

TREASURY

Section 1: Department overview and resources; variations and measures

OVERVIEW

There has been no change to the overview included in the *2005-06 Portfolio Budget Statements* (page 13).

Table 1.1: Agency outcomes and output groups

Outcome	Description	Output groups
Outcome 1		
Sound macroeconomic environment	A sound macroeconomic environment is an essential foundation for strong sustainable economic growth and the improved wellbeing of Australians. It is characterised by stable prices, low interest rates, healthy economic and employment growth, and a sustainable external position.	Output Group 1.1 Macroeconomic Group
Outcome 2		
Effective government spending and taxation arrangements	Government spending and taxation arrangements contribute to the overall fiscal outcome but also influence strong sustainable economic growth and the improved wellbeing of Australians.	Output Group 2.1 Fiscal Group Output Group 2.2 Revenue Group
Outcome 3		
Well functioning markets	Well functioning markets contribute to high sustainable economic and employment growth and the improved wellbeing of Australians, by enabling resources to flow to those parts of the economy where they can be used most productively. Well functioning markets operate when investors and consumers have confidence and certainty about the regulatory framework, and are able to make decisions that are informed and free of market distortions and impediments.	Output Group 3.1 Markets Group

ADDITIONAL ESTIMATES AND VARIATIONS TO OUTCOMES

Treasury is seeking an additional \$0.07 million in departmental outputs through Appropriation Bill (No. 3) 2005-06 for the Australia-China Free Trade Agreement – funding for negotiations less adjustment to appropriations for changes in price and wage indices. In addition, Treasury had other variations to appropriations in departmental funding for transfer of remaining funding to the Australian Competition and Consumer Commission (ACCC) for the Consumer Information Programmes (\$0.2 million).

Treasury had other variations to appropriations in departmental capital funding of \$4.2 million for transfer of equity injections to the Royal Australian Mint (the Mint) as it became a prescribed agency effective from 1 July 2005.

Treasury is seeking an additional \$348.6 million in administered outputs through Appropriation Bill (No. 4) 2005-06 for commitments to the European Bank for Reconstruction and Development (\$2.2 million), and Compensation for GST Revenue Foregone (\$346.4 million). The amount relating to Compensation for GST Revenue Foregone was previously classified as a Special Appropriation in the *2005-06 Portfolio Budget Statements*.

Treasury is also seeking \$16.5 million in administered outputs through Special Appropriations (*A New Tax System (Commonwealth-State Financial Arrangements) Act 1999*) for Budget Balancing Assistance measure variations.

Treasury has identified administered savings of \$1.2 million in relation to revised parameters.

Variations — measures

Table 1.2: Additional estimates and variations to outcomes — measures

	2005-06 \$'000	2006-07 \$'000	2007-08 \$'000	2008-09 \$'000
Outcome 2				
Increase in administered appropriations				
Budget Balancing Assistance				
– alignment of import entry thresholds for courier and postal imports	1,736	2,655	2,648	2,641
– changes to the vouchers provisions	-	-	-	-
– GST and representatives of incapacitated entities	-	-	-	-
– GST and the sale of real property - margin scheme	-	-	-	-
– GST and the sale of real property - deferral of integrity measure	-	-	-	-
– GST concession for the Melbourne 2006 Commonwealth Games	289	-	-	-
– Indirect Tax Concession Scheme - GST extension	-	-	-	-
– personal aquatic survival skills	-	365	496	528
– supplies of options and rights offshore - deregistration and change to start date	14,463	-	3,309	-
Outcome 3				
Increase in departmental appropriations				
Australia-China Free Trade Agreement - funding for negotiations	200	200	-	-

Other variations to appropriations

Table 1.3: Additional estimates and variations to outcomes — other variations

	2005-06 \$'000	2006-07 \$'000	2007-08 \$'000	2008-09 \$'000
Variations in departmental appropriations				
Adjustment to appropriations to reflect changes in price and wage indices ¹	(128)	-	(227)	(340)
Outcome 3				
Variations in departmental appropriations				
Section 32 transfer of the Consumer Information Programmes from Treasury to the ACCC	(183)	(185)	(189)	(193)
Variations in capital appropriations				
Section 32 transfer to the Mint for building refurbishment and capital equipment replacement programme ²	(4,210)	(11,015)	(8,600)	-

