# PART C

## Agency Additional Estimates Statements

# DEPARTMENT OF THE TREASURY

## Section 1: Overview, variations and measures

### OVERVIEW

There has been no significant change to the overview included in the 2001-02 Portfolio Budget Statements (page 7).

### ADDITIONAL ESTIMATES AND VARIATIONS TO OUTCOMES

The Department of the Treasury is seeking $5.6 million in departmental outputs for HIH related expenses ($5 million) and for a review of competition provisions of the Trade Practices Act ($0.6 million) in Appropriation Bill (No. 3) 2001-02.

The Department of the Treasury is also seeking $194.998 million in administered expenses for the additional First Home Owners Scheme in Appropriation Bill (No. 4) 2001-02 and $0.179 million in Administered Capital associated with foreign exchange rate movements in Appropriation Bill (No. 4) 2001-02.

Explanations for these variations are detailed below.

### MEASURES

**Outcome 2 — Effective government spending and taxation arrangements**

| | 2001-02 ($'000) | 2002-03 ($'000) | 2003-04 ($'000) | 2004-05 ($'000) |
|---|---|---|---|---|
| **Outcome 2** | | | | |
| Phase-down of the additional First Home Owners Grant for new homes | 15,000 | 30,000 | 5,000 | - |

#### Phase-down of the additional First Home Owners Grant for new homes

On 17 December 2001, the Government announced that the additional $7,000 First Home Owners Grant for new homes (applying to contracts made between 9 March 2001 and 31 December 2001) would be phased-down at a rate of $3,000 for contracts made between 1 January 2002 and 30 June 2002. The Government also announced more liberal commencement and completion requirements for the additional grant.

This measure is expected to cost $50 million over three years.

## Outcome 3 — Well functioning markets

| | 2001-02 ($'000) | 2002-03 ($'000) | 2003-04 ($'000) | 2004-05 ($'000) |
|---|---|---|---|---|
| **Outcome 3** | | | | |
| Review of competition provisions under the Trade Practices Act | 600 | - | - | - |

## Review of competition provisions under the Trades Practice Act

The Government announced on 15 October 2001 an independent review of the competition provisions of the *Trade Practices Act 1974* and their administration. The $0.6 million will assist Treasury in establishing the review.

## OTHER VARIATIONS TO APPROPRIATIONS

### Departmental

Treasury is seeking an additional $5 million for HIH related expenses following the collapse of HIH. The government has agreed to provide additional funds for HIH related expenses including for press advertisements, and the establishment of a call centre and Internet site to advise and assist policyholders on their eligibility for assistance. This results in additional funding for departmental outputs in Appropriation Bill (No. 3) 2001-02 of $5 million.

### Administered

Treasury is seeking an additional $179.998 million for the Additional First Home Owners Scheme (FHOS) as a result of greater than anticipated demand for the program. The Government agreed to fund all expenditure on the additional FHOS incurred by the States and Territories as a result of the Government’s decision to increase the FHOS grant from $7,000 to $14,000 for eligible first home owners contracting between 9 March 2001 and 31 December 2001 to buy or build new homes. This was originally estimated to cost $90 million in 2001-02.

As a result of this and the phase-down measure, additional funds of $194.998 million are required under Appropriation Bill (No.4) 2001-02.

As a result of exchange rate movements additional funds of $0.179 million are required to cover payments to the European Bank for Reconstruction and Development (EBRD) and the Multilateral Investment Guarantee Agency (MIGA). This results in additional funding of $0.179 million for Administered Capital in Appropriation Bill (No. 4) 2001-02.

