



Department of Immigration
and Multicultural Affairs

2000-01

PART FIVE

**financial statements
and notes**

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INDEPENDENT AUDIT REPORT

To the Minister for Immigration and Multicultural Affairs

Scope

I have audited the financial statements of the Department of Immigration and Multicultural Affairs for the year ended 30 June 2001. The financial statements comprise:

- Statement by the Chief Executive;
- statements of Financial Performance, Financial Position and Cashflows;
- schedules of Contingencies and Commitments;
- schedules of administered Revenues and Expenses, Assets and Liabilities, Cashflows, Contingencies and Commitments; and
- notes to and forming part of the Financial Statements.

The Department's Chief Executive is responsible for the preparation and presentation of the financial statements and the information they contain. I have conducted an independent audit of the financial statements in order to express an opinion on them to you.

The audit has been conducted in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards, to provide reasonable assurance as to whether the financial statements are free of material misstatement. Audit procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial statements, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial statements are presented fairly in accordance with Australian Accounting Standards, other mandatory professional reporting requirements and statutory requirements in Australia so as to present a view of the Department which is consistent with my understanding of its financial position, its operations and its cash flows.

The audit opinion expressed in this report has been formed on the above basis.

Audit Opinion

In my opinion,

(i) the financial statements have been prepared in accordance with Schedule 1 of the Financial Management and Accountability (Financial Statements 2000-2001) Orders;

(ii) the financial statements give a true and fair view, in accordance with applicable Accounting Standards, other mandatory professional reporting requirements and Schedule 1 of the Financial Management and Accountability (Financial Statements 2000-2001) Orders, of.

- the financial position of the Department of Immigration and Multicultural Affairs as at 30 June 2001 and the results of its operations and its cash flows for the year then ended; and
- the Commonwealth assets and liabilities as at 30 June 2001 and the revenue, expenses and cash flows of the Commonwealth for the year then ended, which have been administered by the Department.

Australian National Audit Office



G F Welsh Executive Director
Delegate of the Auditor-General

Canberra
20 August 2001

STATEMENT BY THE CHIEF EXECUTIVE

In my opinion, the attached financial statements give a true and fair view of the matters required by Schedule 1 of the Financial Management and Accountability (Financial Statements 2000-01) Orders made under section 63 of the *Financial Management and Accountability Act 1997*.

A handwritten signature in black ink, appearing to read 'WJ Farmer', written over a horizontal line.

WJ Farmer
Chief Executive

20 August 2001

STATEMENT OF FINANCIAL PERFORMANCE

DEPARTMENT OF IMMIGRATION AND MULTICULTURAL AFFAIRS

Statement of Financial Performance

for the year ended 30 June 2001

	Notes	2000-01 \$'000	1999-00 \$'000
Revenues from ordinary activities			
Revenues from government	3A	649,510	607,708
Sales of goods and services	3B	17,263	13,292
Net gains from sales of assets	3C	11	11
Other revenues from independent sources	3D	14,788	10,030
Foreign exchange gains		8	61
Reversal of previous asset write-downs	3E	1,324	480
Interest	3F	5,951	1,795
Total revenues from ordinary activities		688,855	633,377
Expenses from ordinary activities			
Employees	4A	232,789	199,385
Suppliers	4B	395,654	346,551
Depreciation and amortisation	4C	23,177	15,966
Write down of assets	4D	6,903	9,489
Net losses from sales of assets	4E	100	82
Foreign exchange losses		6	31
Total expenses from ordinary activities		658,629	571,504
Net operating surplus (deficit) from ordinary activities¹		30,226	61,873
Net surplus (deficit)		30,226	61,873
Equity interests			
Net surplus (deficit) attributable to the Commonwealth		30,226	61,873
Net credit (debit) to asset revaluation reserve		10,309	325
Total revenues, expenses and valuation adjustments recognised directly in equity		10,309	325
Total changes in equity other than those resulting from transactions with owners as owners		40,535	62,198

¹ Net surplus (deficit) attributable to the Commonwealth excludes a Capital Use Charge component of \$12.972m (1999-00 \$11.594m) for the 2000-01 financial year.

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

STATEMENT OF FINANCIAL POSITION

DEPARTMENT OF IMMIGRATION AND MULTICULTURAL AFFAIRS

Statement of Financial Position

as at 30 June 2001

	Notes	2000-01 \$'000	1999-00 \$'000
ASSETS			
Financial Assets			
Cash		55,377	17,828
Receivables	5	97,068	97,675
Accrued revenue		404	2,133
Total financial assets		152,849	117,636
Non-financial assets			
Land and buildings	6A,6D	51,252	32,161
Infrastructure, plant and equipment	6B,6D	14,434	17,444
Intangibles	6C,6D	43,963	42,228
Inventories	6E	1,705	1,857
Other	6F	12,095	13,930
Total non-financial assets		123,449	107,620
TOTAL ASSETS		276,298	225,256
LIABILITIES			
Interest bearing liabilities			
Lease incentives	7	7,068	34
Total debt		7,068	34
Provisions			
Employees	8	80,887	70,707
Capital use charge		817	5,383
Total provisions		81,704	76,090
Payables			
Suppliers	9	59,722	49,558
Total payables		59,722	49,558
TOTAL LIABILITIES		148,494	125,682
EQUITY			
Capital		29,490	28,812
Accumulated surpluses (deficits)		80,260	63,006
Reserves		18,054	7,756
TOTAL EQUITY	10	127,804	99,574
Current liabilities		80,380	80,819
Non-current liabilities		68,114	44,863
Current assets		164,944	133,423
Non-current assets		111,354	91,833

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

STATEMENT OF CASH FLOWS

DEPARTMENT OF IMMIGRATION AND MULTICULTURAL AFFAIRS

Statement of Cash Flows

for the year ended 30 June 2001

	Notes	2000-01 \$'000	1999-00 \$'000
OPERATING ACTIVITIES			
Cash received			
Appropriations for outputs		657,313	529,163
Sales of goods and services		13,897	7,417
Other		5,449	9,788
GST refunds		21,590	0
Total cash received		<u>698,249</u>	<u>546,368</u>
Cash used			
Employees		222,609	194,842
Suppliers		409,426	297,127
Foreign exchange losses		6	31
Total cash used		<u>632,041</u>	<u>492,000</u>
Net cash from operating activities		<u>66,208</u>	<u>54,368</u>
INVESTING ACTIVITIES			
Cash received			
Appropriations		0	2,694
Interest received		5,951	1,795
Proceeds from sales of property, plant and equipment	6D	32	316
Total cash received		<u>5,983</u>	<u>4,805</u>
Cash used			
Purchase of plant and equipment	6D	24,816	35,920
Total cash used		<u>24,816</u>	<u>35,920</u>
Net cash from (used by) investing activities		<u>(18,833)</u>	<u>(31,115)</u>
FINANCING ACTIVITIES			
Cash received			
Appropriations		678	9
Other (Lease Incentive)		7,034	44
Total cash received		<u>7,712</u>	<u>53</u>
Cash used			
Capital use charge paid		17,538	6,211
Total cash used		<u>17,538</u>	<u>6,211</u>
Net cash from (used by) financing activities		<u>(9,826)</u>	<u>(6,158)</u>
Net increase (decrease) in cash held		<u>37,549</u>	<u>17,095</u>
Cash at beginning of the reporting period		<u>17,828</u>	<u>733</u>
Cash at the end of the reporting period		<u>55,377</u>	<u>17,828</u>