1 This variation applies to Treasury's three outcomes.

2 The Mint became a prescribed agency effective from 1 July 2005.

MEASURES — AGENCY SUMMARY

Table 1.4: Summary of measures since the 2005-06 Budget

Measure	Outcome	Output groups affected	2005-06 \$'000			2006-07 \$'000			2007-08 \$'000			2008-09 \$'000		
			Admin items	Dept outputs	Total	Admin items	Dept outputs	Total	Admin items	Dept outputs	Total	Admin items	Dept outputs	Total
Budget Balancing Assistance														
– alignment of import entry thresholds for courier and postal imports	2	2.1	1,736	-	1,736	2,655	-	2,655	2,648	-	2,648	2,641	-	2,641
– changes to the vouchers provisions	2	2.1	-	-	-	-	-	-	-	-	-	-	-	-
– GST and representatives of incapacitated entities	2	2.1	-	-	-	-	-	-	-	-	-	-	-	-
– GST and the sale of real property - margin scheme	2	2.1	-	-	-	-	-	-	-	-	-	-	-	-
– GST and the sale of real property - deferral of integrity measure	2	2.1	-	-	-	-	-	-	-	-	-	-	-	-
– GST concession for the Melbourne 2006 Commonwealth Games	2	2.1	289	-	289	-	-	-	-	-	-	-	-	-
– Indirect Tax Concession Scheme - GST extension	2	2.1	-	-	-	-	-	-	-	-	-	-	-	-
– personal aquatic survival skills	2	2.1	-	-	-	365	-	365	496	-	496	528	-	528
– supplies of options and rights offshore - deregistration and change to start date	2	2.1	14,463	-	14,463	-	-	-	3,309	-	3,309	-	-	-
Australia-China Free Trade Agreement - funding for negotiations	3	3.1	-	200	200	-	200	200	-	-	-	-	-	-
Total			16,488	200	16,688	3,020	200	3,220	6,453	-	6,453	3,169	-	3,169

BREAKDOWN OF ADDITIONAL ESTIMATES BY APPROPRIATION BILL

Table 1.5: Appropriation Bill (No. 3) 2005-06

	2004-05 available \$'000	2005-06 budget ¹ \$'000	2005-06 budget ² \$'000	2005-06 revised \$'000	Additional estimates \$'000	Reduced estimates \$'000
ADMINISTERED ITEMS						
Outcome 3						
Well functioning markets	9,000	6,000	6,000	6,000	-	-
Total	9,000	6,000	6,000	6,000	-	-
DEPARTMENTAL OUTPUTS						
Outcome 1						
Sound macroeconomic environment	26,822	31,408	31,408	31,382	(26)	-
Outcome 2						
Effective government spending and taxation arrangements	54,022	57,218	57,218	57,149	(69)	-
Outcome 3						
Well functioning markets	43,300	45,525	45,342	45,509	167	-
Total	124,144	134,151	133,968	134,040	72	-
Total administered and departmental	133,144	140,151	139,968	140,040	72	-

1 Original budget as shown in the 2005-06 Portfolio Budget Statements.

2 Original budget as shown in the 2005-06 Portfolio Budget Statements less section 32 transfers (\$0.2 million to the ACCC).

Table 1.6: Appropriation Bill (No. 4) 2005-06

	2004-05 available \$'000	2005-06 budget ¹ \$'000	2005-06 budget ² \$'000	2005-06 revised \$'000	Additional estimates \$'000	Reduced estimates \$'000
SPECIFIC PAYMENTS TO THE STATES AND TERRITORIES						
Outcome 2						
Effective government spending and taxation arrangements ³	18,710	4,272	4,272	350,459	346,400	213
Outcome 3						
Well functioning markets	159,748	164,701	164,701	163,742	-	959
Total	178,458	168,973	168,973	514,201	346,400	1,172
Non-operating						
Equity injections	2,965	4,243	33	33	-	-
Loans	-	-	-	-	-	-
Previous years' outputs	4,816	-	-	-	-	-
Administered assets and liabilities	7,395	2,500	2,500	4,737	2,237	-
Total capital	15,176	6,743	2,533	4,770	2,237	-
Total	193,634	175,716	171,506	518,971	348,637	1,172

1 Original budget as shown in the 2005-06 Portfolio Budget Statements.

2 Original budget as shown in the 2005-06 Portfolio Budget Statements less section 32 transfers (\$4.2 million to the Mint).

