PART C

Agency additional estimates statements

Page

DEPARTMENT OF THE TREASURY

Section 1: Overview, additional estimates and variations to outcomes

OVERVIEW

There has been no change to the overview included in the 2000-01 Portfolio Budget Statements.

ADDITIONAL ESTIMATES AND VARIATIONS TO OUTCOMES

The Department of the Treasury is seeking $2.267 million in departmental outputs for the inquiry into charitable and related organisations, revised parameters and transfer of funding from administered expenses to departmental outputs for the GST Start-Up Assistance Office (GSTSAO) in Appropriation Bill (No. 3) 2000-01.

The Department of the Treasury is also seeking $10.063 million in administered expenses for the carryover of unspent funds from 1999-2000 for the GSTSAO in Appropriation Bill (No. 3) 2000-01, $0.135 million in administered expenses for a CPI adjustment in Appropriation Bill (No. 4) 2000-01 and $14.742 million for Administered Capital due to a reclassification in Appropriation Bill (No. 4) 2000-01.

Explanations for these variations are detailed below.

Measures

Outcome 2 — Effective government spending and taxation arrangements

	2000-01 $'000	2001-02 $'000	2002-03 $'000	2003-04 $'000
Outcome 2				
Inquiry into charitable and related organisations	283	-	-	-

Inquiry into charitable and related organisations

On 18 September 2000, the Prime Minister announced the details of an independent inquiry into definitional issues relating to charitable, religious and community service not-for-profit organisations. Funding of $283,000 is to be provided to the Department of the Treasury in 2000-01. The inquiry is intended to provide the Government with options for enhancing the clarity and consistency of existing definitions with respect to Commonwealth law and administrative practice. These should lead to legislative and administrative frameworks that are appropriate for Australia's current social and economic environment.

OTHER VARIATIONS TO APPROPRIATIONS

Departmental

Treasury is seeking an additional $0.184 million in departmental outputs as a result of revised parameters. This, along with a reallocation of corporate cost distribution, has an impact on Treasury's three outcomes. This results in net additional funding for departmental outputs in Appropriation Bill (No. 3) 2000-01 of $0.184 million.

The government agreed to transfer $1.8 million from the GSTSAO administered expenses to departmental outputs to cover costs associated with the GSTSAO and The New Tax System Advisory Board. This results in additional funding of $1.8 million for departmental outputs in Appropriation Bill (No. 3) 2000-01 under Outcome 2 'Effective government spending and taxation arrangements'.

In addition there is an anticipated reduction in net annotated appropriations (section 31) receipts of $3.006 million due to revised estimates for the Australian Government Actuary ($0.183 million) and the Royal Australian Mint ($2.823 million).

