

Agency Cash Flows

for the year ended 30 June 1999

	Notes	1998-99 \$'000	1997-98 \$'000
OPERATING ACTIVITIES			
Cash received			
Appropriations		398,985	364,570
Sales of goods and services		6,471	7,114
Other		14,100	1,796
Total cash received		<u>419,556</u>	<u>373,480</u>
Cash used			
Employees		191,753	181,888
Suppliers		218,449	177,640
Total cash used		<u>410,202</u>	<u>359,528</u>
Net cash from operating activities	13A	<u>9,354</u>	<u>13,592</u>
INVESTING ACTIVITIES			
Cash received			
Proceeds from sales of property, plant and equipment		3,872	107
Total cash received		<u>3,872</u>	<u>107</u>
Cash used			
Purchase of property, plant and equipment		16,774	12,172
Total cash used		<u>16,774</u>	<u>12,172</u>
Net cash from (used by) investing activities		<u>(12,902)</u>	<u>(12,065)</u>
FINANCING ACTIVITIES			
Cash received			
Borrowings		4,000	0
Total cash received		<u>4,000</u>	<u>0</u>
Cash used			
Repayment of borrowings		0	2,058
Total cash used		<u>0</u>	<u>2,058</u>
Net cash from (used by) financing activities		<u>4,000</u>	<u>(2,058)</u>
Net increase/(decrease) in cash held		<u>452</u>	<u>(171)</u>
Add cash at 1 July		281	452
Cash at 30 June		<u>733</u>	<u>281</u>
ADMINISTERED CASH FLOWS			
for year ended 30 June 1999			
OPERATING ACTIVITIES			
Cash received			
NON-TAXATION			
Immigration fees and charges		223,806	166,741
Sales of goods and services		12,744	10,426
Other		7,877	5,152
Interest		37	24
Cash from official Commonwealth Public Account		139,082	177,480
Total non-taxation		<u>383,546</u>	<u>359,823</u>
Total cash received		<u>383,546</u>	<u>359,823</u>
Cash used			
Grants		30,461	34,680
Other		108,597	140,954
Cash to official Commonwealth Public Account		235,932	182,143
Total cash used		<u>374,990</u>	<u>357,777</u>
Net cash from operating activities	13B	<u>8,556</u>	<u>2,046</u>
INVESTING ACTIVITIES			
Cash Used			
Purchase of property, plant and equipment		24	1,844
Total cash used		<u>24</u>	<u>1,844</u>
Net cash from investing activities		<u>(24)</u>	<u>(1,844)</u>
Net increase/(decrease) in cash held		<u>8,532</u>	<u>202</u>
add cash at 1 July		1,377	1,175
Cash at 30 June		<u>9,909</u>	<u>1,377</u>

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

Schedule of Commitments

as at 30 June 1999

	Agency		Administered	
	1998-99 \$'000	1997-98 \$'000	1998-99 \$'000	1997-98 \$'000
BY TYPE				
CAPITAL COMMITMENTS				
Infrastructure, plant and equipment ¹	781	0	0	0
Other capital commitments ²	177	0	0	0
Total capital commitments	<u>958</u>	<u>0</u>	<u>0</u>	<u>0</u>
OTHER COMMITMENTS				
Operating leases ³	197,332	73,052	5,478	604
Other commitments ⁴	23,410	40,238	102,073	128,374
Total other commitments	<u>220,742</u>	<u>113,290</u>	<u>107,551</u>	<u>128,978</u>
COMMITMENTS RECEIVABLE⁵	0	0	(5,478)	0
Net commitments	<u>221,700</u>	<u>113,290</u>	<u>102,073</u>	<u>128,978</u>
BY MATURITY				
All net commitments				
One year or less	77,181	35,312	70,662	60,522
From one to two years	48,434	25,629	31,004	37,323
From two to five years	71,564	36,761	407	31,133
Over five years	24,521	15,588	0	0
Net commitments	<u>221,700</u>	<u>113,290</u>	<u>102,073</u>	<u>128,978</u>
Operating Lease Commitments				
One year or less	53,922	16,432	2,864	447
From one to two years	47,396	15,428	2,513	157
From two to five years	71,493	26,313	101	0
Over five years	24,521	14,879	0	0
Net commitments	<u>197,332</u>	<u>73,052</u>	<u>5,478</u>	<u>604</u>

The above schedule should be read in conjunction with the accompanying notes.

1. The commitments relate mainly for architectural services and refurbishment.
2. These consist of contractual arrangements for the supply of boats, spare parts and maintenance.
3. Agency commitments cover leases for information technology, telecommunications infrastructure, onshore and offshore accommodation, DASFLEET vehicles and photocopiers. The commitment for the provision of information technology, telecommunications infrastructure, associated services and those for overseas property are reported as an operating lease for the first time in 1998-99. Administered commitments cover property leases for AMEP.
4. Agency commitments include outstanding purchase orders and other agreements. Administered commitments relate mainly to AMEP contracts and obligations under grant agreements.
5. The Administered commitments receivable represent reimbursements from AMEP service providers.

Schedule of Contingencies

as at 30 June 1999

	Agency		Administered	
	1998-99 \$'000	1997-98 \$'000	1998-99 \$'000	1997-98 \$'000
CONTINGENT LOSSES				
Claims for damages/costs	11,111	0	0	12,119
Other	604	0	0	0
Total contingent losses	<u>11,715</u>	<u>0</u>	<u>0</u>	<u>12,119</u>
CONTINGENT GAINS	737	0	6	0
Net contingencies	<u>10,978</u>	<u>0</u>	<u>(6)</u>	<u>12,119</u>

Remote contingencies are disclosed in Note 16.

SCHEDULE OF UNQUANTIFIABLE CONTINGENCIES

At 30 June 1999, the Department had a number of legal claims against it. It is not possible to estimate the amounts of any eventual payment that may be required in relation to these claims.

Notes: 'contingencies' are conditions, situations, or circumstances that:

- (a) exist at the end of the reporting period;
- (b) create uncertainty as to possible gain or loss to an entity; and
- (c) will be confirmed only on the occurrence or non-occurrence of one or more uncertain future events.

The above schedule should be read in conjunction with the accompanying notes.

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Note 1

Objectives of the Department

The objective of the Department of Immigration and Multicultural Affairs is to manage the movement of people into and out of Australia.

The Agency is structured into seven programs:

- Program 1: Migration and Temporary Entry;
- Program 2: Border Control and Compliance;
- Program 3: Refugee and Humanitarian;
- Program 4: Multicultural Affairs and Citizenship;
- Program 5: Legal;
- Program 6: Corporate Management; and
- Program 7: Independent Review Tribunals.

Program 1: Migration and Temporary Entry

Objective

To support the development of migration and temporary entry programs that contribute to Australia's economic, social and international interests.

Program 2: Border Control and Compliance

Objective

To protect the Australian community by promoting acceptance of and adherence to entry and stay requirements, and enforcing such requirements including through interdiction, detention and removal of unlawful non-citizens.

Program 3: Refugee and Humanitarian

Objective

In accordance with Australia's international obligations, assist in alleviating the plight of refugees and others in humanitarian need, including through resettling persons under the Government's Humanitarian Program.

Program 4: Multicultural Affairs and Citizenship

Objective

To increase the capacity of migrants to participate equitably in Australian society, including through the grant of citizenship to eligible persons, and to foster appreciation of Australia's cultural diversity within a framework of national unity.

Program 5: Legal

Objective

To provide appropriate and effective legal services in support of the development and implementation of immigration, citizenship and multicultural affairs policies and programs.

Program 6: Corporate Management

Objective

To provide strategic direction for the Portfolio and a framework for achieving quality assurance and high level accountability.

Program 7: Independent Review Tribunals

Objective

To provide independent merits review of migration and refugee status decisions which accords with the statutory objective of providing review which is fair, just, economical, informal and quick.

Note 2 Summary of Significant Accounting Policies

2.1 Basis of Accounting

The financial statements are required by section 49 of the *Financial Management and Accountability Act 1997* and are a general purpose financial report.

