

AUSTRALIAN TAXATION OFFICE

Section 1: Overview, Appropriations and Budget Measures Summary

OVERVIEW

The role of the Australian Taxation Office (ATO) is to manage and shape taxation, excise and superannuation systems that give effect to social and economic policy and fund services for Australians. Through these systems the ATO is the Government's principal revenue collection agency. In 2000-01, the ATO will collect 96 per cent of the Government's revenue on behalf of the Australian community.

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

- Private Health Insurance;
- Family Assistance;
- the Australian Valuation Office;
- the Development Allowance Authority; and
- cross-agency support, such as working with Centrelink to reduce benefit fraud, and with the Australian Bureau of Statistics to reduce the cost to the community of collecting statistics.

APPROPRIATIONS

The total appropriation for the ATO in the 2000-01 Budget is \$4,670.2 million. Table 1.1, on the following page, shows the total appropriations by administered expenses, price of output appropriation and agency capital (equity injections and loans).

Part C: Agency Budget Statements — ATO

Australian Taxation Office — Appropriations 2000-01

Table 1.1: Appropriations (\$'000)

Outcomes	Agency (Price of Outputs)					Administered				
	Revenue from Government (Appropriations)		Revenue from Other Sources ^(a)	Price of Outputs		Annual Appropriations		Special Approps ^(b)	Total Administered Appropriations	Total Appropriations
	Bill No. 1	Special Approps				Bill No. 1	Bill No. 2 (SPPs & NAOs)			
	(A)	(B)	(C=A+B)	(D)	(E= C+D)	(F)	(G)	(H)	(I= F+G+H)	(J= C+I)
Outcome 1 — Effectively managed and shaped systems that support and fund services for Australians and give effect to social and economic policy through the tax system	1,713,118	-	1,713,118	87,257	1,800,375	-	-	2,898,646	2,898,646	4,611,764
Total	1,713,118	-	1,713,118	87,257	1,800,375	-	-	2,898,646	2,898,646	4,611,764
Agency Capital (Equity Injections and Loans)										58,421
Administered Capital										-
Total Appropriations										4,670,185

(a) Revenue from Other Sources includes other revenue from Government (for example, resources free of charge) and revenue from sources other than Government (for example, sales of goods and services).

(b) Estimated expenses from individual Special Appropriations are shown in Appendix 2 of Section 3.

BUDGET MEASURES — AUSTRALIAN TAXATION OFFICE**Table 1.2a: Summary of Measures in the 2000-01 Budget**

Measure	Outcome	Output Groups Affected	Appropriations Budget 2000-01 (\$'000)			Appropriations Forward Estimate 2001-02 (\$'000)			Appropriations Forward Estimate 2002-03 (\$'000)			Appropriations Forward Estimate 2003-04 (\$'000)		
			Administ'd Expenses	Agency Outputs	Total	Administ'd Expenses	Agency Outputs	Total	Administ'd Expenses	Agency Outputs	Total	Administ'd Expenses	Agency Outputs	Total
Business Tax Reform — Expense	1	1.1	-	20,608	20,608	-	22,876	22,876	-	-	-	-	-	-
Business Tax Reform— Capital	1	1.1	-	17,195	17,195	-	21,124	21,124	-	-	-	-	-	-
Administration of the Fuels sales grants scheme — Expense	1	1.1	-	9,535	9,535	-	-	-	-	-	-	-	-	-
Administration of the Fuels sales grants scheme — Capital	1	1.1	-	1,718	1,718	-	-	-	-	-	-	-	-	-
Fuels sales grants scheme — Administered Expense	1	1.1	110,000	-	110,000	120,000	-	120,000	125,000	-	125,000	135,000	-	135,000

Note: Administered revenue measures are not attributed to agencies and are reported in *Budget Paper No.2*.

Table 1.2b: Summary of Post MYEFO Measures

Measure	Outcome	Output Groups Affected	Post MYEFO Measures 1999-00 (\$'000)		
			Administ'd Expenses	Agency Outputs	Total
Business tax reform — Expense	1	1.1	-	20,000	20,000
Administration of the Fuels sales grants scheme — Expense	1	1.1	-	3,200	3,200
Administration of the Fuels sales grants scheme — Capital	1	1.1	-	5,162	5,162