3 Schedule 2 of Appropriation Bill (No. 4) shows an additional net appropriation amount of \$346.2 million for Outcome 2. This amount reflects the additional appropriation for Compensation for GST Revenue Foregone programme (\$346.4 million) less the estimated savings for additional \$7,000 First Home Owners Scheme (\$0.2 million).

SUMMARY OF STAFFING CHANGES

Table 1.7: Average Staffing Level (ASL)

	2005-06 budget	2005-06 revised	variation ¹
Outcome 1			
Sound macroeconomic environment	191	191	-
Outcome 2			
Effective government spending and taxation arrangements	405	405	-
Outcome 3			
Well functioning markets	338	228	(110)
Total	934	824	(110)

1 Variation relates to staff of the Mint which became a prescribed agency effective from 1 July 2005.

SUMMARY OF AGENCY SAVINGS

The Treasury has identified total administered savings of \$1.2 million represented by funding that is no longer required for Compensation – Companies Regulation expenses (\$1.0 million) as a result of revised parameters and additional \$7,000 First Home Owners Scheme expenses (\$0.2 million) as a result of revised additional data received from the States and Territories.

Table 1.8: Summary of agency savings

S	Savings from annual appropriations	\$1.172 million
T	Transfer appropriation monies across outcomes	-
M	Movements of funding between years	-
Total agency savings		\$1.172 million

OTHER RECEIPTS AVAILABLE TO BE USED

Table 1.9 provides details of other receipts available to be used and include *Financial Management and Accountability Act 1997* (FMA) section 31 receipts, special accounts (non-appropriation receipts) and resources received free of charge. There were no administered receipts available to be used.

Table 1.9: Other receipts available to be used

	Budget estimate 2005-06 \$'000	Revised estimate ¹ 2005-06 \$'000
Departmental other receipts		
Goods and services	48,351	6,000
Other	1,989	300
Total departmental other receipts available to be used	50,340	6,300

¹ The revised estimates 2005-06 differs significantly as the Mint became a prescribed agency effective from 1 July 2005.

ESTIMATES OF EXPENSES FROM SPECIAL APPROPRIATIONS

Table 1.10: Estimates of expenses from special appropriations

	Budget estimate 2005-06 \$'000	Revised estimate 2005-06 \$'000
Estimated expenses		
s8, <i>International Monetary Agreement Act 1947</i> (A)	22,510	24,867
s20, <i>A New Tax System (Commonwealth-State Financial Arrangements) Act 1999</i> (A)	755,602	203,225
s235(2), <i>Superannuation Industry (Supervision) Act 1993</i> (A)	-	1,158
Total estimated expenses	778,112	229,250

(A) = Administered.

ESTIMATES OF SPECIAL ACCOUNT FLOWS

Table 1.11: Estimates of special account flows

	Opening Balance	Receipts	Payments	Adjustments ²	Closing Balance
	2005-06 ¹	2005-06	2005-06	2005-06	2005-06
	2004-05 ¹	2004-05	2004-05	2004-05	2004-05
	\$'000	\$'000	\$'000	\$'000	\$'000
Australian Government Actuary	1,369	1,500	1,500	-	1,369
- FMA Act 1997 (D)	1,284	1,654	1,569	-	1,369
Lloyds Deposit Fund	2,000	180	180	-	2,000
- FMA Act 1997 (D)	2,000	165	165	-	2,000
Trustee Companies (ACT) Deposit	120	5	5	-	120
Trust Fund - FMA Act 1997 (D)	120	8	8	-	120
Royal Australian Mint Coinage	8,021	-	-	8,021	-
Trust ² - FMA Act 1997 (D)	11,527	162,777	166,283	-	8,021
Other Trust Monies	-	-	-	-	-
- FMA Act 1997 (D)	-	408	408	-	-
Comcare Account	-	-	-	-	-
- FMA Act 1997 (D)	29	25	54	-	-
Services for other Governments and Non	-	-	-	-	-
Agency Bodies - FMA Act 1997 (D)	-	-	-	-	-
Total special accounts					
2005-06 Budget estimate	11,510	1,685	1,685	8,021	3,489
<i>Total special accounts</i>					
<i>2004-05 actual</i>	<i>14,960</i>	<i>165,037</i>	<i>168,487</i>	<i>-</i>	<i>11,510</i>

The special accounts are departmental in nature and governed by the *Financial Management and Accountability Act 1997 (FMA Act 1997)*.

