PART C

Agency Additional Estimates Statements

DEPARTMENT OF THE TREASURY

Section 1: Overview, Additional Estimates and Variations to Outcomes

OVERVIEW

There has been no significant change to the overview to that included in the 1999-2000 Portfolio Budget Statements.

ADDITIONAL ESTIMATES AND VARIATIONS TO OUTCOMES – DEPARTMENTAL LEVEL

On 31 July 1996 the Government endorsed the Commonwealth Property Principles, which initiated the commercialisation of the Commonwealth's property portfolio. This is being extended to include a valuation for the special purpose nature of the Overseas Estate to ensure that the true property cost is reflected by each portfolio. This will require an additional $0.818 million to be appropriated for departmental items. This requires an Additional Estimate bid for Outcome 1 — 'Sound macroeconomic environment'.

There has been a funding classification amendment for the International Bank for Reconstruction and Development, the International Finance Corporation and the Australian National Railways Commission (now with the AOFM). The funding of $90.400 million had previously been provided under both Appropriation Bill 2 and the Capital Budget. This funding has now been classified as a capital item and results in a saving to Outcome 1 — 'Sound macroeconomic environment'.

The government agreed to transfer $2 million from the GST Start-Up Assistance Office administered costs to departmental costs. This results in additional funding of $2 million in departmental appropriations and a saving of $2 million in administered costs. The transfer will allow the Office to employ more private sector expertise in the delivery of assistance to small and medium enterprises, community groups and education bodies. This requires an Additional Estimate bid and a saving for Outcome 2 — 'Effective government spending and taxation arrangements'.

A total of $20 million was approved in 1998-99 for the Community Education and Information Programme (CEIP) of which $0.500 million was later transferred to the Department of Health and Aged Care. Expenditure commitment of approximately $0.200 million entered into in 1998-99 was not due for payment until 1999-2000. As there is no CEIP funding in 1999-2000, a carryover of unspent appropriation from 1998-99 was required to meet those commitments. This requires an Additional Estimates bid for Outcome 2 — 'Effective government spending and taxation arrangements'.

An increase in the actual amount of insurance paid out in 1998-99 for the Housing Loans Insurance Company Limited (HLIC) has resulted in a recalculation of the 1999-2000 estimated requirement. This will require an additional $0.424 million to be appropriated. This requires an Additional Estimates bid for Outcome 3 — 'Well functioning markets'.

The Department expects to receive additional funding in the form of an equity injection of $0.563 million, this being the difference between the 1998-99 estimated carryover at Budget time and the actual carryover.

Department of the Treasury

Secretary: Mr Ted Evans

Total Price of Outputs: $100.406 million
Departmental Outcomes Appropriation: $65.436 million
Total Administered Expenses: $18,638.744 million

Overall Outcome

Strong, sustainable economic growth and the improved wellbeing of Australians

Outcome 1

Sound macroeconomic environment

Output Group 1.1

Economic

Total Price:	$17.936 million
Dept Outputs Appropriation:	$17.725 million
Admin Expenses:	$264.629 million

- Output 1.1.1 — Domestic economic policy advice and forecasting
- Output 1.1.2 — International economic policy advice and assessment

Outcome 2

Effective government spending and taxation arrangements

Output Group 2.1

Budget

Total Price:	$23.946 million
Dept Outputs Appropriation:	$23.673 million
Admin Expenses:	$18,207.175 million

- Output 2.1.1 — Budget policy advice and coordination
- Output 2.1.2 — Common-wealth-State financial policy advice
- Output 2.1.3 — Industry policy advice
- Output 2.1.4 — Taxation and income support policy advice

Outcome 3

Well functioning markets

Output Group 3.1

Markets

Total Price:	$58.524 million
Dept Outputs Appropriation:	$24.038 million
Admin Expenses:	$166.940 million

- Output 3.1.1 — Foreign investment policy advice and admin-istration
- Output 3.1.2 — Financial system and markets policy advice
- Output 3.1.3 — Business and consumer policy advice
- Output 3.1.4 — Circulating coin and like products

Breakdown of Additional Estimates by Appropriations Bill

Table 1.2: Appropriation Bill (No 3) 1999-2000

	1998-99 Estimated Expenses $'000	1999-00 Budget $'000	1999-00 Revised $'000	Additional Estimates $'000	Reduced Estimates $'000
Administered Expenses					
Outcome 1					
Sound macroeconomic environment	4,187	—	—	—	—
Outcome 2					
Effective government spending and taxation arrangements	793	497,000	495,000	—	(2,000)
Outcome 3					
Well functioning markets	29,487	26,300	26,724	424	—
Total	34,467	523,300	521,724	424	(2,000)
Departmental Outputs					
Outcome 1					
Sound macroeconomic environment	18,157	16,907	17,725	818	—
Outcome 2					
Effective government spending and taxation arrangements	18,187	21,673	23,673	2,000	—
Outcome 3					
Well functioning markets	17,008	24,038	24,038	—	—
Total	53,352	62,618	65,436	2,818	—
Appropriation Bill 3 (Administered & Departmental)					
Total	87,819	585,918	587,160	3,242	(2,000)