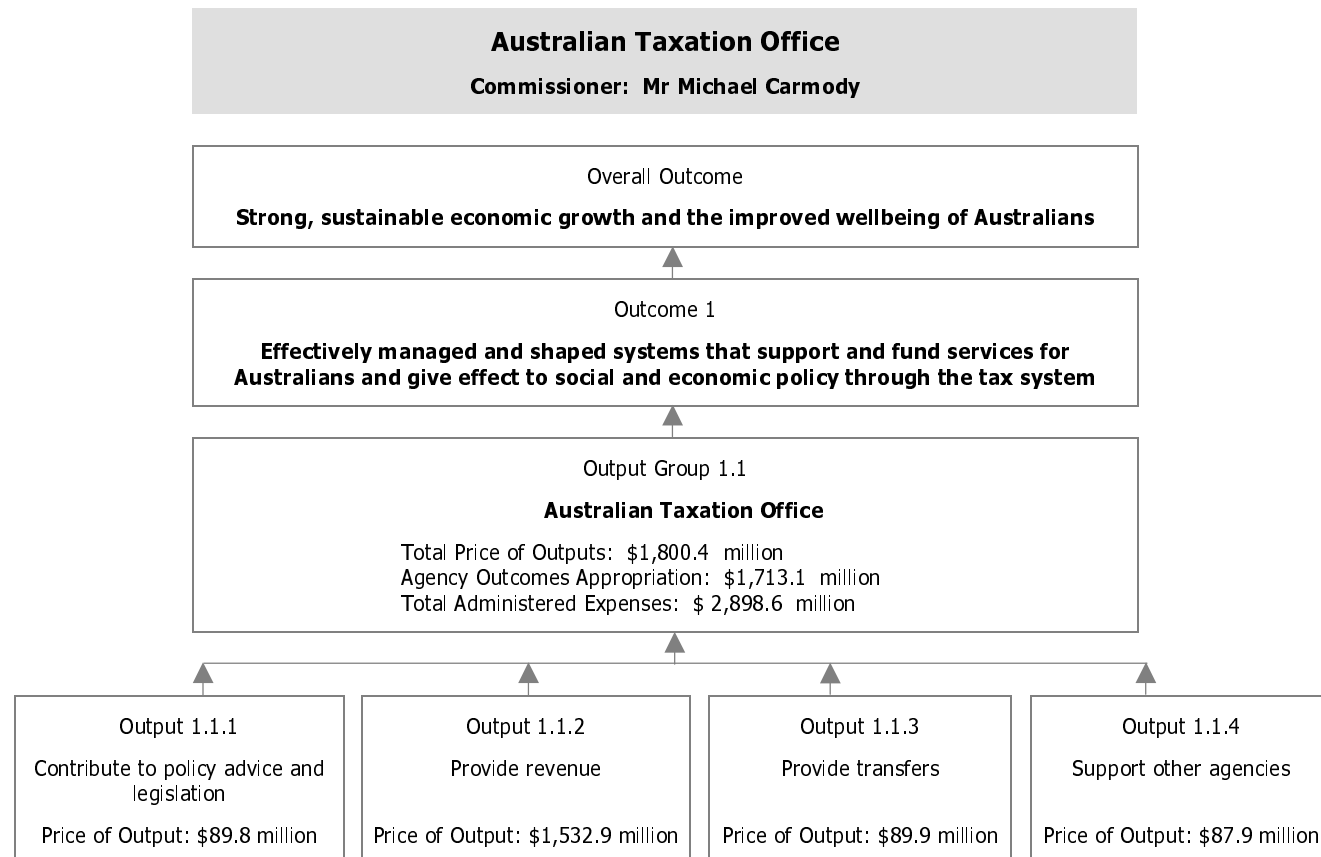
ADMINISTERED CAPITAL AND AGENCY CAPITAL (EQUITY INJECTIONS AND LOANS)

ATO's agency capital appropriation including equity injections and loans are detailed in Table 3.4.

Section 2: Outcomes and Outputs Information

OUTCOMES AND OUTPUT GROUPS

The map on the following page shows the relationship between Government outcomes and the contributing outputs for the ATO. Financial detail for Outcome 1 by output appears in Table 2.1 while non-financial information for Outcome 1 appears in Table 2.2.



CHANGES TO OUTCOMES AND OUTPUTS

There are no proposed changes in outcomes or outputs since the previous year.

OUTCOME 1

Effectively managed and shaped systems that support and fund services for Australians and give effect to social and economic policy through the tax system

There is a single Government outcome relating to the ATO which is ‘effectively managed and shaped systems that support and fund services for Australians and give effect to social and economic policy through the tax system’.

In this context, ‘effectively managed and shaped’ means how well the ATO manages and shapes:

- compliance;
- costs of compliance; and
- community confidence;

within the taxation, excise and superannuation systems while doing so as an efficient and adaptive organisation.

MEASURES AFFECTING OUTCOME 1

Business Tax Reform— Expense

The Government will provide the Australian Taxation Office (ATO) with funding to meet the administrative and systems costs for implementing the Business Taxation Reform measures including an additional \$20 million in 1999-2000 to assist business to implement the new arrangements. This funding will assist the ATO in designing and developing legislation, along with the development of its business processes which flow from the implementation of the Government’s business tax reforms. It will also be used to train ATO staff in the new policy, law and work procedures.