(D) = Departmental.

- 1 The revised Opening Balance for 2005-06 is the same as the final closing balance for 2004-05. This balance may have changed from the *2005-06 Portfolio Budget Statements* to reflect the 2004-05 actuals.
- 2 The Mint became a prescribed agency effective from 1 July 2005 and is no longer a special account of Treasury. The balances in this note differ from those presented in the Mint's Table 1.11 due to the inclusion of GST.

Section 2: Revisions to agency outcomes

OUTCOMES, ADMINISTERED ITEMS AND OUTPUTS

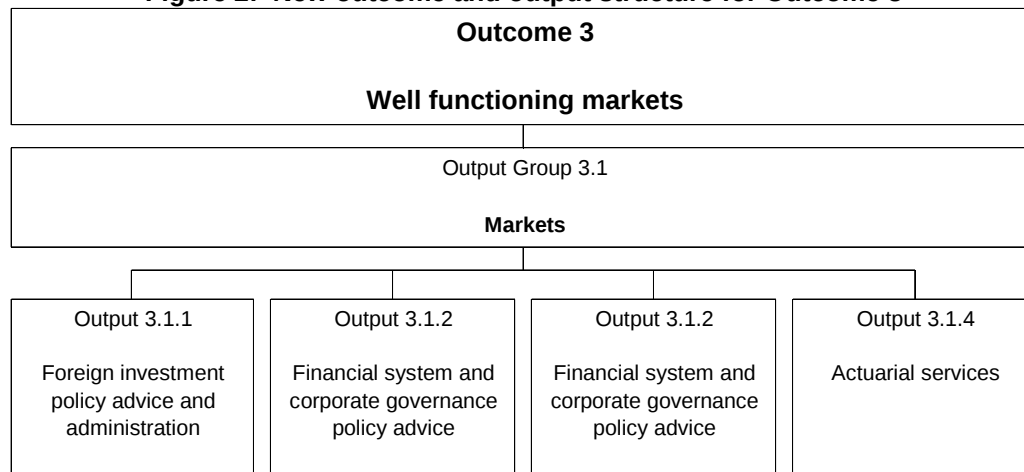
Table 1.1 ‘Agency outcomes and output groups’ lists the outcome statements and output groups for Treasury.

As the Royal Australian Mint (the Mint) became a prescribed agency effective from 1 July 2005, Output 3.1.5 – Circulating coin and like products is no longer an output of Treasury’s. No changes have been made to Outcome 1 or 2.

Output cost attribution

The cost of each output is comprised of direct and indirect costs. Direct costs are assigned to outputs according to detailed cost profiles. Indirect costs that comprise corporate and overhead items such as information technology, accommodation, financial and human resource management are allocated to outputs based on a consumption (cost driver) basis.

Figure 2: New outcome and output structure for Outcome 3



Revised performance information — 2005-06

The variation in appropriation funding for new Measures will not affect the performance information disclosed in the 2005-06 *Portfolio Budget Statements*. However, as the Mint became a prescribed agency effective from 1 July 2005 the performance information related to Output 3.1.5 is no longer applicable.

Section 3: Budgeted financial statements

ANALYSIS OF BUDGETED FINANCIAL STATEMENTS

Departmental

Treasury is budgeting towards a breakeven operating result for 2005-06.

Treasury will have reduced net estimated revenues in 2005-06 of \$47.7 million. This decrease relates mainly to revenues earned by the Royal Australian Mint (the Mint) which became a prescribed agency effective from 1 July 2005. The increase in appropriation revenue (\$0.07 million) from the original budget relates to funding received for new Measures offset by section 32 transfers and parameter adjustments.

As a result of the Mint becoming a prescribed agency effective from 1 July 2005, the net assets of Treasury have been reduced in the revised budget (\$35.8 million) and forward years. Table 3.4 provides further details.

Treasury has a sound financial position and currently has sufficient cash to fund ongoing provisions and payables, and asset replacements, as they fall due.