Table 1.3: Appropriation Bill (No 4) 1999-2000

	1998-99 Estimated Expenses $'000	1999-00 Budget $'000	1999-00 Revised $'000	Additional Estimates $'000	Reduced Estimates $'000
Specific Payments to the States and Territories					
Outcome 1					
Sound macroeconomic environment	—	—	—	—	—
Outcome 2					
Effective government spending and taxation arrangements	—	—	—	—	—
Outcome 3					
Well functioning markets	133,479	134,412	134,412	—	—
Total	133,479	134,412	134,412	—	—
Other Administered Expenses					
Outcome 1					
Sound macroeconomic environment	364,972	90,400	—	—	(90,400)
Outcome 2					
Effective government spending and taxation arrangements	44,443	13,200	13,400	200	—
Outcome 3					
Well functioning markets	—	—	—	—	—
Total	409,415	103,600	13,400	200	(90,400)
Equity Injections and Loans					
Equity Injections					
Loans	—	775	775	—	—
Carryover from previous years	—	3,200	3,763	563	—
Administered Capital	64,672	13,100	13,100	—	—
Total Capital	64,672	17,075	17,638	563	—
Total	607,566	255,087	165,450	763	(90,400)

Footnote For Section 1: Departmental Overview

The underlying outlays for 1998-99 is $24.161 million.

Note: Underlying outlays is a cash concept and, as this figure is cash, it is not directly comparable with the other accrual figures in this document. This information is being provided to give additional information to support the transition from cash to accrual budgeting.

Table 1.4: Staff Years (Number)

	1999-00 Budget	1999-00 Revised	Variation
Outcome 1 Sound macroeconomic environment	126	126	—
Outcome 2 Effective government spending and taxation arrangements	195	195	—
Outcome 3 Well functioning markets	184	192	8
Total	505	513	8

Section 2: Outcomes and Outputs Information

OUTCOME 1 — SOUND MACROECONOMIC ENVIRONMENT

Revised Performance Information and Level of Achievement — 1999-2000

With the establishment of the AOFM as a 'prescribed agency' on 1 July 1999, the previous performance information under Output 1.1.3 which was included in the 1999-2000 Portfolio Budget Statements (PBS) is no longer relevant and has been removed. Details of the AOFMs performance information commences from page 93.

The remaining variations in funding for Outcome 1 are to pre-existing outputs and will not affect the remaining performance information under Outcome 1 from the 1999-2000 PBS.

OUTCOME 2 — EFFECTIVE GOVERNMENT SPENDING AND TAXATION ARRANGEMENTS

Revised Performance Information and Level of Achievement — 1999-2000

The variation in funding is to a pre-existing output that will not affect the performance information under Outcome 2 from the 1999-2000 PBS.

OUTCOME 3 — WELL FUNCTIONING MARKETS

Revised Performance Information and Level of Achievement — 1999-2000

The variation in funding is to a pre-existing output that will not affect the performance information under Outcome 3 from the 1999-2000 PBS.

Section 3: Budget Financial Statements

The budget financial statements for 1998-99 appear in the Department's 1999-2000 Annual Report, and form the basis for the input into the Whole of Government Accounts.

Budget Statement of Revenue and Expenses (Budget Operating Statement)

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

Budget Statement of Assets and Liabilities (Budget Balance Sheet)

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

Budget Cash Flow Statement

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

Capital Budget

This statement shows all proposed capital expenditure funded through the Budget as appropriations or from internal resources.