## Map 2: Outcomes and output groups for the agency

### Department of the Treasury

**Secretary: Dr Ken Henry**

| | |
|---|---|
| Total price of outputs: | $121.2 million |
| Departmental outcomes appropriation: | $87.4 million |
| Total administered appropriations: | $31,619.5 million |

Overall outcome

**Strong, sustainable economic growth and the improved wellbeing of Australians**

Outcome 1

**Sound macroeconomic environment**

| | |
|---|---|
| Total price of outputs: | $20.7 million |
| Dept outputs appropriation: | $20.2 million |
| Administered appropriations: | $37.5 million |

Output Group 1.1

**Economic**

- 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**

| | |
|---|---|
| Total price of outputs: | $36.7 million |
| Dept outputs appropriation: | $34.9 million |
| Administered appropriations: | $31,422.2 million |

Output Group 2.1

**Budget**

- Output 2.1.1 Budget policy advice and coordination
- Output 2.1.2 C'wealth - State financial policy advice
- Output 2.1.3 Industry policy advice
- Output 2.1.4 Taxation and income support policy advice
- Output 2.1.5 Actuarial services

Outcome 3

**Well functioning markets**

| | |
|---|---|
| Total price of outputs: | $63.8 million |
| Dept outputs appropriation: | $32.3 million |
| Administered appropriations: | $159.9 million |

Output Group 3.1

**Markets**

- Output 3.1.1 Foreign investment policy advice and administration
- 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

## MEASURES: AGENCY SUMMARY

**Table 1.1: Summary of measures since the 2001-02 Budget**

| Measure | Outcome | Output groups affected | Appropriations 2001-02 ($'000) | | | Appropriations 2002-03 ($'000) | | | Appropriations 2003-04 ($'000) | | | Appropriations 2004-05 ($'000) | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | Admin items | Dept outputs | Total | Admin items | Dept outputs | Total | Admin items | Dept outputs | Total | Admin items | Dept outputs | Total |
| Phase-down of the additional First Home Owners Grant for new homes | 2 | 2.2 | 15,000 | - | 15,000 | 30,000 | - | 30,000 | 5,000 | - | 5,000 | - | - | - |
| Review of competition provisions under the Trade Practices Act | 3 | 3.2 | - | 600 | 600 | - | - | - | - | - | - | - | - | - |
| Total | | | 15,000 | 600 | 15,600 | 30,000 | - | 30,000 | 5,000 | - | 5,000 | - | - | - |

## BREAKDOWN OF ADDITIONAL ESTIMATES BY APPROPRIATIONS BILL

### Table 1.2: Appropriation Bill (No. 3) 2001-02

| | 2000-01 available $'000 | 2001-02 budget $'000 | 2001-02 revised $'000 | Additional estimates $'000 | Reduced estimates $'000 |
|---|---|---|---|---|---|
| **ADMINISTERED ITEMS** | | | | | |
| **Outcome 2** | | | | | |
| Effective government spending and taxation arrangements | 10,063 | - | - | - | - |
| **Outcome 3** | | | | | |
| Well functioning markets | 16,000 | 12,000 | 12,000 | - | |
| **Total** | 26,063 | 12,000 | 12,000 | - | - |
| **DEPARTMENTAL OUTPUTS** | | | | | |
| **Outcome 1** | | | | | |
| Sound macroeconomic environment | 18,582 | 18,423 | 20,239 | 1,816 | - |
| **Outcome 2** | | | | | |
| Effective government spending and taxation arrangements | 29,064 | 36,002 | 34,909 | (1,093) | - |
| **Outcome 3** | | | | | |
| Well functioning markets | 26,534 | 27,384 | 32,261 | 4,877 | - |
| **Total** | 74,180 | 81,809 | 87,409 | 5,600 | - |
| **Total Administered and Departmental** | 100,243 | 93,809 | 99,409 | 5,600 | - |

Note: Variations of Additional Estimates between outcomes are a result of internal reallocations.