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

SCHEDULE OF COMMITMENTS

DEPARTMENT OF IMMIGRATION AND MULTICULTURAL AFFAIRS

SCHEDULE OF COMMITMENTS

as at 30 June 2001

	Departmental	
	2000-01	1999-00
	\$'000	\$'000
BY TYPE		
CAPITAL COMMITMENTS		
Infrastructure, plant and equipment ¹	4,255	878
Land and buildings ²	5,388	11,632
Other capital commitments	904	0
Total capital commitments	<u>10,547</u>	<u>12,510</u>
OTHER COMMITMENTS		
Operating leases ³	296,831	94,831
Other commitments ⁴	149,375	120,541
Total other commitments	<u>446,206</u>	<u>215,372</u>
COMMITMENTS RECEIVABLE ⁵	<u>(27,034)</u>	<u>0</u>
Net commitments	<u><u>429,719</u></u>	<u><u>227,882</u></u>
BY MATURITY		
All net commitments		
One year or less	128,477	118,762
From one to five years	181,341	88,956
Over five years	119,901	20,164
Net commitments	<u>429,719</u>	<u>227,882</u>
Operating Lease Commitments		
One year or less	54,279	28,455
From one to five years	122,651	46,212
Over five years	119,901	20,164
Net commitments	<u>296,831</u>	<u>94,831</u>

NB: All commitments are GST inclusive where relevant.

SCHEDULE OF COMMITMENTS

1. The commitments relate mainly to architectural services and refurbishment.
2. The Land and Buildings commitments represent amounts attributable to the Gateway Project in Sydney (approved by the Public Works Committee).
3. Departmental commitments cover leases for onshore and offshore accommodation, DASFLEET vehicles and photocopiers. A substantial component of the Operating Lease reported is made up of fitout commitments for the new offices in Belconnen in the ACT.
4. Departmental commitments include outstanding purchase orders and other agreements for On-Arrival-Accommodation.
5. Commitments Receivable total represents the gross GST component in Commitments totals for both Capital and Other Commitments.

Nature of Lease	General description of leasing arrangement
Leases for office accommodation	- lease payments are subject to annual increase in accordance with upwards movements in the Consumer Price Index;
	- the initial periods of office accommodation leases are still current and each may be renewed for up to 5 years at the Agency's option, following a once-off adjustment of rentals to current market level.
Agreements for the provision of motor vehicles to senior executive officers	<ul style="list-style-type: none"> - no contingent rental exists; - there are no renewal or purchase options available to the Agency.

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

SCHEDULE OF CONTINGENCIES

DEPARTMENT OF IMMIGRATION AND MULTICULTURAL AFFAIRS
SCHEDULE OF CONTINGENCIES
as at 30 June 2001

	Departmental	
	2000-01	1999-00
	\$'000	\$'000
CONTINGENT LOSSES		
Claims for damages/costs ¹	650	1,885
Other ³	<u>2,353</u>	<u>1,193</u>
Total contingent losses	3,003	3,078
CONTINGENT GAINS		
Claims for damages/costs ²	<u>(328)</u>	<u>(1,051)</u>
Net contingencies	<u>2,675</u>	<u>2,027</u>

Remote contingencies are disclosed in Note 12.

¹The amount represents an estimate of the Agency's liability based on precedent cases. The Agency is defending the claims.

²The Agency is expecting to succeed in claims against suppliers, although the cases are continuing. The estimate is based on precedent in such cases.

³Other Contingent Losses include an amount attributed to the CSC operating lease.

SCHEDULE OF UNQUANTIFIABLE CONTINGENCIES

At 30 June 2001, the Agency had a number of legal claims against it. The Agency is defending the claims. 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.

SCHEDULE OF ADMINISTERED REVENUES AND EXPENSES

DEPARTMENT OF IMMIGRATION AND MULTICULTURAL AFFAIRS			
Schedule of Administered Revenues and Expenses			
for the year ended 30 June 2001			
	Notes	2000-01 \$'000	1999-00 \$'000
Revenues from ordinary activities			
Non-Taxation			
Revenue from government	18A	146,828	135,762
Immigration fees and charges		236,698	206,040
Sales of services		6,918	8,025
Interest		6	2
Other sources of non-taxation revenues	18B	49,662	16,294
Total non-taxation		<u>439,112</u>	<u>366,123</u>
Total revenues from ordinary activities		<u>439,112</u>	<u>366,123</u>
Expenses from ordinary activities			
Personal benefits	19A	12,334	14,820
Subsidies	19B	6,396	1,559
Grants	19C	24,869	24,872
Suppliers	19D	106,754	97,081
Write down of assets	19E	19,748	3,046
Depreciation and amortisation	19F	438	774
Other		4	29
Total expenses from ordinary activities		<u>170,543</u>	<u>142,181</u>
Cash transferred to the Official Public Account		(267,336)	(233,440)
Net increase (decrease) in administered net assets		<u>1,233</u>	<u>(9,498)</u>

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

SCHEDULE OF ADMINISTERED ASSETS AND LIABILITIES

DEPARTMENT OF IMMIGRATION AND MULTICULTURAL AFFAIRS			
Schedule of Administered Assets and Liabilities			
as at 30 June 2001			
	Notes	2000-01 \$'000	1999-00 \$'000
ASSETS			
Financial assets			
Cash	25A	736	3,497
Receivables	20A	10,963	3,234
Accrued revenues	20B	13,576	2,951
Other financial assets	20C	0	147
Total financial assets		<u>25,275</u>	<u>9,829</u>
Non-financial assets			
Land and buildings	20D,20H	67	30
Infrastructure, plant and equipment	20E,20H	28	146
Intangibles	20F,20H	1,076	927
Other	20G	6,664	6,912
Total non-financial assets		<u>7,835</u>	<u>8,015</u>
TOTAL ASSETS		<u>33,110</u>	<u>17,844</u>
LIABILITIES			
Payables			
Suppliers	21	17,320	3,182
Total payables		<u>17,320</u>	<u>3,182</u>
TOTAL LIABILITIES		<u>17,320</u>	<u>3,182</u>
EQUITY			
Capital		276	380
Accumulated results		15,147	13,914
Reserves		368	368
Total equity	22	<u>15,790</u>	<u>14,662</u>
TOTAL LIABILITIES AND EQUITY		<u>33,110</u>	<u>17,844</u>
Current liabilities		17,320	3,182
Non-current liabilities		0	0
Current assets		31,939	16,741
Non-current assets		1,171	1,103

The above Schedule should be read in conjunction with the accompanying notes

SCHEDULE OF ADMINISTERED CASH FLOWS

DEPARTMENT OF IMMIGRATION AND MULTICULTURAL AFFAIRS

Schedule of Administered Cash Flows

for the year ended 30 June 2001

	Notes	2000-01 \$'000	1999-00 \$'000
OPERATING ACTIVITIES			
Cash received			
Immigration fees and charges		235,346	201,833
Sales of goods and services		7,802	9,439
Other		17,638	17,710
Cash from the Official Public Account		136,717	134,968
Total cash received		<u>397,503</u>	<u>363,970</u>
Cash used			
Personal benefits		12,334	5,880
Suppliers		93,616	105,389
Grants		24,869	25,526
Subsidies		6,396	0
Cash to the Official Public Account		262,591	233,440
Total cash used		<u>399,806</u>	<u>370,235</u>
Net cash from operating activities	23	<u>(2,303)</u>	<u>(6,265)</u>
INVESTING ACTIVITIES			
Cash used			
Purchase of plant and equipment	20D,E,F	851	149
Total cash used		<u>851</u>	<u>149</u>
Net cash from (used by) investing activities		<u>(851)</u>	<u>(149)</u>
FINANCING ACTIVITIES			
Cash received			
Administered capital appropriation		0	0
Interest		6	2
GST Appropriations		5,132	0
Total cash received		<u>5,138</u>	<u>2</u>
Cash used			
Return of GST appropriations to OPA		4,745	0
Total cash used		<u>4,745</u>	<u>0</u>
Net cash from (used by) financing activities		<u>393</u>	<u>2</u>
Net increase (decrease) in cash held		<u>(2,761)</u>	<u>(6,412)</u>
Cash at the beginning of the reporting period		3,497	9,909
Cash at the end of the reporting period		<u>736</u>	<u>3,497</u>