Table 3.1: Budget Statement of Revenue and Expenses

	Actual	Revised Budget	Estimated		
	1998-99 $'000	1999-00 $'000	2000-01 $'000	2001-02 $'000	2002-03 $'000
Departmental Revenue and Expenses					
Revenues					
Revenue from government					
Ordinary annual appropriations (net appropriations)	50,449	65,436	62,522	59,363	59,416
Revenue from other sources					
Sales of goods and services	30,930	34,492	25,419	25,427	25,435
Other revenue from other sources	2,836	453	4,428	610	621
Total Revenue	84,215	100,381	92,369	85,400	85,472
Expenses					
Employees	36,242	44,385	42,817	40,496	39,640
Depreciation and amortisation	1,949	2,620	4,229	5,540	5,555
Other costs of providing goods and services	47,410	51,687	36,141	34,211	34,884
Other	566	150	914	546	546
Total Expenses	86,167	98,842	84,101	80,793	80,625
Operating Result Before Capital User Charge	(1,952)	1,539	8,268	4,607	4,847
Capital User Charge	—	(1,539)	(2,367)	(2,607)	(2,847)
Extraordinary Items	18,658	—	—	—	—
Accumulated Results at Year End	16,706	—	5,901	2,000	2,000
Administered Revenue and Expenses					
Revenues					
Taxation Revenue	—	(6,951,534)	(328,913)	—	—
Interest and dividends	1,880,638	3,693,814	1,527,720	1,500,000	1,500,000
Other sources of non-taxation revenue	867,335	775,059	219,400	214,179	203,295
Appropriations	9,337,712	25,364,983	1,977,663	3,051,664	2,183,153
Total Revenue	12,085,685	22,882,322	3,395,870	4,765,843	3,886,448
Expenses					
Other costs of providing goods and services	999,121	295,343	67,796	78,974	80,548
Grants	17,394,217	18,343,401	1,566,939	2,969,769	2,101,258
Interest and financing costs	8,549,837	—	—	—	—
Total Expenses	26,943,175	18,638,744	1,634,735	3,048,743	2,181,806
Net cost to Government	(14,857,490)	4,243,578	1,761,135	1,717,100	1,704,642
Cash transfers to/from DoFA	(67,408,924)	(3,753,235)	(2,864,521)	(3,123,467)	(1,696,454)
Accumulated Results After Transfers	(82,266,414)	490,343	(1,103,386)	(1,406,367)	8,188

Table 3.2: Budget Statement of Assets and Liabilities

	Actual	Revised Budget		Estimated	
	1998-99 $'000	1999-00 $'000	2000-01 $'000	2001-02 $'000	2002-03 $'000
Departmental Assets and Liabilities					
Debt					
Loans	—	12,752	12,800	11,263	9,726
Finance Leases	1,501	—	—	—	—
Total Debt	1,501	12,752	12,800	11,263	9,726
Provisions and Payables					
Employees	13,408	11,978	11,983	11,895	11,880
Suppliers	1,126	859	881	901	922
Other	4,965	1,145	1,175	1,201	1,229
Total Provisions and Payables	19,499	13,982	14,039	13,997	14,031
Equity					
Accumulated results	16,706	10,186	16,087	18,087	20,087
Reserves	5,673	4,463	4,463	4,463	4,463
Total Equity	22,379	14,649	20,550	22,550	24,550
Total Liabilities and Equity	43,379	41,383	47,389	47,810	48,307
Financial Assets					
Cash	547	2,541	9,669	18,089	23,793
Receivables	4,732	1,375	1,408	1,441	1,475
Investments	—	3,000	2,000	—	—
Total Financial Assets	5,279	6,916	13,077	19,530	25,268
Non-financial Assets					
Infrastructure, plant and equipment	10,576	6,207	20,163	15,039	10,720
Intangibles	7,505	1,778	1,448	1,067	856
Other	20,019	26,482	12,701	12,174	11,463
Total Non-financial Assets	38,100	34,467	34,312	28,280	23,039
Total Assets	43,379	41,383	47,389	47,810	48,307

Table 3.2: Budget Statement of Assets and Liabilities (continued)

	Actual	Revised Budget	Estimated		
	1998-99 $'000	1999-00 $'000	2000-01 $'000	2001-02 $'000	2002-03 $'000
Administered Assets and Liabilities					
Debt					
Government Securities	89,053,504	—	—	—	—
Loans	4,346,721	4,166,061	4,159,053	4,152,863	4,148,268
Other	—	1,443,030	1,446,080	1,446,080	1,446,080
Total Debt	93,400,225	5,609,091	5,605,133	5,598,943	5,594,348
Provisions and Payables					
Grants	25,000	22,500	20,000	17,500	15,000
Other	5,312,241	114,284	86,488	71,622	64,603
Total Provisions and Payables	5,337,241	136,784	106,488	89,122	79,603
Equity					
Accumulated results	(82,266,414)	10,360,844	9,257,458	7,851,091	7,859,279
Reserves	8,039,640	657,736	2,088,958	2,097,648	2,104,743
Total Equity	(74,226,774)	11,018,580	11,346,416	9,948,739	9,964,022
Total Liabilities and Equity	24,510,692	16,764,455	17,058,037	15,636,804	15,637,973
Financial Assets					
Cash	12,781	2,906	2,906	2,906	2,906
Receivables	148,367	1,214,931	1,497,401	77,827	79,827
Investments	15,266,681	15,540,449	15,554,884	15,554,884	15,554,884
Accrued revenues	9,070,678	—	—	—	—
Total Financial Assets	24,498,507	16,758,286	17,055,191	15,635,617	15,637,617
Non-financial Assets					
Other non-financial assets	12,185	6,169	2,846	1,187	356
Total Non-financial Assets	12,185	6,169	2,846	1,187	356
Total Assets	24,510,692	16,764,455	17,058,037	15,636,804	15,637,973