### Table 1.3: Appropriation Bill (No. 4) 2001-02

| | 2000-01 available $'000 | 2001-02 budget $'000 | 2001-02 revised $'000 | Additional estimates $'000 | Reduced estimates $'000 |
|---|---|---|---|---|---|
| **SPECIFIC PAYMENTS TO THE STATES AND TERRITORIES** | | | | | |
| **Outcome 2** | | | | | |
| Effective government spending and taxation arrangements | 13,500 | 104,200 | 299,198 | 194,998 | - |
| **Outcome 3** | | | | | |
| Well functioning markets | 139,266 | 147,900 | 147,900 | - | - |
| **Total** | 152,766 | 252,100 | 447,098 | 194,998 | - |
| **Equity injections and loans** | | | | | |
| Administered capital | 17,784 | 9,683 | 9,862 | 179 | - |
| **Total** | 170,550 | 261,783 | 456,960 | 195,177 | - |

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

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

| | Total approp 2001-02 budget $'000 | Total approp 2001-02 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 | 18,423 | 20,239 | 477 | 504 | 27 |
| **Outcome 2** | | | | | |
| Effective government spending and taxation arrangements | 36,002 | 34,909 | 2,109 | 1,749 | (360) |
| **Outcome 3** | | | | | |
| Well functioning markets | 27,384 | 32,261 | 31,011 | 31,557 | 546 |
| **Total** | 81,809 | 87,409 | 33,597 | 33,810 | 213 |

Note: Variations of non-government revenue between outcomes are a result of revised estimates and internal reallocations.

# 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 — 2001-02

The variation in funding is to a pre-existing output that will not affect the performance information under Outcome 1 since the 2001-02 Portfolio Budget Statements (page 15).

### Outcome 2 — Effective government spending and taxation arrangements

### Revised performance information and level of achievement — 2001-02

The variation in funding is to a pre-existing output that will not affect the performance information under Outcome 2 since the 2001-02 Portfolio Budget Statements (page 21).

### Outcome 3 — Well functioning markets

### Revised performance information and level of achievement — 2001-02

The variation in funding is to a pre-existing output that will not affect the performance information under Outcome 3 since the 2001-02 Portfolio Budget Statements (page 26).

# Section 3: Budgeted Financial Statements

## Budgeted departmental statement of financial performance

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

## Budgeted departmental statement of financial position

This statement shows the financial position of the Department of the Treasury. It helps decision-makers to track the management of assets and liabilities.

## Budgeted departmental statement of cash flows

Budgeted cash flows, as reflected in the statement of cash flows, provide important information on the extent and nature of cash flows by categorising them into expected cash flows from operating activities, investing activities and financing activities.

## Departmental capital budget statement

Shows all planned departmental capital expenditure (capital expenditure on non-financial assets), whether funded through capital appropriations for additional equity or borrowings, or from funds from internal sources.

**Table 3.1: Budgeted departmental statement of financial performance**
***for the period ended 30 June 2002***

| | Actual 2000-01 $'000 | Revised budget 2001-02 $'000 | Forward estimate 2002-03 $'000 | Forward estimate 2003-04 $'000 | Forward estimate 2004-05 $'000 |
|---|---|---|---|---|---|
| **Revenues from ordinary activities** | | | | | |
| Revenue from government | 74,180 | 87,409 | 74,985 | 77,514 | 76,515 |
| Sales of goods and services | 51,632 | 32,386 | 32,596 | 32,584 | 32,584 |
| Interest | 1,045 | 730 | 730 | 730 | 730 |
| Net gains from sales of assets | - | 44 | 46 | 47 | 47 |
| Other | 282 | 650 | 659 | 670 | 670 |
| **Total revenues from ordinary activities** | 127,139 | 121,219 | 109,016 | 111,545 | 110,546 |
| **Expenses from ordinary activities (excluding borrowing costs expense)** | | | | | |
| Employees | 47,111 | 52,794 | 53,504 | 54,584 | 53,209 |
| Suppliers | 65,587 | 62,867 | 50,042 | 51,357 | 51,115 |
| Depreciation and amortisation | 4,196 | 3,275 | 3,332 | 3,496 | 4,122 |
| Net losses from sales of assets | 300 | - | - | - | - |
| Other | 3,211 | - | - | - | - |
| **Total expenses from ordinary activities (excluding borrowing costs expense)** | 120,405 | 118,936 | 106,878 | 109,437 | 108,446 |
| Borrowing cost expense | 1,097 | 602 | 602 | 602 | 602 |
| **Net surplus or deficit from ordinary activities** | 5,637 | 1,681 | 1,536 | 1,506 | 1,498 |
| Company tax expense equivalent | (79) | - | - | - | - |
| **Net surplus or deficit** | 5,558 | 1,681 | 1,536 | 1,506 | 1,498 |
| Net debit to asset revaluation reserve | (1,501) | - | - | - | - |
| **Net surplus or deficit** | 4,057 | 1,681 | 1,536 | 1,506 | 1,498 |