Administered

For constitutional reasons the goods and services tax (GST) is levied by the Australian Government, and can therefore be technically considered Australian Government revenue under the reporting standards. The clear policy intent of the *Intergovernmental Agreement on the Reform of Commonwealth-State Financial Relations*, however, is that GST is a State tax collected by the Australian Government in an agency capacity. Accordingly, GST related items recorded in Treasury's administered budget statements, fully offsets GST related items recorded by the Australian Taxation Office so that at a consolidated level the GST is not recorded by the Australian Government.

BUDGETED FINANCIAL STATEMENTS

Departmental financial statements

Budgeted departmental income statement

This statement provides a picture of the expected financial results for Treasury by identifying full accrual expenses and revenues, which indicates the sustainability of Treasury's finances.

Budgeted departmental balance sheet

This statement shows the financial position of 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 statement of changes in equity — summary of movement

This statement provides information on changes in the amount and nature of equity for the Budget year 2005-06.

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.

Departmental property, plant, equipment and intangibles — summary of movement

Shows budgeted acquisitions and disposals of non-financial assets during the Budget year.

Schedule of administered activity

Schedule of budgeted income and expenses administered on behalf of government

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

Schedule of budgeted assets and liabilities administered on behalf of government

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

Schedule of budgeted administered cash flows

This schedule shows cash flows administered on behalf of the Australian Government.

Schedule of administered capital budget

This schedule shows details of planned administered capital expenditure.

**Table 3.1: Budgeted departmental income statement
(for the period ended 30 June)**

	Actual 2004-05 \$'000	Revised budget 2005-06 \$'000	Forward estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000
INCOME					
Revenue					
Revenues from government	126,555	134,040	127,231	119,351	119,301
Goods and services	60,117	5,500	5,638	5,779	5,923
Interest	479	-	-	-	-
Other	623	500	500	500	500
Total revenue	187,774	140,040	133,369	125,630	125,724
Gains					
Net gains from sale of assets	81	-	-	-	-
Other	468	300	300	300	300
Total gains	549	300	300	300	300
Total income	188,323	140,340	133,669	125,930	126,024
EXPENSE					
Employees	86,951	86,369	87,979	87,634	89,343
Suppliers	79,013	50,188	41,907	34,513	32,898
Depreciation and amortisation	4,888	3,625	3,625	3,625	3,625
Write-down of assets and impairment of assets	189	-	-	-	-
Net losses from sale of assets	80	-	-	-	-
Borrowing costs expense	124	158	158	158	158
Total expenses	171,245	140,340	133,669	125,930	126,024
Operating result from continuing operations	17,078	-	-	-	-
Income tax expense	186	-	-	-	-
Operating result	16,892	-	-	-	-
Net surplus or (deficit) attributable to the Australian Government	16,892	-	-	-	-

**Table 3.2: Budgeted departmental balance sheet
(as at 30 June)**

	Actual 2004-05 \$'000	Revised budget 2005-06 \$'000	Forward estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000
ASSETS					
Financial assets					
Cash	12,883	4,941	4,941	4,941	4,941
Receivables	37,509	38,235	38,530	39,980	40,835
Total financial assets	50,392	43,176	43,471	44,921	45,776
Non-financial assets					
Land and buildings	8,128	8,229	8,504	8,779	9,054
Infrastructure, plant and equipment	14,944	8,101	8,201	8,301	8,401
Inventories	21,224	-	-	-	-
Intangibles	1,805	1,234	1,566	1,627	1,687
Other	8,747	1,500	1,500	1,500	1,500
Total non-financial assets	54,848	19,064	19,771	20,207	20,642
Total assets	105,240	62,240	63,242	65,128	66,418
LIABILITIES					
Interest bearing liabilities					
Leases	1,422	1,422	1,422	1,422	1,422
Total interest bearing liabilities	1,422	1,422	1,422	1,422	1,422
Provisions					
Employees	31,064	29,038	30,003	31,759	32,968
Other	152	-	-	-	-
Total provisions	31,216	29,038	30,003	31,759	32,968
Payables					
Suppliers	2,587	2,500	2,500	2,500	2,500
Other	7,524	2,521	2,523	2,543	2,614
Total payables	10,111	5,021	5,023	5,043	5,114
Total liabilities	42,749	35,481	36,448	38,224	39,504
EQUITY*					
Contributed equity	12,230	3,685	3,720	3,830	3,840
Reserves	9,037	3,644	3,644	3,644	3,644
Retained surpluses	41,224	19,430	19,430	19,430	19,430
Total equity	62,491	26,759	26,794	26,904	26,914
Current assets	71,969	44,676	44,971	46,421	47,276
Non-current assets	33,271	17,564	18,271	18,707	19,142
Current liabilities	25,059	18,974	19,417	20,239	20,862
Non-current liabilities	17,690	16,507	17,031	17,985	18,642

* 'Equity' is the residual interest in assets after deduction of liabilities.

