APPROPRIATIONS

Table 1.9: Estimates of expenses from special appropriations

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

ESTIMATES OF SPECIAL ACCOUNT FLOWS

Table 1.10: Estimates of special account flows

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

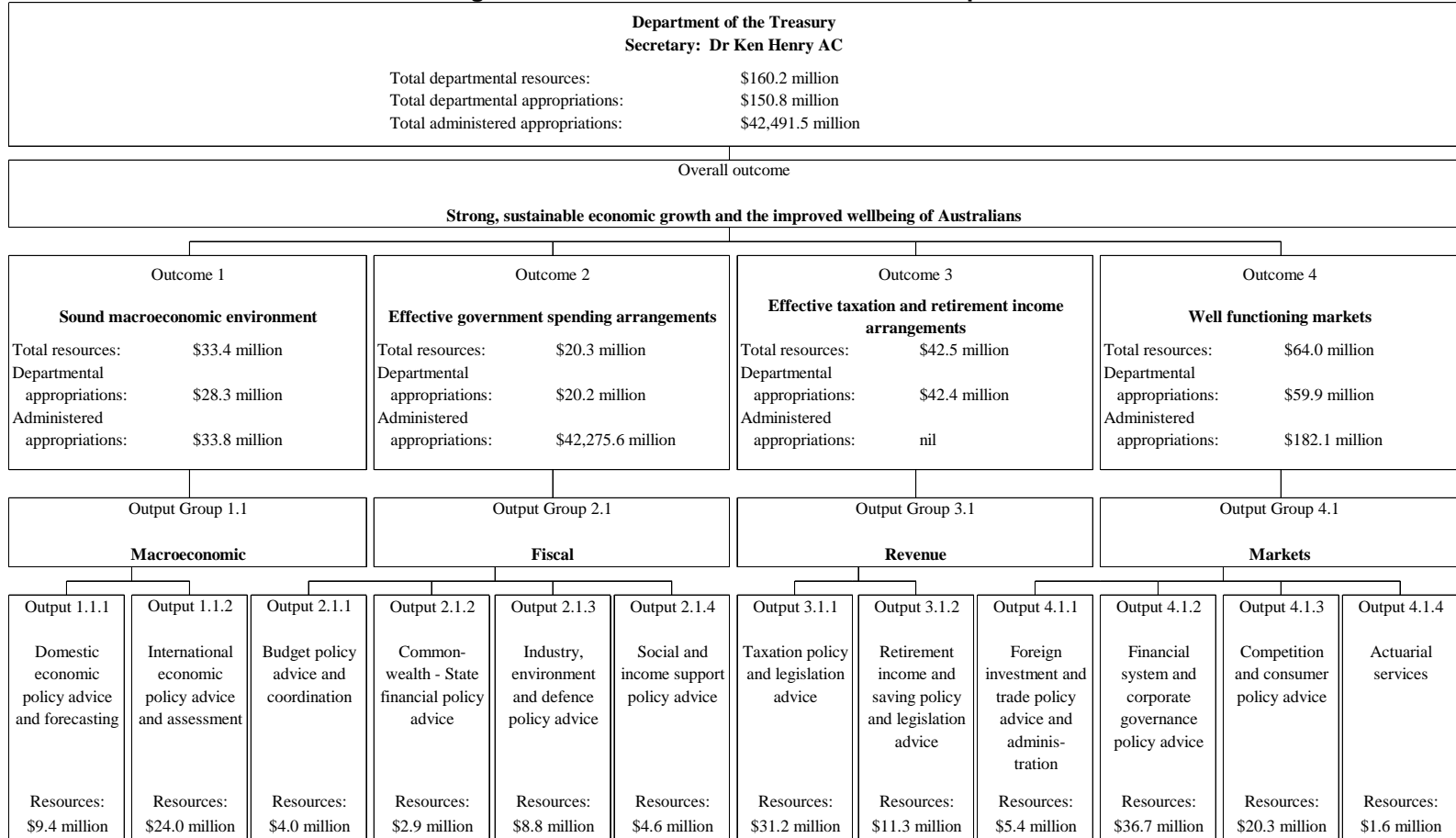
Section 2: Revisions to agency outcomes

OUTCOMES, ADMINISTERED ITEMS AND OUTPUTS

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

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

Figure 2: Contributions to outcomes and outputs



Revised performance information — 2007-08

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

Section 3: Budgeted financial statements

ANALYSIS OF BUDGETED FINANCIAL STATEMENTS

Departmental

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

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

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

Administered

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

BUDGETED FINANCIAL STATEMENTS

Departmental financial statements

Budgeted departmental income statement

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

Budgeted departmental balance sheet

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

Budgeted departmental statement of cash flows

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

Departmental statement of changes in equity — summary of movement

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

Departmental capital budget statement

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

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

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

Schedule of administered activity

Schedule of budgeted income and expenses administered on behalf of government

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

Schedule of budgeted assets and liabilities administered on behalf of government

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

Schedule of budgeted administered cash flows

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

Schedule of administered capital budget

This schedule shows proposed administered capital expenditure.

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

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

BUDGETED FINANCIAL STATEMENTS TABLES

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

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

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

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

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

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

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

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

Table 3.5: Departmental capital budget statement

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

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

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

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

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

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

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

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

	Actual 2006-07 \$'000	Revised budget 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000
OPERATING ACTIVITIES					
Cash received					
Rendering of services	628,778	635,900	644,500	633,600	639,300
Interest	11,849	4,343	3,651	3,651	3,651
Dividends	1,477,259	1,084,822	1,860,000	1,848,000	2,326,000
Other	52,214	2,539	7,630	7,000	1,600
Total cash received	2,170,100	1,727,604	2,515,781	2,492,251	2,970,551
Cash used					
Grant payments	39,647,303	42,452,717	45,456,377	47,856,709	50,318,332
Interest paid	86,756	34,295	32,276	32,276	32,276
Other	3,919	55,119	41,791	26,986	19,765
Total cash used	39,737,978	42,542,131	45,530,444	47,915,971	50,370,373
Net cash from operating activities	(37,567,878)	(40,814,527)	(43,014,663)	(45,423,720)	(47,399,822)
INVESTING ACTIVITIES					
Cash received					
Other	319,395	-	-	-	-
Total cash received	319,395	-	-	-	-
Cash used					
Purchase of equity instruments	1,603	3,635	3,056	-	-
Total cash used	1,603	3,635	3,056	-	-
Net cash from investing activities	317,792	(3,635)	(3,056)	-	-
Net increase or (decrease) in cash held	(37,250,086)	(40,818,162)	(43,017,719)	(45,423,720)	(47,399,822)
Cash at beginning of reporting period	7,736	13,168	13,168	13,168	13,168
Cash from Official Public Account - appropriations	39,744,635	42,545,766	45,533,500	47,915,971	50,370,373
Cash to Official Public Account	2,489,117	1,727,604	2,515,781	2,492,251	2,970,551
Cash at end of reporting period	13,168	13,168	13,168	13,168	13,168

Table 3.10: Schedule of administered capital budget

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

Basics of accounting

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

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

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

Departmental and administered financial statements

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

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

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

