

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

**Note 9J - Inventories**

All departmental inventories are current assets

Finished goods - at cost	<u>977</u>	<u>653</u>
Inventories held for sale	<u>977</u>	<u>653</u>
Stores	<u>880</u>	<u>87</u>
Inventories not held for sale - at cost	<u>880</u>	<u>87</u>
Total Inventories and Stores	<u><u>1,857</u></u>	<u><u>740</u></u>

**Note 10 - Debt**
**Note 10A - Loans from Future Running Costs**

Debt /Loan	<u>0</u>	<u>4,000</u>
Net loan	<u>0</u>	<u>4,000</u>

**Maturity schedule for loans**

Payable: within one year	<u>0</u>	<u>4,000</u>
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**Note 10B - Other Debt**

Lease incentive liabilities	<u>34</u>	<u>78</u>
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**Note 11 - Provisions and Payables**
**Note 11A - Employees**

Salaries and wages	4,900	3,415
Leave	59,090	54,330
Superannuation	548	495
Workers' compensation	23	0
Separation and redundancies	4,167	0
North American Pension Scheme	2,885	2,885
Locally Engaged Staff Resignation Benefits	<u>(907)</u>	<u>5,039</u>
Aggregate employee entitlement liability	<u><u>70,707</u></u>	<u><u>66,164</u></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 most recent review was undertaken in 1999-2000, and the details for this are contained below.

The review included accrued benefits under the North American Pension Scheme, which is a defined benefit superannuation plan sponsored by the department and funded via the CRF. Details are as follows:

	Date Measured		
Accrued Benefits	30 June 2000	2,370	2,640
Net Market Value of Plan Assets	30 June 2000	<u>0</u>	<u>0</u>
Net Assets		<u>2,370</u>	<u>2,640</u>
Vested Benefits	30 June 2000	<u>2,405</u>	<u>2,455</u>

The UK Pension Scheme is disclosed in the most recent financial report of the plan as at 30 June 2000.

	Date Measured		
Accrued Benefits	1 July 1999	3,859	2,405
Net Market Value of Plan Assets	30 June 1999	<u>4,698</u>	<u>4,971</u>
Net Assets		<u>839</u>	<u>2,566</u>
Vested Benefits	1 July 1999	<u>3,669</u>	<u>2,240</u>

The department's contribution to the scheme 1999-00 was \$157,859 (1998-99: \$159,000).

The department's share of the net market value of plan assets is 22% - \$21,336,000. The scheme is reviewed triennially, the next review being in the year 2002.

**Note 11B - Provisions and Payables - Suppliers**

Trade creditors	49,558	14,770
Operating lease rentals	<u>0</u>	<u>213</u>
Total	<u><u>49,558</u></u>	<u><u>14,983</u></u>

**Note 11C - Administered Provisions and Payables - Suppliers**

Trade creditors	3,182	632
Total	<u><u>3,182</u></u>	<u><u>632</u></u>

**Note 11D - Administered Provisions and Payables - Grants**

Non-profit institutions	0	18
Total	<u><u>0</u></u>	<u><u>18</u></u>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Note 12 - Equity  
Note 12A - Equity

Department Equity	Accumulated results		Asset revaluation reserve		Foreign currency translation reserve		Other reserves		Total reserves		Capital		Total capital		TOTAL EQUITY		
	1999-00	1998-99	1999-00	1998-99	1999-00	1998-99	1999-00	1998-99	1999-00	1998-99	1999-00	1998-99	1999-00	1998-99	1999-00	1998-99	1999-00
Item	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance as at 1 July 1999	12,728	27,433	7,431	91	0	0	0	0	7,431	91	28,803	0	28,803	0	48,962	27,524	
Operating results after tax	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Dividends provided for or paid	61,872	(22,703)	0	0	0	0	0	0	0	0	0	0	0	0	61,872	(22,703)	
Net revaluation increments	0	0	325	7,340	0	0	0	0	325	7,340	0	0	0	0	325	7,340	
Net revaluation (decrements)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Transfers to / (from) / between reserves	0	0	(10)	0	0	0	0	10	0	0	0	0	0	0	0	0	0
Changes in accounting policies	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Currency translation gain / (loss)	0	9,001	0	0	0	0	0	0	0	0	0	0	0	0	0	9,001	
Currency translation gain / (loss)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Injection / (disposal) of capital	(11,594)	0	0	0	0	0	0	0	0	0	9	28,803	9	28,803	(11,594)	9	28,803
Capital Use Charge	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Restructuring	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other (details below)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Adjustments to opening balances	0	(3,510)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	(3,510)
Asset adj: o/s leasehold improvements recognised	0	6,008	0	0	0	0	0	0	0	0	0	0	0	0	0	6,008	
Asset adj: fir assets from Admin	0	1,943	0	0	0	0	0	0	0	0	0	0	0	0	0	1,943	
Asset adj: fir assets to Admin	0	(5,444)	0	0	0	0	0	0	0	0	0	0	0	0	0	(5,444)	
Closing balance as at 30 June 2000	63,006	12,728	7,746	7,431	0	0	0	10	7,756	7,431	28,812	28,803	28,812	28,803	99,574	48,962	
Less: Outside equity interests	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total equity attributable to the Commonwealth	63,006	12,728	7,746	7,431	0	0	0	10	7,756	7,431	28,812	28,803	28,812	28,803	99,574	48,962	