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

	Actual 2004-05 \$'000	Revised budget 2005-06 \$'000	Forward estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000
OPERATING ACTIVITIES					
Cash received					
Goods and services	26,749	6,430	6,753	6,931	7,065
Appropriations	109,597	131,967	126,937	117,877	118,446
GST receipts from ATO	4,802	4,315	3,545	2,791	2,616
Other	137,696	-	-	-	-
Total cash received	278,844	142,712	137,235	127,599	128,127
Cash used					
Employees	84,596	85,458	87,014	85,878	88,134
Suppliers	90,314	53,590	45,766	37,612	35,785
Financing costs	-	158	158	158	158
GST payments to ATO	2,682	-	-	-	-
Other	99,056	-	-	-	-
Total cash used	276,648	139,206	132,938	123,648	124,077
Net cash from or (used by) operating activities	2,196	3,506	4,297	3,951	4,050
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of property, plant and equipment	81	-	-	-	-
Total cash received	81	-	-	-	-
Cash used					
Purchase of property, plant and equipment	6,174	3,580	4,332	4,061	4,060
Total cash used	6,174	3,580	4,332	4,061	4,060
Net cash from or (used by) investing activities	(6,093)	(3,580)	(4,332)	(4,061)	(4,060)
FINANCING ACTIVITIES					
Cash received					
Appropriations - contributed equity	2,965	33	35	110	10
Total cash received	2,965	33	35	110	10
Cash used					
Repayments of debt	1,590	-	-	-	-
Other - restructuring	-	7,901	-	-	-
Total cash used	1,590	7,901	-	-	-
Net cash from or (used by) financing activities	1,375	(7,868)	35	110	10
Net increase or (decrease) in cash held	(2,522)	(7,942)	-	-	-
Cash at the beginning of the reporting period	15,405	12,883	4,941	4,941	4,941
Cash at the end of the reporting period	12,883	4,941	4,941	4,941	4,941

Table 3.4: Departmental statement of changes in equity — summary of movement (Budget year 2005-06)

	Accumulated results \$'000	Asset revaluation reserve \$'000	Other reserves \$'000	Contributed equity/ capital \$'000	Total equity \$'000
Opening balance as at 1 July 2005					
Balance carried forward from previous period	41,224	9,037	-	12,230	62,491
Opening balance	41,224	9,037	-	12,230	62,491
Income and expense					
Net operating result	-	-	-	-	-
Total income and expenses recognised directly in equity	-	-	-	-	-
Transactions with owners					
Contribution by owners					
Appropriation (equity injection)	-	-	-	33	33
Other:					
Restructuring ¹	(21,794)	(5,393)	-	(8,578)	(35,765)
Sub-total transactions with owners	(21,794)	(5,393)	-	(8,545)	(35,732)
Closing balance as at 30 June 2006	19,430	3,644	-	3,685	26,759

1 The Mint became a prescribed agency effective from 1 July 2005.

Table 3.5: Departmental capital budget statement

	Actual 2004-05 \$'000	Revised budget 2005-06 \$'000	Forward estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000
CAPITAL APPROPRIATIONS					
Total equity injections	2,965	33	35	110	10
Previous years' outputs	4,816	-	-	-	-
Total capital appropriations	7,781	33	35	110	10
Represented by:					
Purchase of non-financial assets	2,965	33	35	110	10
Other	4,816	-	-	-	-
Total represented by	7,781	33	35	110	10
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriation	2,965	33	35	110	10
Funded internally by Departmental resources	3,209	3,547	4,297	3,951	4,050
Total	6,174	3,580	4,332	4,061	4,060

Table 3.6: Departmental property, plant, equipment and intangibles — summary of movement (Budget year 2005-06)