## Table 3.2: Budget departmental statement of financial position *as at 30 June 2002*

| | Actual 2000-01 $'000 | Revised budget 2001-02 $'000 | Forward estimate 2002-03 $'000 | Forward estimate 2003-04 $'000 | Forward estimate 2004-05 $'000 |
|---|---|---|---|---|---|
| **ASSETS** | | | | | |
| **Financial assets** | | | | | |
| Cash | 4,823 | 9,156 | 9,736 | 8,772 | 8,453 |
| Receivables | 6,027 | 5,341 | 5,139 | 5,146 | 5,154 |
| Investments | 13,675 | 9,500 | 9,500 | 9,500 | 9,500 |
| **Total financial assets** | 24,525 | 23,997 | 24,375 | 23,418 | 23,107 |
| **Non-financial assets** | | | | | |
| Infrastucture,plant and equipment | 17,333 | 17,871 | 17,002 | 17,376 | 17,050 |
| Inventories | 14,016 | 13,361 | 13,361 | 13,361 | 13,361 |
| Intangibles | 2,665 | 2,087 | 1,624 | 1,254 | 958 |
| Other | 6,555 | 5,914 | 5,876 | 5,840 | 5,805 |
| **Total non-financial assets** | 40,569 | 39,233 | 37,863 | 37,831 | 37,174 |
| **Total assets** | 65,094 | 63,230 | 62,238 | 61,249 | 60,281 |
| **LIABILITIES** | | | | | |
| **Debt** | | | | | |
| Loans | 9,101 | 10,360 | 8,685 | 7,075 | 5,465 |
| Leases | 869 | 1,525 | 1,098 | 671 | 244 |
| **Total debt** | 9,970 | 11,885 | 9,783 | 7,746 | 5,709 |
| **Provisions and payables** | | | | | |
| Employees | 15,988 | 17,572 | 18,559 | 19,557 | 20,576 |
| Suppliers | 10,552 | 4,050 | 4,173 | 4,223 | 4,275 |
| Other | 2,454 | 3,593 | 3,593 | 3,593 | 3,591 |
| **Total provisions and payables** | 28,994 | 25,215 | 26,325 | 27,373 | 28,442 |
| **Total liabilities** | 38,964 | 37,100 | 36,108 | 35,119 | 34,151 |
| **EQUITY** | | | | | |
| Capital | 3,763 | 3,763 | 3,763 | 3,763 | 3,763 |
| Reserves | 3,713 | 3,713 | 3,713 | 3,713 | 3,713 |
| Accumulated surpluses or deficits | 18,654 | 18,654 | 18,654 | 18,654 | 18,654 |
| **Total equity** | 26,130 | 26,130 | 26,130 | 26,130 | 26,130 |
| **Current liabilities** | 20,722 | 19,663 | 19,137 | 18,613 | 18,100 |
| **Non-current liabilities** | 18,242 | 17,437 | 16,971 | 16,506 | 16,051 |
| **Current assets** | 41,436 | 40,467 | 39,832 | 39,199 | 38,580 |
| **Non-current assets** | 23,658 | 22,763 | 22,406 | 22,050 | 21,701 |