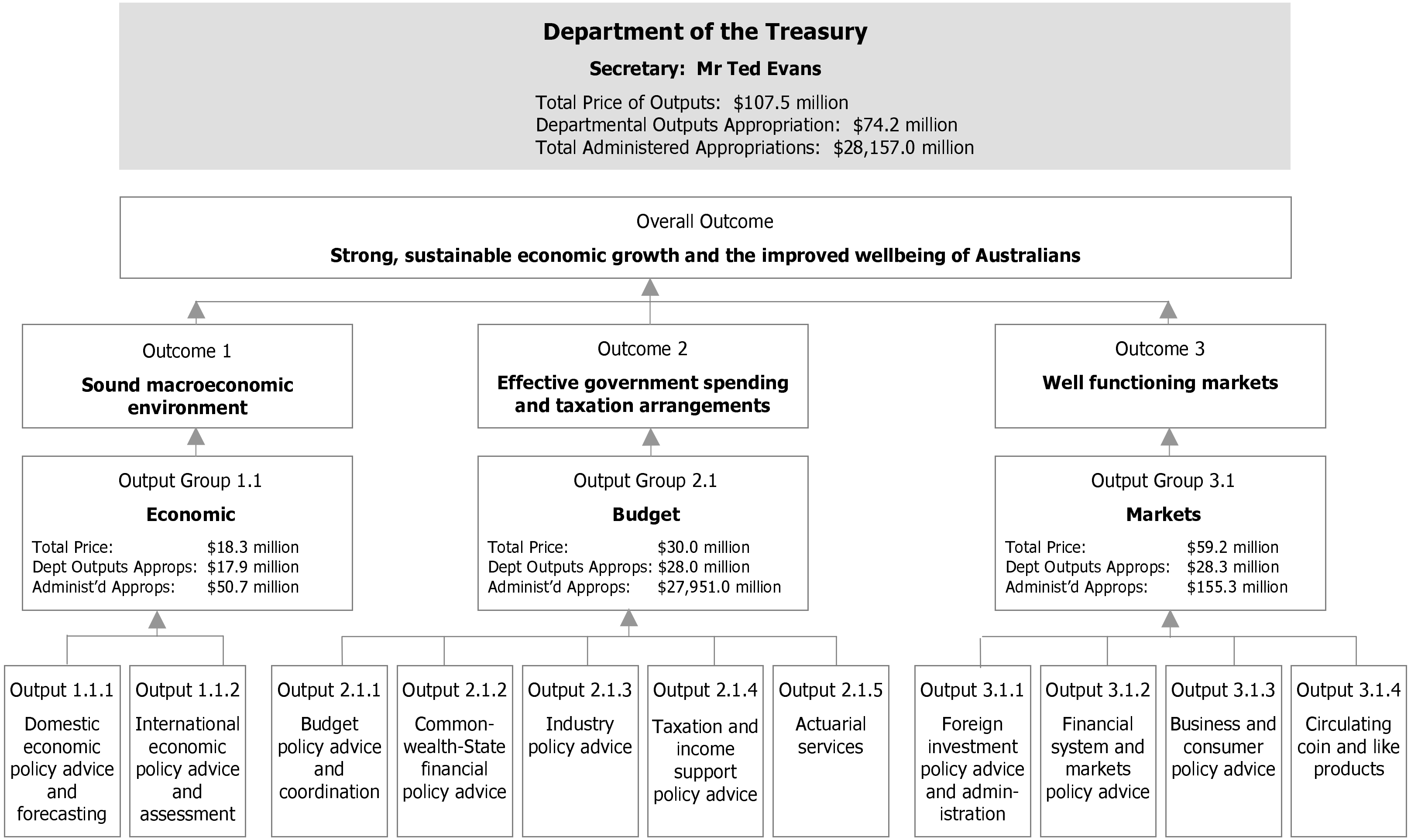
Administered

The government agreed that the GSTSAO could carryover unspent funding from its administered expenses in 1999-2000 of $10.063 million to 2000-01. This carryover takes into account the $1.8 million transfer from administered expenses to departmental outputs and $0.88 million transfer to the Department of Workplace Relations and Small Business to fund the extension of the signpost officer contracts. This results in additional funding of $10.063 million for administered expenses in Appropriation Bill (No. 3) 2000-01 under Outcome 2 'Effective government spending and taxation arrangements'.

Treasury is seeking $0.135 million in administered expenses as a result of using the final CPI for the previous financial year to calculate compensation payments due to the States and Northern Territory for loss of revenue under the Corporations Agreement. This results in additional funding of $0.135 million for administered expenses in Appropriation Bill (No. 4) 2000-01 under Outcome 3 'Well functioning markets'.

There has been a funding reclassification associated with the General Capital Increase for the European Bank for Reconstruction and Development and the Multilateral Investment Guarantee Agency. In the 2000-01 Budget these items were classified as Special Appropriations and have now been reclassified as Administered Capital. This results in an appropriation of $14.724 million for Administered Capital in Appropriation Bill (No. 4) 2000-01.

Chart 2: Department of the Treasury outcomes and outputs



MEASURES: DEPARTMENT OF THE TREASURY SUMMARY

Table 1.1: Summary of measures since the 2000-01 Budget

Measure	Outcome	Output groups affected	Appropriations 2000-01 $'000			Appropriations 2001-02 $'000			Appropriations 2002-03 $'000			Appropriations 2003-04 $'000		
			Admin items	Dept outputs	Total	Admin items	Dept outputs	Total	Admin items	Dept outputs	Total	Admin items	Dept outputs	Total
Inquiry into charitable and related organisations	2	2.1.4	-	283	283	-	-	-	-	-	-	-	-	-
Total	2	2.1.4	-	283	283	-	-	-	-	-	-	-	-	-

