DEPARTMENT OF THE TREASURY

DEPARTMENT OF THE TREASURY

Section 1: Agency overview and resources

1.1 STRATEGIC DIRECTION

There has been no significant change to the strategic direction of the Department of the Treasury (the Treasury) from that outlined in the *Portfolio Budget Statements 2009-10* (pages 15-17).

The Treasury is seeking an additional $0.1 million in departmental outputs through Appropriation Bill (No. 3) 2009-10. This relates to an additional $1.0 million for strengthening Australia's relationship with India offset by a reduction of $0.9 million for the whole-of-government departmental efficiencies.

The Treasury is also seeking an additional $0.1 million as an equity injection through Appropriation Bill (No. 4) 2009-10 for strengthening Australia's relationship with India.

1.2 AGENCY RESOURCE STATEMENT

Table 1.1 shows the total resources from all origins. The table summarises how resources will be applied by outcome and departmental classification.

Table 1.1: Department of the Treasury resource statement — additional estimates for 2009-10 as at Additional Estimates November 2009

		Estimates at at Budget +	Proposed Additional Estimates =	Total estimate at Additional Estimates	Total available appropriation
		2009-10	2009-10	2009-10	2008-09
		$'000	$'000	$'000	$'000
Ordinary annual services					
Departmental					
Prior year departmental carried forward		62,816	11,598	74,414	-
Departmental appropriation		167,211	109 [1]	167,320	145,931
Receipts from other sources (s31)		10,721	4,339	15,060	9,647
Total departmental		240,748	16,046	256,794	155,578
Administered expenses					
Outcome 1		1,000	-	1,000	5,000
Total administered expenses		1,000	-	1,000	5,000
Total ordinary annual services	**A**	**241,748**	**16,046**	**257,794**	**160,578**
Other services					
Administered expenses					
Payments to States, ACT, NT and local government					
Outcome 1		-	-	-	615,768
Total		-	-	-	615,768
Departmental non-operating					
Equity injections		11,841	118 [2]	11,959	21,304
Previous years' outputs		1,800	-	1,800	949
Total		13,641	118	13,759	22,253
Administered non-operating					
Administered assets and liabilities Outcome 1		19,010	-	19,010	83,840
Total		**19,010**	-	19,010	83,840
Total other services	**B**	**32,651**	**118**	**32,769**	**721,861**
Total available annual appropriations (A + B)		**274,399**	**16,164**	**290,563**	**882,439**

Table 1.1: Department of the Treasury resource statement — additional estimates for 2009-10 as at Additional Estimates November 2009 (continued)

		Estimates at at Budget 2009-10 $'000	+	Proposed Additional Estimates 2009-10 $'000	=	Total estimate at Additional Estimates 2009-10 $'000	Total available appropriation 2008-09 $'000
Special appropriations							
Federal Financial Relations Act 2009		59,264,932		349,400		59,614,332	3,181,600
International Monetary Agreements Act 1947		4,466		287,850		292,316	433,711
Australian Business Investment Partnership Bill 2009		1,000,000		(1,000,000)		-	-
A New Tax System (Commonwealth-State Financial Arrangements) Act 1999		-		88,736		88,736	41,450,756
Total special appropriations	**C**	**60,269,398**		**(274,014)**		**59,995,384**	**45,066,067**
Total appropriations excluding special accounts (A+B+C)		**60,543,797**		**(257,850)**		**60,285,947**	**45,948,506**
Special accounts							
Opening balance		1,858		-		1,858	1,858
Appropriation receipts		18,945,775		2,195,602		21,141,377	7,988,356
Non-appropriation receipts to special accounts		1,660		-		1,660	1,548
Total special account	**D**	**18,949,293**		**2,195,602**		**21,144,895**	**7,991,762**
Total resourcing (A+B+C+D)		**79,493,090**		**1,937,752**		**81,430,842**	**53,940,268**
Less receipts from other sources credited to special accounts		1,660		-		1,660	1,548
Total net resourcing for the Treasury		**79,491,430**		**1,937,752**		**81,429,182**	**53,938,720**

1. Appropriation Bill (No. 3) 2009-10.
2. Appropriation Bill (No. 4) 2009-10.

1.3 AGENCY MEASURES TABLE

Table 1.2 summarises new Government measures taken since the 2009-10 Budget.