This is a cross agency measure between the Australian Taxation Office and the Department of the Treasury.

Business Tax Reform — Capital

The Government will provide the Australian Taxation Office (ATO) with a capital injection to meet the costs of developing the necessary information technology systems required to implement the Business Taxation Reform measures. A range of ATO business processes and computer systems will need to be redeveloped, including significant changes to many of the ATO's major mainframe computer systems such as Electronic Lodgement Service and the National Taxpayer System which generates income tax assessments.

The Review of Business Taxation led by Mr John Ralph AO titled *A Tax System Redesigned* (the Report), was released to the public on 21 September 1999. The Government's response was announced in two stages on 21 September 1999 and 11 November 1999. The reforms arising from this Report will be implemented primarily by the ATO.

Administration of the Fuels sales grants scheme — Expense

From 1 July 2000 the Government will introduce a tiered grants scheme which will be paid to retailers of petrol and diesel in non-metropolitan and remote regions. This scheme will be administered by the Australian Taxation Office. Funding under this measure will contribute towards staffing and other implementation costs. The Government has provided the ATO with an additional \$3.2 million in 1999-2000 to implement the scheme.

Administration of the Fuels sales grants scheme — Capital

From 1 July the Government will introduce a tiered grants scheme which will be paid to retailers of petrol and diesel. This scheme will be administered by the Australian Taxation Office.

The Government will provide the Australian Taxation Office with funding for computer software and systems development for the administration of the Fuels sales grants scheme. This funding includes \$5.2 million in 1999-2000.

Fuels sales grants scheme — Administered Expense

From 1 July 2000 the Government will introduce a tiered grants scheme which will be paid to retailers of petrol and diesel. A grant will be paid for sales to consumers in non-metropolitan areas with a higher rate of grant provided for sales in remote areas. Petrol and diesel prices are generally higher in non-metropolitan and remote areas compared with metropolitan areas. The grants scheme will help address the divergence in fuel prices between the cities and regional areas.

As part of the *A New Tax System* package, the Government will also reduce excise on petrol and diesel so the pump price of these commodities for consumers need not rise. Taken together, these measures will ensure that the Government's commitment that the price of petrol for consumers need not rise as a result of the introduction of the GST is met.

The Government will continue to monitor fuel prices in the lead up to 1 July 2000 to set the grants rate. Further details on the exact entitlement to the grant scheme along with the grant breaks will be announced before 1 July 2000 and will be prescribed in regulations to the legislation.

OUTCOME 1 — RESOURCING

Table 2.1 shows how the 2000-01 appropriations translate to total resourcing for Outcome 1.

Table 2.1: Total Resources for Outcome 1

	Estimated Actual 1999-00 (\$'000)	Budget Estimate 2000-01 (\$'000)
Administered appropriations		
Special appropriations	1,720,200	2,898,646
Total administered expenses	1,720,200	2,898,646
Agency appropriations		
Output group 1.1		
Output 1.1.1 — Contribute to policy advice and legislation	86,544	89,768
Output 1.1.2 — Provide revenue	1,437,371	1,532,885
Output 1.1.3 — Provide transfers	87,132	89,850
Output 1.1.4 — Support other agencies	89,424	87,872
Subtotal output group 1.1	1,700,471	1,800,375
Total revenue from Government (appropriations) contributing to price of agency outputs	1,657,012 97.4%	1,713,118 95.2%
Revenue from other sources		
Output 1.1.1 — Contribute to policy advice and legislation	1,700	1,700
Output 1.1.2 — Provide revenue	-	-
Output 1.1.3 — Provide transfers	12,874	17,855
Output 1.1.4 — Support other agencies	69,343	67,702
Total revenue from other sources	83,917	87,257
Total price of agency outputs <i>(Total revenue from Government and from other sources)</i>	1,740,929	1,800,375
Total estimated resourcing for outcome 1 <i>(Total price of outputs and admin expenses)</i>	3,461,129	4,699,021
	1999-00	2000-01
Average staffing levels (number)	15,111	18,355

Note: Special Administered Appropriations are itemised at Appendix 2. The Australian Valuation Office, formerly reported under the Commercial Activities Fund, is included in Output 1.1.4.

OUTCOME 1 — CONTRIBUTION OF OUTPUTS

Justification for the choice of the outputs to achieve Outcome 1 is described in Table 2.2 below. The table provides information on the measures chosen to deliver Outcome 1, and shows the links between the outputs and the outcome.