BREAKDOWN OF ADDITIONAL ESTIMATES BY APPROPRIATIONS BILL

Table 1.2: Appropriation Bill (No. 3) 2000-01

	1999-00 actual $'000	2000-01 budget $'000	2000-01 revised $'000	Additional estimates $'000	Reduced estimates $'000
ADMINISTERED ITEMS					
Outcome 2					
Effective government spending and taxation arrangements *	429,257	-	10,063	10,063	-
Outcome 3					
Well functioning markets	17,800	16,000	16,000	-	-
Total	447,057	16,000	26,063	10,063	-
DEPARTMENTAL OUTPUTS					
Outcome 1					
Sound macroeconomic environment	17,013	18,223	17,888	(335)	-
Outcome 2					
Effective government spending and taxation arrangements	22,880	26,464	28,015	1,551	-
Outcome 3					
Well functioning markets	25,690	27,226	28,277	1,051	-
Total	65,583	71,913	74,180	2,267	-
Total items	512,640	87,913	100,243	12,330	-
Appropriation Bill No. 3	-	-	-	12,330	-
Total	-	-	-	12,330	-

* Following a reclassification, these balances should be read in conjunction with the disclosure shown in Table 1.3 Appropriation Bill (No. 4) 2000-01 for Outcome 2.

Table 1.3: Appropriation Bill (No. 4) 2000-01

	1999-00 actual $'000	2000-01 budget $'000	2000-01 revised $'000	Additional estimates $'000	Reduced estimates $'000
SPECIFIC PAYMENTS TO THE STATES AND TERRITORIES					
Outcome 2					
Effective government spending and taxation arrangements	13,227	13,500	13,500	-	-
Outcome 3					
Well functioning markets	134,947	139,131	139,266	135	-
Total	148,174	152,631	152,766	135	-
OTHER ADMINISTERED ITEMS					
Outcome 2					
Effective government spending and taxation arrangements *	-	49,000	49,000	-	-
Total	-	49,000	49,000	-	-
Total items	148,174	201,631	201,766	135	-
Equity injections and loans					
Administered capital	15,215	2,500	17,224	14,724	-
Total capital	15,215	2,500	17,224	14,724	-
Appropriation Bill No. 4	-	-	-	14,859	-
Total	-	-	-	14,859	-

* Following a reclassification, these balances should be read in conjunction with the disclosure shown in Table 1.2 Appropriation Bill (No. 3) 2000-01 for Outcome 2.

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

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

	Total approp 2000-01 budget $'000	Total approp 2000-01 revised $'000	Receipts from independent sources budget $'000	Receipts from independent sources revised $'000	Variation in non-govt revenue $'000
Outcome 1					
Sound macroeconomic environment	22,320	17,888	387	387	-
Outcome 2					
Effective government spending and taxation arrangements	22,356	28,015	2,152	1,969	(183)
Outcome 3					
Well functioning markets	20,907	28,277	33,765	30,942	(2,823)
Total	65,583	74,180	36,304	33,298	(3,006)

Section 2: Revisions to outcomes and outputs

OUTCOMES AND OUTPUT GROUPS

There has been no change to Treasury's outcomes and output groups.

Outcome 1 — Sound macroeconomic environment

Revised performance information and level of achievement — 2000-01

The variation in funding is to a pre-existing output that will not effect the performance information under Outcome 1 since the 2000-01 Portfolio Budget Statements.

Outcome 2 — Effective government spending and taxation arrangements

Revised performance information and level of achievement — 2000-01

The variation in funding is to a pre-existing output that will not effect the performance information under Outcome 2 since the 2000-01 Portfolio Budget Statements.

Outcome 3 — Well functioning markets

Revised performance information and level of achievement — 2000-01

The variation in funding is to a pre-existing output that will not effect the performance information under Outcome 3 since the 2000-01 Portfolio Budget Statements.

Section 3: Budgeted Financial Statements

Budget statement of revenues and expenses

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

Budget statement of assets and liabilities

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

Budget cash flow statement

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

Capital budget statement

This statement shows all proposed capital expenditure for departmental and administered items funded either through capital appropriations or from internal sources.