Table 3.3: Budget Cash Flow Statement

	Actual	Revised Budget	Estimated		
	1998-99 $'000	1999-00 $'000	2000-01 $'000	2001-02 $'000	2002-03 $'000
Departmental Cash Flows					
Operating Activities					
Cash Received					
Appropriations	54,642	65,436	62,522	59,363	59,416
Sales of goods and services	33,613	34,491	25,418	25,426	25,434
Other	—	425	528	566	575
Total Cash Received	88,255	100,352	88,468	85,355	84,425
Cash Used					
Employees	35,576	47,612	42,869	40,638	39,707
Suppliers	52,445	51,419	33,538	31,526	34,105
Other	10	150	896	546	546
Total Cash Used	88,031	99,181	77,303	72,710	74,358
Net Cash from Operating Activities	224	1,171	11,165	12,645	11,067
Investing Activities					
Cash Received					
Proceeds from sale of property, plant and equipment	88	40	42	44	46
Other	—	—	—	—	—
Total Cash Received	88	40	42	44	46
Cash Used					
Purchase of property, plant and equipment	2,740	12,798	5,660	125	1,025
Total Cash Used	2,740	12,798	5,660	125	1,025
Net Cash from Investing Activities	(2,652)	(12,758)	(5,618)	(81)	(979)
Financing Activities					
Cash Received					
Proceeds from borrowings	—	775	—	—	—
Other	3,503	14,384	5,485	—	—
Total Cash Received	3,503	15,159	5,485	—	—
Cash Used					
Capital user charge paid	—	1,300	2,367	2,607	2,847
Repayment of borrowings	564	278	153	153	153
Other	—	—	1,384	1,384	1,384
Total Cash Used	564	1,578	3,904	4,144	4,384
Net Cash from Financing Activities	2,939	13,581	1,581	-4,144	-4,384
Net increase/decrease in cash held	511	1,994	7,128	8,420	5,704
Add cash as at 1 July	36	547	2,541	9,669	18,089
Cash as at 30 June	547	2,541	9,669	18,089	23,793

Table 3.3: Budget Cash Flow Statement (continued)

	Actual	Revised Budget	Estimated		
	1998-99 $'000	1999-00 $'000	2000-01 $'000	2001-02 $'000	2002-03 $'000
Administered Cash Flows					
Operating Activities					
Cash Received					
Taxes, fees and fines	—	(6,951,534)	(328,913)	—	—
Interest and dividends	4,577,480	3,017,814	2,203,720	1,500,000	1,500,000
Appropriations receipts	26,666,714	18,420,340	1,649,217	3,052,164	2,183,653
Other	763,454	734,701	195,613	201,893	196,454
Total Cash Received	32,007,648	15,221,321	3,719,637	4,754,057	3,880,107
Cash Used					
Grants	17,396,717	18,345,901	1,569,439	2,972,269	2,103,758
Borrowing costs	8,857,424	—	—	—	—
Cash to CRF	5,326,889	(3,199,019)	2,070,420	1,701,893	1,696,454
Other	111,946	74,439	79,778	79,895	79,895
Total Cash Used	31,692,976	15,221,321	3,719,637	4,754,057	3,880,107
Net Cash from Operating Activities	314,672	—	—	—	—
Investing Activities					
Cash Received					
Repayment of advances	1,671,837	—	465,188	1,421,574	—
Consolidated Revenue Fund	4,145,813	472,432	1,421,574	—	—
Other	3,599,074	—	—	—	—
Total Cash Received	9,416,724	472,432	1,886,762	1,421,574	—
Cash Used					
Advances made	—	464,468	1,421,574	—	—
Purchase of equity instruments	11,330	7,964	—	—	—
Consolidated Revenue Fund	5,258,031	—	465,188	1,421,574	—
Other	4,134,483	—	—	—	—
Total Cash Used	9,403,844	472,432	1,886,762	1,421,574	—
Net Cash from Investing Activities	12,880	—	—	—	—
Financing Activities					
Cash Received					
Proceeds from borrowings	61,077,791	173,649	7,868	6,190	4,595
Consolidated Revenue Fund	70,366,459	—	—	—	—
Other	8,606,106	—	—	—	—
Total Cash Received	140,050,356	173,649	7,868	6,190	4,595
Cash Used					
Consolidated Revenue Fund	68,745,218	—	—	—	—
Repayment of debt	71,350,234	—	—	—	—
Other	281,108	182,804	7,148	6,190	4,595
Total Cash Used	140,376,560	182,804	7,148	6,190	4,595
Net Cash from Financing Activities	(326,204)	(9,155)	720	—	—
Net increase/decrease in cash held	1,348	(9,155)	720	—	—
Add cash as at 1 July	11,433	12,781	3,626	2,906	2,906
Cash as at 30 June	12,781	3,626	2,906	2,906	2,906