The statements have been prepared in accordance with Schedule 2 to the Financial Management and Accountability (FMA) Orders made by the Minister for Finance and Administration. Schedule 2 requires that the financial statements are prepared:

- in compliance with Australian Accounting Standards and related Guidance Releases and Urgent Issues Group consensus views issued by the Australian Accounting Research Foundation;
- having regard to Statements of Accounting Concepts; and
- having regard to accounting policies issued by the Secretary to the Department of Finance and Administration.

The financial statements have been prepared on an accrual basis and are in accordance with the historical cost convention, except for certain assets which, as noted, are at valuation. Except where stated, no allowance is made for the effect of changing prices.

The continued existence of the Department in its present form, and with its present programs, is dependent on Government policy and on continuing appropriations by Parliament for the Department's administration and programs.

2.2 Changes in Accounting Policy

The Department has not in previous financial years recognised certain leasehold improvements, all internally developed software or certain proprietary software assets on the basis that they were difficult to measure reliably.

As a result, all costs associated with these assets were expensed in the Department's Statements of Revenues and Expenses. For 1998-99, the Department has adopted a threshold value of \$50,000 above which assets will be recognised.

During the 1998-99 financial year the Department recognised these assets for the first time at deprival valuation in accordance with transitional provisions of Australian Accounting Standard 29: Financial Reporting By Government Departments. The adjustment made to recognise these assets was made against accumulated results as at 1 July 1998. The value of this adjustment for internally developed software and certain proprietary software was \$9,001,000.

2.3 Agency and Administered Items

Agency assets, liabilities, revenues and expenses are those items that are controlled by the Department including:

- computers, plant and equipment used in providing goods and services;
- liabilities for employee entitlements;
- revenues from running costs appropriations;
- employee expenses and other administrative expenses incurred in providing goods and services; and
- revenue from user charging etc where the proceeds are deemed appropriated under section 31 of the *Financial Management and Accountability Act 1997*.

Administered items are those which are controlled by the Government and managed or oversighted by the Department on behalf of the Government. These items include grants, benefit payments and other fees and charges.

The purpose of the separation of Administered and Agency items, is to enable assessment of the administrative efficiency of the Department in providing goods and services.

During 1998-99 a comprehensive review of appropriation items was conducted which resulted in the transfer of a range of appropriation items from Administered to Agency, as well as the transfer of some assets from Agency to Administered (related to the Adult Migrant English Program). The appropriation items transferred to Agency are:

- 360-02-06 – Compensation for detriment caused by defective administration;
- 360-02-08 – Compensation and Legal Expenses;
- 360-02-12 - Accommodation Expenses – Detention Centres; and
- 360-05-02 – Grants in Aid – Immigration Advice Agencies.

The expenses relating to these items transferring from Administered to Agency amounted to \$7.774 million for 1998-99 and \$7.034 million for 1997-98. The value of asset transfers is shown in Notes 9A and 9B.

The basis of accounting described in Note 2.1 applies to both Agency and Administered items.

2.4 Principles of Consolidation

In the process of reporting the Department as a single unit, and in preparation of the program statements, all intra and inter-program transactions and balances have been eliminated in full.

2.5 Allocation of Costs and Revenues to Primary Programs

The cost of goods and services provided by programs to other programs within the Department (including overhead costs) and any revenues have been attributed to those other programs. The total amounts allocated in 1998-99 were expenses of \$149.4 million and revenues of \$141 million. (The equivalent amounts in 1997-98 were expenses of \$108.9 million and revenues of \$126.2 million.)

2.6 Revenues from Government

Revenues from Government are revenues relating to the core operating activities of the Department except to the extent that they represent the receipt of assets arising from a restructuring of administrative arrangements. The policies for accounting for revenue from Government follow: amounts and other details are provided in the notes to the statements.

Agency Appropriations

Appropriations for Agency operations other than running costs are recognised as revenue to the extent that the appropriations are spent.

Appropriations for Agency running costs have, until 1998-99, been recognised as a revenue in the year of appropriation, except to the extent that:

- amounts unspent at year end are not automatically carried over into the new financial year; and
- the appropriations involve running costs borrowings, the repayment of which has been effected by an appropriate reduction in the appropriation actually received in the year of repayment. (Interest may also be charged on borrowings.)

With the introduction of accrual budgeting by the Commonwealth for 1999-00, any re-appropriation to the Department of the automatic running costs carryover for 1999-00 will be by way of a capital rather than a revenue appropriation. Accordingly, the carryover is not recognised as a revenue but directly in equity in the financial statements for 1998-99.

Administered Appropriations

Administered appropriations are recognised as a revenue only to the extent that cash is transferred from the official Commonwealth Public Account to enable Administered liabilities to be settled. The amount of revenue is disclosed as 'transfers – cash from the official Commonwealth Public Account' in the statement of Administered Revenues and Expenses.

2.7 Resources Received Free of Charge

Services received free of charge are recognised in the statement of Revenues and Expenses as revenue when and only when a fair value can be reliably determined and the services would have been purchased if they had not been donated. Use of those resources is recognised in the Net Cost of Services.

Contributions of assets at no cost of acquisition or for nominal consideration are recognised at their fair value when the asset qualifies for recognition, unless received from another Government Department as a consequence of a restructuring of administrative arrangements. In the latter case, the assets are initially recognised at the amounts at which they were recognised by the transferring Agency immediately prior to the transfer.

2.8 Asset Sales Program

The Department had a major sale of its IT equipment during 1998-99 through the Office of Asset Sales and Information Technology Outsourcing.

2.9 Grants (Administered)

The Agency administers a number of grant schemes on behalf of the Commonwealth. Grants Schedule 2 requires that a Department recognise a liability in relation to multi-year grant agreements where the grantee has met the conditions, such as grant eligibility criteria, or has provided the services or facilities required by the grant agreement. Only amounts in relation to the current period where the grantee has met the conditions are charged as expenses.

2.10 Employee Entitlements

Leave

The liability for employee entitlements includes provision for annual leave and long service leave. No provision has been made for sick leave as all sick leave is non-vesting sick leave and the average sick leave taken in future years by employees of the Department is estimated to be less than the annual entitlement for sick leave.

The liability for annual leave reflects the value of total annual leave entitlements of all employees including locally engaged staff at 30 June 1999 and is recognised at the nominal amount.

Employee entitlements for locally engaged staff at overseas posts for 1997-98 were estimated by reference to average entitlements calculated by the Department of Foreign Affairs and Trade. Entitlements for 1998-99 relate to staff employed by DIMA from records at the overseas posts.

The non-current portion of the liability for long service leave is recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees with three or more years of completed service. In determining the present value of the liability, the Department has taken into account attrition rates and pay increases through promotion and inflation.

Separation and redundancy

Provision is also made for separation and redundancy payments in circumstances where the Department has formally identified positions as excess to requirements and a reliable estimate of the amount of the payments can be determined.

Superannuation

Staff of the Department contribute to the Commonwealth Superannuation Scheme and the Public Sector Superannuation Scheme. Employer contributions amounting to \$17,348,775 (1997-98 \$16,454,758) in relation to these schemes have been expensed in these financial statements.

No liability is shown for superannuation in the Statement of Agency Assets and Liabilities as the employer contributions fully extinguish the accruing liability which is assumed by the Commonwealth.

Employer Superannuation Productivity Benefit contributions totalled \$3,471,942 (1997-98 \$3,172,455).

2.11 Leases

A distinction is made between finance leases which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to ownership of leased non-current assets and operating leases under which the lessor effectively retains all such risks and benefits.

Where a non-current asset is acquired by means of a finance lease, the asset is capitalised at the present value of minimum lease payments at the inception of the lease and a liability recognised for the same amount. Leased assets are amortised over the period of the lease. Lease payments are allocated between the principal component and the interest expense.

Operating lease payments are charged to the statement of Agency Revenue and Expenses on a basis which is representative of the pattern of benefits derived from the leased assets.

On 1 July 1998, the Department in conjunction with several other Commonwealth agencies (in a Cluster arrangement) outsourced information technology and telecommunication services to CSC Australia Pty Limited (CSC). The outsourcing agreement encompasses provision of information technology (mainframes, mid-ranges and desktops) and telecommunications infrastructure (PABX and handsets) and associated services (help desk and administration).