**Table 3.3: Budgeted departmental statement of cash flows**
***for the period ended 30 June 2002***

| | Actual 2000-01 $'000 | Revised budget 2001-02 $'000 | Forward estimate 2002-03 $'000 | Forward estimate 2003-04 $'000 | Forward estimate 2004-05 $'000 |
|---|---|---|---|---|---|
| **OPERATING ACTIVITIES** | | | | | |
| **Cash received** | | | | | |
| Appropriations for outputs | 74,180 | 87,409 | 74,985 | 77,514 | 76,515 |
| Sales of goods and services | 52,123 | 32,740 | 32,950 | 32,938 | 32,938 |
| Interest | 1,121 | - | - | - | - |
| Other | 2,138 | 635 | 646 | 658 | 658 |
| **Total cash received** | 129,562 | 120,784 | 108,581 | 111,110 | 110,111 |
| **Cash used** | | | | | |
| Employees | 46,695 | 51,655 | 52,267 | 53,330 | 52,693 |
| Suppliers | 63,677 | 55,241 | 43,899 | 45,377 | 44,378 |
| Interest | - | 602 | 602 | 602 | 602 |
| Other | - | 7,316 | 7,296 | 7,296 | 7,296 |
| **Total cash used** | 110,372 | 114,814 | 104,064 | 106,605 | 104,969 |
| **Net cash from operating activities** | 19,190 | 5,970 | 4,517 | 4,505 | 5,142 |
| **INVESTING ACTIVITIES** | | | | | |
| **Cash received** | | | | | |
| Proceeds from sales of property, plant and equipment | 13 | 44 | 46 | 47 | 47 |
| Repayments of loans made | | | | | |
| Other | - | 3,935 | - | - | - |
| **Total cash received** | 13 | 3,979 | 46 | 47 | 47 |
| **Cash used** | | | | | |
| Purchase of property, plant and equipment | 1,383 | 3,935 | 2,000 | 3,500 | 3,500 |
| Loans made | | | | | |
| Other | 3,500 | - | - | - | - |
| **Total cash used** | 4,883 | 3,935 | 2,000 | 3,500 | 3,500 |
| **Net cash from investing activities** | (4,870) | 44 | (1,954) | (3,453) | (3,453) |
| **FINANCIAL ACTIVITIES** | | | | | |
| **Cash used** | | | | | |
| Repayments of debt | 4,490 | - | - | - | - |
| Capital use and dividends paid | - | 1,681 | 1,536 | 1,506 | 1,498 |
| Other | 7,649 | - | - | - | - |
| **Total cash used** | 12,139 | 1,681 | 1,536 | 1,506 | 1,498 |
| **Net cash from financing activities** | (12,139) | (1,681) | (1,536) | (1,506) | (1,498) |
| **Net increase in cash held** | 2,181 | 4,333 | 1,027 | (454) | 191 |
| Cash at the beginning of the reporting period | 2,642 | 4,823 | 9,156 | 9,736 | 8,772 |
| Cash at the end of the reporting period | 4,823 | 9,156 | 9,736 | 8,772 | 8,453 |

## Table 3.4: Departmental capital budget statement

| | Actual 2000-01 $'000 | Revised budget 2001-02 $'000 | Forward estimate 2002-03 $'000 | Forward estimate 2003-04 $'000 | Forward estimate 2004-05 $'000 |
|---|---|---|---|---|---|
| **PURCHASE OF NON-FINANCIAL ASSETS** | | | | | |
| Funded internally by | | | | | |
| Departmental resources | 1,383 | 3,935 | 2,000 | 3,500 | 3,500 |