	Land	Investment property	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	\$'000
As at 1 July 2005									
Gross book value	-	-	11,128	-	17,991	-	6,962	-	36,081
Accumulated depreciation	-	-	(3,000)	-	(3,047)	-	(5,157)	-	(11,204)
Opening net book value	-	-	8,128	-	14,944	-	1,805	-	24,877
Additions:									
by purchase	-	-	1,000	-	2,002	-	578	-	3,580
Depreciation/amortisation expense	-	-	(725)	-	(2,400)	-	(500)	-	(3,625)
Disposals:									
from disposal of entities or operations (including restructuring)	-	-	(174)	-	(6,445)	-	(649)	-	(7,268)
As at 30 June 2006									
Gross book value	-	-	11,954	-	13,548	-	6,891	-	32,393
Accumulated depreciation	-	-	(3,725)	-	(5,447)	-	(5,657)	-	(14,829)
Closing net book value	-	-	8,229	-	8,101	-	1,234	-	17,564

Table 3.7: Schedule of budgeted income and expenses administered on behalf of government (for the period ended 30 June)

	Actual 2004-05 \$'000	Revised budget 2005-06 \$'000	Forward estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000
INCOME ADMINISTERED ON BEHALF OF GOVERNMENT					
Revenue					
Taxation					
Goods and services tax	(35,322,670)	(38,120,000)	(40,480,000)	(42,690,000)	(44,950,000)
Other taxes	-	200,000	240,000	280,000	320,000
Total taxation	(35,322,670)	(37,920,000)	(40,240,000)	(42,410,000)	(44,630,000)
Non-taxation					
Revenues from government	36,194,382	38,169,451	39,658,042	41,796,802	43,809,347
Goods and services	591,922	605,900	611,600	619,800	627,900
Interest	3,940	479	-	-	-
Dividends	694,000	1,363,000	1,193,000	1,208,000	1,282,000
Other sources of non-taxation revenues	184,313	31,854	30,438	29,469	29,559
Total non-taxation	37,668,557	40,170,684	41,493,080	43,654,071	45,748,806
Total revenues administered on behalf of government	2,345,887	2,250,684	1,253,080	1,244,071	1,118,806
Gains					
Net foreign exchange gains	-	85,770	-	-	-
Total gains administered on behalf of government	-	85,770	-	-	-
Total income administered on behalf of government	2,345,887	2,336,454	1,253,080	1,244,071	1,118,806
EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT					
Grants	898,365	1,137,426	427,852	446,612	299,157
Write down and impairment of assets	-	(420,000)	(445,000)	(465,000)	(495,000)
Other	27,673	32,025	30,190	30,190	30,190
Losses					
Net foreign exchange losses	448,386	-	14	-	-
Total expenses administered on behalf of government	1,374,424	749,451	13,056	11,802	(165,653)

Table 3.8: Schedule of budgeted assets and liabilities administered on behalf of government (as at 30 June)

	Actual 2004-05 \$'000	Revised budget 2005-06 \$'000	Forward estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000
ASSETS ADMINISTERED ON BEHALF OF GOVERNMENT					
Financial assets					
Cash	9,089	9,089	9,089	9,089	9,089
Receivables	719,960	(2,480,919)	(3,439,423)	(4,110,094)	(4,798,553)
Investments	14,954,009	15,054,865	15,054,865	15,054,865	15,054,865
Total financial assets	15,683,058	12,583,035	11,624,531	10,953,860	10,265,401
Non-financial assets					
Other	2,222	2,143	2,127	2,127	2,127
Total non-financial assets	2,222	2,143	2,127	2,127	2,127
Total assets administered on behalf of government	15,685,280	12,585,178	11,626,658	10,955,987	10,267,528
LIABILITIES ADMINISTERED ON BEHALF OF GOVERNMENT					
Interest bearing liabilities					
Loans	3,871,107	3,869,292	3,867,658	3,866,559	3,866,010
Other	899,016	913,680	913,680	913,680	913,680
Total interest bearing liabilities	4,770,123	4,782,972	4,781,338	4,780,239	4,779,690
Provisions					
Other provisions	6,823	(399,906)	(401,410)	(401,410)	(401,410)
Total provisions	6,823	(399,906)	(401,410)	(401,410)	(401,410)
Payables					
Suppliers	605	605	605	605	605
Grants and subsidies	338,050	252,932	187,071	138,990	103,031
Other payables	3,731	4,199	4,199	4,199	4,199
Total payables	342,386	257,736	191,875	143,794	107,835
Total liabilities administered on behalf of government	5,119,332	4,640,802	4,571,803	4,522,623	4,486,115