The contract has been recognised as a sale and leaseback transaction and classified as an operating lease in the financial statements. On contract commencement the Department sold its assets to CSC at fair value.

The contract term is for a period of 5 years with 2 extension options of 2 years each. The Department's future obligations under the contract are disclosed in the Schedule of Commitments and associated contingencies are disclosed in the Schedule of Contingencies.

2.12 Cash

Cash includes notes and coins held and deposits held at call with a bank or financial institution.

2.13 Financial Instruments

Note 24 discloses the Department's accounting policies for financial instruments including cash, receivables, lease incentives, surplus lease space, trade creditors and accrued revenue.

2.14 Acquisition of Assets

Assets are recorded at cost of acquisition except as stated below. The cost of acquisition includes the fair value of assets transferred in exchange and liabilities undertaken.

Assets acquired at no cost, or for nominal consideration, are initially recognised as assets and revenues at their fair value at the date of acquisition, unless acquired as a consequence of restructuring administrative arrangements. In the latter case, assets are initially recognised at the amounts at which they were recognised in the transferring agency's accounts immediately prior to the restructuring.

2.15 Plant and Equipment

Asset capitalisation threshold

Purchases of property, plant and equipment, leasehold improvements and purchased software are recognised initially at cost in the statement of Agency Assets and Liabilities, except for purchases costing less than \$2,000 which are expensed in the year of acquisition (other than where they form part of a functional asset that exceeds the capitalisation threshold).

During the two stocktakes undertaken in 1998-99 a number of assets were discovered which had not previously been recorded in the asset register. The amount involved was \$2,652,000 for Agency assets.

Revaluations

Schedule 2 requires that property, plant and equipment be progressively revalued in accordance with the 'deprival' method of valuation by 1 July 1999 and thereafter be revalued progressively on that basis every three years.

Revaluations of property, plant and equipment are accounted for by separately restating the gross amount and the related accumulated depreciation of the revalued asset.

The Department is implementing its progressive revaluations as follows:

- Freehold land and buildings were last revalued as at 30 June 1998. They will be progressively revalued over the financial years 2000-01 and 2001-02;
- Leasehold improvements are being revalued progressively every three years, having commenced in 1998-99. All assets within this class will be revalued on a consistent basis within a three year period;
- Revaluation of plant and equipment commenced in 1997-98 and was completed during 1998-99. All assets within this class will be revalued on a consistent basis within a 3 year period; and
- Revaluation of intangible non-current assets commenced in 1997-98 and was completed during 1998-99. All assets within this class will be revalued on a consistent basis within a 3 year period.

Depreciation is calculated using the straight-line method, which reflects the pattern of usage.

Assets in each class acquired after the commencement of the progressive revaluation cycle will be reported at cost for the duration of the progressive revaluation then in progress.

The financial effect of the move to progressive revaluations is that the carrying amounts of assets will reflect current values and that depreciation charges will reflect the current cost of the service potential consumed in each period.

The application of the deprival method by the Agency values its land at its current market buying price and its other assets at their depreciated replacement cost. Any assets, which would not be replaced or are surplus to requirements are valued at net realisable value. AMEP administered leasehold improvements were written down by \$83,005 to a net realisable value of zero as ownership will pass to the service provider in 1999-00.

All valuations were performed by independent valuers.

Depreciation and Amortisation

Depreciable property plant and equipment assets are written-off to their estimated residual value over their estimated useful lives to the Department using, in all cases, the straight line method of depreciation. Leasehold improvements are amortised on a straight-line basis over the lesser of the estimated useful life of the improvements or the unexpired period of the lease.

Depreciation/amortisation rates (useful lives) and methods are reviewed at each balance date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate.

Depreciation and amortisation rates applying to each class of depreciable asset are as follows:

	1998-99	1997-98
Buildings and freehold land	40 years	60 years
Leasehold improvements	Lesser of lease term and 7 years	Lesser of lease term and 7 years
Plant and equipment	3 to 10 years	3 to 7 years
Intangibles		
Mainframe software (purchased and internally developed)	8 years	3 years
PC software (purchased)	3 years	3 years

The aggregate amount of depreciation allocated for each class of asset during the reporting period is disclosed in Note 4C and Note 4D.

2.16 Intangibles

Intangibles consist of software used by the Department, which are amortised over their estimated useful lives. Software applications developed by the Department are for the management of the particular business of the Department, such as the movement of people in and out of Australia, and are therefore developed with the long term business requirements in mind.

2.17 Inventories

Inventories held for sale are brought to account at the lower of cost and net realisable value. Inventory not held for resale is valued at cost, unless they are no longer required, in which case they are valued at net realisable value.

2.18 Administered Investments

The Department does not have Administered investments.

2.19 Taxation

The Department is exempt from all forms of taxation except fringe benefits tax.

2.20 Foreign Currency

Transactions denominated in a foreign currency are converted at the exchange rate at the date of the transaction. Foreign currency receivables and payables are translated at the exchange rates current as at balance date. Associated currency gains or losses are considered to be immaterial.

2.21 Insurance

A new Commonwealth insurable risk managed fund, called 'Comcover', commenced operations as from 1 July 1998. From that date, the Department has insured with the fund for risks other than workers compensation, which is dealt with via continuing arrangements with Comcare.

The new arrangements replace the previous policy of non-insurance and require the systematic identification, quantification, reporting and management of risk across the Department.

2.22 Comparative Figures

With the exception of the allocation of costs and revenues to primary programs (refer to note 2.5), comparative figures have been adjusted to conform with changes in presentation in these financial statements.

2.23 Recognition of Revenues

Revenues are measured at the fair value of consideration or contribution received or receivable.

Revenues from immigration fees and charges are recognised at the time when an application for a visa is received by the Department.

2.24 Rounding

Amounts have been rounded to the nearest \$1,000 except in relation to the following items:

- Transactions of the Consolidated Revenue Fund, the Commercial Activities Fund, the Reserve Money Fund and Special Public Moneys;
- Act of grace payments and waivers;
- Remuneration of executives; and
- Remuneration of auditors.

Tables in the Notes contain totals which are the calculations of unrounded figures and may not add.

Note 3

Events Occurring after Balance Date

On 1 July 1999 the Migration Review Tribunal and the Refugee Review Tribunal became prescribed agencies under the FMA Act 1997 and will produce separate financial statements and annual reports from the 1999-2000 financial year and onwards. The Migration Review Tribunal was formed on 1 June 1999 and undertakes the functions of the Immigration Review Tribunal and the Migration Internal Review Office.

Recent events in East Timor have impacted significantly on the Department since 30 June 1999 and will be reflected through a significantly higher level of expenses in the 1999-00 financial year. The Government has agreed to the provision of temporary safe haven to displaced persons from the East Timor unrest (similar to that provided to Kosovo displaced persons). Given the uncertainty of the length of stay, no reliable estimates of the impact are currently available.

The Government has introduced an accrual budgeting framework with effect from 1 July 1999. Under this framework, among other things:

- Agency annual appropriations will be paid into a bank account controlled by the Department and will not lapse at year-end. As a result, in future years, the practice of carrying over revenue to the new financial year becomes redundant. Accounting for carryovers to 1999-00 is affected by the re-appropriation of the carryover as a capital rather than revenue appropriation in 1999-00 (refer note 2.6).
- The Commercial Activities Fund and the Reserved Moneys Fund are abolished and consolidated into the Consolidated Revenue Fund (CRF). Components of these funds as at 30 June 1999 become special accounts within the CRF, the funds of which are 'hypothecated' for the purposes of each account.