Table 1.2: Agency Measures since Budget

	Program	2009-10 $'000	2010-11 $'000	2011-12 $'000	2012-13 $'000
Expense measures					
Drought assistance -					
Exceptional Circumstances assistance for primary producers	1.10	16,805	2,260	-	-
Exceptional Circumstances assistance for small businesses	1.10	1,062	201	-	-
Economic Stimulus Plan Recalibration -					
Building the Education Revolution - Primary Schools for the 21st Century (P21)	1.10	19,387	16,103	-	-
Nation Building and Jobs Plan - investment in social housing - reduced funding	1.10	(150,000)	(450,000)	(150,000)	-
Greenhouse Gas Reduction Scheme - transitional assistance	1.10	-	130,000	-	-
GST - Government response to Board of Taxation report - minor changes	1.10	-	*	*	*
International Monetary Fund - additional contribution	1.10	30,000	-	-	-
National Solar Schools Program - reduced funding	1.10	-	(18,370)	(18,790)	-
Strengthening Australia's relationship with India[1]	1.1	974	891	900	974
Victorian bushfire reconstruction and recovery	1.10	41,200	6,900	-	-
Whole-of-government departmental efficiencies	1.1	(890)	(1,632)	(1,531)	(1,527)
Total expense measures		**71,284**	**117,789**	**(19,421)**	**(553)**
Related capital					
Strengthening Australia's relationship with India[1]	1.1	118	-	-	-
Total related capital		**118**	**-**	**-**	**-**

Note: Details of these measures are in the *Mid-Year Economic and Fiscal Outlook 2009-10*.
1. This measure was agreed after the Mid-Year Economic and Fiscal Outlook.

1.4 ADDITIONAL ESTIMATES AND VARIATIONS

Table 1.3 details the additional estimates and variations resulting from new measures since the 2009-10 Budget.

Table 1.3: Additional estimates and variations to outcomes from measures since 2009-10 Budget

	Program impacted	2009-10 $'000	2010-11 $'000	2011-12 $'000	2012-13 $'000
Outcome 1					
Increase in estimates (departmental)					
Strengthening Australia's relationship with India	1.1	974	891	900	974
Strengthening Australia's relationship with India (related capital)	1.1	118	-	-	-
Decrease in estimates (departmental)					
Whole-of-government departmental efficiencies	1.1	(890)	(1,632)	(1,531)	(1,527)
Net impact on estimates for Outcome 1 (departmental)		**202**	**(741)**	**(631)**	**(553)**

Note: These figures represent the fiscal balance impact.

Table 1.4: Additional estimates and variations to outcomes from other variations

The Treasury does not have any other variations since the 2009-10 Budget that affect Appropriation Bills No. 3 and No. 4.

1.5 BREAKDOWN OF ADDITIONAL ESTIMATES BY APPROPRIATION BILL

The following tables detail the additional estimates sought for the Treasury through Appropriation Bills No. 3 and No. 4.

Table 1.5: Appropriation Bill (No. 3) 2009-10

	2008-09 available $'000	2009-10 Budget $'000	2009-10 revised $'000	Additional estimates $'000	Reduced estimates $'000
DEPARTMENTAL PROGRAMS					
Outcome 1					
Informed decisions on the development and implementation of policies to improve the wellbeing of the Australian people, including by achieving strong, sustainable economic growth, through the provision of advice to government and the efficient administration of federal financial relations	145,931	167,211	167,320	999	(890)
Total	**145,931**	**167,211**	**167,320**	**999**	**(890)**

Note: These figures represent the resourcing impact.

Table 1.6: Appropriation Bill (No. 4) 2009-10

	2008-09 available $'000	2009-10 Budget $'000	2009-10 revised $'000	Additional Estimates $'000	Reduced estimates $'000
Non-operating					
Equity injections	21,304	11,841	11,959	118	-
Total	**21,304**	**11,841**	**11,959**	**118**	**-**

Section 2: Revisions to agency outcomes and planned performance

2.1 RESOURCES AND PERFORMANCE INFORMATION

There has been no change to outcomes or the outcome strategy for the Treasury from that included in the *Portfolio Budget Statements 2009-10* (pages 33-34).

There has been no change to the program objective, expenses, deliverables or key performance indicators for program 1.2 and programs 1.4 to 1.10 that affect Appropriation Bills No. 3 and No. 4.

