AUSTRALIAN OFFICE OF FINANCIAL MANAGEMENT

Section 1: Overview, variations and measures

AGENCY OVERVIEW

There has been no change to the overview included in the *2004-05 Portfolio Budget Statements* (page 105).

ADDITIONAL ESTIMATES AND VARIATIONS TO OUTCOMES

The following variations contributed to a net increase in agency outputs of $0.022 million for the Australian Office of Financial Management (AOFM).

Measures

The AOFM has no measures since the 2004-05 Budget.

Other variations to appropriations

	2004-05	2005-06	2006-07	2007-08
	$'000	$'000	$'000	$'000
Outcome 1				
Wage cost indexation	22	57	65	66

The AOFM is seeking additional price of outputs funding of $0.022 million in 2004-05 for wage cost indexation.

Map 2: Outcomes and output groups for the agency

Australian Office of Financial Management

Chief Executive Officer: Neil Hyden

Overall outcome

Strong, sustainable economic growth and the improved wellbeing of Australians

Outcome 1

To enhance the Commonwealth's capacity to manage its net debt portfolio, offering the prospect of savings in debt servicing costs and an improvement in the net worth of the Commonwealth over time

Total price of outputs: $8.1 million
Total administered expenses: $5,927.8 million

Output Group 1.1

Australian Office of Financial Management

Output 1.1.1

Debt management

BREAKDOWN OF ADDITIONAL ESTIMATES BY APPROPRIATION BILL

Table 1.2: Appropriation Bill (No. 3) 2004-05

	2003-04 available $'000	2004-05 budget $'000	2004-05 revised $'000	Additional estimates $'000	Reduced estimates $'000
ADMINISTERED ITEMS					
Outcome 1					
To enhance the Commonwealth's capacity to manage its net debt portfolio, offering the prospect of savings in debt servicing costs and an improvement in the net worth of the Commonwealth over time	10	10	10	-	-
Total	10	10	10	-	-
AGENCY OUTPUTS					
Outcome 1					
To enhance the Commonwealth's capacity to manage its net debt portfolio, offering the prospect of savings in debt servicing costs and an improvement in the net worth of the Commonwealth over time	8,135	8,097	8,119	22	-
Total	8,135	8,097	8,119	22	-
Total administered and agency	8,145	8,107	8,129	22	-

Table 1.3: Appropriation Bill (No. 4) 2004-05

	2003-04 available $'000	2004-05 budget $'000	2004-05 revised $'000	Additional estimates $'000	Reduced estimates $'000
Capital					
Equity injections	23	-	-	-	-
Total capital	23	-	-	-	-
Total	23	-	-	-	-

SUMMARY OF STAFFING CHANGES

Table 1.4: Average staffing level (ASL)

	2004-05 budget	2004-05 revised	variation
Outcome 1 To enhance the Commonwealth's capacity to manage its net debt portfolio, offering the prospect of savings in debt servicing costs and an improvement in the net worth of the Commonwealth over time	38	38	-
Total	38	38	-

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

An estimated increase in net annotated (section 31) receipts of $0.020 million is expected due to the cost recovery of inscribed stock registry fees.

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

	2004-05 total approp budget $'000	2004-05 total approp revised $'000	Receipts from independent sources budget $'000	Receipts from independent sources revised $'000	Variation in non-govt revenue $'000
Outcome 1 To enhance the Commonwealth's capacity to manage its net debt portfolio, offering the prospect of savings in debt servicing costs and an improvement in the net worth of the Commonwealth over time	8,097	8,119	-	20	20
Total	8,097	8,119	-	20	20

AGENCY AND ADMINISTERED REVENUES

Table 1.6: Revenue from independent sources

	2004-05 budget estimate $'000	2004-05 revised estimate $'000
ESTIMATED AGENCY REVENUES		
Non-appropriation agency revenues		
Agency section 31 receipts	-	20
Total non-appropriation agency revenues	-	20
Appropriation revenue	8,097	8,119
Total estimated agency revenues	8,097	8,139
ESTIMATED ADMINISTERED REVENUES		
Non-appropriation administered revenues		
Financial Agreement Act 1994 - Interest paid by States and Northern Territory on loans	10,847	10,847
Financial Management and Accountability Act 1997 - Interest on financial assets	344,000	669,829
Housing Agreements, Northern Territory Housing Agreement and Housing Assistance Acts - Advances to the States and Northern Territory (interest)	91,522	91,522
Loans Securities Act 1919 - Gain on foreign exchange(1)	-	9,241
Loans Securities Act 1919 - Swaps interest	2,191,096	2,161,126
States (Works and Housing Assistance) Acts - Advances to the States (interest)	67,686	67,686
War Service Lands Settlements Acts - Advances to the States (interest)	269	269
Total non-appropriation administered revenues	2,705,420	3,010,520
Total estimated agency and administered revenues	2,713,517	3,018,659

(1) Comprises foreign denominated bonds only.