**Table 3.9: Schedule of budgeted administered cash flows
(for the period ended 30 June)**

	Actual 2004-05 \$'000	Revised budget 2005-06 \$'000	Forward estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000
OPERATING ACTIVITIES					
Cash received					
Rendering of services	591,922	605,900	611,600	619,800	627,900
Interest	3,940	479	-	-	-
Dividends	1,338,466	1,383,000	1,492,534	1,208,000	1,282,000
Other	144,262	36,061	29,559	29,559	29,559
Total cash received	2,078,590	2,025,440	2,133,693	1,857,359	1,939,459
Cash used					
Grant payments	36,069,855	38,137,426	39,627,852	41,766,612	43,779,157
Other	111,755	114,175	93,551	75,771	63,649
Total cash used	36,181,610	38,251,601	39,721,403	41,842,383	43,842,806
Net cash from or (used by) operating activities	(34,103,020)	(36,226,161)	(37,587,710)	(39,985,024)	(41,903,347)
INVESTING ACTIVITIES					
Cash received					
Repayments of advances	-	219,400	-	-	-
Total cash received	-	219,400	-	-	-
Cash used					
Purchase of equity instruments	9,222	4,737	4,148	3,599	3,049
Total cash used	9,222	4,737	4,148	3,599	3,049
Net cash from or (used by) investing activities	(9,222)	214,663	(4,148)	(3,599)	(3,049)
FINANCING ACTIVITIES					
Cash received					
Proceeds from borrowing	64,051	14,804	-	-	-
Other	-	152,523	-	-	-
Total cash received	64,051	167,327	-	-	-
Cash used					
Other	-	152,523	-	-	-
Total cash used	-	152,523	-	-	-
Net cash from or (used by) financing activities	64,051	14,804	-	-	-
Net increase or (decrease) in cash held	(34,048,191)	(35,996,694)	(37,591,858)	(39,988,623)	(41,906,396)
Cash at beginning of reporting period	3,288	9,089	9,089	9,089	9,089
Cash from Official Public Account for:					
- appropriations	36,194,381	38,256,338	39,725,551	41,845,982	43,845,855
Cash to Official Public Account for:					
- appropriations	2,140,389	2,259,644	2,133,693	1,857,359	1,939,459
Cash at end of reporting period	9,089	9,089	9,089	9,089	9,089

Table 3.10: Schedule of administered capital budget

	Actual 2004-05 \$'000	Revised budget 2005-06 \$'000	Forward estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000
CAPITAL APPROPRIATIONS					
Administered capital	7,065	4,737	4,148	3,599	3,049
Special appropriations	316,598	82,618	63,361	45,581	33,459
Total capital appropriations	323,663	87,355	67,509	49,180	36,508
Represented by:					
Purchase of non-financial assets	-	-	-	-	-
Other	323,663	87,355	67,509	49,180	36,508
Total represented by	323,663	87,355	67,509	49,180	36,508

Table 3.11: Schedule of administered property, plant, equipment and intangibles — summary of movement (Budget year 2005-06)

This table is not applicable to Treasury.

NOTES TO THE FINANCIAL STATEMENTS

Basis of accounting

Treasury's budgeted statements have been prepared on an accrual basis in accordance with:

- Australian Government's financial budgeting and reporting framework;
- Australian Accounting Standards (AAS), being the Australian Equivalent to International Reporting Standards (AEIFRS); and
- Consensus Views of the Urgent Issues Group.

The budgeted income statement and balance sheet have been prepared in accordance with the historical cost convention, except certain assets, which are at valuation.

Departmental and administered financial statements

Under the Australian Government's accrual budgeting framework, and consistent with AAS, transactions that Treasury control (departmental) are separately budgeted for, and reported on than from transactions that Treasury does not have control over (administered). This ensures that departments are only held accountable for the transactions over which they have control.

Departmental assets, liabilities, revenues and expenses are those items that are controlled by Treasury. Departmental expenses include employee and supplier expenses and other administrative costs, which are incurred by the department in providing its goods and services.

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

Royal Australian Mint

The Royal Australian Mint became a prescribed agency effective from 1 July 2005 and is no longer a special account of Treasury.