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

SCHEDULE OF ADMINISTERED COMMITMENTS

DEPARTMENT OF IMMIGRATION AND MULTICULTURAL AFFAIRS

SCHEDULE OF ADMINISTERED COMMITMENTS

as at 30 June 2001

BY TYPE	Administered	
	2000-01 \$'000	1999-00 \$'000
CAPITAL COMMITMENTS		
Other capital commitments ¹	5,013	0
Total capital commitments	<u>5,013</u>	<u>0</u>
OTHER COMMITMENTS		
Operating leases ²	4,328	7,474
Other commitments ³	181,289	330,503
Total other commitments	<u>185,627</u>	<u>337,977</u>
COMMITMENTS RECEIVABLE	<u>(4,801)</u>	<u>0</u>
Net commitments	<u><u>185,839</u></u>	<u><u>337,977</u></u>
BY MATURITY		
All net commitments		
One year or less	88,817	92,775
From one to five years	95,851	245,202
Over five years	1,171	0
Net commitments	<u><u>185,839</u></u>	<u><u>337,977</u></u>
Operating Lease Commitments		
One year or less	515	2,057
From one to five years	2,248	5,417
Over five years	1,171	0
Net commitments	<u><u>3,934</u></u>	<u><u>7,474</u></u>

NB: All commitments are GST inclusive where relevant.

1. The commitments relate mainly to architectural services and refurbishment.
2. Administered commitments cover property leases for AMEP.
3. Administered commitments relate mainly to AMEP contracts and obligations under grant agreements.

Nature of Lease	General description of leasing arrangement
Leases for office accommodation	<ul style="list-style-type: none"> - lease payments are subject to annual increase in accordance with upwards movements in the Consumer Price Index; - the initial periods of office accommodation leases are still current and each may be renewed for up to 5 years at the Agency's option, following a once-off adjustment of rentals to current market level.

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

SCHEDULE OF ADMINISTERED CONTINGENCIES

DEPARTMENT OF IMMIGRATION AND MULTICULTURAL AFFAIRS
SCHEDULE OF ADMINISTERED CONTINGENCIES
as at 30 June 2001

There were no identifiable contingent gains or losses in the 2000-01 financial year.

Remote contingencies are disclosed in note 24.

SCHEDULE OF UNQUANTIFIABLE CONTINGENCIES

At 30 June 2001, the Agency did not have any unquantifiable contingencies identified.

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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

DEPARTMENT OF IMMIGRATION AND MULTICULTURAL AFFAIRS NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2001

Note	Description
1	Summary of Significant Accounting Policies
2	Events Occurring after Balance Date
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4	Operating Expenses
5	Financial Assets
6	Non-Financial Assets
7	Interest Bearing Liabilities
8	Provisions
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10	Equity
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16	Act of Grace Payments, Waivers and Compensation for Detriment Caused by Defective Administration Scheme
17	Financial Instruments
18	Administered Revenue
19	Administered Expenses
20	Administered Assets
21	Administered Liabilities
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23	Administered Cash Flow Reconciliation
24	Administered Remote Contingencies
25	Administered Financial Instruments
26	Appropriations
27	Trust Moneys
28	Reporting of Outcomes

Note 1: Summary of Significant Accounting Policies

1.1 Objective 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 produces eight outputs which contribute toward the achievement of two outcomes:

- Outcome 1: Lawful and orderly entry and stay of people
 - Output 1.1: Non-humanitarian entry and stay
 - Output 1.2: Refugee and humanitarian entry and stay
 - Output 1.3: Enforcement of immigration law
 - Output 1.4: Safe Havens

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Outcome 2: A society which values Australian citizenship, appreciates cultural diversity, and enables migrants to participate equitably

Output 2.1: Settlement services

Output 2.2: Translating and interpreting services

Output 2.3: Australian citizenship

Output 2.4: Appreciation of cultural diversity

Agency activities contributing toward these outcomes are classified as either departmental or administered. Departmental activities involve the use of assets, liabilities, revenues, and expenses controlled by the Agency in its own right. Administered activities involve the management or oversight by the Agency on behalf of the Government of items controlled or incurred by the Government.

1.2 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 1 of the Financial Management and Accountability (Financial Statements 2000-2001) Orders made by the Finance Minister for the preparation of Financial Statements;
- Australian Accounting Standards and Accounting Interpretations issued by Australian Accounting Standards Boards;
- other authoritative pronouncements of the Boards; and
- the Consensus Views of the Urgent Issues Group.

The statements have been prepared having regard to:

- Statements of Accounting Concepts; and
- the Explanatory Notes to Schedule 1 and Guidance notes issued by the Department of Finance and Administration.

The Agency Statements of Financial Performance and Financial Position 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 on the results or the financial position.

Assets and liabilities are recognised in the Agency Statement of Financial Position when and only when it is probable the future economic benefits will flow and the amounts of the assets or liabilities can be reliably measured. Assets and liabilities arising under agreements equally proportionately unperformed are, however, not recognised unless required by an Accounting Standard. Liabilities and assets which are unrecognised are reported in the Schedule of Commitments and the Schedule of Contingencies (other than remote contingencies, which are reported at Notes 12 and 24).

Revenues and expenses are recognised in the Agency Statement of Financial Performance when and only when the flow or consumption or loss of economic benefits has occurred and can be reliably measured.

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

The Schedules of Administered Revenues and Expenses, Assets and Liabilities, and Cash Flows are prepared on the same basis and using the same policies as for Departmental items, except where otherwise stated at Notes 1.20 to 1.22.

Administered items are distinguished from agency items in the financial statements by shading.

1.3 Changes in Accounting Policy

The accounting policies used in the preparation of these financial statements are consistent with those used in 1999-2000.

The revised Accounting Standard AAS38 *Revaluation of Non-Current Assets* has been adopted for the 2000-01 financial year in the preparation of the Agency's accounts.

The thresholds for recognition of intangibles have changed in 2000-01 and are specified in Note 1.12.

1.4 Revenues

Revenues described in this note are revenues relating to the core operating activities of the Agency.

(a) Revenues from Government - Agency Appropriations

Appropriations for Agency outputs are recognised as revenue to the extent that the Finance Minister is prepared to release appropriations for use (that is the full amount of the appropriation passed by the Parliament less any saving offered up at Additional Estimates and not subsequently released).

(b) Resources Received Free of Charge

Services received free of charge are recognised in the Statement of Financial Performance 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 as an expense.

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 agency as a consequence of a restructuring of administrative arrangements (refer to Note 1.5).

(c) Other Revenue

Revenue from the sale of goods and services is recognised upon the delivery of goods and services to customers. Interest revenue is credited to revenue as it accrues. Revenue from disposal of non-current assets is recognised when control of the asset has passed to the buyer.