ESTIMATES OF EXPENSES FROM SPECIAL APPROPRIATIONS

Table 1.7: Estimates of expenses from special appropriations

	2004-05 budget estimate $'000	2004-05 revised estimate $'000
ESTIMATED EXPENSES		
Special appropriations		
Airports (Transitional) Act 1996 section 78 - Interest on former debts of the Federal Airports Corporation	-	-
Australian National Railways Commission Sale Act 1997 section 67AW - Interest	-	-
Commonwealth Inscribed Stock Act 1911 section 6 - Loan flotation expenses	422	150
Commonwealth Inscribed Stock Act 1911 section 6 - Interest	3,852,619	3,868,829
Financial Agreement Act 1994 section 5 - Assistance for debt redemption	53,745	31,909
Financial Agreement Act 1994 section 5 - Commonwealth contributions to the Debt Retirement Reserve Trust Account	595	595
Financial Management and Accountability Act 1997 section 39(9) - Net repurchase premia	-	43,771
Loans Redemption and Conversion Act 1921 section 5 - Interest	-	-
Loans Securities Act 1919 section 4 - Interest	13,000	3,000
Loans Securities Act 1919 section 5B(2) - Interest swaps	2,030,616	1,954,111
Moomba-Sydney Pipeline System Sales Act 1994 section 19(3) - Interest	-	-
Qantas Sale Act 1992 section 18 - Interest	-	-
Snowy Hydro Corporatisation Act 1997 section 22 - Interest	25,432	25,417
Treasury Bills Act 1914 section 6 - Interest	-	-
Total special appropriations	5,976,429	5,927,782
Other appropriations	10	10
Total estimated expenses	5,976,439	5,927,792

ESTIMATED SPECIAL ACCOUNT FLOWS

Table 1.8: Estimated special account flows

	A(1)	**2004-05**	**2004-05**	**2004-05**	**2004-05**
	B(1)	2003-04	2003-04	2003-04	2003-04
		opening balance	receipts	payments	closing balance
		$'000	$'000	$'000	$'000
SPECIAL ACCOUNTS					
Debt Retirement Reserve Trust		**204**	**76,417**	**75,005**	**1,616**
Account(2)		5,997	291,555	297,348	204
Total special accounts		**204**	**76,417**	**75,005**	**1,616**

(1) The revised opening balance for 2004-05 (reference A) is the same as the final actual closing balance for 2003-04 (reference B). This balance may have changed from that shown in the *2004-05 Portfolio Budget Statements* as the actual for 2003-04 will have been updated to reflect the final budget outcome for the year.

(2) This special account is administered in nature and is governed by the *Financial Agreement Act 1994*.

Section 2: Revisions to outcomes and outputs

OUTCOMES AND OUTPUT GROUPS

The Australian Office of Financial Management (AOFM) has not made any changes to its outcome or outputs since the *2004-05 Portfolio Budget Statements*.

Output cost attribution

The AOFM delivers a single output — debt management — therefore cost attribution between outputs is not required.

Table 2.1: Total resources for Outcome 1

	2004-05 budget estimate $'000	2004-05 revised estimate $'000
Administered appropriations		
Annual appropriations	10	10
Special appropriations(1)	87,822,424	167,545,982
Total administered appropriations	87,822,434	167,545,992
Agency appropriations		
Output Group 1.1 - Australian Office of Financial Management		
Output 1.1.1 - Debt management	8,097	8,119
Total revenues from government (appropriations)		
Contributing to price of agency outputs	8,097	8,119
Total price of agency outputs		
(Total revenues from government and from other sources)	8,097	8,139
Estimated payments from special account balances		
Debt Retirement Reserve Trust Account	75,005	75,005
Total administered special account outflows	75,005	75,005
Total estimated resourcing for Outcome 1		
(Total price of outputs and administered appropriations)	87,830,531	167,554,131
	2004-05	2004-05
Average staffing level (number)	38	38

(1) The headline cash balance reported in *2003-04 Final Budget Outcome* was \$7.6 billion, against an estimate at budget time of \$4.0 billion. The Mid-Year Economic and Fiscal Outlook reported an increase in the estimated headline cash balance for 2004-05 from \$1.0 billion to \$4.9 billion. The stronger budget position has led to a significant increase in estimated investment activity for 2004-05.