There are four distinct outputs that contribute to Outcome 1:

- Contribution to policy advice and legislation supports the formulation of effective taxation policy and the reflection of that policy in legislation and includes provision of Ministerial and Parliamentary Services;
- Revenue contributes to effective taxation arrangements through managing and shaping taxation systems that collect taxation revenue effectively and efficiently which, in turn, maintains community confidence in the taxation system;
- Transfers effect the movement of money to support government redistribution and savings initiatives such as Retirement Income and Family Initiatives; and
- Cross agency support provides services, such as data matching and the provision of statistical information to other agencies (not involving moneys).

PERFORMANCE INFORMATION FOR OUTCOME 1

Table 2.2: Performance Information 2000-01

Effectiveness — Overall achievement of the outcome

Deliver to Government

Agreed outputs	Quantity, quality and cost measures for: - Contribution to policy advice and legislation; - Revenue; - Transfers; and - Cross Agency Support. See next page for details.
Maintain overall compliance	Collection of budgeted revenue; Develop and implement maintenance strategies in a range of compliance areas while targeting improvements in 'hot spots'; Target and integrate compliance activities; Embed compliance with GST and use intelligence to support other compliance activities; Maintain Superannuation Guarantee compliance activities; and Enter into co-operative arrangements with other agencies for cross agency support and transfers.
Tax design capability	Build an end-to-end capability which integrates the policy, legislative and administrative aspects of systems design.
Tax Reform	Educate and support the community in getting ready for tax reform; Co-design new tax systems with key stakeholders; and Tax reform is effectively implemented on time.
Maintain community confidence	Leverage community understanding of ATO and the tax system; and Meeting ATO commitments in the Taxpayers' Charter to deliver fair and equitable administration of the law.
Minimise compliance costs	Minimise client compliance costs (within the ATO's control); and Advise Government of the cost of compliance impact of legislative design.
Efficient, adaptive organisation	Manage financial resources and investments to build an efficient and adaptive ATO; Deliver quality products and services to internal customers; Excel at those processes that are key to achieving ATO goals and outputs; and Continue to learn, and develop our people, culture, supporting systems and a safe workplace.

Table 2.2: Performance Information 2000-01 (continued)**Performance information for agency outputs****Output group 1.1 — Australian Taxation Office****Output 1.1.1 — Contribution to policy advice and legislation**

Includes conducting strategic research/risk assessment

Provide policy advice, design and develop legislation

Provide Ministerial and Parliamentary Services.

Quantity Measures

Capacity to predict and manage risks; legislation delivered according to government programmes; costings/estimates delivered to anticipated volume; and volume of services delivered.

Quality Measures

Strategic intelligence — no significant risks remain unaddressed; quality of legislation including consistency with policy, legislation and administration principles; accuracy of revenue estimates — current standard maintained; and client satisfaction with services provided.

Output 1.1.2 — Revenue

Includes Direct Revenue which includes Gross PAYG, Medicare Levy, Individual refunds, companies superannuation funds (including Superannuation Contributions Surcharge), withholding taxes, petroleum resource rent tax and Fringe Benefits Tax.

Indirect Revenue includes Sales Tax^(a) (including Alcohol Surcharge), Excise, GST, Wine Equalisation Tax and Luxury Car Tax.

Quantity Measures

Tax collected as a percentage of estimate — current standard maintained.

Quality Measures

Percentage of tax collected on time — current standard maintained, the level of overdue debt as a percentage of total collectable debt is reduced, technical quality of advice maintained, Charter service standards maintained, improved professionalism in field operations and debt collection and maintenance of community confidence.

Output 1.1.3 — Transfers

Includes all movement of moneys (value) that are not classed as Revenue including tax expenditures, diesel fuel rebate, Family Assistance Initiatives (Private Health Insurance, Family Tax Benefit and Aged Persons Savings Bonus), HECS, Retirements Incomes Framework (including Compulsory Super, SHAR, Choice, Lost Members), Self Managed Super Funds, refund garnishees – transfers for example, Centrelink, DETYA and the CSA; and wool tax.

Quantity Measures

Monetary value of expenditure, outlay, transfers, refunds, number of obligated employers and the number of funds regulated (from 2000-01).

Quality Measures

As for revenue (same measure), Charter service standards maintained, technical quality maintained and achievement of measures as specified in MOUs with other agencies.

Table 2.2: Performance Information 2000-01 (continued)

Performance information for agency outputs

Output 1.1.4 — Cross Agency Support

Includes services to other organisations that do not involve movement of moneys (administered funds). Includes the transfer of statistical information, data matching, information to law enforcement agencies, tax technical advice to other Government agencies, support for tax agents board and CSA.

Quantity Measures

Quantity of output is as determined by agreement with clients and measures as specified in MOUs with other agencies.

