

SECTION 3

BUDGETED FINANCIAL STATEMENTS

Budgeted Operating Statement

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

Budgeted Balance Sheet

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

Budgeted Cash Flow Statement

Budgeted cash flows, as reflected in the statement of cash flows, provides 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.

Capital Budget

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

Non-financial Assets — Summary of Movement

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

Table 3.1 Departmental Operating Statement
(for period ended 30 June 2001)

	Estimated Actual 1999-00 \$'000	Budget Estimate 2000-01 \$'000	Forward Estimate 2001-02 \$'000	Forward Estimate 2002-03 \$'000	Forward Estimate 2003-04 \$'000
Operating revenue					
Revenues from government	645,562	608,453	612,928	625,897	652,385
Sales of goods and services	70,771	66,782	66,885	66,918	70,599
Interest					
Dividends					
Net gains from sales of assets					
Net foreign exchange gains					
Other	205	205	205	205	205
Total operating revenues <i>(before abnormal items)</i>	716,538	675,440	680,018	693,020	723,189
Operating expenses					
Employees	247,353	243,342	246,296	247,193	249,443
Suppliers	400,365	385,929	389,770	401,351	429,271
Grants					
Depreciation and amortisation	36,432	33,777	31,556	32,062	32,062
Write-down of assets					
Interest	60	60	60	60	60
Other	20	20	20	20	20
Total operating expenses	684,230	663,128	667,702	680,686	710,856
Operating surplus or deficit before abnormal and extraordinary items	32,308	12,312	12,316	12,334	12,333
Abnormal and extraordinary items	0	0	0	0	0
Operating surplus or deficit after abnormal and extraordinary items	32,308	12,312	12,316	12,334	12,333
Accumulated results at 1 July	37,989	37,989	37,989	37,989	37,989
Aggregate of amounts transferred to/from Reserves	0	0	0	0	0
Capital user charge paid	-12,308	-12,312	-12,316	-12,334	-12,333
Dividends paid or payable	-20,000	0	0	0	0
Accumulated results at 30 June	37,989	37,989	37,989	37,989	37,989

Table 3.2: Departmental Balance Sheet
(as at 30 June 2001)

	Estimate d Actual 1999-00 \$'000	Budget Estimate 2000-01 \$'000	Forward Estimate 2001-02 \$'000	Forward Estimate 2002-03 \$'000	Forward Estimate 2003-04 \$'000
Assets					
Financial assets					
Cash	48,322	31,051	37,828	53,719	66,850
Receivables	4,731	12,288	12,456	12,618	12,776
Investments					
Accrued revenues					
Other					
Total financial assets	53,053	43,339	50,284	66,337	79,626
Non-financial assets					
Land and buildings	84,159	74,344	64,529	54,714	44,899
Infrastructure, plant and equipment	68,693	73,299	78,492	75,668	72,313
Inventories	2,559	2,559	2,559	2,559	2,559
Intangibles	3,391				
Other	28,776	28,776	28,776	28,776	28,776
Total non-financial assets	240,631	222,317	224,640	228,054	228,173
Total Assets					
Liabilities					
Debt					
Loans					
Leases	418	418	418	418	418
Deposits					
Overdrafts					
Other	135	135	135	135	135
Total debt	553	553	553	553	553
Provisions and payables					
Employees	106,841	108,732	111,042	113,762	113,884
Suppliers	9,222	8,983	8,962	9,507	9,507
Grants					
Other	21,450	1,450	1,450	1,450	1,450
Total provisions and payables	137,513	119,165	121,454	124,719	124,841
Total liabilities	138,066	119,718	122,007	125,272	125,394
Equity					
Capital	13,727	13,761	13,795	13,944	13,941
Reserves	50,849	50,849	50,849	50,849	50,849
Accumulated surpluses or deficits	37,989	37,989	37,989	37,989	37,989
Total equity	102,565	102,599	102,633	102,782	102,779

Table 3.3: Departmental Statement of Cash Flows
(for the period ended 30 June 2001)