Revised performance information and level of achievement — 2004-05

The AOFM has not made any changes to its performance information since the *2004-05 Portfolio Budget Statements*.

Section 3: Budgeted financial statements

Budgeted agency and administered financial statements and related notes for the Australian Office of Financial Management (AOFM) are presented in this section. The financial statements are produced for 2003-04 (actual results), 2004-05 (revised budget estimate) and three forward years. The financial statements should be read in conjunction with the accompanying notes.

ANALYSIS OF BUDGETED FINANCIAL STATEMENTS

There have been no changes to the analysis of AOFM's budgeted financial statements since the *2004-05 Portfolio Budget Statements*.

AGENCY FINANCIAL STATEMENTS

Budgeted agency statement of financial performance

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

Budgeted agency statement of financial position

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

Budgeted agency statement of cash flows

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

Agency capital budget statement

This statement shows all proposed capital expenditure on non-financial assets, whether funded through capital appropriations (equity or borrowings) or from internally sourced funds.

Agency non-financial assets — summary of movement

This statement shows the budgeted movement in the AOFM's non-financial assets during the budget year 2004-05.

NOTE OF ADMINISTERED ACTIVITY

Details of transactions administered by the AOFM on behalf of the Australian Government are shown in the following notes to the financial statements.

Note of budgeted administered financial performance

This schedule identifies the revenues and expenses administered by the AOFM on behalf of the Australian Government.

Note of budgeted administered financial position

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

Note of budgeted administered cash flows

This note shows cash flows administered by the AOFM on behalf of the Australian Government.

Table 3.1: Budgeted agency statement of financial performance (for the period ended 30 June)

	2003-04 actual $'000	2004-05 revised budget $'000	2005-06 forward estimate $'000	2006-07 forward estimate $'000	2007-08 forward estimate $'000
REVENUES					
Revenues from ordinary activities					
Revenues from government[(1)]	8,388	8,119	8,116	8,197	8,275
Goods and services	288	20	20	-	-
Total revenues from ordinary activities	8,676	8,139	8,136	8,197	8,275
EXPENSES					
Expenses from ordinary activities (excluding borrowing costs expense)					
Employees	3,807	4,073	4,442	4,664	4,888
Suppliers[(1)]	3,085	3,311	2,939	2,779	2,837
Depreciation and amortisation	794	755	755	754	550
Write-down of assets	17	-	-	-	-
Total expenses from ordinary activities (excluding borrowing costs expense)	7,703	8,139	8,136	8,197	8,275
Borrowing costs expense	-	-	-	-	-
Operating surplus or (deficit) from ordinary activities	973	-	-	-	-

(1) For 2003-04 only, includes resources received free of charge from Australian National Audit Office.

Table 3.2: Budget agency statement of financial position (as at 30 June)

	2003-04 actual $'000	2004-05 revised budget $'000	2005-06 forward estimate $'000	2006-07 forward estimate $'000	2007-08 forward estimate $'000
ASSETS					
Financial assets					
Cash	333	1,208	2,200	1,174	1,954
Receivables	6,107	6,107	6,107	6,107	6,107
Total financial assets	6,440	7,315	8,307	7,281	8,061
Non-financial assets					
Infrastructure, plant and equipment	1,184	933	682	1,432	1,182
Intangibles	1,768	1,264	760	1,256	956
Other non-financial assets	165	165	165	165	165
Total non-financial assets	3,117	2,362	1,607	2,853	2,303
Total assets	9,557	9,677	9,914	10,134	10,364
LIABILITIES					
Provisions					
Employees	842	962	1,199	1,419	1,649
Other provisions	100	100	100	100	100
Total provisions	942	1,062	1,299	1,519	1,749
Payables					
Suppliers	140	140	140	140	140
Other payables	112	112	112	112	112
Total payables	252	252	252	252	252
Total liabilities	1,194	1,314	1,551	1,771	2,001
EQUITY(1)					
Parent equity interest					
Contributed equity	3,423	3,423	3,423	3,423	3,423
Reserves	138	138	138	138	138
Retained surpluses or accumulated deficits	4,802	4,802	4,802	4,802	4,802
Total parent equity interest	8,363	8,363	8,363	8,363	8,363
Total equity	8,363	8,363	8,363	8,363	8,363
Current assets	786	1,373	2,365	1,339	2,119
Non-current assets	8,771	8,304	7,549	8,795	8,245
Current liabilities	636	493	552	607	664
Non-current liabilities	558	821	999	1,164	1,337

(1) 'Equity' is the residual interest in assets after deduction of liabilities.