Quality Measures

Measures as specified in MOUs with other agencies.

(a) To be abolished 1 July 2000.

Evaluations

The Australian National Audit Office (ANAO) and ATO Internal Audit have a rolling program of issues that are audited during the financial year. Other issues are evaluated within the ATO during the financial year as required.

Competitive Tendering and Contracting

The ATO has continued with its Competitive Tendering and Contracting process across a wide range of its activities. Savings anticipated from the outsourcing of the ATO's information technology infrastructure have been factored into the price that Government is paying for ATO outputs. As part of the ATO's Performance Improvement and CTC strategy, functions continue to be benchmarked and expenditure reduced to benchmark levels. These other functions include data capture and management, provision of technical advice and audit, property services and regional copying and forms storage and distribution.

Section 3: Budgeted Financial Statements

The budgeted financial statements will form the basis of the financial statements that will appear in the Australian Taxation Office 2000-01 Annual Report, and for the input into the Whole of Government Accounts. The financial statements should be read in conjunction with the accompanying notes.

The financial statements are prepared consistent with GST accounting requirements, as outlined by the Urgent Issues Group (UIG) of the Australian Accounting Research Foundation. The UIG consensus requires that expenses and assets be accounted for net of recoverable GST, revenues be accounted for net of GST payable and that cash flows and accounts payable and receivable are reported gross. Appropriations are thus net of recoverable GST amounts.

Budget Statement of Revenues and Expenses (Budget Operating Statement)

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

Budget Statement of Assets and Liabilities (Budget Balance Sheet)

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

Budget Cash Flow Statement

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

Capital Budget Statement

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

Non-financial Assets — Summary of Movement

This statement shows the movement in the ATO's non-financial assets over the Budget year 2000-01.

**Table 3.1: Agency Budget Statement of Revenues and Expenses
(for the period ended 30 June)**

	Estimated Actual 1999-00 \$'000	Budget Estimate 2000-01 \$'000	Forward Estimate 2001-02 \$'000	Forward Estimate 2002-03 \$'000	Forward Estimate 2003-04 \$'000
Operating revenue					
Revenues from Government	1,657,012	1,713,118	1,604,390	1,566,054	1,546,439
Sales of goods and services	79,417	80,757	77,933	76,012	76,336
Interest	4,500	6,500	6,500	6,500	6,500
Total operating revenues (before abnormal items)	1,740,929	1,800,375	1,688,823	1,648,566	1,629,275
Operating expenses					
Employees	1,046,036	1,165,271	1,087,166	1,001,721	995,012
Suppliers	597,491	602,919	498,194	521,488	498,908
Depreciation and amortisation	56,899	65,713	97,315	113,402	121,858
Interest	45	46	46	46	46
Total operating expenses	1,700,471	1,833,949	1,682,721	1,636,657	1,615,824
Operating surplus or deficit before abnormal and extraordinary items	40,458	-33,575	6,101	11,909	13,451
Operating surplus or deficit after abnormal and extraordinary items	40,458	-33,575	6,101	11,909	13,451
Capital use charge paid	-	2,746	8,315	11,723	12,475
Operating surplus or deficit after abnormal and extraordinary items and CUC	40,458	-36,320	-2,214	186	976

**Table 3.2: Agency Budget Statement of Assets and Liabilities
(as at 30 June)**

	Estimated Actual 1999-00 \$'000	Budget Estimate 2000-01 \$'000	Forward Estimate 2001-02 \$'000	Forward Estimate 2002-03 \$'000	Forward Estimate 2003-04 \$'000
Assets					
Financial assets					
Cash	127,179	41,960	98,964	185,011	238,126
Receivables	13,392	16,309	15,857	15,550	15,601
Accrued revenues	2,354	2,354	2,354	2,354	2,354
Lease incentives provided	2,780	2,520	1,791	1,375	1,145
Other	398	5,906	5,331	5,165	4,906
Total financial assets	146,103	69,049	124,297	209,455	262,132
Non-financial assets					
Land and buildings	1,467	1,464	1,461	1,458	1,455
Infrastructure, plant and equipment	125,148	161,657	145,313	141,212	122,201
Intangibles	105,684	173,756	202,838	170,993	161,144
Other	14,031	14,240	14,449	14,658	14,867
Total non-financial assets	246,329	351,117	364,061	328,321	299,665
Total assets	392,433	420,166	488,358	537,776	561,799
Liabilities					
Debt					
Loans	500	500	500	500	500
Leases	40,027	27,320	16,083	10,357	6,024
Total debt	40,527	27,820	16,583	10,857	6,524
Provisions and payables					
Employees	310,689	323,317	356,290	383,057	410,328
Suppliers	41,009	40,960	40,960	40,960	40,960
Total provisions and payables	351,698	364,277	397,250	424,017	451,288
Total liabilities	392,225	392,097	413,833	434,874	457,812
Equity					
Capital	120,532	179,08/8	222,133	244,700	244,808
Reserves	6,455	12,080	17,705	23,330	23,330
Accumulated surplus or deficit	-126,779	-163,099	-165,313	-165,128	-164,151
Total equity	208	28,069	74,525	102,902	103,987