For program 1.3, the program objective, expenses, deliverables and key performance indicators have been amended to remove the Australian Business Investment Partnership as legislation was not passed.

Programs 1.4 to 1.10 relate to Australia's Federal Relations. Further details of Australia's Federal Relations are on pages 70 to 128 of the *Mid-Year Economic and Fiscal Outlook 2009-10*.

Table 2.1: Budgeted expenses and resources for Outcome 1

Outcome 1: Informed decisions on the development and implementation of policies to improve the wellbeing of the Australian people, including by achieving strong, sustainable economic growth, through the provision of advice to government and the efficient administration of federal financial relations	2008-09 Actual $'000	2009-10 Revised estimated resources $'000
Program 1.1: Department of the Treasury		
Departmental resources		
Ordinary annual services (Appropriation Bills No. 1 and No. 3)	145,931	167,320
Equity injections (Appropriation Bill No. 2)	21,304	11,959
Previous years' outputs	949	1,800
Revenues from independent sources (section 31)	9,647	15,060
Special accounts	1,548	1,660
Total for Program 1.1	179,379	197,799

	2008-09	2009-10
Average staffing level (number)	936	993

Program 1.1: Department of the Treasury

There has been no change to the program objective, deliverables or key performance indicators from that included in the *Portfolio Budget Statements 2009-10*.

Table 2.2: Program resources

	2008-09 Actuals $'000	2009-10 Revised budget $'000	2010-11 Forward year 1 $'000	2011-12 Forward year 2 $'000	2012-13 Forward year 3 $'000
Departmental items:					
Ordinary annual services					
(Appropriation Bills No. 1 and No. 3)	145,931	167,320	156,031	140,878	140,314
Equity injections	21,304	11,959	-	-	-
Previous years' outputs	949	1,800	-	-	-
Receipts from other sources (section 31)	9,647	15,060	14,560	13,810	13,810
Special accounts	1,548	1,660	1,660	1,660	1,660
Total program resources	**179,379**	**197,799**	**172,251**	**156,348**	**155,784**

Section 3: Explanatory tables and budgeted financial statements

3.1 EXPLANATORY TABLES

3.1.1 Estimates of special account flows

There has been no change to special account flows that affect Appropriation Bills No. 3 and No. 4.

3.2 BUDGETED FINANCIAL STATEMENTS

3.2.1 Analysis of budgeted financial statements

The Department of the Treasury is budgeting for a departmental breakeven operating result for 2009-10.

The Department of the Treasury has a sound financial position and currently has sufficient cash reserves to fund provisions and payables, and asset replacement, as they fall due.

3.2.2 Budgeted financial statements

Table 3.2.1: Budgeted departmental comprehensive income statement (for the period ended 30 June)

	Actual 2008-09 $'000	Revised budget 2009-10 $'000	Forward estimate 2010-11 $'000	Forward estimate 2011-12 $'000	Forward estimate 2012-13 $'000
EXPENSES					
Employee benefits	107,575	119,911	110,671	99,449	99,053
Supplier	47,046	51,940	49,015	45,124	44,956
Grants	3,248	2,330	1,830	1,080	1,080
Depreciation and amortisation	4,191	8,154	9,075	9,036	9,035
Net write-down and impairment	33	-	-	-	-
Net losses from sale	9	-	-	-	-
Finance costs	94	45	-	-	-
Total expenses	162,196	182,380	170,591	154,689	154,124
LESS:					
OWN-SOURCE INCOME					
Revenue					
Sale of goods and rendering of services	8,823	14,240	13,740	12,990	12,990
Other revenue	290	290	290	290	290
Total revenue	9,113	14,530	14,030	13,280	13,280
Gains					
Other gains	534	530	530	530	530
Total gains	534	530	530	530	530
Total own-source income	9,647	15,060	14,560	13,810	13,810
Net cost of (contribution by) services	152,549	167,320	156,031	140,879	140,314
Appropriation revenue	148,680	167,320	156,031	140,879	140,314
Surplus (deficit) attributable to the Australian Government	(3,869)	-	-	-	-

Prepared on Australian Accounting Standards basis.