1998-99 \$'000	1997-98 \$'000
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Note 4

Goods and Services Expenses

Note 4A - Employee expenses

Remuneration	190,818	188,247
Separation and redundancy payments	1,486	6,984
Total	<u>192,304</u>	<u>195,231</u>

Note 4B - Suppliers expenses

Supply of goods and services	212,386	134,391
Operating lease rentals	26,788	35,447
Total	<u>239,174</u>	<u>169,838</u>

Note 4C - Depreciation and amortisation

Land and buildings	3,850	80
Plant and equipment	2,614	16,416
Intangibles	2,530	632
Total	<u>8,994</u>	<u>17,128</u>

1998-99	1997-98
\$'000	\$'000

Note 4D - Depreciation and amortisation - Administered

Land and buildings	389	0
Plant and equipment	504	0
Intangibles	<u>2,084</u>	<u>0</u>
Total	<u>2,977</u>	<u>0</u>

Note 4E – Write down of assets

Financial assets		
Receivables	392	0
Non-financial assets		
Plant and equipment write off of assets	0	8,268
Intangibles write down to realisable value	<u>0</u>	<u>733</u>
Total	<u>392</u>	<u>9,001</u>

Note 4F - Write down of assets - Administered

Financial assets		
Receivables	8,528	4,193
Non-financial assets		
Plant and equipment	83	1,083
Intangibles *	<u>761</u>	<u>761</u>
Total non-financial assets	<u>844</u>	<u>1,844</u>
Total	<u>9,372</u>	<u>6,037</u>

* Asset revaluation decrement as at 30 June 1999

Note 4G – Net losses from sales of assets

Non-Financial Assets		
Buildings	0	426
Plant and equipment	<u>78</u>	<u>265</u>
	<u>78</u>	<u>691</u>

Note 4H - Suppliers - Administered

Adult Migrant English Program	87,111	105,433
Refugee maintenance, accommodation & humanitarian expenses	5,957	4,094
Operating lease rentals	<u>0</u>	<u>7,006</u>
	<u>93,068</u>	<u>116,533</u>

Note 4I - Other - Administered

Contributions to other organisations	7,378	11,855
Compensation and legal expenses	0	2,496
Immigration detention centres	0	2,507
Other administered expenses	<u>3,029</u>	<u>2,560</u>
	<u>10,407</u>	<u>19,418</u>

1998-99	1997-98
\$'000	\$'000

Note 5 Grants – Administered

Assistance to asylum seekers	8,759	9,915
Grants to non profit institutions	24,529	22,674
Other - IAAAS	0	2,005
	<u>33,288</u>	<u>34,594</u>

Note 6 Abnormal Item

The abnormal item results from a review of provisions for locally engaged staff employed at overseas posts. In previous years, provisions were estimates based on data supplied by the Department of Foreign Affairs and Trade. For 1998-99, the entitlements were calculated using actual data for staff at the overseas posts, which resulted in a reduction in the liabilities of \$5.75 million.

Note 7 Debt

7A - Loans from future running costs

Debt/Loan	4,000	0
Net loan	<u>4,000</u>	<u>0</u>
Maturity Schedule for loans		
Payable: within one year	<u>4,000</u>	<u>0</u>

7B - Other debt

Lease incentives	<u>78</u>	<u>123</u>
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Note 8 Provisions and Payables

Note 8A - Employee provisions

Salaries and wages	3,910	4,064
Leave	54,330	53,995
Separation and redundancies	0	2,096
North American Pension Scheme - accrued liability	2,885	2,885
Locally engaged staff resignation benefits	5,039	8,385
Aggregate employee entitlement liability	<u>66,164</u>	<u>71,425</u>

The accrued benefit under the North American Pension Scheme is a defined benefit superannuation plan and is based on an actuarial review in 1997. The next review will be undertaken in 2000-01.

Note 8B - Suppliers

Trade creditors	14,770	2,704
Operating lease rentals	213	57
	<u>14,983</u>	<u>2,761</u>

1998-99
\$'000

1997-98
\$'000

Administered Note 8C - Suppliers

Trade creditors	632	1,559
Operating lease rentals	<u>0</u>	<u>79</u>
	<u>632</u>	<u>1,638</u>

Note 8D - Grants

Creditors current grants	<u>18</u>	<u>0</u>
	<u>18</u>	<u>0</u>

Note 9 Equity

9A - Equity - Agency

Item	Capital		Accumulated results		Asset revaluation reserve		Total reserves		Total equity	
	1998-99 \$'000	1997-98 \$'000	1998-99 \$'000	1997-98 \$'000	1998-99 \$'000	1997-98 \$'000	1998-99 \$'000	1997-98 \$'000	1998-99 \$'000	1997-98 \$'000
Balance 1 July	0	0	27,433	8,861	91	0	91	0	27,524	8,861
Change in accounting policy - recognition of assets previously expensed	0	0	9,001	15,337	0	0	0	0	9,001	15,337
Equity injection	28,803	0	0	0	0	0	0	0	28,803	0
Adjustment to opening balances	0	0	(3,510)	0	0	0	0	0	(3,510)	0
Asset adjustment – overseas leasehold improvements recognised	0	0	6,008	0	0	0	0	0	6,008	0
Asset adjustment – transfer of assets from Administered ¹	0	0	1,943	0	0	0	0	0	1,943	0
Asset adjustment – transfer of assets to Administered	0	0	(5,444)	0	0	0	0	0	(5,444)	0
Operating result	0	0	(22,703)	3,235	0	0	0	0	(22,703)	3,235
Net revaluation increases/(decreases)	0	0	0	0	7,340	91	7,340	91	7,340	91
Balance 30 June	28,803	0	12,728	27,433	7,431	91	7,431	91	48,962	27,524

1. The asset is a prepayment relating to the detention centres which were transferred from Administrative to Agency.

9B Equity – Administered

Item	Capital		Accumulated results		Asset revaluation reserve		Total reserves		Total equity	
	1998-99 \$'000	1997-98 \$'000	1998-99 \$'000	1997-98 \$'000	1998-99 \$'000	1997-98 \$'000	1998-99 \$'000	1997-98 \$'000	1998-99 \$'000	1997-98 \$'000
Balance 1 July	0	0	8,797	2,546	0	0	0	0	8,797	2,546
Net change in Administered assets	0	0	11,236	6,251	0	0	0	0	11,236	6,251
Equity Injection	447	0	0	0	0	0	0	0	447	0
Adjustment to opening balances	0	0	(119)	0	0	0	0	0	(119)	0
Transfer of assets to Agency	0	0	(1,943)	0	0	0	0	0	(1,943)	0
Transfer of assets from Agency	0	0	5,441	0	0	0	0	0	5,441	0
Net revaluation increase / (decrease)	0	0	0	0	368	0	368	0	368	0
Transfers to/(from) reserves	0	0	0	0	0	0	0	0	0	0
Balance 30 June	447	0	23,412	8,797	368	0	368	0	24,227	8,797

Note 10 Resources Received Free of Charge

	1998-99 \$'000	1997-98 \$'000
Department of Finance and Administration, Overseas Property Operations Group – provision of lease negotiation, project management and administration	140	5,984
Australian Archives - provision of storage and related services of lending, transfer and destruction	384	636
Airports Operators - provision of office space and security at Australia's international airports	205	563
ComSuper – administration of superannuation contributions	0	290
ComCover – administration of Government Insurance	372	0
Attorney-General's Department (Office of Legislative Drafting) - provision of legal services for legislative drafting	354	157
Australian National Audit Office - audit services for the financial statements	253	230
Department of Finance and Administration - payment of accounts	0	36
Australian Customs Service Coastwatch helicopter on Thursday Island	130	99
Total	1,838	7,995

The following resources received free of charge were not included in the aggregate amounts in relation to revenue shown in the Statement of Revenues and Expenses as they could not be reliably measured:

- Department of Finance and Administration - provision of budgetary services;
- Australian Archives - provision of file disposal and access services;
- Australian Customs Service - provision of services in respect to immigration checks on crew and passengers entering Australia;
- Office of Parliamentary Counsel - legal services for legislative drafting; and
- Local government bodies - facilitation and conduct of Australian citizenship ceremonies.