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

	2003-04 actual $'000	2004-05 revised budget $'000	2005-06 forward estimate $'000	2006-07 forward estimate $'000	2007-08 forward estimate $'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	6,645	8,119	8,116	8,197	8,275
Goods and services	159	20	20	-	-
Total cash received	6,804	8,139	8,136	8,197	8,275
Cash used					
Employees	3,998	3,953	4,205	4,445	4,658
Suppliers	2,930	3,311	2,939	2,778	2,837
Other	44	-	-	-	-
Total cash used	6,972	7,264	7,144	7,223	7,495
Net cash from/(used by) operating activities	(168)	875	992	974	780
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment and intangibles	106	-	-	2,000	-
Total cash used	106	-	-	2,000	-
Net cash from/(used by) investing activities	(106)	-	-	(2,000)	-
FINANCING ACTIVITIES					
Cash received					
Appropriations - contributed equity	153	-	-	-	-
Total cash received	153	-	-	-	-
Net cash from/(used by) financing activities	153	-	-	-	-
Net increase/(decrease) in cash held	(121)	875	992	(1,026)	780
Cash at the beginning of the reporting period	454	333	1,208	2,200	1,174
Cash at the end of the reporting period	333	1,208	2,200	1,174	1,954

Table 3.4: Agency capital budget statement

	2003-04 actual $'000	2004-05 revised budget $'000	2005-06 forward estimate $'000	2006-07 forward estimate $'000	2007-08 forward estimate $'000
CAPITAL APPROPRIATIONS					
Total equity injections	23	-	-	-	-
Total loans	-	-	-	-	-
Total	23	-	-	-	-
Represented by					
Purchase of non-current assets	23	-	-	-	-
Other	-	-	-	-	-
Total	23	-	-	-	-
PURCHASE OF NON-CURRENT ASSETS					
Funded by capital appropriations	23	-	-	-	-
Funded internally by agency resources	-	-	-	2,000	-
Total	23	-	-	2,000	-

Table 3.5: Agency non-financial assets — Summary of movement (Budget year 2004-05)

	Land	Buildings	Specialist military equipment	Other infrastructure plant and equipment	Heritage and cultural assets	Computer software	Other intangibles	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Carrying amount at the start of year	-	-	-	1,184	-	1,768	-	2,952
Additions	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
Net revaluation increment / (decrement)	-	-	-	-	-	-	-	-
Recoverable amount write-downs	-	-	-	-	-	-	-	-
Net transfers free of charge	-	-	-	-	-	-	-	-
Depreciation / amortisation expense	-	-	-	251	-	504	-	755
Write-off of assets	-	-	-	-	-	-	-	-
Reclassifications	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Carrying amount at the end of year	-	-	-	933	-	1,264	-	2,197
Total additions								
Self funded	-	-	-	-	-	-	-	-
Appropriations	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-

Table 3.6: Note of budgeted financial performance administered on behalf of government (for the period ended 30 June)

	2003-04 actual $'000	2004-05 revised budget $'000	2005-06 forward estimate $'000	2006-07 forward estimate $'000	2007-08 forward estimate $'000
REVENUES					
Non-taxation					
Interest	2,653,583	3,001,279	3,249,356	3,703,488	4,285,842
Net foreign exchange gains	163,280	9,241	-	-	-
Other sources of non-taxation revenues	60	-	-	-	-
Total non-taxation	2,816,923	3,010,520	3,249,356	3,703,488	4,285,842
Total revenues administered on behalf of the government	2,816,923	3,010,520	3,249,356	3,703,488	4,285,842
EXPENSES					
Grants	36,720	32,504	220,365	-	-
Interest	5,577,940	5,895,288	5,639,426	5,412,639	5,099,219
Total expenses administered on behalf of the government	5,614,660	5,927,792	5,859,791	5,412,639	5,099,219

Table 3.7: Note of budgeted financial position administered on behalf of government (as at 30 June)