## Table 3.6: Note of budgeted administered financial performance
### *for the period ended 30 June 2002*

| | Actual 2000-01 $'000 | Revised budget 2001-02 $'000 | Forward estimate 2002-03 $'000 | Forward estimate 2003-04 $'000 | Forward estimate 2004-05 $'000 |
|---|---|---|---|---|---|
| **REVENUES** | | | | | |
| **Taxation** | | | | | |
| Goods and Services Tax | - | (27,580,000) | (29,170,000) | (30,830,000) | (32,600,000) |
| **Total taxation** | - | (27,580,000) | (29,170,000) | (30,830,000) | (32,600,000) |
| **Non-taxation** | | | | | |
| Revenues from government (appropriations) | 28,582,555 | 31,619,539 | 32,051,499 | 33,030,608 | 34,278,583 |
| Interest and dividends | 814,077 | 2,846,766 | 1,811,868 | 1,607,991 | 1,603,637 |
| Net foreign exchange gains | 38,302 | - | - | - | - |
| Other sources of non-taxation revenues | 805,308 | 713,432 | 526,967 | 521,643 | 514,429 |
| **Total non-taxation** | 30,240,242 | 35,179,737 | 34,390,334 | 35,160,242 | 36,396,649 |
| **Total revenues administered on behalf of the Government** | 30,240,242 | 7,599,737 | 5,220,334 | 4,330,242 | 3,796,649 |
| **EXPENSES** | | | | | |
| Subsidies | 6,043 | - | - | - | - |
| Net foreign exchange losses | - | 41,416 | 3,150 | - | - |
| Grants | 27,804,224 | 4,141,227 | 2,832,533 | 2,152,642 | 1,631,615 |
| Borrowing costs | 50,378 | - | - | - | - |
| Other | 656,549 | 49,465 | 48,966 | 47,966 | 46,968 |
| **Total expenses administered on behalf of the Government** | 28,517,194 | 4,232,108 | 2,884,649 | 2,200,608 | 1,678,583 |

## Table 3.7: Note of budgeted administered financial position *as at 30 June 2002*

| | Actual 2000-01 $'000 | Revised budget 2001-02 $'000 | Forward estimate 2002-03 $'000 | Forward estimate 2003-04 $'000 | Forward estimate 2004-05 $'000 |
|---|---|---|---|---|---|
| **ASSETS** | | | | | |
| **Financial assets** | | | | | |
| Cash | 2,599 | 2,599 | 2,599 | 2,599 | 2,599 |
| Receivables | 669,789 | 335,267 | 106,015 | (118,041) | (282,092) |
| Investments | 16,693,547 | 16,643,220 | 16,639,375 | 16,639,375 | 16,639,375 |
| Other | 193,452 | 1,300 | 1,300 | 1,400 | 1,400 |
| **Total financial assets** | 17,559,387 | 16,982,386 | 16,749,289 | 16,525,333 | 16,361,282 |
| **Non-financial assets** | | | | | |
| Other | 3,998 | 1,186 | 355 | 51 | 15 |
| **Total non-financial assets** | 3,998 | 1,186 | 355 | 51 | 15 |
| **Total assets administered on behalf of the Government** | 17,563,385 | 16,983,572 | 16,749,644 | 16,525,384 | 16,361,297 |
| **LIABILITIES** | | | | | |
| **Debt** | | | | | |
| Loans | 5,290,225 | 5,281,352 | 5,276,542 | 5,271,886 | 5,267,230 |
| Other | 1,154,427 | 1,147,111 | 1,146,552 | 1,146,552 | 1,146,552 |
| **Total debt** | 6,444,652 | 6,428,463 | 6,423,094 | 6,418,438 | 6,413,782 |
| **Provisions and payables** | | | | | |
| Suppliers | 168 | - | - | - | - |
| Grants | 660,000 | 457,500 | 275,000 | 112,500 | 10,000 |
| Other | 69,934 | (62,725) | (76,438) | (86,051) | (93,243) |
| **Total provisions and payables** | 730,102 | 394,775 | 198,562 | 26,449 | (83,243) |
| **Total liabilities administered on behalf of the Government** | 7,174,754 | 6,823,238 | 6,621,656 | 6,444,887 | 6,330,539 |
| **EQUITY** | | | | | |
| Capital | 32,999 | 49,491 | 61,482 | 73,473 | 85,464 |
| Reserves | 8,039,640 | 8,039,640 | 8,039,640 | 8,039,640 | 8,039,640 |
| Accumulated surpluses or deficits | 2,252,393 | 2,071,203 | 2,026,866 | 1,967,384 | 1,905,654 |
| **Total equity** | 10,325,032 | 10,160,334 | 10,127,988 | 10,080,497 | 10,030,758 |
| **Current liabilities** | 24,330 | 27,293 | 26,487 | 25,780 | 25,322 |
| **Non-current liabilities** | 7,150,424 | 6,795,945 | 6,595,169 | 6,419,107 | 6,305,217 |
| **Current assets** | 37,686 | 33,967 | 33,499 | 33,051 | 32,723 |
| **Non-current assets** | 17,525,699 | 16,949,605 | 16,716,145 | 16,492,333 | 16,328,574 |