Table 3.2.2: Budgeted departmental balance sheet (as at 30 June)

	Actual 2008-09 $'000	Revised budget 2009-10 $'000	Forward estimate 2010-11 $'000	Forward estimate 2011-12 $'000	Forward estimate 2012-13 $'000
ASSETS					
Financial assets					
Cash and equivalents	1,367	1,367	1,367	1,367	1,367
Trade and other receivables	76,793	78,342	81,891	84,465	87,038
Total financial assets	78,160	79,709	83,258	85,832	88,405
Non-financial assets					
Land and buildings	10,314	9,408	8,384	7,360	6,336
Infrastructure, plant and equipment	8,009	9,809	12,019	12,268	14,518
Intangibles	19,650	30,048	27,144	25,345	21,546
Other	1,042	1,091	1,141	1,141	1,141
Total non-financial assets	39,015	50,356	48,688	46,114	43,541
Total assets	117,175	130,065	131,946	131,946	131,946
LIABILITIES					
Interest bearing liabilities					
Leases	233	233	233	233	233
Total interest bearing liabilities	233	233	233	233	233
Provisions					
Employees	37,687	38,500	39,365	39,365	39,365
Total provisions	37,687	38,500	39,365	39,365	39,365
Payables					
Suppliers	3,853	3,897	3,942	3,942	3,942
Other	4,991	5,065	5,141	5,141	5,141
Total payables	8,844	8,962	9,083	9,083	9,083
Total liabilities	46,764	47,695	48,681	48,681	48,681
Net assets	70,411	82,370	83,265	83,265	83,265
EQUITY					
Parent entity interest					
Contributed equity	34,243	46,202	47,097	47,097	47,097
Reserves	5,246	5,246	5,246	5,246	5,246
Retained surpluses or accumulated deficits	30,922	30,922	30,922	30,922	30,922
Total parent entity interest	70,411	82,370	83,265	83,265	83,265
Current assets	79,202	80,800	84,399	86,973	89,546
Non-current assets	37,973	49,265	47,547	44,973	42,400
Current liabilities	36,943	37,481	38,059	37,634	37,192
Non-current liabilities	9,821	10,214	10,622	11,047	11,489

Prepared on Australian Accounting Standards basis.

Table 3.2.3: Budgeted departmental statement of cash flows (for the period ended 30 June)

	Actual 2008-09 $'000	Revised budget 2009-10 $'000	Forward estimate 2010-11 $'000	Forward estimate 2011-12 $'000	Forward estimate 2012-13 $'000
OPERATING ACTIVITIES					
Cash received					
Goods and services	9,584	14,155	13,653	12,990	12,990
Appropriations	158,418	169,410	157,454	138,305	137,741
Other	792	280	280	290	290
Total cash received	168,794	183,845	171,387	151,585	151,021
Cash used					
Employees	106,925	119,789	110,517	100,155	99,053
Suppliers	43,582	54,194	52,578	43,888	44,426
Grants	1,805	2,330	1,830	1,080	1,080
Borrowing costs	135	45	-	-	-
Total cash used	152,447	176,358	164,925	145,123	144,559
Net cash from or (used by) operating activities	16,347	7,487	6,462	6,462	6,462
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment	37,651	19,446	7,357	6,462	6,462
Total cash used	37,651	19,446	7,357	6,462	6,462
Net cash from or (used by) investing activities	(37,651)	(19,446)	(7,357)	(6,462)	(6,462)
FINANCING ACTIVITIES					
Cash received					
Appropriations - contributed equity	21,304	11,959	895	-	-
Total cash received	21,304	11,959	895	-	-
Net cash from or (used by) financing activities	21,304	11,959	895	-	-
Net increase or (decrease) in cash held	-	-	-	-	-
Cash at the beginning of the reporting period	2,270	2,270	2,270	2,270	2,270
Cash at the end of the reporting period	2,270	2,270	2,270	2,270	2,270

Prepared on Australian Accounting Standards basis.

Table 3.2.4: Departmental statement of changes in equity — summary of movement (budget year 2009-10)

	Retained earnings $'000	Asset revaluation reserve $'000	Other reserves $'000	Contributed equity/ capital $'000	Total equity $'000
Opening balance as at 1 July 2009					
Balance carried forward from previous period	30,922	5,246	-	34,243	70,411
Adjusted opening balance	30,922	5,246	-	34,243	70,411
Transactions with owners					
Contribution by owners					
Appropriation (equity injection)	-	-	-	11,959	11,959
Sub-total transactions with owners	-	-	-	11,959	11,959
Estimated closing balance as at 30 June 2010	30,922	5,246	-	46,202	82,370

Prepared on Australian Accounting Standards basis.