	Estimated Actual 1999-00 \$'000	Budget Estimate 2000-01 \$'000	Forward Estimate 2001-02 \$'000	Forward Estimate 2002-03 \$'000	Forward Estimate 2003-04 \$'000
Operating activities					
Cash received					
Appropriations for outputs	653,646	608,453	612,928	625,897	652,386
Sales of goods and services	70,064	66,782	66,885	66,918	70,599
GST Input credit receipts		37,784	46,177	47,156	48,109
Total cash received	723,710	713,019	725,990	739,971	771,094
Cash used					
Employees	245,668	241,452	243,986	244,473	249,322
Suppliers	399,257	385,983	389,606	400,621	429,086
GST Payments		45,340	46,345	47,318	48,267
Interest	60	60	60	60	60
Total cash used	644,985	672,835	679,997	692,472	726,735
Net cash from operating activities	78,725	40,184	45,993	47,499	44,359
Investing activities					
Cash received					
Proceeds from sales of property, plant and equipment	1,651	1,857	2,100	2,361	2,361
Cash from the Consolidated Revenue Fund	4,738	34	34	149	-3
Total cash received	6,389	1,891	2,134	2,510	2,358
Cash used					
Purchase of property, plant and equipment	27,738	27,034	29,034	21,784	21,253
Total cash used	27,738	27,034	29,034	21,784	21,253
Net cash from investing activities	-21,349	-25,143	-26,900	-19,274	-18,895
Financial activities					
Total cash received					
	0	0	0	0	0
Cash used					
Repayments of debt	5,000	0	0	0	0
Capital use and dividends paid	12,308	32,312	12,316	12,334	12,333
Other					
Total cash used	17,308	32,312	12,316	12,334	12,333
Net cash from financing activities	-17,308	-32,312	-12,316	-12,334	-12,333
Net increase in cash held					
Cash at the beginning of the reporting period	8,254	48,322	31,051	37,828	53,719
Cash at the end of the reporting period	48,322	31,051	37,828	53,719	66,850

CAPITAL BUDGET

Table 3.4: Departmental Capital Budget Statement

CAPITAL BUDGET	Estimated Actual 1999-00 \$'000	Budget Estimate 2000-01 \$'000	Forward Estimate 2001-02 \$'000	Forward Estimate 2002-03 \$'000	Forward Estimate 2003-04 \$'000
Capital appropriations					
Total equity injections	4,738	34	34	149	-3
Appropriation of previous years carryover	8,989				
Total Capital Appropriation	13,727	34	34	149	-3
Represented by:					
Purchase of non-current assets	4,738	34	34	149	-3
Other	8,989				
Total	13,727	34	34	149	-3
Purchase of non-current assets					
Funded by capital appropriations	4,738	34	34	149	-3
Funded internally by departmental resources	23,000	27,000	29,000	21,635	21,256
Total	27,738	27,034	29,034	21,784	21,253

**Table 3.5: Departmental Non-financial Assets — Summary of Movement
Budget Year 2000-01**

	Land \$'000	Buildings \$'000	Total Land and Buildings \$'000	Specialist Military Equipment \$'000	Other Infrastructure Plant and Equipment \$'000	Total Infrastructure Plant and Equipment \$'000	Intangibles \$'000	Total \$'000
Gross value								
<i>As at 1 July 2000 (opening)</i>	110	95,752	95,862		83,782	83,782	22,308	201,952
Additions					27,034	27,034		27,034
Disposals					-17,221	-17,221		-17,221
<i>As at 30 June 2001 (closing)</i>	110	95,752	95,862		93,595	93,595		211,765
ACCUMULATED DEPRECIATION								
<i>As at 1 July 2000 (opening)</i>		11,703	11,703		15,089	15,089	18,917	45,709
Disposals					-15,364	-15,364		-15,364
Charge for the reporting period		9,815	9,815		20,571	20,571	3,391	33,777
<i>As at 30 June 2001 (closing)</i>		21,518	21,518		20,296	20,296	22,308	64,122
Net book value as at 30 June 2001 (Closing book value)	110	74,234	74,234		73,299	73,299	0	147,643
Net book value as at 1 July 2000 (Opening book value)	110	84,049	84,159		68,693	68,693	3,391	156,243
Total Additions								
Self funded					27,000	27,000		27,000
Appropriations					34	34		34
Total					27,034	27,034		27,034