**Table 3.3: Agency Budget Cash Flow Statement
(for the period ended 30 June)**

	Estimated Actual 1999-00 \$'000	Budget Estimate 2000-01 \$'000	Forward Estimate 2001-02 \$'000	Forward Estimate 2002-03 \$'000	Forward Estimate 2003-04 \$'000
<i>Operating activities</i>					
Cash received					
Appropriations for outputs	1,657,012	1,713,118	1,604,390	1,566,054	1,546,439
Sales of goods and services	52,734	78,130	78,665	76,581	76,569
Interest	4,500	6,500	6,500	6,500	6,500
Other	-	-	5,508	4,933	4,767
Total cash received	1,714,246	1,797,748	1,695,063	1,654,068	1,634,275
Cash used					
Employees	1,020,110	1,155,151	1,056,018	975,678	969,137
Suppliers	604,326	620,629	513,890	531,890	507,774
Other	100	-	-	-	-
Total cash used	1,624,536	1,775,780	1,569,908	1,507,498	1,476,911
Net cash from operating activities	89,710	21,968	125,155	146,570	157,364
<i>Investing activities</i>					
Cash received					
Proceeds from sales of property, plant and equipment	19,008	-	-	-	-
Total cash received	19,008	-	-	-	-
Cash used					
Purchase of PP&E and Intangibles	106,963	162,862	102,780	71,263	91,774
Total cash used	106,963	162,862	102,780	71,263	91,774
Net cash from investing activities	-87,955	-162,862	-102,780	-71,263	-91,774
<i>Financing activities</i>					
Cash received					
Capital injections	117,991	58,421	42,944	22,463	-
Total cash received	117,991	58,421	42,944	22,463	-
Cash used					
Capital use and dividends paid	-	2,746	8,315	11,723	12,475
Total cash used	-	2,746	8,315	11,723	12,475
Net cash from financing activities	117,991	55,675	34,629	10,740	-12,475
Net increase in cash held	119,746	-85,219	57,004	86,047	53,115
Cash at the beginning of the reporting period	7,433	127,179	41,960	98,964	185,011
Cash at the end of the reporting period	127,179	41,960	98,964	185,011	238,126

Table 3.4: Agency Capital Budget Statement (for the period ended 30 June)

	Estimated Actual 1999-00 \$'000	Budget Estimate 2000-01 \$'000	Forward Estimate 2001-02 \$'000	Forward Estimate 2002-03 \$'000	Forward Estimate 2003-04 \$'000
Capital appropriations					
Total equity injections	93,731	58,421	42,944	22,463	-
Total loans	-	-	-	-	-
Appropriation of previous year's carryover	19,822	4,438	-	-	-
Represented by					
Purchase of non-current assets	113,553	62,859	42,944	22,463	-
Other	-	-	-	-	-
Total	113,553	62,859	42,944	22,463	-
Purchase of non-financial assets					
Funded by capital appropriations	113,553	62,859	42,944	22,463	-
Funded internally by agency resources	-	107,433	67,106	54,991	92,993
	113,553	170,292	110,050	77,454	92,993

Part C: Agency Budget Statements — ATO

Table 3.5: Agency Non-financial Assets — Summary of Movement

	Land	Buildings	Total Land and Buildings	Other Infrastructure, Plant and Equipment	Total Infrastructure, Plant and Equipment	Intangibles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Gross value							
<i>As at 1 July 2000 (opening)</i>	709	800	1,509	336,720	336,720	151,099	489,328
Additions	-	-	-	65,027	65,027	99,842	164,869
Disposals	-	-	-	-	-	-	-
Other movements	-	-	-	5,625	5,625	-	5,625
<i>As at 30 June 2001 (closing)</i>	709	800	1509	407,372	407,372	250,941	659,822
Accumulated depreciation							
<i>As at 1 July 2000 (opening)</i>	-	42	42	211,572	211,572	45,415	257,029
Disposals	-	-	-	-	-	-	-
Charge for the reporting period	-	3	3	34,143	34,143	31,770	65,916
Other movements	-	-	-	-	-	-	-
<i>As at 30 June 2001 (closing)</i>	-	45	45	245,715	245,715	77,185	322,945
Net book value as at 30 June 2001 (Closing book value)	709	755	1,464	161,657	161,657	173,756	336,877
Net book value as at 1 July 2000 (Opening book value)	709	758	1,467	125,148	125,148	105,684	232,299
Total additions							
Self funded	-	-	-	53,930	53,930	48,080	102,010
Appropriations	-	-	-	11,097	11,097	51,762	62,859
Total	-	-	-	65,027	65,027	99,842	164,869