Agency revenue from the rendering of a service is recognised by reference to the stage of completion of contracts or other agreements to provide services to Commonwealth bodies. The stage of completion is determined according to the proportion that costs incurred to date bear to the estimated total costs of the transaction.

1.5 Transactions by the Government as Owner

Appropriations designated as 'Capital - equity injections' are recognised directly in equity to the extent drawn down as at the reporting date.

Net assets received under a restructuring of administrative arrangements are designated by the Finance Minister as contributions by owners and adjusted directly against equity. Net assets relinquished are designated as distributions to owners. Net assets transferred are initially recognised at the amounts at which they were recognised by the transferring agency immediately prior to the transfer.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

1.6 Employee Entitlements

(a) Leave

The liability for employee entitlements includes provision for annual leave and long service leave. No long service leave accrues for overseas posts' locally engaged staff who commenced after 12 December 1976. No provision has been made for sick leave as all sick leave is non-vesting and the average sick leave taken in future years by employees of the Agency 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 (except locally engaged staff at overseas posts) at 30 June 2001 and is recognised at the nominal value.

Employee entitlements for locally engaged staff at overseas posts is based on actual entitlements calculated by 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 at 30 June 2001. In determining the present value of the liability, the Agency has taken into account attrition rates and pay increases through promotion and inflation. Agency liabilities are stated in their totality.

(b) Separation and redundancy

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

(c) Superannuation

Staff of the Agency contribute to the Commonwealth Superannuation Scheme and the Public Sector Superannuation Scheme. Employer contributions amounting to \$23,166,907 (1999-00 \$17,031,204) in relation to these schemes have been expensed in these financial statements.

The only liability shown in the Statement of Financial Position relates to offshore liabilities. No additional liability is shown for superannuation in the Statement of Financial Position as the employer contributions fully extinguish the accruing liability which is assumed by the Commonwealth.

Employer Superannuation Productivity Benefit contributions totalled \$3,935,400 (1999-00: \$3,452,499).

1.7 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 substantially all such risks and benefits.

Operating lease payments are expensed on a basis which is representative of the pattern of benefits derived from the leased assets.

Lease incentives taking the form of 'free' leasehold improvements, rent holidays, and cash incentives are recognised as liabilities. These liabilities are reduced by allocating lease payments between rental expense and reduction of the liability.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

1.8 Borrowing Costs

All borrowing costs are expensed as incurred except to the extent that they are directly attributable to qualifying assets, in which case they are capitalised. The amount capitalised in a reporting period does not exceed the amount of costs incurred in that period.

1.9 Cash

Cash means notes and coins held, and any deposits held at call with a bank or financial institution.

1.10 Financial Instruments

Accounting policies for financial instruments are stated at Notes 17 and 25.

1.11 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 as contribution by the owners at the amounts at which they were recognised in the transfer or Agency's accounts immediately prior to the restructuring.

1.12 Property, plant and equipment

Asset recognition threshold

Purchases of property, plant and equipment are recognised initially at cost in the Statement of Financial Position, except for purchases costing less than \$2,000 which are expensed in the year of acquisition (other than when they form part of a group of similar items which are significant in total). The recognition threshold for internally developed software is \$100,000 and for purchased software \$10,000.

Revaluations

Land, buildings, infrastructure plant and equipment are revalued progressively over a 3-year cycle, in accordance with the 'deprival' methodology.

The Agency is implementing the requirements of Schedule 1, as follows:

- freehold land was revalued during 2000-01;
- buildings on freehold land and leasehold improvements were revalued during 2000-01;
- plant and equipment (P&E) assets, whether at cost or under finance lease, are to be revalued in the 2001-02 financial year; and
- in 1998-99 all information technology, and plant and equipment assets were revalued.

Assets in each class acquired after the commencement of a revaluation in any given year are not captured by that revaluation.

The Agency recognises all land at its current market buying price taking into account any restrictions by legislation, zoning or Government policy. Current market selling price valuations, where different to current market buying prices, are disclosed in Note 6.

The Agency recognises property, plant and equipment other than land at its depreciated replacement cost.

Any assets held which would not be replaced or are surplus to requirements are valued at current market selling price. At 30 June 2001, the Agency had no assets in this situation.

All valuations are performed by independent valuers.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Recoverable Amount Test

Schedule 1 requires the application of the recoverable amount test to departmental non-current assets in accordance with AAS10 *Recoverable Amount of Non-Current Assets*. The carrying amounts of these non-current assets have been reviewed to determine whether they are in excess of their recoverable amounts. In assessing recoverable amounts, the relevant cash flows have been discounted to their present value.

Depreciation and Amortisation

Depreciable property, plant and equipment assets are depreciated to their estimated residual value over their estimated useful lives to the Agency 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. Residual values are re-estimated for a change in prices only when assets are revalued.

Depreciation and amortisation rates applying to each class of depreciable asset are based on the following useful lives:

	2000-01	1999-00
Buildings on freehold land	40 years	40 years ¹
Leasehold improvements	Lesser of lease term or 7 years	Lease term
Plant and equipment	3 to 10	4 to 10 years

¹Depreciation/amortisation rates reported against Buildings on Freehold Land in the 1999-00 Annual report were stated as having a 60 year useful life term. These statements have been restated to reflect the correct useful life term of 40 years used in the depreciation/amortisation rates attributed to the asset during the 1999-00 financial year. The aggregate amount of depreciation allocated for each class of asset during the reporting period is disclosed in Note 4C.

1.13 Inventories

The Agency does hold some inventories for sale - mainly Migration Booklets, for sale at \$10 each. Inventories held for resale are valued at the lesser 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.

Costs incurred in bringing each item of inventory to its present location and condition are assigned as follows:

- stores - purchase cost on a first-in-first-out basis.

The reporting threshold of \$10,000 has been carried forward from last year.

1.14 Taxation

The Agency is exempt from all forms of taxation except Fringe Benefits Tax and the Goods and Services Tax.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

1.15 Capital Use Charge

A capital use charge of 12% is imposed by the Commonwealth on the net departmental assets of the Agency. The charge is adjusted to take account of asset gifts and revaluation increments during the financial year.

1.16 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 not material. All foreign currency receivables and payables are due to be settled within the next 12 months.

1.17 Insurance

The Department of Immigration and Multicultural Affairs has insured for risks through the Government's insurable risk managed fund called Comcover. Workers compensation is insured through Comcare Australia.

1.18 Comparative Figures

Comparative figures have been adjusted to conform to changes in presentation in these financial statements where required.

1.19 Rounding

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

- act of grace payments and waivers;
- remuneration of executives;
- remuneration of auditors; and
- restructuring disclosure.

1.20 Administered Revenue

All revenues described in this note are revenues relating to the core operating activities performed by the Agency on behalf of the Commonwealth.

(a) Revenue from Government - Administered Appropriations

Appropriations for administered expenses may be unlimited or limited as to amount. Where the appropriation is an annual appropriation and limited as to amount, revenue is recognised to the extent of the lesser of:

- the amount appropriated by the Parliament; and
- an amount determined by the Finance Minister - this amount is determined having regard to the expenses incurred in the reporting period.

Where unlimited, revenue is recognised to the extent that expenses have been incurred. Similarly, appropriations credited to administered special accounts are recognised as revenue to the extent that expenses have been incurred.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

(b) Other Revenue

Fees are charged for migration applications and visa applications. Administered fee revenue is recognised when applications are lodged with the Agency. Administered fines are recognised in the period in which the breach has occurred.