Table 3.6: Statement of Administered Revenues and Expenses
(for the period ended 30 June 2001)

	Estimated Actual 1999-00 \$'000	Budget Estimate 2000-01 \$'000	Forward Estimate 2001-02 \$'000	Forward Estimate 2002-03 \$'000	Forward Estimate 2003-04 \$'000
Operating revenues					
Taxation					
Other taxes, fees and fines	134,554	131,298	132,830	123,898	123,058
Total taxation	134,554	131,298	132,830	123,898	123,058
Non-taxation					
Revenues from government	120,525	123,525	120,369	118,169	117,769
Interest and Dividends	230	230	230	230	230
Other sources of non-taxation revenues	39,487	27,557	23,107	22,307	22,307
Total non-taxation	160,242	151,312	143,706	140,706	140,306
Total operating revenues	294,796	282,610	276,536	264,604	263,364
Operating expenses					
Grants	96,187	99,734	99,728	99,728	99,728
Other	24,338	23,791	20,641	18,441	18,041
Total operating expenses	120,525	123,525	120,369	118,169	117,769
Abnormal/ extraordinary items					
Net contribution or cost to the budget outcome	174,271	159,085	156,167	146,435	145,595
Transfers to the official public account	-174,271	-159,085	-156,167	-146,435	-145,595
Net surplus or deficit	0	0	0	0	0

Table 3.7: Statement of Administered Assets and Liabilities
(as at 30 June 2001)

	Estimated Actual 1999-00 \$'000	Budget Estimate 2000-01 \$'000	Forward Estimate 2001-02 \$'000	Forward Estimate 2002-03 \$'000	Forward Estimate 2003-04 \$'000
Assets					
Financial assets					
Cash	2,756	2,756	2,756	2,756	2,756
Receivables	727,849	727,849	727,849	727,849	727,849
Investments	324,345	324,345	324,345	324,345	324,345
Accrued revenues	549	549	549	549	549
Total financial assets	1,055,499	1,055,499	1,055,499	1,055,499	1,055,499
Total non-financial assets	0	0	0	0	0
Total assets	1,055,499	1,055,499	1,055,499	1,055,499	1,055,499
Liabilities					
Total Debt	0	0	0	0	0
Provisions and payables					
Other	172,615	172,615	172,615	172,615	172,615
Total Provisions and Payables	172,615	172,615	172,615	172,615	172,615
Total Liabilities	172,615	172,615	172,615	172,615	172,615
Equity					
Capital	5,000	5,000	5,000	5,000	5,000
Reserves	138,697	138,697	138,697	138,697	138,697
Accumulated surplus or deficits	739,187	739,187	739,187	739,187	739,187
Total Equity	882,884	882,884	882,884	882,884	882,884

*Note: 'Equity' is the residual interest in assets after deductions of liabilities.

Table 3.8: Administered Statement of Cash Flows
(for the period ended 30 June 2001)

	Estimate d Actual 1999-00 \$'000	Budget Estimate 2000-01 \$'000	Forward Estimate 2001-02 \$'000	Forward Estimate 2002-03 \$'000	Forward Estimate 2003-04 \$'000
Operating activities					
Cash received					
Other taxes, fees and fines	134,554	131,298	132,830	123,898	123,058
Appropriations	120,525	123,525	120,369	118,169	117,769
Other	39,717	27,787	23,337	22,537	22,537
Total cash received	294,796	282,610	276,536	264,604	263,364
Cash used					
Grants	96,187	99,734	99,728	99,728	99,728
Cash to Official Public Account	174,271	159,085	156,167	146,435	145,595
Other	29,338	23,791	20,641	18,441	18,041
Total cash used	299,796	282,610	276,536	264,604	263,364
Net cash from operating activities	-5,000	0	0	0	0
Net cash from investing activities	0	0	0	0	0
Financing activities					
Cash received					
Capital injections	5,000	0	0	0	0
Total cash received	5,000	0	0	0	0
Total cash used	0	0	0	0	0
Net cash from financing activities	5,000	0	0	0	0
Net increase in cash held	0	0	0	0	0
Cash at beginning of reporting period	2,757	2,757	2,757	2,757	2,757
Cash at end of reporting period	2,757	2,757	2,757	2,757	2,757