Note 12A - Equity - Administered

Note 12A - Equity - Administered	Accumulated results		Asset revaluation reserve		Foreign currency translation reserve		Other reserves		Total reserves		Capital		Total capital		TOTAL EQUITY		
	1999-00	1998-99	1999-00	1998-99	1999-00	1998-99	1999-00	1998-99	1999-00	1998-99	1999-00	1998-99	1999-00	1998-99	1999-00	1998-99	1999-00
Item	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance as at 1 July 1999	23,412	6,797	368	368	0	0	0	0	368	0	447	0	447	0	24,227	6,797	
Net Contribution to Budget Outcome	223,942	0	0	0	0	0	0	0	0	0	0	0	0	0	223,942	0	
Transfers to Official Commonwealth Public Account	(233,440)	0	0	0	0	0	0	0	0	0	0	0	0	0	(233,440)	0	
Dividends provided for or paid	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Net revaluation increment / (decrement)	0	0	0	368	0	0	0	0	0	368	0	0	0	0	0	0	368
Admin investments acquired / (trfd) to the Office of Asset Sales & IT Outsourcing	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Transfers to / (from) / between reserves	0	0	(4)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Changes in accounting policies	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Currency translation gain / (loss)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Injection / (disposal) of capital	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other (details below)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Net change in administered assets	11,236	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	11,236
Adj: opening balances	(119)	0	0	0	0	0	0	0	0	0	0	0	0	0	(119)	0	
Tfr assets to Department	(1,943)	0	0	0	0	0	0	0	0	0	0	0	0	0	(1,943)	0	
Tfr assets from Department	5,441	0	0	0	0	0	0	0	0	0	0	0	0	0	5,441	0	
Closing balance as at 30 June 2000	13,914	23,412	364	368	0	0	0	4	368	368	380	447	380	447	14,662	24,227	
Less: Outside equity interests	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total equity attributable to the Commonwealth	13,914	23,412	364	368	0	0	0	4	368	368	380	447	380	447	14,662	24,227	

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

**Note 12B - Restructuring**

As a result of a Cabinet Decision, the RRT and MRT assumed control of their own affairs, from 1 July 1999.

The following assets and liabilities were transferred.

	<b>1999-00</b>	
Assets	\$	
Receivables	2,700,221	
Property, plant and equipment	4,366,274	
Other	83,820	
Total assets relinquished	7,150,315	
Liabilities		
Creditors	266,457	
Provisions	3,440,943	
Total liabilities relinquished	3,707,400	
Net assets / ( liabilities ) relinquished	3,442,915	
<b>Contribution by Government</b>	<b>0</b>	
<b>Net revenues from restructuring</b>	<b>0</b>	

**Note 13 - Resources Received Free of Charge**
**Note 13A - Resources Received Free of Charge**

	1999-00	1998-99
	\$'000	\$'000
<b>Department of Finance and Administration</b> , Overseas Property Operations Group - provision of lease negotiation, project management and administration	129	140
<b>National Archives of Australia</b> - provision of storage and related services of lending, transfer and destruction	375	384
<b>Airports Operators</b> - provision of office space and security at Australia's international airports	0	205
<b>ComCover</b> - administration of Government Insurance	0	372
<b>Attorney-General's Department</b> (Office of Legislative Drafting) - provision of legal services for legislative drafting	77	354
<b>Australian National Audit Office</b> - audit services for the financial statements	375	253
<b>Australian Customs Service</b> Coastwatch helicopter on Thursday Island	115	130
<b>Total</b>	<b>1,071</b>	<b>1,838</b>

**Note 13B - Resources Received Free of Charge-Unquantifiable**

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 Customs Service** - provision of services of 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