	2003-04 actual $'000	2004-05 revised budget $'000	2005-06 forward estimate $'000	2006-07 forward estimate $'000	2007-08 forward estimate $'000
ASSETS					
Financial assets					
Cash	1,761	1,761	1,761	1,761	1,761
Receivables	3,806,912	3,649,698	3,434,574	3,348,041	3,259,390
Investments	14,850,000	-	-	-	-
Accrued revenues	179,200	94,869	95,655	122,086	145,243
Total financial assets	18,837,873	3,746,328	3,531,990	3,471,888	3,406,394
Total assets administered on behalf of the government	18,837,873	3,746,328	3,531,990	3,471,888	3,406,394
LIABILITIES					
Interest bearing liabilities					
Australian Government Securities	55,392,388	37,017,000	33,545,000	17,966,000	1,028,000
Total interest bearing liabilities	55,392,388	37,017,000	33,545,000	17,966,000	1,028,000
Payables					
Other payables	3,205,735	3,410,000	2,806,000	2,958,000	3,141,000
Total payables	3,205,735	3,410,000	2,806,000	2,958,000	3,141,000
Total liabilities administered on behalf of the government	58,598,123	40,427,000	36,351,000	20,924,000	4,169,000

Table 3.8: Note of budgeted administered cash flows (for the period ended 30 June)

	2003-04 actual $'000	2004-05 revised budget $'000	2005-06 forward estimate $'000	2006-07 forward estimate $'000	2007-08 forward estimate $'000
OPERATING ACTIVITIES					
Cash received					
Interest	696,176	3,006,444	3,238,746	3,700,945	4,336,625
Cash from Official Public Account(1)	16,527,923	5,768,609	6,662,573	5,506,401	5,227,845
Other	13,718	-	-	-	-
Total cash received	17,237,817	8,775,053	9,901,319	9,207,346	9,564,470
Cash used					
Grant payments	35,310	32,504	220,365	-	-
Interest paid	4,155,033	5,736,105	6,442,208	5,506,401	5,227,845
Cash to Official Public Account(1)	10,629,449	3,006,444	3,238,746	3,700,945	4,336,625
Total cash used	14,819,792	8,775,053	9,901,319	9,207,346	9,564,470
Net cash from/(used by) operating activities	2,418,025	-	-	-	-
INVESTING ACTIVITIES					
Cash received					
Repayments of advances	79,822	82,209	84,406	86,533	88,651
Total cash received	79,822	82,209	84,406	86,533	88,651
Cash used					
Cash to Official Public Account(1)	-	82,209	84,406	86,533	88,651
Total cash used	-	82,209	84,406	86,533	88,651
Net cash from/(used by) investing activities	79,822	-	-	-	-
FINANCING ACTIVITIES					
Cash received					
Proceeds from borrowing	4,501,032	158,459,077	188,361,606	175,012,874	170,488,686
Cash from Official Public Account(1)	-	161,775,971	191,494,282	190,370,000	187,189,000
Swaps and associated derivatives	5,259,106	-	-	-	-
Other	290,118	-	-	-	-
Total cash received	10,050,256	320,235,048	379,855,888	365,382,874	357,677,686
Cash used					
Net repayment of borrowings	6,970,831	161,732,200	191,494,282	190,370,000	187,189,000
Cash to Official Public Account(1)	-	158,459,077	188,361,606	175,012,874	170,488,686
Swaps and associated derivatives	5,575,692	-	-	-	-
Other	-	43,771	-	-	-
Total cash used	12,546,523	320,235,048	379,855,888	365,382,874	357,677,686
Net cash from/(used by) financing activities	(2,496,267)	-	-	-	-
Net increase/(decrease) in cash held	1,580	-	-	-	-
Cash at beginning of reporting period	181	1,761	1,761	1,761	1,761
Cash at end of reporting period	1,761	1,761	1,761	1,761	1,761

(1) The reporting of 2003-04 actual balances under the Finance Minister's Orders requires a presentation different to that required for budget purposes. The key presentation difference relates to the categorisation of cash flows to and from the Official Public Account.

NOTES TO THE FINANCIAL STATEMENTS

Basis of accounting

The financial statements have been prepared on an accrual basis and are in accordance with the historical cost convention. No allowance is made for the effect of changing prices on the results or the financial position of the AOFM.

Administered internal transactions

Administered transactions between the AOFM and other agencies within the general government (administered internal transactions) are not reported in the note of budgeted administered financial performance or the note of administered financial position.

However, for the purposes of disclosing all cash flows through AOFM's administered bank accounts, cash flows in the note of budgeted administered cash flows are reported inclusive of administered internal transactions.

Goods and services tax (GST)

All supplies provided by the AOFM are input taxed under *A New Tax System (Goods and Services Tax) Act 1999*.