CAPITAL BUDGET

Table 3.9: Administered Capital Budget Statement

CAPITAL BUDGET	Estimated Actual 1999-00 \$'000	Budget Estimate 2000-01 \$'000	Forward Estimate 2001-02 \$'000	Forward Estimate 2002-03 \$'000	Forward Estimate 2003-04 \$'000
Capital appropriations					
Administered capital	8,554	0	0	0	0
Represented by:					
Purchase of non-financial assets	0	0	0	0	0
Other	8,554	0	0	0	0
Total	8,554	0	0	0	0
Purchase of non-financial assets	0	0	0	0	0
Funded by capital appropriations	0	0	0	0	0
Funded internally by departmental resources	0	0	0	0	0

NOTES TO THE FINANCIAL STATEMENTS

Departmental and Administered Financial Statements

Under the Commonwealth's accrual budgeting framework, and consistent with Australian Accounting Standards, transactions that agencies control (departmental transactions) are budgeted for and reported on separately 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.

- Departmental assets, liabilities, revenues and expenses are those which are controlled by the department. Departmental expenses include employee and supplier expenses and other administrative costs which are incurred by the agency in providing goods and services.
- Administered items are revenues, expenses, assets and liabilities which are managed by the Department on behalf of the Government according to set Government directions. Administered expenses include payments to International Organisations, subsidies, grants and personal benefit payments and Administered revenues include taxes, fees, fines and excises.

Appropriations

Under the Commonwealth's accrual budgeting framework, separate annual appropriations are provided for:

- Departmental price of outputs appropriations: representing the Government's purchase of outputs from agencies,
- Departmental capital appropriations: for investments by the Government for either additional equity or loans in agencies,
- Administered expense appropriations: for the estimated Administered expenses relating to an existing outcome, a new outcome or a Specific Purpose Payment to the states; and
- Administered capital appropriations: for increases in Administered equity through funding non-expense Administered payments.

Special appropriations continue under the accrual appropriation framework, and fund the majority of payments from the Consolidated Revenue Fund.

Capital-Use Charge

A Capital Use Charge is levied on departments to reflect the cost of the Commonwealth's investment in those entities. It is levied on closing Departmental net assets (equity) at a rate of 12%.

Funding for the Capital-Use Charge is included in the Departmental price of outputs appropriations. The Capital Use Charge is accounted for as a 'below Operating Result line' dividend payment.

Cash transfers to Official Public Account (OPA)

Administered revenues, such as taxes, fees and fines, which are collected by agencies and authorities, are passed onto the Commonwealth's Official Public Account (OPA). These transfers are shown in the Administered Operating Statement as 'Cash transfers to OPA', which is a 'below Operating Result line' expense.

Administered investments in controlled entities

Each Commonwealth Department is required to show an Administered investment in each Commonwealth Authority and Company Act entity within their portfolio. These Administered investments are valued at the Commonwealth's ownership interest in the net assets of those CAC entities, fixed at a notional acquisition date of 30 June 1997.

Asset Valuation

Commonwealth departments are required to value Property, Plant & Equipment and other Infrastructure assets using the deprival method of valuation. This essentially reflects the current cost the entity would face in replacing that asset.

Dividends Paid

A dividend of \$20 million was provided for in 1999-2000 and paid in 2000-01, in addition to the Capital Use Charge. The dividend returns funds previously appropriated. These funds were appropriated to meet anticipated within year foreign exchange losses that will not be realised.

Goods and Services Tax

Goods and services tax is reported in accordance with Urgent Issues Group Abstract 31 (January 2000). Revenues, expenses and assets are recognised net of the amount of recoverable goods and services tax. Receivables and Payables are stated with the amount of goods and services tax included.