**Note 14 - Cash Flow Reconciliation**
**Note 14A - Departmental Reconciliation**

	1999-00	1998-99
	\$'000	\$'000
Reconciliation of net cost of services to net cash provided by operating activities:		
Net cost of services - gain/(loss)	(454,178)	(419,679)
Revenues from Government	459,417	391,226
Abnormal item	56,633	5,750
Operating Surplus (Deficit)	61,872	(22,703)
Depreciation / amortisation	15,582	8,994
(Profit) / loss of sale on disposal of non-current assets	(154)	78
Write down of assets	633	392
Provision for doubtful debts	4,956	(328)
<i>Change in assets and liabilities</i>		
Decrease (increase) in receivables	(70,161)	7,936
Decrease (increase) in accrued revenue	(751)	(1,382)
Decrease (increase) in inventories	(1,117)	(154)
Decrease (increase) in other non financial assets	10,273	3,572
Increase (decrease) in employee liabilities	4,543	488
Increase (decrease) in supplier liabilities	34,575	12,506
Increase (decrease) in loans	(4,000)	N/R <sup>1</sup>
Increase (decrease) in lease incentives	(44)	(45)
Net cash provided by operating activities	<b>56,207</b>	<b>9,354</b>

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

<b>Note 14B - Administered Reconciliation</b>	<b>1999-00</b>	<b>1998-99</b>
Reconciliation of net contribution (cost) to Government to net cash provided by operating activities:	<b>\$'000</b>	<b>\$'000</b>
Net contribution (cost) to government	<b>88,953</b>	108,085
Cash from Commonwealth Public Account for operations	<b>134,988</b>	139,082
Cash to Commonwealth Public Account from operations	<b>(233,440)</b>	(235,932)
Extraordinary items	<b>0</b>	N/R <sup>1</sup>
Net change in administered assets from operations	<b>(9,499)</b>	11,235
Net surplus or deficit		
Depreciation / amortisation	<b>774</b>	2,977
Assets written down	<b>(692)</b>	844
Increase (decrease) in grant liabilities	<b>(18)</b>	N/R <sup>1</sup>
<i>Change in assets and liabilities</i>		
Decrease (increase) in receivables	<b>2,057</b>	(3,820)
Decrease (increase) in other financial assets	<b>(147)</b>	0
Decrease (increase) in non-financial assets	<b>(139)</b>	(674)
Decrease (increase) in accrued revenue	<b>(1,149)</b>	(1,018)
(Decrease) increase in provisions and payables	<b>2,550</b>	(988)
Net cash provided by operating activities	<b>(6,262)</b>	<b>8,556</b>

**Note 15 - Remote Contingencies****Note 15A - Department**

The department has not identified any contingencies at all.

**Note 15B - Administered 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 potential liability at 30 June 2000 is \$3,400 (at 31 May 2000 is \$38,400). (1998-99: \$2.3 million).

**Note 16 - Appropriations****Note 16A - Department Appropriations**

	<b>1999-00</b>
Annual appropriations for Departmental items (price of outputs)	<b>\$ '000s</b>
Balance available at 1 July 1999	
Add: <i>Appropriation Acts Nos 1 &amp; 3 credits</i>	
s6 - Act 1 - basic appropriations (budget)	<b>371,910</b>
s6 - Act 3 - basic appropriations	<b>116,144</b>
s9 - adjustments	<b>0</b>
s10 - Advance to the Finance Minister	<b>15,000</b>
s11 - Comcover receipts	<b>0</b>
Add: <i>FMA Act</i>	
s30 appropriations	<b>0</b>
s31 appropriations	<b>28,557</b>
Total appropriations available for the year	<b>531,611</b>
Expenditures during the year <sup>(1)</sup>	<b>505,319</b>
Balance of appropriations available for outputs at 30 June 2000	<b>26,292</b>

<sup>(1)</sup> It is not possible to identify expenses incurred against specific funding sources in all cases.

	<b>Equity Injections</b>
Annual appropriations for Departmental non-revenue items	<b>1999-00</b>
	<b>\$ '000s</b>
Balance available at 1 July 1999	
Add: <i>Appropriation Act No 2 (Budget)</i>	<b>289</b>
Advance to the Finance Minister	<b>2,414</b>
FMA Act s30 appropriations	<b>0</b>
Appropriation Act No 4	<b>26,109</b>
Total appropriations available for the year	<b>28,812</b>
Expenditure debited during the year <sup>(1)</sup>	<b>28,812</b>
Balance of appropriations for capital at 30 June 2000	<b>0</b>

<sup>(1)</sup> It is not possible to identify expenses incurred against specific funding sources in all cases.