CAPITAL BUDGET

Table 3.4: Capital Budget

	Actual	Revised Budget	Estimated		
	1998-99 $'000	1999-00 $'000	2000-01 $'000	2001-02 $'000	2002-03 $'000
Departmental					
Total Loans	—	775	—	—	—
Appropriation of previous years carryover	—	3,763	—	—	—
Total Capital Appropriations	—	4,538	—	—	—
Represented by					
Purchase of non-current assets	—	775	—	—	—
Other	—	3,763	—	—	—
Total Departmental	—	4,538	—	—	—
Administered					
Total Equity Injections	—	642,474	7,148	6,190	4,595
Total Loans	—	—	—	—	—
Total Capital Appropriations	—	642,474	7,148	6,190	4,595
Represented by					
Purchase of non-current assets					
Other	—	642,474	7,148	6,190	4,595
Total Items	—	642,474	7,148	6,190	4,595
Administered Financial Assets Funded by Special Appropriations					
Administered Capital	—	15,262	1,424,074	2,500	2,500
Represented by					
Purchase of non-current assets					
Other	—	15,262	1,424,074	2,500	2,500
Total Items	—	15,262	1,424,074	2,500	2,500

NOTES TO THE FINANCIAL STATEMENTS

Basis of Accounting

The agency budget statements are prepared in compliance with Australian Accounting Standards, Accounting Guidance Releases and having regard to Statements of Accounting Concepts.

Departmental

The 1998-1999 actual figures include the AOFM. The AOFM became a prescribed agency on 1 July 1999 and estimates are contained in the AOFM's section of the PAES.

There are no substantial variations to the notes published in *The Treasury Annual Report 1998–99*.

Administered

The 1998-1999 actual figures include the AOFM. The AOFM became a prescribed agency on 1 July 1999 and estimates are contained in the AOFM's section of the PAES.

There are no substantial variations to the notes outlined in the 1999–2000 Portfolio Budget Statements and *The Treasury Annual Report 1998–99* apart from the inclusion of the AOFM.

Appendix 1

Non-Appropriation Departmental and Administered Revenue

	Budget Estimate	Revised Estimate
	1999-00	**1999-00**
	$'000	**$'000**
Departmental Revenue		
Departmental Section 31 receipts	753	753
Royal Australian Mint revenue	34,217	34,217
Total Non-appropriation Departmental Revenue	34,970	34,970
Appropriations	65,300	62,618
Total Departmental Revenue	100,270	97,588
Administered Revenue		
Banking Act 1959 — Unclaimed moneys	18,000	18,000
Bank dividends	3,200,000	3,676,000
Housing Loans Insurance Corporation — Recoveries from old book stock and premiums	42,138	41,369
Receipts under the *International Monetary Agreements Act 1947*	581,419	540,541
Royal Australian Mint and Coinage — Moneys in excess of requirements	98,200	107,500
Seignorage payments — Gold Corporation	617	617
States Grants (General Purposes) Act 1994 — Revenue Replacement Payments	(6,750,888)	(6,951,534)
Financial sector supervisory levies	72,702	84,702
Miscellaneous — Treasury Department	105	105
Other	—	39
Total Non-appropriation Administered Revenue	(2,737,707)	(2,482,661)
Appropriations	24,698,004	25,366,983
Total Administered Revenue	21,960,297	22,884,322

Appendix 2

Estimates of Expenses from Special Appropriations

	Budget Estimate	Revised Estimate
	1999-00	**1999-00**
	$'000	**$'000**
Banking Act 1959 — Unclaimed moneys	15,000	5,804
International Monetary Agreements Act 1947	528,869	264,629
States Grants (General Purposes) Act 1994	17,706,357	17,698,775
Total Estimated Expenses	18,250,226	17,969,208