1998-99	1997-98
\$'000	\$'000

Note 11

Financial Assets - Receivables

Note 11A - Departmental

Goods and services	4,018	1,703
Less: Provision for doubtful debts	(351)	(22)
	<u>3,667</u>	<u>1,681</u>
Appropriations (carryovers)	28,803	9,596
Net Receivables	<u>32,470</u>	<u>11,277</u>

Receivables are aged as follows:

Overdue by:		
. less than 30 days	230	306
. 30 to 60 days	176	170
. more than 60 days	721	423
	<u>1,127</u>	<u>899</u>

Note 11B - Administered

Goods and services	6,207	939
Other taxes, fees and fines	1,447	3,992
Less: Provision for doubtful debts	(2,810)	(3,312)
Appropriations (carryovers)	447	0
Net Receivables	<u>5,291</u>	<u>1,619</u>

Receivables are aged as follows:

Overdue by:		
. less than 30 days	186	561
. 30 to 60 days	172	238
. more than 60 days	3,751	2,306
	<u>4,109</u>	<u>3,105</u>

1998-99	1997-98
\$'000	\$'000

Note 12 Non-financial Assets

Note 12A - Land and buildings - Agency

Land at valuation - at 30 June 1998 valuation	<u>410</u>	<u>410</u>
Total Land	410	410
Buildings at cost	26	26
Accumulated depreciation	<u>(11)</u>	<u>(11)</u>
	15	15
Building at valuation - at 30 June 1995 valuation	0	87
Accumulated depreciation	<u>0</u>	<u>(35)</u>
	0	52
Building at valuation - at 30 June 1998 valuation	795	795
Accumulated depreciation	<u>(21)</u>	<u>0</u>
	774	795
Leasehold at cost	821	42,024
Accumulated amortisation	<u>0</u>	<u>(18,419)</u>
	821	23,605
Leasehold at valuation - at 30 June 1999 revaluation	55,423	0
Accumulated amortisation	<u>(32,292)</u>	<u>0</u>
	23,131	0
Total Buildings (net)	<u>24,741</u>	<u>24,467</u>
Total Land and Buildings	<u>25,151</u>	<u>24,877</u>

Note 12B – Plant and equipment - Agency

Plant and equipment - at cost	3,944	14,803
Accumulated depreciation	<u>(556)</u>	<u>(7,643)</u>
	3,388	7,160
Plant and equipment - at 30 June 1999 valuation	12,028	0
Accumulated depreciation	<u>(5,907)</u>	<u>0</u>
	6,121	0
Plant and equipment at net realisable value	0	3,825
Total Plant and Equipment	<u>9,509</u>	<u>10,985</u>

1998-99	1997-98
\$'000	\$'000

Note 12C – Intangibles - Agency

Purchased software at cost	3,030	3,145
Accumulated amortisation	(1,288)	(885)
	<u>1,742</u>	<u>2,260</u>
Internally developed software at cost	15,836	6,202
Accumulated amortisation	0	(2,402)
	<u>15,836</u>	<u>3,800</u>
Internally developed software at valuation - at 30 June 1998	15,337	15,337
Accumulated amortisation	(1,917)	0
	<u>13,420</u>	<u>15,337</u>
Internally developed software at valuation - at 30 June 1999	9,001	0
Accumulated amortisation	0	0
	<u>9,001</u>	<u>0</u>
Internally developed software under development	0	4,655
Total Intangibles	<u>39,999</u>	<u>26,052</u>

Note 12D - Land and buildings - Administered

Buildings at valuation - at 30 June 1995 valuation	87	0
Accumulated depreciation	(37)	0
	<u>50</u>	<u>0</u>
Total buildings (net)	<u>50</u>	<u>0</u>
Total Land and buildings	<u>50</u>	<u>0</u>

Note 12E – Plant and equipment - Administered

Plant and equipment at valuation – at 30 June 1999 valuation	2,309	0
Accumulated depreciation	(1,718)	0
	<u>591</u>	<u>0</u>
Total Plant and equipment	<u>591</u>	<u>0</u>

1998-99	1997-98
\$'000	\$'000

Note 12F – Intangibles - Administered

Purchased software at cost	399	0
Accumulated amortisation	<u>(347)</u>	<u>0</u>
	52	0
Internally developed software at valuation - at 30 June 1999	1,200	0
Accumulated amortisation	<u>0</u>	<u>0</u>
	1,200	0
Total Intangibles	<u>1,252</u>	<u>0</u>

The revaluations of leasehold and plant and equipment at 30 June 1999 were undertaken by Mr Bryan Hurrell (FAPI), Certified Practising Valuer of the Australian Valuation Office. The valuation of internally developed software at 30 June 1999 was undertaken by Mr Frank Sablowski (AAPI), Certified Practising Valuer of the Australian Valuation Office. The valuation for internally developed software at 30 June 1998 was undertaken by Mr Wayne Timpson (AAPI) of the Australian Valuation Office. The valuations of Agency land and buildings at 30 June 1998 were undertaken by Mr John Weaving AVLE (P&M), MAVA of Edward Rushden Pty Ltd. The valuation of Administered buildings at 30 June 1995 were undertaken by Edward Rushden Pty Ltd.

Note 12G – Other

Prepayments	<u>24,203</u>	<u>27,775</u>
Total Other	<u>24,203</u>	<u>27,775</u>

Note 12H - Other - Administered

Prepayments	<u>5,982</u>	<u>6,655</u>
Total Other	<u>5,982</u>	<u>6,655</u>

Note 12I - Agency

(a) Analysis of Property, Plant, Equipment and Intangibles

Movement summary 1998-99 for all assets irrespective of valuation basis.

Item	Land \$'000	Buildings \$'000	Total land & buildings \$'000	Plant & equip't \$'000	Intangibles \$'000	Total \$'000
Gross Value as at 1 July 1998	410	42,932	43,342	18,628	29,339	91,309
Opening balance adjustment	0	(2,020)	(2,020)	(6)	55	(1,971)
Stocktake adjustment	0	(8,709)	(8,709)	4,265	93	(4,351)
Additions	0	1,402	1,402	3,901	11,471	16,774
Assets recognised for the first time	0	16,812	16,812	0	9,001	25,813
Revaluations	0	10,171	10,171	364	0	10,535
Disposals	0	0	0	(4,596)	0	(4,596)
Write-offs	0	(59)	(59)	(3,200)	(39)	(3,298)
Other movements	0	(3,464)	(3,464)	(3,384)	(6,716)	(13,564)
Gross value as at 30 June 1999	<u>410</u>	<u>57,065</u>	<u>57,475</u>	<u>15,972</u>	<u>43,204</u>	<u>116,651</u>
Accumulated depreciation/amortisation as at 1 July 1998	0	(18,465)	(18,465)	(7,643)	(3,287)	(29,395)
Opening balance adjustment	0	483	483	(271)	(7)	205
Stocktake adjustment	0	1,513	1,513	(1,774)	(34)	(295)
Depreciation/amortisation charge for assets held 1 July 1998	0	(3,841)	(3,841)	(2,507)	(2,521)	(8,869)
Depreciation/amortisation charge for additions	0	(9)	(9)	(107)	(9)	(125)
Adjustments for assets recognised for first time	0	(10,803)	(10,803)	0	0	(10,803)
Adjustment for revaluation	0	(4,082)	(4,082)	885	0	(3,197)
Adjustment for disposals	0	0	0	646	0	646
Adjustment for write-offs	0	40	40	1,671	9	1,720
Adjustment for other movements	0	2,840	2,840	2,637	2,644	8,121
Accumulated depreciation/amortisation as at 30 June 1999	<u>0</u>	<u>(32,324)</u>	<u>(32,324)</u>	<u>(6,463)</u>	<u>(3,205)</u>	<u>(41,992)</u>
Net book value as at 30 June 1999	<u>410</u>	<u>24,741</u>	<u>25,151</u>	<u>9,509</u>	<u>39,999</u>	<u>74,659</u>
Net book value as at 1 July 1998	<u>410</u>	<u>24,467</u>	<u>24,877</u>	<u>10,985</u>	<u>26,052</u>	<u>61,914</u>

As a result of discussions with the Department of Finance and Administration, ownership of leasehold improvements at Port Hedland have been removed from the asset register for the 1998-99 financial year. The written down value of the assets was \$6 million.

Note 12J - Administered

(a) Analysis of Property, Plant, Equipment and Intangibles

Movement summary 1998-99 for all assets irrespective of valuation basis.