Table 3.2.5: Departmental capital budget statement

	Actual 2008-09 $'000	Revised budget 2009-10 $'000	Forward estimate 2010-11 $'000	Forward estimate 2011-12 $'000	Forward estimate 2012-13 $'000
CAPITAL APPROPRIATIONS					
Total equity injections	21,304	11,959	895	-	-
Previous year's outputs	-	1,800	-	-	-
Total capital appropriations	21,304	13,759	895	-	-
Represented by:					
Purchase of non-financial assets	21,304	11,959	895	-	-
Other	-	1,800	-	-	-
Total represented by	21,304	13,759	895	-	-
ACQUISITION OF NON-FINANCIAL ASSETS					
Funded by capital appropriations	21,304	11,959	895	-	-
Funded internally from departmental resources	16,347	7,487	6,462	6,462	6,462
TOTAL	37,651	19,446	7,357	6,462	6,462

Prepared on Australian Accounting Standards basis.

Table 3.2.6: Statement of asset movements — Departmental (2009-10)

	Buildings	Other infrastructure, plant and equipment	Intangibles	Total
	$'000	$'000	$'000	$'000
As at 1 July 2009				
Gross book value	18,449	12,408	22,410	53,267
less Accumulated depreciation/ amortisation	8,135	4,399	2,760	15,294
Opening net book balance	10,314	8,009	19,650	37,973
Asset movements				
Additions	618	4,000	14,828	19,446
less Depreciation/amortisation expense	1,524	2,200	4,430	8,154
Total asset movements	2,142	6,200	19,258	27,600
As at 30 June 2010				
Gross book value	19,067	16,408	37,238	72,713
less Accumulated depreciation/ amortisation	9,659	6,599	7,190	23,448
Closing net book balance	**9,408**	**9,809**	**30,048**	**49,265**

Prepared on Australian Accounting Standards basis.

Table 3.2.7: Schedule of budgeted income and expenses administered on behalf of Government (for the period ended 30 June)

	Actual 2008-09	Revised budget 2009-10	Forward estimate 2010-11	Forward estimate 2011-12	Forward estimate 2012-13
	$'000	$'000	$'000	$'000	$'000
INCOME ADMINISTERED ON BEHALF OF GOVERNMENT					
Revenue					
Non-taxation					
Goods and services	1,106,895	2,235,983	2,497,323	2,242,903	1,907,948
Interest	3,817	3,964	7,047	8,923	9,468
Dividends	1,402,968	5,977,000	810,000	866,000	965,000
COAG Receipts from government agencies	2,060,272	328,230	953,218	1,521,390	1,735,642
Other sources of non-taxation revenues	137,216	222,666	28,100	8,100	2,500
Total non-taxation	4,711,168	8,767,843	4,295,688	4,647,316	4,620,558
Total income administered on behalf of Government	4,711,168	8,767,843	4,295,688	4,647,316	4,620,558
EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT					
Grants	53,643,549	81,406,309	78,705,078	80,162,859	84,183,283
Interest	14,265	14,011	15,114	15,114	15,114
Other	(232)	675	675	675	675
Foreign exchange losses	403,553	572,475	572	-	-
Total expenses administered on behalf of Government	54,061,135	81,993,470	78,721,439	80,178,648	84,199,072

Prepared on Australian Accounting Standards basis.

Table 3.2.8: Schedule of budgeted assets and liabilities administered on behalf of Government (as at 30 June)