1.21 Administered Capital

Appropriations of 'Administered Capital' are recognised in Administered Equity as the amounts appropriated by Parliament are drawn down.

1.22 Grants

The Department of Immigration and Multicultural Affairs administered a number of grant schemes on behalf of the Government.

Grant liabilities are recognised to the extent that:

- (i) the services required to be performed by the grantee have been performed, or
- (ii) the grant eligibility criteria have been satisfied.

A commitment is recorded when the Government has a binding agreement to make grants but services have not been performed or criteria satisfied.

Where grant moneys are paid in advance of performance or eligibility, a prepayment is recognised.

Note 2 - Events Occurring after Balance Date

There are no events occurring after balance date that affect the financial statements.

Note 3 - Operating Revenues	2000-01	1999-00
Note 3A - Revenues from Government	\$'000	\$'000
Appropriations for outputs	648,350	600,944
Resources received free of charge ¹	1,160	1,071
Reclassified prior year revenue for AMEP	0	5,693
Total	649,510	607,708

¹Resources received free of charge

Department of Finance and Administration (Overseas Property Operations Group) - provision of lease negotiation, project management and administration	0	129
National Archives of Australia - provision of storage and related services of lending, transfer and destruction	361	375
ComCover - administration of Government Insurance	7	0
Attorney-General's Department (Office of Legislative Drafting) - provision of legal services for legislative drafting	261	77
Australian National Audit Office - audit services for the financial statements	385	375
Australian Customs Service - Coastwatch helicopter on Thursday Island	166	115
Total	1,160	1,071

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

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:

- **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 3B - Sales of Goods and Services

Goods	3,058	2,443
Services	14,205	10,849
Total	17,263	13,292

Note 3C - Net Gains from Sales of Assets

Non-financial assets -

Infrastructure, Plant and Equipment

Net Book Value	8	4
Revenue (proceeds) from Sale	19	19
Expense from Sale	0	4
Total	11	11

Note 3D - Other Revenue from Independent Sources

Operating Revenue (recovery of corporate costs, and miscellaneous costs)	14,774	2,195
Recovery of Detainee Costs ¹	0	7,835
Resources Received Free of Charge (Airport Operators)	14	0
Total	14,788	10,030

¹After consultation with Dept of Finance and ANAO, it was decided revenues for Detainee debts were most appropriately recognised as Administered revenues. The move was effected 1 July 2000.

Note 3E - Reversal of Previous Asset Write Downs

Non-current assets - other	1,302	470
Write back of previously written off Debtors	22	10
Total	1,324	480

Note 3F - Interest

Interest income from related entities	33	201
Interest income from term deposits	5,918	1,594
Total	5,951	1,795

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Note 4 - Operating Expenses

Note 4A - Employees Expenses

Remuneration (for services provided)	229,929	198,439
Separation and redundancy payments	<u>2,860</u>	<u>946</u>
Total	<u>232,789</u>	<u>199,385</u>

Note 4B - Suppliers Expenses

Supply of goods and services	336,028	292,035
Operating lease rentals ¹	<u>59,626</u>	<u>54,516</u>
Total	<u>395,654</u>	<u>346,551</u>

¹ These comprise minimum lease payments only.

Note 4C - Depreciation and Amortisation

Depreciation of land and buildings, infrastructure, plant and equipment	11,798	10,287
Amortisation of intangibles	<u>11,379</u>	<u>5,679</u>
Total	<u>23,177</u>	<u>15,966</u>

The aggregate amounts of depreciation expensed during the reporting period for each class of depreciable asset, are as follows:

Buildings on freehold land	22	144
Leasehold improvements	8,082	7,053
Infrastructure, plant and equipment	<u>3,694</u>	<u>3,090</u>
Total	<u>11,798</u>	<u>10,287</u>

No depreciation or amortisation was allocated to the carrying amounts of other assets.

Note 4D - Write Down of Assets

Financial assets		
Receivables	2,540	8,986
Non-financial assets		
Land and buildings - write-off	2,262	30
Infrastructure, plant & equipment - write-off	660	473
Intangibles - write-off	<u>1,441</u>	<u>0</u>
Total	<u>6,903</u>	<u>9,489</u>

Note 4E - Net loss From Sales of Assets

Non-Financial Assets		
Infrastructure, plant & equipment		
Net Book Value	113	96
Revenue (proceeds) from Sale	13	14
Expense from Sale	<u>0</u>	<u>0</u>
Total	<u>100</u>	<u>82</u>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Note 5 - Financial Assets - Receivables

Goods and services	7,081	4,285
Less : Provision for doubtful debts	(1,303)	(1,105)
Detainee receivables ¹	0	3,871
Less : Provision for detainee doubtful debts	0	(3,851)
GST accrued receivable	2,670	585
GST receivable from ATO	3,693	0
	12,141	3,785
Appropriations (carryovers)	84,927	93,890
Net Receivables	97,068	97,675

Receivables (gross) which are overdue are aged as follows:

Not Overdue	7,745	2,564
Overdue by:		
less than 30 days	2,012	1,863
30 to 60 days	507	849
60 to 90 days	416	806
more than 90 days	2,764	2,659
	13,444	8,741

¹After consultation with Dept of Finance and ANAO, it was decided receivables for Detainee debts were most appropriately recognised as Administered receivables. The move was effected 1 July 2000.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Note 6 - Non-Financial Assets

Note 6A - Land and Buildings

Land at valuation (30 June 1999)	<u>0</u>	<u>410</u>
	<u>0</u>	<u>410</u>
Land at valuation (30 June 2001)	<u>405</u>	<u>0</u>
Total Land	<u>405</u>	<u>0</u>
Buildings at valuation (30 June 1998)	0	795
Less: Accumulated depreciation	<u>0</u>	<u>(40)</u>
	<u>0</u>	<u>755</u>
Buildings at valuation (30 June 2001)	1,175	0
Less: Accumulated depreciation	<u>(156)</u>	<u>0</u>
	<u>1,019</u>	<u>0</u>
Leasehold improvements at cost	0	7,302
Less: Accumulated depreciation	<u>0</u>	<u>(661)</u>
	<u>0</u>	<u>6,641</u>
Leasehold improvements at valuation (30 June 1999)	0	50,706
Less: Accumulated depreciation	<u>0</u>	<u>(34,739)</u>
	<u>0</u>	<u>15,967</u>
Leasehold improvements at valuation (30 June 2001)	79,281	0
Less: Accumulated depreciation	<u>(38,483)</u>	<u>0</u>
	<u>40,798</u>	<u>0</u>
Leasehold improvements - work in progress	<u>9,030</u>	<u>8,388</u>
Total Buildings	<u>50,847</u>	<u>31,751</u>
Total Land and Buildings	<u>51,252</u>	<u>32,161</u>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Note 6B - Infrastructure, Plant & Equipment

Infrastructure, Plant & Equipment at cost	16,639	16,435
Less: Accumulated depreciation	<u>(4,893)</u>	<u>(2,677)</u>
	<u>11,746</u>	<u>13,758</u>
Infrastructure, Plant & Equipment at valuation (30 June 1999)	7,249	8,623
Less: Accumulated depreciation	<u>(4,891)</u>	<u>(5,001)</u>
	<u>2,358</u>	<u>3,622</u>
Infrastructure, Plant & Equipment - work in progress	330	64
Total Infrastructure, Plant & Equipment	<u><u>14,434</u></u>	<u><u>17,444</u></u>

The revaluations were in accordance with the revaluation policy stated in Note 1.12 and were completed by an independent valuer, Mr Simon O'Leary (AAPI), Certified Practising Valuer of the Australian Valuation Office. A net decrement of \$5,000 for land, a net increment of \$8,362,000 for buildings was made to the Asset Revaluation Reserve.