## Table 3.8: Note of budgeted administered cash flows
### *for the period ended 30 June 2002*

| | Actual 2000-01 $'000 | Revised budget 2001-02 $'000 | Forward estimate 2002-03 $'000 | Forward estimate 2003-04 $'000 | Forward estimate 2004-05 $'000 |
|---|---|---|---|---|---|
| **OPERATING ACTIVITIES** | | | | | |
| **Cash received** | | | | | |
| Appropriations | - | 31,820,817 | 32,231,501 | 33,190,610 | 34,378,583 |
| Interest | 84,041 | 23,919 | 11,868 | 7,991 | 3,637 |
| Other | 30,520,187 | 3,524,900 | 2,318,908 | 2,117,074 | 2,112,108 |
| **Total cash received** | 30,604,228 | 35,369,636 | 34,562,277 | 35,315,675 | 36,494,328 |
| **Cash used** | | | | | |
| Subsidies | 266,533 | - | - | - | - |
| Grants | 27,678,948 | 4,340,074 | 3,012,533 | 2,312,642 | 1,731,615 |
| Interest | 50,585 | - | - | - | - |
| Cash to Official Public Account | 2,650,998 | 3,548,819 | 2,330,776 | 2,125,065 | 2,115,745 |
| Other | 151,851 | 27,480,743 | 29,218,968 | 30,877,968 | 32,646,968 |
| **Total cash used** | 30,798,915 | 35,369,636 | 34,562,277 | 35,315,675 | 36,494,328 |
| **Net cash from operating activities** | (194,687) | - | - | - | - |
| **INVESTING ACTIVITIES** | | | | | |
| **Cash received** | | | | | |
| Cash from Official Public Account | 17,784 | 16,468 | 11,991 | 11,991 | 11,991 |
| **Total cash received** | 17,784 | 16,468 | 11,991 | 11,991 | 11,991 |
| **Cash used** | | | | | |
| Cash to Official Public Account | 84,290 | - | - | - | - |
| Other | - | 16,468 | 11,991 | 11,991 | 11,991 |
| **Total cash used** | 84,290 | 16,468 | 11,991 | 11,991 | 11,991 |
| **Net cash from investing activities** | (66,506) | - | - | - | - |
| **FINANCING ACTIVITIES** | | | | | |
| **Cash received** | | | | | |
| Proceeds from borrowing | - | - | 49,246 | 64,051 | 64,051 |
| Other | 4,005 | - | - | - | - |
| **Total cash received** | 4,005 | - | 49,246 | 64,051 | 64,051 |
| **Cash used** | | | | | |
| Repayments of debt | | | | | |
| Cash to Official Public Account | - | - | 49,246 | 64,051 | 64,051 |
| Other | 3,907 | - | - | - | - |
| **Total cash used** | 3,907 | - | 49,246 | 64,051 | 64,051 |
| **Net cash from financing activities** | 98 | - | - | - | - |
| **Net increase in cash held** | (261,095) | - | - | - | - |
| Cash at beginning of reporting period | 263,694 | 2,599 | 2,599 | 2,599 | 2,599 |
| Cash at end of reporting period | 2,599 | 2,599 | 2,599 | 2,599 | 2,599 |