Item	Land \$'000	Buildings \$'000	Total land & buildings \$'000	Plant & equip't \$'000	Intangibles \$'000	Total \$'000
Gross Value as at 1 July 1998	0	0	0	0	0	0
Additions	0	0	0	0	24	24
Revaluations	0	(2,225)	(2,225)	(336)	(5,141)	(7,702)
Disposals	0	0	0	(5)	0	(5)
Write-offs	0	(1,159)	(1,159)	(722)	0	(1,881)
Other movements	0	3,471	3,471	3,372	6,716	13,559
Gross value as at 30 June 1999	<u>0</u>	<u>87</u>	<u>87</u>	<u>2,309</u>	<u>1,599</u>	<u>3,995</u>
Accumulated depreciation/amortisation as at 1 July 1998	0	0	0	0	0	0
Depreciation/amortisation charge for additions	0	(387)	(387)	(504)	(2,084)	(2,975)
Adjustment for revaluation	0	2,141	2,141	705	4,380	7,226
Adjustment for disposals	0	0	0	5	0	5
Adjustment for write-offs	0	1,051	1,051	711	0	1,762
Adjustment for other movements	0	(2,842)	(2,842)	(2,635)	(2,643)	(8,120)
Accumulated depreciation/amortisation as at 30 June 1999	<u>0</u>	<u>(37)</u>	<u>(37)</u>	<u>(1,718)</u>	<u>(347)</u>	<u>(2,102)</u>
Net book value as at 30 June 1999	<u>0</u>	<u>50</u>	<u>50</u>	<u>591</u>	<u>1,252</u>	<u>1,893</u>
Net book value as at 1 July 1998	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

(b) - Summary of balances of assets at valuations as at 30 June 1999

Item	Land \$'000	Buildings \$'000	Total land & buildings \$'000	Plant & equip't \$'000	Intangibles \$'000	Total \$'000
As at 30 June 1999						
Gross value	410	56,218	56,628	12,028	24,338	92,994
Accumulated depreciation/amortisation	0	(32,313)	(32,313)	(5,907)	(1,917)	(40,137)
Net book value	<u>410</u>	<u>23,905</u>	<u>24,315</u>	<u>6,121</u>	<u>22,421</u>	<u>52,857</u>
As at 30 June 1998						
Gross value	410	882	1,292	0	15,337	16,629
Accumulated depreciation/amortisation	0	(35)	(35)	0	0	(35)
Net book value	<u>410</u>	<u>847</u>	<u>1,257</u>	<u>0</u>	<u>15,337</u>	<u>16,594</u>

(c) – Summary of balances of Administered assets at valuations as at 30 June 1999

Item	Land \$'000	Buildings \$'000	Total land & buildings \$'000	Plant & equip't \$'000	Intangibles \$'000	Total \$'000
As at 30 June 1999						
Gross value	0	87	87	2,309	1,200	3,595
Accumulated depreciation/amortisation	0	(37)	(37)	(1,718)	0	(1,755)
Net book value	<u>0</u>	<u>50</u>	<u>50</u>	<u>591</u>	<u>1,200</u>	<u>1,840</u>
As at 30 June 1998						
Gross value	0	0	0	0	0	0
Accumulated depreciation/amortisation	0	0	0	0	0	0
Net book value	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

1998-99	1997-98
\$'000	\$'000

Note 13

Cash Flow Reconciliation

Note 13A - Agency reconciliation

Reconciliation of net cost of services to net cash provided by operating activities:

Net cost of services - gain/(loss)	(419,679)	(380,984)
Revenues from Government	391,226	384,219
Abnormal item	5,750	0
Operating surplus (deficit)	(22,703)	3,235
Depreciation/amortisation	8,994	17,128
(Profit)/loss of sale on disposal of non-current assets	78	691
Assets transferred at no cost	0	(4,016)
Write down of assets	392	9,001
Change in assets and liabilities		
Decrease (increase) in receivables	7,608	(9,810)
Decrease (increase) in accrued revenue	(1,382)	53
Decrease (increase) in inventories	(154)	(204)
Decrease (increase) in other non financial assets	3,572	(13,779)
Increase (decrease) in employee liabilities	488	(1,904)
Increase (decrease) in suppliers liabilities	12,506	13,602
Increase (decrease) in lease incentives	(45)	(45)
Net cash provided by operating activities	9,354	13,952

Note 13B - Administered reconciliation

Reconciliation of net contribution (cost) to Government to net cash provided by operating activities:

Net contribution (cost) to government	108,085	10,914
Cash from Commonwealth Public Account for operations	139,082	177,480
Cash to Commonwealth Public Account for operations	(235,932)	(182,143)
Net change in Administered assets from operations	11,235	6,251
Depreciation/amortisation	2,977	0
Assets written down	844	1,844
Change in assets and liabilities		
Decrease (increase) in receivables	(3,820)	(273)
Decrease (increase) in non-financial assets	(674)	(5,108)
Decrease (increase) in accrued revenue	(1,018)	(686)
(Decrease) increase in provisions and payables	(988)	18
Net cash provided by operating activities	8,556	2,046

Note 14

Receipts of the Consolidated Revenue Fund

	Budget 1998-99 \$	Actual 1998-99 \$	Actual 1997-98 \$
Applications temporary visas	88,363,000	97,484,156	67,531,327
Applications permanent migration	61,472,000	83,210,338	75,566,630
Applications for review of decisions	3,211,000	4,255,331	3,267,485
Application for grant of Australian citizenship	10,757,000	9,336,631	7,512,260
Sponsorship fee for employer nominated scheme	673,000	585,945	593,523
Sponsorship fee for temporary residents	5,328,000	4,426,869	1,095,384
Migrant health services charge	4,624,000	5,324,596	2,690,750
Penalty payments by passenger carriers for breach of section 229 of the <i>Migration Act 1958</i>	5,800,000	9,288,695	6,636,510
Adult Migrant English Program - user charges	19,090,000	12,744,053	10,404,556
Miscellaneous receipts	4,400,000	7,577,834	5,151,392
Migration agents fees	1,955,000	1,692,417	1,203,323
Total	<u>205,673,000</u>	<u>235,926,865</u>	<u>181,653,140</u>
Section 31 of the FMA Act 1997			
Running Costs - Division 360-01	21,438,000	22,660,343	9,823,873
English language testing arrangements - item 360-02-09	0	5,150	488,684
Immigration Review Tribunal	16,000	8,986	12,333
Refugee Review Tribunal	28,000	53,798	27,270
Total	<u>21,482,000</u>	<u>22,728,277</u>	<u>10,352,160</u>
Total Receipts	<u><u>227,155,000</u></u>	<u><u>258,655,142</u></u>	<u><u>192,005,300</u></u>

1998-99	1997-98
\$'000	\$'000

Note 15 Revenue

Note 15A - Gross revenue from independent sources

Sale of goods and services	9,661	6,040
Assets transferred at no cost	0	1,844
Reversals of previous asset write-downs	0	201
Other	11,602	2,820
Total Revenue from Independent Sources	<u>21,263</u>	<u>10,905</u>

Note 15B Immigration fees & charges - Administered

Fees	211,191	165,308
Charges	9,289	6,522
Total immigration fees and charges	<u>220,480</u>	<u>171,830</u>

Note 16 Remote Contingencies

The Department has assigned the lease for a property to an AMEP service provider. The expiry date of the lease is 10 November 2002. Should the service provider default on the lease payments, the Department will become liable for the outstanding amount. The total potential liability at 30 June 1999 is \$2.3 million.