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 valuations of Department 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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Note 6C - Intangibles

Purchased software at cost	219	4,109
Less: Accumulated amortisation	<u>(108)</u>	<u>(1,919)</u>
	<u>111</u>	<u>2,190</u>
Purchased software at valuation (30 June 2001)	1,701	0
Less: Accumulated amortisation	<u>(792)</u>	<u>0</u>
	<u>909</u>	<u>0</u>
Internally developed software at cost	1,767	22,827
Less: Accumulated amortisation	<u>(674)</u>	<u>(2,104)</u>
	<u>1,093</u>	<u>20,723</u>
Internally developed software at valuation (30 June 1998)	0	15,337
Less: Accumulated amortisation	<u>0</u>	<u>(3,834)</u>
	<u>0</u>	<u>11,503</u>
Internally developed software at valuation (30 June 1999)	0	9,001
Less: Accumulated amortisation	<u>0</u>	<u>(1,219)</u>
	<u>0</u>	<u>7,782</u>
Internally developed software at valuation (30 June 2001)	61,074	0
Less: Accumulated amortisation	<u>(20,352)</u>	<u>0</u>
	<u>40,722</u>	<u>0</u>
Internally developed software - work in progress	1,128	30
	<u>1,128</u>	<u>30</u>
Total Intangibles	<u>43,963</u>	<u>42,228</u>

The revaluations were in accordance with the revaluation policy stated in Note 1.12 and were completed by an independent valuer, Mr Wayne Timson (AAPI), Certified Practising Valuer of the Australian Valuation Office. A net increment for intangibles of \$1,941,000 was made to the asset revaluation reserve.

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 Timson (AAPI), Certified Practising Valuer of the Australian Valuation Office.

Note 6D - Analysis of Property, Plant, Equipment and Intangibles

Item	2000-01					2000-01	1999-00
	<i>Land</i>	<i>Buildings</i>	<i>Total land & buildings</i>	<i>Infrastructure, plant & equipment</i>	<i>Intangibles</i>	<i>Total</i>	<i>Total</i>
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Gross Value as at 1 July 2000	410	67,191	67,601	25,122	51,304	144,027	116,651
Additions: Purchase of assets		17,077	17,077	4,667	3,555	25,299	35,920
Revaluations: write-ups/(write-downs)	(5)	8,321	8,316		5,468	13,784	0
Disposals			0	(535)		(535)	(316)
Write-offs		(7,142)	(7,142)	(1,444)	(3,569)	(12,155)	(2,755)
Write-offs due to accounting policy change			0		(464)	(464)	0
Assets transferred in / (out)		3,884	3,884	(3,880)	(3)	1	0
Assets recognised for the first time		1,062	1,062	288	9,598	10,948	0
Other movements		(907)	(907)			(907)	(5,473)
Gross value as at 30 June 2001	405	89,486	89,891	24,218	65,889	179,998	144,027
Accumulated Depreciation / Amortisation as at 1 July 2000	0	(35,440)	(35,440)	(7,678)	(9,076)	(52,194)	(41,992)
Depreciation / amortisation charge for the year		(8,103)	(8,103)	(3,694)	(11,379)	(23,176)	(15,966)
Adjustment for revaluation		41	41		(3,527)	(3,486)	0
Adjustment for disposals			0	413		413	216
Adjustment for write-offs		4,880	4,880	784	2,421	8,085	2,252
Write-offs due to accounting policy change			0		171	171	0
Assets transferred in / (out)		1	1	(2)	1	0	1
Assets recognised for the first time		(18)	(18)	(64)	(537)	(619)	0
Adjustment for other movements			0	457		457	3,295
Accumulated Depreciation / Amortisation as at 30 June 2001	0	(38,639)	(38,639)	(9,784)	(21,926)	(70,349)	(52,194)
Net book value as at 30 June 2001	405	50,847	51,252	14,434	43,963	109,649	
Net book value as at 1 July 2000	410	31,751	32,161	17,444	42,228	91,833	

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Item	2000-01				1999-00			
	Land	Buildings	Total land & buildings	Infrastructure, plant & equipment	Intangibles	Total	Total	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
As at 30 June 2001								
Gross value	405	80,456	80,861	7,249	62,775	150,885	84,077	
Accumulated Depreciation / Amortisation	0	(38,639)	(38,639)	(4,892)	(21,144)	(64,675)	(44,793)	
Other movements (as above)	0	0	0	0	0	0	0	
Net book value	405	41,817	42,222	2,357	41,631	86,210	39,284	
As at 30 June 2000								
Gross value	410	50,706	51,116	8,623	24,338	84,077		
Accumulated Depreciation / Amortisation	0	(34,739)	(34,739)	(5,001)	(5,053)	(44,793)		
Other movements	0	0	0	0	0	0		
Net book value	410	15,967	16,377	3,622	19,285	39,284		

Item	2000-01				1999-00			
	Land	Buildings	Total land & buildings	Infrastructure, plant & equipment	Intangibles	Total	Total	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
As at 30 June 2001								
Gross value	0	9,030	9,030	330	1,128	10,488	8,482	
Accumulated Depreciation / Amortisation	0	0	0	0	0	0	0	
Net book value	0	9,030	9,030	330	1,128	10,488	8,482	
As at 30 June 2000								
Gross value	0	8,388	8,388	64	30	8,482		
Accumulated Depreciation / Amortisation	0	0	0	0	0	0		
Net book value	0	8,388	8,388	64	30	8,482		

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

	2000-01	1999-00
	\$'000	\$'000
Note 6E - Inventories		
All departmental inventories are current assets.		
Finished goods at cost	601	977
Inventories held for sale	<u>601</u>	<u>977</u>
Stores	1,104	880
Inventories not held for sale at cost	<u>1,104</u>	<u>880</u>
Total Inventories and Stores	<u><u>1,705</u></u>	<u><u>1,857</u></u>

All Inventory held for sale is expected to be sold within 12 months of reporting date.

Note 6F - Other Non-Financial Assets

Prepayments	9,256	11,133
Property bonds	2,698	2,676
Education bonds	141	121
Total Other Non-Financial Assets	<u><u>12,095</u></u>	<u><u>13,930</u></u>

Note 7 - Interest Bearing Liabilities - Lease Incentive Liabilities	<u><u>7,068</u></u>	<u><u>34</u></u>
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Lease Incentive payment received for new office fitout at Belconnen in the ACT.

Note 8 - Provisions - Employees

Salaries and wages	6,134	4,750
Leave	66,706	59,264
Superannuation	819	548
Workers' compensation	0	0
Separation and redundancies	193	48
North American Pension Scheme	2,768	2,885
Locally engaged staff resignation benefits	4,267	3,212
Aggregate employee entitlement liability	<u><u>80,887</u></u>	<u><u>70,707</u></u>
Current	25,975	21,388
Non-Current	54,912	49,319

The accrued benefit under the North American Pension Scheme is a defined benefit superannuation plan and is based on a triennial actuarial review.