## Table 3.9: Note of administered capital budget

| | Actual 2000-01 $'000 | Revised budget 2001-02 $'000 | Forward estimate 2002-03 $'000 | Forward estimate 2003-04 $'000 | Forward estimate 2004-05 $'000 |
|---|---|---|---|---|---|
| **CAPITAL APPROPRIATIONS** | | | | | |
| Administered capital | 17,784 | 9,862 | 7,335 | 7,335 | 7,335 |
| Special appropriations | - | 206,630 | 184,656 | 164,656 | 104,656 |
| **Total** | 17,784 | 216,492 | 191,991 | 171,991 | 111,991 |
| | | | | | |
| **Represented by:** | | | | | |
| Purchase of financial assets | 17,784 | 216,492 | 191,991 | 171,991 | 111,991 |
| **Total** | 17,784 | 216,492 | 191,991 | 171,991 | 111,991 |

## 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 include 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 *2001-02 Portfolio Budget Statements* and *The Treasury Annual Report 2000-01*.

### 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 *2001-02 Portfolio Budget Statements* and *The Treasury Annual Report 2000-01*.

# Appendices 1 and 2

## Appendix 1

### Non-appropriation departmental and administered revenue

| | Budget estimate 2001-02 $'000 | Revised estimate 2001-02 $'000 |
|---|---|---|
| **DEPARTMENTAL REVENUE** | | |
| **Non-appropriation departmental revenue** | | |
| Departmental section 31 receipts | 3,242 | 3,196 |
| Royal Australian Mint revenue | 30,354 | 30,614 |
| **Total non-appropriation departmental revenue** | 33,596 | 33,810 |
| Appropriation revenue | 81,809 | 87,409 |
| **Total departmental revenue** | 115,405 | 121,219 |
| **ADMINISTERED REVENUE** | | |
| **Non-appropriation administered revenue** | | |
| *A New Tax System* | | |
| *(Commonwealth-State Financial Arrangements) Act 1999* | | |
| - GST revenue payments | (27,480,000) | (27,580,000) |
| Interest and dividends | 2,812,898 | 2,846,766 |
| Foreign exchange gains | 40,675 | - |
| GST administration fees | 517,156 | 517,156 |
| Housing Loans Insurance Corporation | | |
| - recoveries from old book stock and premiums | 16,007 | 22,499 |
| Other | - | 273 |
| Postal services regulation | 1,000 | 1,000 |
| Receipts under the *International Monetary Agreements Act 1947* | 78,708 | 68,743 |
| Royal Australian Mint - monies in excess of requirements | 74,087 | 102,398 |
| Seigniorage payments - Gold Corporation | 1,000 | 1,363 |
| **Total non-appropriation administered revenue** | (23,938,469) | (24,019,802) |
| Appropriation revenue | 30,951,162 | 31,619,539 |
| **Total administered revenue** | 7,012,693 | 7,599,737 |
| **Total estimated revenue** | 7,128,098 | 7,720,956 |

# Appendix 2

## Estimates of expenses from special appropriations

| | Budget estimate 2001-02 $'000 | Revised estimate 2001-02 $'000 |
|---|---|---|
| **ESTIMATED EXPENSES** | | |
| *International Monetary Agreements Act 1947* | 47,128 | 78,881 |
| *A New Tax System (Commonwealth-State Financial Arrangements) Act 1999* | 3,159,934 | 3,694,129 |
| **Total estimated expenses** | 3,207,062 | 3,773,010 |