Note 17 Expenditure from Special Appropriations

	1998-99 Budget \$	1998-99 Actual \$	1997-98 Actual \$
<i>Migration Act 1958</i>			
Statutory self regulation of migration agents	1,955,000	1,764,223	523,415

Note 18

Expenditure from Annual Appropriations

	1998-99 Budget Estimates	1998-99 Additional Appropriations	1998-99 Advance to the Minister for Finance	1998-99 Total Appropriation	1998-99 Actual Expenditure	1997-98 Actual Expenditure
	\$	\$	\$	\$	\$	\$
Division 360 - ADMINISTRATIVE						
1 Running Costs ⁽¹⁾	391,605,343	4,219,000	0	395,824,343	393,828,407	353,524,249
2 Other Services						
01 Contribution to the secretariat for inter-governmental consultations on asylum, refugee and migration policies	107,000	10,000	0	117,000	111,875	110,270
02 Humanitarian settlement services	11,427,000	2,674,000	0	14,101,000	13,549,192	10,800,021
03 International Organisation for Migration - Contribution	871,000	0	0	871,000	841,186	773,666
04 Multicultural affairs	779,000	0	0	779,000	771,291	749,292
05 National Accreditation Authority for Translators and Interpreters - Contribution	560,000	0	0	560,000	556,250	410,000
06 Compensation for detriment caused by defective administration	24,000	26,000	0	50,000	8,060	26,251
07 Payments under subsection 33(1) of the FMA Act 1997	139,000	0	0	139,000	101,210	104,010
08 Compensation and legal expenses	3,551,000	0	0	3,551,000	3,524,701	2,516,943
09 English language testing arrangements ⁽²⁾	85,150	0	0	85,150	9,747	1,072,448
10 Grants to the Australian Red Cross Society for the Asylum Seeker Assistance Scheme	9,990,000	0	0	9,990,000	8,758,500	9,915,161
11 Joint Commonwealth/State Research Program (for payment to the Australian Population, Multicultural and Immigration Research Program Trust Account)	50,000	0	0	50,000	50,000	50,000
12 Accommodation expenses - Detention centres	1,852,000	0	0	1,852,000	1,527,897	5,106,875
3 Embarkation and Passage Costs						
01 Refugee, humanitarian and assisted movements - Passage and associated costs	5,240,000	364,000	0	5,604,000	5,176,491	4,811,175
4 Adult Migrant English Program						
01 Tuition, accommodation and related expenses.	94,968,000	0	0	94,968,000	84,092,664	115,608,870
5 Grants-in-aid						
01 Grants for migrant community services	22,800,000	0	0	22,800,000	22,798,678	22,759,384
02 Grants for immigration advice agencies	1,966,000	133,000	616,743	2,715,743	2,713,594	2,005,121
Total Division 360	<u>546,014,493</u>	<u>7,426,000</u>	<u>616,743</u>	<u>554,057,236</u>	<u>538,419,742</u>	<u>530,343,736</u>
Division 361 - IMMIGRATION REVIEW TRIBUNAL						
1 Running Costs ⁽³⁾	10,038,986	0	0	10,038,986	8,528,963	6,228,340
Division 362 - REFUGEE REVIEW TRIBUNAL						
1 Running Costs ⁽⁴⁾	15,094,798	3,237,000	0	18,331,798	15,576,833	14,680,749
Total Appropriation Act Nos. 1 and 3	<u>571,148,277</u>	<u>10,663,000</u>	<u>616,743</u>	<u>582,428,020</u>	<u>562,525,538</u>	<u>551,252,825</u>

	1998-99 Budget Estimates	1998-99 Additional Appropriations	1998-99 Advance to the Minister for Finance	1998-99 Total Appropriation	1998-99 Actual Expenditure	1997-98 Actual Expenditure
	\$	\$	\$	\$	\$	\$
Division 902 - CAPITAL WORKS AND SERVICES						
1 Acquisitions, Buildings, Works, Plant and Equipment						
01 Adult Migrant English Centres	44,000	0	0	44,000	1,448	24,225
Division 903 - PAYMENTS TO OR FOR THE STATES, THE NORTHERN TERRITORY AND THE AUSTRALIAN CAPITAL TERRITORY						
1 Supervision and welfare support for refugee minors without parents in Australia						
	143,000	0	0	143,000	123,611	112,053
Division 904 - OTHER SERVICES						
Weekly living allowances for Kosovo refugees	0	0	375,500	375,500	375,500	0
Total: Appropriation Act Nos. 2 and 4	<u>187,000</u>	<u>0</u>	<u>375,500</u>	<u>562,500</u>	<u>500,559</u>	<u>136,278</u>
Total: Department of Immigration and Multicultural Affairs	<u>571,335,277</u>	<u>10,663,000</u>	<u>992,243</u>	<u>582,990,520</u>	<u>563,026,097</u>	<u>551,389,103</u>

Note 1: The 1998-99 Budget estimate includes actual section 31 receipts of \$22,660,343.

Note 2: The 1998-99 Budget estimate includes actual section 31 receipts of \$5,150.

Note 3: The 1998-99 Budget estimate includes actual section 31 receipts of \$8,986.

Note 4: The 1998-99 Budget estimate includes actual section 31 receipts of \$53,798.

Reconciliation of Agency running costs

	1998-99 \$'000	1997-98 \$'000
Running Cost appropriations spent	417,934	374,434
Less: Appropriations under FMA Act Section 31	22,723	9,864
	<u>395,211</u>	<u>364,570</u>
Add: Carry over 30 June	0	9,596
Less: Carryover 1 July	9,596	6,428
Less: New Running Cost Borrowings	4,000	0
Add: Running Costs Borrowings repaid	0	8,486
Running cost revenue (included in Agency Revenue and Expenses)	<u>381,614</u>	<u>376,224</u>
Revenue From Government - ordinary annual services (per Agency Revenue and Expenses)	<u>381,614</u>	<u>376,224</u>

Note 19

Receipts and Expenditure of the Reserved Money Fund

(a) Other Trust Monies (Department of Immigration and Multicultural Affairs)

Legal authority – *Financial Management and Accountability Act 1997*, section 20.

Purpose: For the receipt of monies temporarily held on trust or otherwise for the benefit of a person other than the Commonwealth.

	1998-99 Cash \$	1998-99 Investments \$	1998-99 Total \$	1997-98 Cash \$	1997-98 Investments \$	1997-98 Total \$
Opening Balance	199,670	2,220,000	2,419,670	1,640,101	0	1,640,101
Receipts						
from appropriations	0	0	0	0	0	0
from other sources	4,379,067	0	4,379,067	1,739,830	0	1,739,830
from realisation of investments	2,220,000	(2,220,000)	0	0	0	0
			4,379,067			1,739,830
Expenditure						
for operations	(2,499,391)	0	(2,499,391)	(960,261)	0	(960,261)
for purchase of investments	0	0	0	(2,220,000)	2,220,000	0
			(2,499,391)			(960,261)
Closing Balance	4,299,346	0	4,299,346	199,670	2,220,000	2,419,670

(b) Services for other Governments and Non-departmental bodies (Department of Immigration and Multicultural Affairs)

Legal authority – *Financial Management and Accountability Act 1997*, section 20.

Purpose: For expenditure in connection with services performed on behalf of other Governments and bodies that are not FMA agencies.

	1998-99 Cash \$	1998-99 Investments \$	1998-99 Total \$	1997-98 Cash \$	1997-98 Investments \$	1997-98 Total \$
Opening Balance	6,903	150,000	156,903	39,702	0	39,702
Receipts						
from appropriations	0	0	0	0	0	0
from other sources	525,640	0	525,640	465,339	0	465,339
from realisation of investments	150,000	(150,000)	0	0	0	0
			525,640			465,339
Expenditure						
for operations	(288,446)	0	(288,446)	(348,138)	0	(348,138)
for purchase of investments	0	0	0	(150,000)	150,000	0
			(288,446)			(348,138)
Closing Balance	394,097	0	394,097	6,903	150,000	156,903

(c) Australian Population, Multicultural and Immigration Research Program Trust Account

Legal authority – *Financial Management and Accountability Act 1997*, section 20.

Purpose:

- (i) for expenditure relating to the joint research program on population and immigration in accordance with the Minister for Immigration and Multicultural Affairs in consultation with State/Territory Ministers; and
- (ii) for the disbursement to the Commonwealth and participating State/Territory Governments of monies, if any, standing to the credit of the trust account after the research program has been wound up.