The most recent review was undertaken in 1999-2000, and the details for this are contained below.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

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 2001	2,768	2,370
Net Market Value of Plan Assets	30 June 2001	0	0
Net Assets		<u>2,768</u>	<u>2,370</u>
Vested Benefits	30 June 2001	<u>2,709</u>	<u>2,405</u>

The UK Pension Scheme is disclosed in the most recent financial report of the plan as at 30 June 2001.

	Date Measured		
Accrued Benefits	1 July 2000	3,552	3,859
Net Market Value of Plan Assets	30 June 2001	4,013	4,698
Net Assets		<u>461</u>	<u>839</u>
Vested Benefits	1 July 2000	<u>3,262</u>	<u>3,669</u>

The Agency's contribution to the scheme 2000-01 was \$111,252 (1999-00: \$157,859).

The Agency's share of the net market value of plan assets is 17.03% - \$23,557,285 (1999-00: \$21,336,000). The scheme is reviewed triennially, the next review being in the year 2002.

Note 9 - Payables - Suppliers

Trade creditors	57,691	47,661
Operating lease creditors	2,005	1,897
GST accrued payable	<u>26</u>	<u>0</u>
Total	<u><u>59,722</u></u>	<u><u>49,558</u></u>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Note 18A - Equity	Accumulated results		Asset revaluation reserve		Other reserves		Total reserves		Capital		TOTAL EQUITY	
	2008-01 \$'000	1999-00 \$'000	2008-01 \$'000	1999-00 \$'000	2008-01 \$'000	1999-00 \$'000	2008-01 \$'000	1999-00 \$'000	2008-01 \$'000	1999-00 \$'000	2008-01 \$'000	1999-00 \$'000
Reserve	83,888	12,728	7,748	7,748	0	0	7,748	7,748	28,812	28,812	88,814	48,960
Opening balance as at 1 July 2000	38,226	61,872									38,226	61,872
Operating results after tax												
Dividends provided for or paid												
Net revaluation increments			19,399	325			19,399	325			19,389	325
Net revaluation (decrements)			(11)	(110)			(11)	(110)			(11)	(110)
Transfers to / (from) / between reserves												
Changes in accounting policies												
Currency translation gain / (loss)												
Injection / (disposal) of capital												
Capital / User Charge									679	5	(12,872)	(11,594)
Revaluating												
Cover (debit/credit)												
Adjustments to opening balances												
Asset adj: onerous leasehold improvements recognised												
Asset adj: transfer assets from Admin												
Asset adj: transfer assets to Admin												
Closing balance as at 30 June 2001	83,399	65,002	18,944	7,748	0	0	18,944	7,752	28,480	28,812	127,844	99,574
Less: Outside equity interests	0	0										
Total equity attributable to the Commonwealth	83,399	65,002	18,944	7,748	0	0	18,944	7,752	28,480	28,812	127,844	99,574

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Note 10B - 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.	2000-01	1999-00
Assets	\$	\$
Receivables	0	2,700,221
Property, plant and equipment	0	4,366,274
Other	0	83,820
Total assets relinquished	<u>0</u>	<u>7,150,315</u>
Liabilities		
Creditors	0	266,457
Provisions	0	3,440,943
Total liabilities relinquished	<u>0</u>	<u>3,707,400</u>
Net assets / (liabilities) relinquished	<u>0</u>	<u>3,442,915</u>
Contribution by Government	<u>0</u>	<u>0</u>
Net revenues from restructuring	<u>0</u>	<u>0</u>

Note 11 - Cash Flow Reconciliation

	2000-01	1999-00
	\$'000	\$'000
Reconciliation of Cash per Statement of Financial Position to Statement of Cash Flows		
Cash at year end per Statement of Cash Flows	55,377	17,828
Statement of Financial Position items comprising above cash: 'Financial Asset - Cash'	55,377	17,828

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

Net cost of services - gain/(loss)	(562,651)	(454,178)
Revenues from Government	649,510	459,417
Extraordinary item	(56,633)	56,633
Operating Surplus (Deficit)	<u>30,226</u>	<u>61,872</u>
Depreciation / amortisation	23,177	15,582
(Profit) / loss of sale on disposal of non-current assets	90	(154)
Write down of assets	4,363	633
Provision for doubtful debts	179	4,956
Asset recognised for the first time	(10,365)	0
Accrued interest asset	(5,951)	(1,839)
<i>Change in assets and liabilities</i>		
Decrease (increase) in receivables	429	(70,161)
Decrease (increase) in accrued revenue	1,729	(751)
Decrease (increase) in inventories	152	(1,117)
Decrease (increase) in other non financial assets	1,835	10,273
Increase (decrease) in employee liabilities	10,180	4,543
Increase (decrease) in supplier liabilities	10,164	34,575
Increase (decrease) in loans	0	(4,000)
Increase (decrease) in lease incentives	0	(44)
Net cash provided by operating activities	<u>66,208</u>	<u>54,368</u>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Note 12 - Remote Contingencies

Note 12A - Agency

The Agency has not identified any remote contingencies.

Note 13 - Executives Remuneration

	2000-01	1999-00 *
The number of Executives who received or were due to receive total remuneration of \$100,000 or more:	Number	Number
\$110,001 to \$120,000	1	3
\$120,001 to \$130,000	10	6
\$130,001 to \$140,000	7	6
\$140,001 to \$150,000	2	4
\$150,001 to \$160,000	4	5
\$160,001 to \$170,000	0	1
\$170,001 to \$180,000	6	3
\$180,001 to \$190,000	1	2
\$190,001 to \$200,000	0	0
\$200,001 to \$210,000	2	0
\$330,001 to \$340,000	0	1
\$360,001 to \$370,000	1	0
Total	34	31

* Comparative numbers relate to Executive's positions. Current year numbers relate to individual officers.

	\$	\$
The aggregate amount of total remuneration of Executives shown above is:	5,174,451	4,427,112
The aggregate amount of separation and redundancy payments during the year to Executives shown above is:	96,178	0
Redundancy payments exclude the pay out of entitlements such as leave balances.		

Note 14 - Remuneration of Auditors

Financial Statement audit services are provided free of charge to the Agency. The fair value of the audit services provided :

	\$	\$
	385,000	375,000

No other services were provided by the Auditor-General to the Agency during the financial year.

Note 15 - Average Staffing Levels

The average staffing levels for the Agency in 2000-01 were 4,003 (3,680 in 1999-00).

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Note 16 - Act of Grace Payments and Waivers and Compensation for Detriment Caused by Defective Administration Scheme \$ \$

No act of grace payments were made during the reporting year (1999-00: 10).	0	21,870
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One waiver of \$32,261 owing to the Commonwealth was made pursuant to subsection 34(1) of the *Financial Management and Accountability Act 1997* in 2000-01 (1999-00: nil).

Eight payments were made under the Defective Administration Scheme totalling \$3,804 and one payment on the Claim Against the Commonwealth Register to the value of \$4,419 during the reporting period.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Note 17 - Departmental Financial Instruments

Note 17A - 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 are recognised at their nominal amounts. Interest is credited to revenue as it accrues.	The Agency invests surplus Departmental funds with the Reserve Bank of Australia in term deposits at rates advised by the Department of Finance. These investments can be from 7 to 365 days. Interest from the investments is paid on maturity. Moneys not invested and remaining in bank accounts attract interest rates at a lower rate of interest which is paid quarterly.
Receivables for goods and services	5	Receivables are recognised at the 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, unless otherwise agreed with Department of Immigration and Multicultural Affairs (1999-00: 30 days)
Accrued revenue		Interest is credited to revenue as it accrues. Interest on overnight bank balances is payable quarterly. Interest on term deposits is paid on maturity.	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	7	Lease incentives taking 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 Agency has received a rent free period on entering a property operating lease in 2000-01 and a cash incentive of \$7.750m in 2000-01.
Trade creditors	9	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 or services have been received (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		The maximum amount payable under the indemnities given is disclosed in the Schedule of Contingencies. At the time of completion of the financial statements, there was no reason to believe that the guarantee would be called upon, and recognition of a liability was therefore not required.	
Indemnities		The Agency has not provided any indemnities to community support groups in relation to approved public activities up to a specified maximum amount for each activity.	