	Actual 2008-09 $'000	Revised budget 2009-10 $'000	Forward estimate 2010-11 $'000	Forward estimate 2011-12 $'000	Forward estimate 2012-13 $'000
ASSETS ADMINISTERED ON BEHALF OF GOVERNMENT					
Financial assets					
Cash and cash equivalents	8,230	8,230	8,230	8,230	8,230
Receivables	2,744,885	5,861,893	3,384,780	1,943,239	870,447
Investments	25,947,373	25,839,422	25,888,632	25,952,632	26,016,632
Total financial assets	28,700,488	31,709,545	29,281,642	27,904,101	26,895,309
Total assets administered on behalf of Government	28,700,488	31,709,545	29,281,642	27,904,101	26,895,309
LIABILITIES ADMINISTERED ON BEHALF OF GOVERNMENT					
Interest bearing liabilities					
Loans	3,889,425	4,626,285	4,553,770	4,395,170	4,433,570
Other debt	899,016	5,787,819	5,773,729	5,773,729	5,773,729
Total interest bearing liabilities	4,788,441	10,414,104	10,327,499	10,168,899	10,207,299
Provisions					
Other provisions	79	79	79	79	79
Total provisions	79	79	79	79	79
Payables					
Grants	558,917	558,917	558,917	558,917	558,917
Other payables	3,695,665	5,404,120	3,253,004	1,844,851	784,874
Total payables	4,254,582	5,963,037	3,811,921	2,403,768	1,343,791
Total liabilities administered on behalf of Government	9,043,102	16,377,220	14,139,499	12,572,746	11,551,169

Prepared on Australian Accounting Standards basis.

Table 3.2.9: Schedule of budgeted administered cash flows (for the period ended 30 June)

	Actual 2008-09 $'000	Revised budget 2009-10 $'000	Forward estimate 2010-11 $'000	Forward estimate 2011-12 $'000	Forward estimate 2012-13 $'000
OPERATING ACTIVITIES					
Cash received					
Sales of goods and rendering of services	1,023,165	1,540,468	1,882,907	1,644,745	1,284,125
Interest	3,893	3,493	6,623	8,769	9,468
Dividends	1,402,968	5,227,000	1,560,000	866,000	965,000
COAG receipts from government agencies	2,060,272	328,200	953,188	1,521,360	1,735,612
Other	95,827	222,695	28,100	8,100	2,500
Total cash received	4,586,125	7,321,856	4,430,818	4,048,974	3,996,705
Cash used					
Grant payments	53,084,810	80,532,074	78,078,248	79,531,129	83,546,615
Interest paid	17,543	12,218	15,114	15,114	15,114
Other	63,314	19,685	6,425	675	675
Total cash used	53,165,667	80,563,977	78,099,787	79,546,918	83,562,404
Net cash from or (used by) operating activities	(48,579,542)	(73,242,121)	(73,668,969)	(75,497,944)	(79,565,699)
INVESTING ACTIVITIES					
Cash used					
Purchase of equity instruments	592	250,098	566,600	222,600	25,600
Total cash used	592	250,098	566,600	222,600	25,600
Net cash from or (used by) investing activities	(592)	(250,098)	(566,600)	(222,600)	(25,600)
FINANCING ACTIVITIES					
Cash received					
Other	-	4,845,258	-	-	-
Total cash received	-	4,845,258	-	-	-
Net cash from or (used by) financing activities	-	4,845,258	-	-	-
Net increase or (decrease) in cash held	(48,580,134)	(68,646,961)	(74,235,569)	(75,720,544)	(79,591,299)
Cash at beginning of reporting period	10,213	8,230	8,230	8,230	8,230
Cash from Official Public Account - appropriations	50,787,063	80,814,075	78,666,387	79,769,518	83,588,004
Cash to Official Public Account	2,208,912	12,167,114	4,430,818	4,048,974	3,996,705
Cash at end of reporting period	8,230	8,230	8,230	8,230	8,230

Prepared on Australian Accounting Standards basis.

Table 3.2.10: Schedule of Administered Capital Budget

	Actual	Revised budget	Forward estimate	Forward estimate	Forward estimate
	2008-09	2009-10	2010-11	2011-12	2012-13
	$'000	$'000	$'000	$'000	$'000
CAPITAL APPROPRIATIONS					
Administered assets and liabilities	83,840	19,010	5,750	-	-
Special appropriations	-	250,098	566,600	222,600	25,600
Total capital appropriations	83,840	269,108	572,350	222,600	25,600
Represented by:					
Other	83,840	269,108	572,350	222,600	25,600
Total represented by	83,840	269,108	572,350	222,600	25,600

Prepared on Australian Accounting Standards basis.

Notes to the financial statements

The Treasury's budgeted statements are prepared on an accrual basis in accordance with:

- the Government's financial budgeting and reporting framework; and
- Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board.

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

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

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