Table 3.6: Statement of Administered Revenues and Expenses

	Estimated Actual 1999-00 \$'000	Budget Estimate 2000-01 \$'000	Forward Estimate 2001-02 \$'000	Forward Estimate 2002-03 \$'000	Forward Estimate 2003-04 \$'000
Operating revenues					
Taxation					
Income tax	112,617,038	112,781,068	116,471,069	123,752,655	133,594,284
Other indirect tax	16,550,769	2,057,712	833,000	877,000	903,000
GST (a)	-	24,052,566	28,029,178	29,083,285	30,737,235
Fringe Benefits Tax	3,640,000	3,980,000	4,210,000	4,350,000	4,490,000
Excise	19,946,189	20,206,680	20,807,300	21,595,469	22,372,407
Total taxation	152,753,996	162,928,026	170,350,547	179,658,409	192,096,926
Non-taxation					
Revenues from government	1,720,200	2,898,646	3,192,325	3,360,183	3,503,055
Other sources of non-taxation revenues	469,400	525,000	467,100	442,000	442,000
Total non-taxation	2,189,600	3,423,646	3,659,425	3,802,183	3,945,055
Total operating revenues	154,943,596	166,351,672	174,009,972	183,460,592	196,041,981
Operating expenses					
Interest	120,000	120,000	120,000	120,000	120,000
Net writedown of assets	627,000	557,000	591,000	610,000	651,000
Benefits & subsidies	1,560,000	2,738,446	3,032,125	3,199,983	3,342,855
Other	40,200	40,200	40,200	40,200	40,200
Total operating expenses	2,347,200	3,455,646	3,783,325	3,970,183	4,154,055
Net contribution or cost to the budget outcome	152,596,396	162,896,026	170,226,647	179,490,409	191,887,926
Transfers to the official public account	-151,280,411	-158,972,426	-171,979,281	-181,144,409	-192,186,926
Net surplus or deficit	1,315,985	3,923,600	-1,752,634	-1,654,000	-299,000

(a) The GST revenue collected by the Commonwealth is passed in full to the States and Territories. This is recorded as negative revenue in the Department of the Treasury's financial statements representing the payment of GST revenue to the States. (For further information see Page 38 in the Department of the Treasury's notes to the financial statements).

Table 3.7: Statement of Administered Assets and Liabilities

	Estimated Actual 1999-00 \$'000	Budget Estimate 2000-01 \$'000	Forward Estimate 2001-02 \$'000	Forward Estimate 2002-03 \$'000	Forward Estimate 2003-04 \$'000
Assets					
Financial assets					
Cash	200,000	200,000	200,000	200,000	200,000
Receivables	5,776,478	9,700,078	7,947,444	6,293,444	5,994,444
Investments	2,541	2,541	2,541	2,541	2,541
Total financial assets	5,979,019	9,902,619	8,149,985	6,495,985	6,196,985
Total assets	5,979,019	9,902,619	8,149,985	6,495,985	6,196,985
Liabilities					
Other	209,997	209,997	209,997	209,997	209,997
Total provisions and payables	209,997	209,997	209,997	209,997	209,997
Total liabilities	209,997	209,997	209,997	209,997	209,997
Accumulated surplus or deficits	5,769,022	9,692,622	7,939,988	6,285,988	5,986,988
Total equity	5,769,022	9,692,622	7,939,988	6,285,988	5,986,988
Current liabilities	209,997	209,997	209,997	209,997	209,997
Non-current liabilities	-	-	-	-	-
Current assets	5,979,019	9,902,619	8,149,985	6,495,985	6,196,985
Non-current assets	-	-	-	-	-

Table 3.8: Administered Cash Flow Statement

	Estimated Actual 1999-00 \$'000	Budget Estimate 2000-01 \$'000	Forward Estimate 2001-02 \$'000	Forward Estimate 2002-03 \$'000	Forward Estimate 2003-04 \$'000
Operating activities					
Cash received					
Taxes, fees and fines	150,846,996	158,070,026	171,512,181	180,702,409	191,744,926
Appropriations	1,720,200	2,898,646	3,192,325	3,360,183	3,503,055
Other	92,000	902,400	467,100	442,000	442,000
Total cash received	152,659,196	161,871,072	175,171,606	184,504,592	195,689,981
Cash used					
Cash to official public account	151,280,411	158,972,426	171,979,281	181,144,409	192,186,926
Other	1,720,200	2,898,646	3,192,325	3,360,183	3,503,055
Total cash used	153,000,611	161,871,072	175,171,606	184,504,592	195,689,981
Net cash from operating activities	-341,415	-	-	-	-
Net increase in cash held	-341,415	-	-	-	-
Cash at beginning of reporting period	541,415	200,000	200,000	200,000	200,000
Cash at end of reporting period	200,000	200,000	200,000	200,000	200,000