	1998-99 Cash \$	1998-99 Investments \$	1998-99 Total \$	1997-98 Cash \$	1997-98 Investments \$	1997-98 Total \$
Opening Balance	3,997	120,000	123,997	153,977	0	153,977
Receipts						
from appropriations	0	0	0	0	0	0
from other sources	100,000	0	100,000	100,000	0	100,000
from realisation of investments	120,000	(120,000)	0	0	0	0
			100,000		0	100,000
Expenditure						
for operations	(136,269)	0	(136,269)	(129,980)	0	(129,980)
for purchase of investments	0	0	0	(120,000)	120,000	0
			(136,269)			(129,980)
Closing Balance	87,728	0	87,728	3,997	120,000	123,997

Note 20 Executive Remuneration

	1998-99 Number	1997-98 Number
The number of executive officers who received or were to receive fixed remuneration of \$100,000 or more:		
\$100,000 to \$110,000	0	3
\$110,001 to \$120,000	2	7
\$120,001 to \$130,000	7	6
\$130,001 to \$140,000	7	8
\$140,001 to \$150,000	2	1
\$150,001 to \$160,000	4	3
\$160,001 to \$170,000	3	0
\$180,001 to \$190,000	3	0
\$190,001 to \$200,000	1	1
\$230,001 to \$240,000	1	1
\$280,001 to \$290,000	2	0
	\$	\$
The aggregate amount of total remuneration of executive officers shown above	5,002,566	3,993,388
The aggregate amount of performance pay paid during the year to executive officers shown above	69,937	80,219
The aggregate amount of separation and redundancy payments during the year to executive officers shown above	165,739	110,859

The definition of executive officer in the above table requires the number of qualifying positions to be reported, rather than individuals (*i.e.* individuals were not necessarily remunerated at the level shown above). This means that the remunerations for each position will reflect that of the substantive occupant and any officers acting in the position during the year.

1998-99	1997-98
\$	\$

Note 21

Services Provided by the Auditor-General

Financial statement audit services are provided free of charge to the Department.

The fair value of audit services provided was:	253,700	230,000
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No other services were provided by the Auditor-General.

Note 22

Act of Grace Payments and Waivers

Thirteen (forty eight in 1997-98) act of grace payments to the value of \$101,210 were made during the reporting year.

101,210	104,010
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There were no waivers of amounts owing to the Commonwealth made pursuant to subsection 34 (1) of the *Financial Management and Accountability Act 1997* in 1998-89. The corresponding number in 1997-98 was one hundred and fifty nine.

0	135,150
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Note 23

Average Staffing Levels

Average staffing levels by program and in total were as follows:

	1998-99	1997-98
	Number	Number
Program 1: Migration and Temporary Entry	1,405	1,386
Program 2: Border Control and Compliance	499	461
Program 3: Refugee and Humanitarian	250	244
Program 4: Multicultural Affairs and Citizenship	393	427
Program 5: Legal	121	125
Program 6: Corporate Management	608	647
Program 7: Independent Review Tribunal	212	223
	<u>3,488</u>	<u>3,513</u>

Note 24

Financial Instruments

(a) Terms, conditions and accounting policies

Financial Instruments	Notes	Accounting Policies and Methods	Terms & Conditions
Financial Assets			
		Financial assets are recognised when control over future economic benefits is established and the amount of the benefit can be reliably measured.	
Cash – deposits at call		Deposits are recognised at their nominal amounts. Interest is credited to revenue as it accrues.	Deposits of cash are held to facilitate the banking of receipts and transfer to the Consolidated Revenue Fund.
Receivables for goods and services	11	Receivables are carried at nominal amounts due less any provision for bad and doubtful debts. Collectability of debts is reviewed at balance date. Provisions are made when collection of the debt is judged to be less rather than more likely.	Credit terms are net 30 days (1997-98: 30 days).
Accrued revenue		Revenue is recognised on advice from Austrade on the transactions processed.	Gross revenue is forwarded by Austrade on a quarterly basis.
Financial Liabilities			
		Financial liabilities are recognised when a present obligation to another party is entered into and the amount of the liability can be reliably measured.	
Lease incentives	7B	Lease incentives take the form of “free” leasehold improvements and rent free holidays are recognised as liabilities. These liabilities are reduced by allocating lease payments between rental expense and reduction of the liability.	The Department has received fitout incentives on entering a property operating lease in 1997. Lease payments are made monthly.
Surplus lease space		A liability for surplus lease space is recognised at the time it is first determined that the leased space will be of no further benefit to the Department. The liability is measured as the total expected outlay relating to the surplus space. The amount of the liability is reduced on a straight line over the life of the lease by allocating lease payments between rental expense and reduction of the liability.	The Department has no liabilities in respect of surplus office space.
Trade creditors			
	8B	Creditors and accruals are recognised at their nominal amounts, being the amounts at which the liabilities will be settled. Liabilities are recognised to the extent that the goods and or services have been received (and irrespective of having been invoiced).	All creditors are entities that are not part of the Commonwealth legal entity. Settlement is usually made net 30 days.
Unrecognised financial liabilities			
Indemnities/guarantees	16	The maximum amount payable under the indemnities given is disclosed in the Notes.	The Department will become liable for the amount of the lease payments should the service provider default on the payments.

Interest Rate Risk: Administered

Financial Instrument	Notes	Floating Interest Rate		Fixed Interest Rate								Non-Interest Bearing		Total		Weighted Average Effective Interest Rate	
		98-99	97-98	1 year or less		1 to 2 years		2 to 5 years		>5 years		98-99	97-98	98-99	97-98	98-99	97-98
		\$,000	\$,000	\$,000	\$,000	\$,000	\$,000	\$,000	\$,000	\$,000	\$,000	\$,000	\$,000	\$,000	\$,000	\$,000	\$,000
Financial Assets																	
Cash		9,000	1,377	-	-	-	-	-	-	-	-	909	0	9,909	1,377	1%	1%
Accrued revenue		-	-	-	-	-	-	-	-	-	-	1,802	784	1,802	784	-	-
Receivables	11B	-	-	-	-	-	-	-	-	-	-	4,844	1,619	4,844	1,619	-	-
Total Financial Assets (Recognised)		9,000	1,377	-	-	-	-	-	-	-	-	7,555	2,403	16,555	3,780		
Total Assets														24,877	10,435		
Financial Liabilities																	
Trade creditors	8C	-	-	-	-	-	-	-	-	-	-	632	1,559	632	1,559	-	-
Operating lease creditors	8C	-	-	-	-	-	-	-	-	-	-	0	79	0	79	-	-
Grant liabilities	8D	-	-	-	-	-	-	-	-	-	-	18	0	18	0	-	-
Total Financial Liabilities (Recognised)		-	-	-	-	-	-	-	-	-	-	650	1,638	650	1,638		
Total Liabilities														650	1,638		
Liabilities not recognised																	
Guarantees	16	-	-	-	-	-	-	-	-	-	-	2,313	0	2,313	0	-	-
Indemnities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Financial Liabilities (Unrecognised)		-	-	-	-	-	-	-	-	-	-	2,313	0	2,313	0	-	-

(c) Net fair values of financial assets and liabilities

	Notes	1998-99		1997-98	
		Total Carrying Amount \$'000	Aggregate net fair value \$'000	Total Carrying Amount \$'000	Aggregate net fair value \$'000
Agency					
Financial Assets					
Cash at bank		733	733	281	281
Receivables for goods and services	11A	3,667	3,667	1,681	1,681
Accrued revenue		1,382	1,382	0	0
Total Financial Assets		<u>5,782</u>	<u>5,782</u>	<u>1,962</u>	<u>1,962</u>
Financial Liabilities (Recognised)					
Borrowings	7A	4,000	4,000	0	0
Lease incentives	7B	78	78	123	123
Trade creditors	8B	14,770	14,770	2,704	2,704
Operating lease creditors	8B	213	213	57	57
Total		<u>19,061</u>	<u>19,061</u>	<u>2,884</u>	<u>2,884</u>
Total Financial Liabilities (Unrecognised)		<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Administered					
Financial Assets					
Cash at bank		9,909	9,909	1,377	1,377
Receivables	11B	4,844	4,844	1,619	1,619
Accrued revenue		1,802	1,802	784	784
Total		<u>16,555</u>	<u>16,555</u>	<u>3,780</u>	<u>3,780</u>
Financial Liabilities					
Trade creditors	8C	632	632	1,559	1,559
Operating lease creditors	8C	0	0	79	79
Grant liabilities	8D	18	18	0	0
Total		<u>650</u>	<u>650</u>	<u>1,638</u>	<u>1,638</u>
Financial Liabilities (Unrecognised)					
Guarantees	16	<u>2,313</u>	<u>2,313</u>	<u>0</u>	<u>0</u>