Budgeted agency and administered financial statements

The budgeted financial statements contain estimates prepared in accordance with the requirements of the Australian Government's financial budgeting and reporting framework, including the principles of Australian Accounting Standards and Statements of Accounting Concepts, as well as specific guidelines issued by the Department of Finance and Administration.

Under the Australian Government's accrual budgeting framework, transactions that agencies control (agency transactions) are separately budgeted for and reported from transactions agencies do not have control over (administered transactions). This ensures that agencies are only held fully accountable for the transactions over which they have control.

- Agency assets, liabilities, revenues and expenses are those which are controlled by the agency. Agency expenses include employee and supplier expenses and other administrative costs, which are incurred by the agency in providing its goods and services to government.

- Administered assets, liabilities, revenues and expenses are those which are managed on behalf of the Australian Government according to set government directions. Administered expenses include interest incurred on Commonwealth debt. Administered revenues include interest earned on housing agreement loans, interest on investments and interest from swaps.

Appropriations in the accrual budgeting framework

Under the Australian Government's accrual budgeting framework, separate annual appropriations are provided to the AOFM for:

- agency price of outputs appropriations: representing the Australian Government's purchase of outputs; and

- administered expense appropriations: for the repayment of interest on lapsed coupons not supported by special appropriation.

Special appropriations continue under the accrual budgeting framework and fund the majority of administered payments made by the AOFM, including debt redemption, interest payments and financial investment activity.

Budgeted agency financial performance

Appropriations

Price of outputs appropriation estimates are not based on market price indicators. The agreed price of outputs appropriation is based on budgeted expenses.

In August 2004 the AOFM applied to, and received approval from the Minister for Finance and Administration to budget for an operating loss of up to $450,000 for 2004-05 on its departmental activities. The anticipated loss was due to one-off costs associated with the repurchase of foreign currency denominated debt. The AOFM's most recent forecasts point to a break-even result for 2004-05.

Budgeted agency financial position

Cash

The estimated cash reserves will be maintained to ensure that the AOFM is well placed to:

- settle employee liabilities as they fall due;

- make asset replacements (from depreciation funding); and

- repay liabilities.

Budgeted financial statements have been prepared on the assumption that unspent monies will not be withdrawn by the Department of Finance and Administration.

Administered notes of budgeted financial statements

Revenues and expenses

Non-taxation revenue — interest

	2003-04 actual $'000	2004-05 revised budget $'000	2005-06 forward estimate $'000	2006-07 forward estimate $'000	2007-08 forward estimate $'000
Interest					
Interest on housing agreements	162,844	159,477	155,985	152,382	148,668
Interest on State and Northern Territory debt	19,108	10,847	633	-	-
Interest from other sources	2,471,631	2,830,955	3,092,738	3,551,106	4,137,174
Total interest	2,653,583	3,001,279	3,249,356	3,703,488	4,285,842

Interest from other sources includes interest from swaps and investments.

Expenses — grants

	2003-04 actual $'000	2004-05 revised budget $'000	2005-06 forward estimate $'000	2006-07 forward estimate $'000	2007-08 forward estimate $'000
Grants					
Grants to State and Northern Territory Governments	36,720	32,504	220,365	-	-
Total grants	36,720	32,504	220,365	-	-

Expenses — interest and financing costs

	2003-04 actual $'000	2004-05 revised budget $'000	2005-06 forward estimate $'000	2006-07 forward estimate $'000	2007-08 forward estimate $'000
Interest and financing costs					
Interest on Government securities	4,001,254	3,871,839	3,570,888	3,487,136	3,469,108
Interest on swaps	1,576,555	1,954,111	2,054,872	1,923,353	1,629,745
Interest on other debt	-	25,417	13,516	2,000	216
Net repurchase premia	-	43,771	-	-	-
Other financing costs	131	150	150	150	150
Total interest and financing costs	5,577,940	5,895,288	5,639,426	5,412,639	5,099,219

Assets and Liabilities

Debt — Australian Government Securities

For 2004-05 and onwards, Australian Government Securities represent the capital value of government securities on issue, net of investments.

Financial assets — receivables

	2003-04 actual $'000	2004-05 revised budget $'000	2005-06 forward estimate $'000	2006-07 forward estimate $'000	2007-08 forward estimate $'000
Receivables					
Loans to State and Northern Territory Governments	3,806,912	3,649,698	3,434,574	3,348,041	3,259,390
Total receivables	3,806,912	3,649,698	3,434,574	3,348,041	3,259,390