NOTES TO THE FINANCIAL STATEMENTS

Notes to the Agency Statements

Details of Agency items in the financial statements included in Table 3.1 to 3.5 have been prepared in accordance with Schedule 2 of the Finance Minister's Orders for 1997-98.

The budget statements and estimated forward years have been prepared to reflect the following matters.

Cost of Administering Goods and Services Tax

Agency statements for 2000-01 and forward years include the estimated costs of administering the proposed Goods and Services Tax on behalf of the States and Territories of Australia.

Costs of Administering Other Tax Reform Proposals

Agency statements for 2000-01 and forward years include a cost estimated for taxation reform proposals announced by the Government as part of *A New Tax System* or the result from the Government's response to the recommendations made by the Review of Business Taxation.

Notes to the Administered Statements

Details of Administered items in the financial statements included in Table 3.6 to 3.8 have been prepared in accordance with Schedule 2 of the Finance Ministers Orders for 1997-98. These statements incorporate a change in revenue recognition policy from prior years with no effect on the accumulated result.

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

Recognition of Taxation Revenue

For 1999-2000, 2000-01 and forward years administered taxation revenue has been brought to account on a year by year basis where:

- the identity of the taxpayer is certain;
- the amount of the liability or refund is certain;
- the liability or entitlement to a refund has been notified to the Commissioner or advised by the taxpayer;
- there is an intention on the part of the Commissioner to collect the liability; and

- there is a legislative intent by the Commonwealth to change the basis or application of taxation law.

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

- estimates of future collections or refunds from individuals in respect of income tax returns to be lodged for the current financial year ended at 30 June;
- estimates of instalments of tax and final payments for companies due after 30 June;
- estimates of final amounts for Petroleum Rent Resource Tax due after 30 June; and
- actual payments for Pay As You Earn, Pay As You Go, Wholesale Sales Tax, Goods and Services Tax, Excise, Prescribed Payments and Withholding Taxes for amounts collected or withheld in June but not remitted to the Commissioner until July.

Items Recognised as Reductions to Taxation Revenue

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

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

CROSS AGENCY OVERVIEW

For 2000-01 the ATO is entering into purchaser/provider arrangements with both the Department of Family and Community Services and the Department of Health and Aged Care which will see the ATO continuing to provide services to each of these departments to enable them to achieve their stated Outcomes.

The ATO will be providing services to the Department of Family and Community Services for the Family Assistance Office and the Child Support Agency.

The ATO will also be providing services to the Department of Health and Aged Care for the implementation of the Private Health Insurance Rebate.

Appendix 1

Non-appropriation Departmental and Administered Revenue

	Estimated Actual 1999-00 \$'000	Budget Estimate 2000-01 \$'000
External agency revenue	83,917	87,527
Total taxation revenue	152,753,996	162,928,026
<i>Superannuation Guarantee (Administration) Act 1992 —</i> shortfalls penalties and fines	80,000	80,000
Miscellaneous receipts	12,000	12,000
<i>Superannuation Guarantee (Supervision) Act 1993 —</i> Unclaimed moneys	200	200
GST administration charged to States	377,400	433,000
Total estimated revenue	153,307,513	163,540,753

Appendix 2

Estimates of Expenses from Special Appropriations

	Estimated Actual 1999-00 \$'000	Budget Estimate 2000-01 \$'000
Refunds of Receipts — <i>Taxation Administration Act 1953</i>	10,890,000	11,169,802
<i>Less</i> amount of refunds deducted from receipts items	-10,890,000	-11,169,802
Diesel fuel rebate	1,560,000	1,991,601
Conversion of diesel fuel credit scheme to diesel and alternative fuels grants scheme	-	622,145
Assistance for cellar door and mail order sales of wine	-	14,700
Fuels sales grants scheme	-	110,000
<i>Superannuation Guarantee (Administration) Act 1992 —</i> Distribution of Charges	40,000	40,000
<i>Superannuation Guarantee (Supervision) Act 1993 —</i> Repayments of unclaimed moneys	200	200
<i>Taxation Administration Act 1953 — Taxation (interest on overpayments and early payments) Act 1983</i>	120,000	120,000
Total estimated expenses	1,720,200	2,898,646