Table 3.1: Budget statement of revenues and expenses

	Actual 1999-00 $'000	Revised budget 2000-01 $'000	2001-02 $'000	Estimated 2002-03 $'000	2003-04 $'000
DEPARTMENTAL REVENUE AND EXPENSES					
Revenues					
Revenue from government					
Ordinary annual appropriations	65,733	74,180	70,830	72,984	75,702
Revenue from other sources					
Sales of goods and services	50,545	29,016	29,038	29,048	29,559
Other revenue	7,059	4,282	989	1,000	1,012
Total revenue	123,337	107,478	100,857	103,032	106,273
Expenses					
Employees	46,687	50,291	50,479	51,751	52,831
Depreciation and amortisation	4,063	3,407	3,694	2,827	2,991
Costs of providing goods & services	61,261	49,387	40,247	42,051	43,610
Other	4,922	602	602	602	602
Total expenses	116,933	103,687	95,022	97,231	100,034
Operating result before capital user charge	6,404	3,791	5,835	5,801	6,239
Capital user charge	(1,539)	(3,369)	(3,591)	(3,783)	(4,000)
Other items	(1,610)	-	-	-	-
Opening Accumulated results	12,943	16,198	16,620	18,864	20,882
Accumulated results at year end	16,198	16,620	18,864	20,882	23,121
ADMINISTERED REVENUE AND EXPENSES					
Revenues					
Taxation revenue	-	(26,737,413)	(28,029,176)	(29,083,285)	(30,737,234)
Interest and dividends	3,676,129	814,123	1,513,055	1,511,796	1,507,715
Other sources of non-taxation revenues	530,220	1,312,931	753,062	605,240	592,712
Appropriations	18,685,892	28,157,029	30,746,875	31,824,463	32,927,841
Total revenue	22,892,241	3,546,670	4,983,816	4,858,214	4,291,034
Expenses					
Costs of providing goods & services	373,590	66,738	65,417	64,419	63,419
Grants	18,018,994	1,351,526	2,649,361	2,675,329	2,126,254
Total expenses	18,392,584	1,418,264	2,714,778	2,739,748	2,189,673
Net cost to government	4,499,657	2,128,406	2,269,038	2,118,466	2,101,361
Cash transfer to/from DoFA	(3,463,974)	(4,363,875)	(2,251,317)	(2,162,034)	(2,158,616)
Equity appropriation - restructuring	84,097,275	-	-	-	-
Opening Accumulated results	(82,266,414)	2,866,544	631,075	648,796	605,228
Accumulated results at year end	2,866,544	631,075	648,796	605,228	547,973

Table 3.2: Budget statement of assets and liabilities (Departmental)

	Actual 1999-00 $'000	Revised Budget 2000-01 $'000	2001-02 $'000	Estimated 2002-03 $'000	2003-04 $'000
DEPARTMENTAL ASSETS AND LIABILITIES					
Debt					
Loans	758	9,865	10,360	8,685	7,075
Finance leases	1,379	952	1,525	1,098	671
Total debt	2,137	10,817	11,885	9,783	7,746
Provisions and payables					
Employees	14,728	16,565	17,592	18,649	19,723
Supplies	2,947	2,868	2,913	3,036	3,086
Other	8,447	8,594	8,594	8,594	8,594
Total provisions and payables	26,122	28,027	29,099	30,279	31,403
Equity					
Accumulated results	16,198	16,620	18,864	20,882	23,121
Reserves	8,977	8,977	8,977	8,977	8,977
Total equity	25,175	25,597	27,841	29,859	32,098
Total liabilities and equity	53,434	64,441	68,825	69,921	71,247
Financial assets					
Cash	2,642	8,195	12,717	14,318	14,810
Receivables	4,631	1,980	2,341	2,701	3,062
Investments	15,494	15,494	15,494	15,494	15,494
Total financial assets	22,767	25,669	30,552	32,513	33,366
Non-financial assets					
Infrastructure, plant and equipment	9,371	18,249	18,368	18,004	18,883
Intangibles	3,622	2,891	2,313	1,850	1,480
Other	17,674	17,632	17,592	17,554	17,518
Total non-financial assets	30,667	38,772	38,273	37,408	37,881
Total assets	53,434	64,441	68,825	69,921	71,247

Table 3.2: Budget statement of assets and liabilities (Administered)

	Actual 1999-00 $'000	Revised budget 2000-01 $'000	Estimated 2001-02 $'000	2002-03 $'000	2003-04 $'000
ADMINISTERED ASSETS AND LIABILITIES					
Debt					
Loans	4,718,483	4,731,899	4,720,688	4,711,179	4,701,670
Other	1,050,089	1,062,658	1,063,138	1,063,138	1,063,138
Total debt	5,768,572	5,794,557	5,783,826	5,774,317	5,764,808
Provisions and payables					
Grants	22,500	20,000	17,500	15,000	12,500
Other	387,521	42,725	25,861	16,968	12,192
Total provisions and payables	410,021	62,725	43,361	31,968	24,692
Equity					
Accumulated results	2,866,544	631,075	648,796	605,228	547,973
Capital	15,215	1,753,129	1,769,084	1,781,093	1,793,102
Reserves	8,039,640	8,039,640	8,039,640	8,039,640	8,039,640
Total equity	10,921,399	10,423,844	10,457,520	10,425,961	10,380,715
Total liabilities and equity	17,099,992	16,281,126	16,284,707	16,232,246	16,170,215
Financial assets					
Cash	263,694	2,614	2,614	2,614	2,614
Receivables	895,000	216,109	215,884	164,254	102,527
Investments	15,935,130	16,059,558	16,065,023	16,065,023	16,065,023
Total financial assets	17,093,824	16,278,281	16,283,521	16,231,891	16,170,164
Non-financial assets					
Other non-financial assets	6,168	2,845	1,186	355	51
Total non-financial assets	6,168	2,845	1,186	355	51
Total assets	17,099,992	16,281,126	16,284,707	16,232,246	16,170,215

Table 3.3: Budget cash flow statement (Departmental)

	Actual 1999-00 $'000	Revised budget 2000-01 $'000	2001-02 $'000	Estimated 2002-03 $'000	2003-04 $'000
DEPARTMENTAL CASH FLOWS					
Operating activities					
Cash received					
Appropriations	69,346	74,180	70,830	72,984	75,702
Sales of goods and services	53,662	32,021	29,031	29,042	29,552
Other	432	3,928	591	599	611
Total cash received	123,440	110,129	100,452	102,625	105,865
Cash used					
Employees	45,090	48,454	49,453	50,694	51,757
Supplies	63,231	49,688	42,340	44,123	45,755
Other	-	602	602	602	602
Total cash used	108,321	98,744	92,395	95,419	98,114
Net cash from operating activities	15,119	11,385	8,057	7,206	7,751
Investing activities					
Cash received					
Proceeds from sale of property, plant and equipment	17	-	44	46	47
Total cash received	17	-	44	46	47
Cash used					
Purchase of property, plant and equipment	1,489	380	-	2,000	3,500
Purchase of investments	9,500	-	-	-	-
Total cash used	10,989	380	-	2,000	3,500
Net cash from investing activities	(10,972)	(380)	44	(1,954)	(3,453)
Financial activities					
Cash received					
Other	919	-	-	-	-
Total cash received	919	-	-	-	-
Cash used					
Capital user charge paid	(1,539)	(3,369)	(3,591)	(3,783)	(4,000)
Repayments of borrowings	(1,432)	-	-	-	-
Total cash used	(2,971)	(3,369)	(3,591)	(3,783)	(4,000)
Net cash from financing activities	(2,052)	(3,369)	(3,591)	(3,783)	(4,000)
Net increase/(decrease) in cash held	2,095	7,636	4,510	1,469	298
Add cash as at 1 July	547	18,136	23,689	28,199	29,668
Cash as at 30 June	2,642	25,772	28,199	29,668	29,966

Table 3.3: Budget cash flow (Administered)

	Actual 1999-00 $'000	Revised budget 2000-01 $'000	2001-02 $'000	Estimated 2002-03 $'000	2003-04 $'000
ADMINISTERED CASH FLOWS					
Operating activities					
Cash received					
Interest and dividends	3,076,681	1,490,123	1,513,055	1,511,796	1,507,715
Appropriations receipts	18,676,471	28,158,942	30,749,373	31,826,963	32,930,341
Other	241,308	1,218,103	738,262	598,610	589,176
Total cash received	21,994,460	30,867,168	33,000,690	33,937,369	35,027,232
Cash used					
Grants	17,758,642	1,354,026	2,651,861	2,677,829	2,128,754
Borrowing costs	37,889	-	-	-	-
Cash to CRF	3,463,974	2,708,226	2,251,317	2,110,406	2,096,891
Other	335,572	26,804,916	28,097,512	29,149,134	30,801,587
Total cash used	21,596,077	30,867,168	33,000,690	33,937,369	35,027,232
Net cash from operating activities	398,383	-	-	-	-
Investing activities					
Cash received					
Repayment of advances	-	1,655,649	-	51,628	61,725
Consolidated revenue fund	15,215	1,722,303	6,535	4,373	4,373
Other	145,869	-	-	-	-
Total cash received	161,084	3,377,952	6,535	56,001	66,098
Cash used					
Advances made	-	1,707,579	-	-	-
Purchase of equity instruments	-	14,724	6,535	4,373	4,373
Consolidated revenue fund	-	1,655,649	-	51,628	61,725
Other	308,554	-	-	-	-
Total cash used	308,554	3,377,952	6,535	56,001	66,098
Net cash from investing activities	(147,470)	-	-	-	-
Financial activities					
Cash received					
Proceeds from borrowings	-	13,111	6,920	5,136	5,136
Total cash received	-	13,111	6,920	5,136	5,136
Cash used					
Other	-	13,111	6,920	5,136	5,136
Total cash used	-	13,111	6,920	5,136	5,136
Net cash from financing activities	-	-	-	-	-
Net increase/(decrease) in cash held	250,913	-	-	-	-
Add cash as at 1 July	12,781	2,614	2,614	2,614	2,614
Cash as at 30 June	263,694	2,614	2,614	2,614	2,614

Table 3.4: Capital budget statement

	Actual 1999-00 $'000	Revised budget 2000-01 $'000	Estimated 2001-02 $'000	2002-03 $'000	2003-04 $'000
DEPARTMENTAL					
Total loans	775	-	-	-	-
Total equity injections	3,763	-	-	-	-
Total capital appropriations	4,538	-	-	-	-
Represented by					
Purchase of non-current assets	775	-	-	-	-
Other	3,763	-	-	-	-
	4,538	-	-	-	-
Purchase of non-current assets					
Funded by capital appropriations	775	-	-	-	-
Funded internally by departmental resources	588	11,562	3,235	2,000	3,500
Total departmental	1,363	11,562	3,235	2,000	3,500
ADMINISTERED					
Total equity injections	15,215	17,224	9,035	6,873	6,873
Total loans	-	-	-	-	-
Total capital appropriations	15,215	17,224	9,035	6,873	6,873
Represented by					
Purchase of non-current assets	-	-	-	-	-
Other	15,215	17,224	9,035	6,873	6,873
Total items	15,215	17,224	9,035	6,873	6,873
Administered financial assets funded by special appropriations					
Administered capital	293,340	1,720,690	6,920	5,136	5,136
Represented by					
Purchase of non-current assets	-	-	-	-	-
Other	293,340	1,720,690	6,920	5,136	5,136
Total items	293,340	1,720,690	6,920	5,136	5,136

NOTES TO THE FINANCIAL STATEMENTS

Basis of accounting

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

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

Departmental

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

There are no substantial variations to the notes outlined in the *2000-01 Portfolio Budget Statements* and *The Treasury Annual Report 1999-2000*.

Administered

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

There are no substantial variations to the notes outlined in the *2000-01 Portfolio Budget Statements* and *The Treasury Annual Report 1999-2000*.

Appendix 1

Non-appropriation departmental and administered revenue

	Budget estimate 2000-01 $'000	Revised estimate 2000-01 $'000
DEPARTMENTAL REVENUE		
Departmental section 31 receipts	3,062	2,879
Royal Australian Mint revenue	33,242	30,419
Total non-appropriation departmental revenue	36,304	33,298
Appropriations	71,913	74,182
Total departmental revenue	108,217	107,480
ADMINISTERED REVENUE		
A New Tax System (Commonwealth-State Financial Arrangements) Act 1999 - GST revenue payments	(24,052,566)	(26,302,565)
A New Tax System (Commonwealth-State Financial Arrangements) Act 1999 - Revenue replacement payments	(363,239)	(434,848)
Bank dividends	900,000	803,000
Financial sector supervisory levies	61,040	62,007
Foreign Exchange Gains	-	70,608
GST Administration Fee	-	993,467
Housing Loans Insurance Corporation - recoveries from old book stock and premiums	25,536	25,536
Monitoring of the prices of certain mild products	-	500
Other	9,717	11,123
Postal services regulation	1,000	1,000
Receipts under the *International Monetary Agreements Act 1947*	82,744	82,982
Royal Australian Mint and Coinage Trust Account - moneys in excess of requirements	62,500	75,200
Seigniorage payments - Gold Corporation	700	1,631
Total non-appropriation administered revenue	(23,272,568)	(24,610,359)
Appropriations	26,179,979	28,157,029
Total administered revenue	2,907,411	3,546,670

Appendix 2

Estimates from special appropriations

	Budget estimate	Revised estimate
	2000-01	2000-01
	$'000	$'000
International Monetary Agreements Act 1947	46,219	50,738
A New Tax System (Commonwealth-State Financial Arrangements) Act 1999	25,916,129	27,878,437
Total estimated appropriations	25,962,348	27,929,175