Note 17B - Interest rate risk

Financial Instrument	Notes	Floating Interest Rate	Fixed Interest Rate					Total	Weighted Average Effective Interest Rate			
			1 Year or Less		2 to 5 years		> 5 years		Non-Interest Bearing	Total		
			00-01	99-00	00-01	99-00	00-01				99-00	00-01
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	%	%	
Financial Assets		55,377	17,828	-	-	-	-	-	55,377	17,828	1%	1%
Cash at Bank		-	-	-	-	-	-	-	-	-	-	-
Accrued revenue		-	-	-	-	-	-	404	2,133	404	2,133	-
Receivables for goods and services	5	-	-	-	-	-	-	97,068	97,675	97,068	97,675	-
Total Financial Assets (Recognised)		55,377	17,828	-	-	-	-	97,472	99,808	152,849	117,636	-
Total assets								276,298	225,256			
Financial Liabilities												
Lease incentives	7	-	-	-	-	-	-	7,068	34	7,068	34	-
Trade creditors	9	-	-	-	-	-	-	59,722	49,558	59,722	49,558	-
Borrowings		-	-	-	-	-	-	-	-	-	-	-
Operating lease creditors		-	-	-	-	-	-	-	-	-	-	-
Total Financial Liabilities (Recognised)		-	-	-	-	-	-	66,790	49,592	66,790	49,592	-
Total Liabilities								66,790	125,682	66,790	125,682	-
Unrecognised indemnity								-	-	-	-	-

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Note 17C - Net fair Values of Financial Assets and Liabilities

Departmental	Notes	2000-01		1999-00	
		Total carrying amount \$'000	Aggregate net fair value \$'000	Total carrying amount \$'000	Aggregate net fair value \$'000
Financial Assets					
Cash at Bank		55,377	55,377	17,828	17,828
Accrued revenue		404	404	2,133	2,133
Receivables for goods and services	5	97,068	97,068	97,675	97,675
Total Financial Assets		152,849	152,849	117,636	117,636
Financial Liabilities (Recognised)					
Lease incentives	7	7,068	7,068	34	34
Trade creditors	9	57,717	57,717	45,764	45,764
Operating lease creditors		2,005	2,005	1,897	1,897
Total Financial Liabilities (Recognised)		66,790	66,790	47,695	47,695
Total Financial Liabilities (Unrecognised)		0	0	0	0

Financial assets

The net fair values of cash and non-interest bearing monetary financial assets approximate their carrying amounts.

Financial liabilities

The net fair values of the lease incentive liabilities, and guarantees are based on discounted cash flows using current interest rates for liabilities with similar risk profiles.

The net fair values for trade creditors are short-term in nature, and are approximated by their carrying amounts.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Note 17D - Credit Risk Exposures

The Agency's maximum exposures to credit risk at reporting date in relation to each class of recognised financial asset is the carrying amount of those assets as indicated in the Statement of Financial Performance.

The Agency has no significant exposures to any concentrations of credit risk.

All figures for credit risk referred to do not take into account the value of any collateral or other security.

Note 18 - Administered Revenues	2000-01	1999-00
	\$'000	\$'000
Note 18A - Revenue from Government		
Annual Appropriations	144,862	134,077
Special Appropriations	1,966	1,685
Total	146,828	135,762
Note 18B - Other Sources of Non-Taxation Revenue		
Fines	19,189	15,252
Gains from sales of assets	0	10
Other sources of non-taxation revenue	30,473	1,032
Total	49,662	16,294

Other sources of non-taxation revenue include \$19.911m of Deportee Detention costs and \$7.225m of cost savings transferred from Departmental accounts to Administered.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Note 19 - Administered Expenses

Note 19A - Personal Benefits

Personal benefits	12,103	14,691
State payment - Refugee Minors	231	129
Total	<u>12,334</u>	<u>14,820</u>

Note 19B - Subsidies

Subsidies to NAATI, IOM and joint Commonwealth and State research programs	1,266	1,559
Financial assistance for displaced refugees (overseas aid)	5,000	0
Prior Year accounting adjustment - contribution to IT upgrade at NAATI August 1998	130	0
Total	<u>6,396</u>	<u>1,559</u>

Note 19C - Grants

Grants to non profit institutions	24,869	24,872
Total	<u>24,869</u>	<u>24,872</u>

The nature of the grants are as follows:

Community based programs	24,869	24,872
Total	<u>24,869</u>	<u>24,872</u>

Note 19D - Suppliers

Adult Migrant English Program	96,418	90,036
Refugee maintenance, accommodation & humanitarian expenses	9,299	5,359
Migration Agents Payments	2,037	1,686
Total	<u>106,754</u>	<u>97,081</u>

Note 19E - Write Down of Administered Assets

Financial assets		
Receivables	19,403	2,910
Non-financial assets		
Infrastructure, Plant and equipment - write-off	5	136
Intangibles - write-off	19	0
Intangibles - decrement	321	0
Total non-financial assets	345	136
Total	<u>19,748</u>	<u>3,046</u>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Note 19F - Depreciation and Amortisation

Depreciation of land and buildings, and plant and equipment	132	449
Amortisation of intangibles	306	325
Total	<u>438</u>	<u>774</u>
The aggregate amounts of depreciation expensed during the reporting period for each class of depreciable asset, are as follows:		
Buildings on freehold land	1	2
Infrastructure, plant and equipment	131	447
Total	<u>132</u>	<u>449</u>

Note 20 - Administered Assets

Note 20A - Receivables

GST accrued receivable	336	72
GST receivable from ATO	908	0
Immigration fees and charges	3,450	1,603
Goods and services	532	1,545
Less: Provision for doubtful debts	(462)	(1,207)
Detainee debts ¹	2,617	0
Less: Provision for detainee doubtful debts	<u>(2,617)</u>	<u>0</u>
	4,764	2,013
Annual appropriations (carryovers) ²	<u>6,199</u>	<u>1,221</u>
Net Receivables	<u>10,963</u>	<u>3,234</u>

¹After consultation with Dept of Finance and ANAO, it was decided receivables for Detainee debts were most appropriately recognised as Administered receivables. The move was effected 1 July 2000.

²An amount of \$447,000 relating to the 99-00 financial year was offered up as a saving within the 00-01 financial year and the appropriation receivable reduced.

Fee receivables which are overdue are aged as follows:

Not Overdue	4,277	845
Overdue by:		
less than 30 days	756	404
30 to 60 days	183	91
60 to 90 days	145	102
more than 90 days	<u>2,482</u>	<u>1,778</u>
	<u>7,843</u>	<u>3,220</u>

Administered receivables were subject to adjustment due to the transfer of Detainee debts in their entirety from Departmental accounts to Administered accounts during the 2000-01 financial year. Adjustments to Revenue of \$9.132m and Bad Debts expense of \$8.962m.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Note 20B - Accrued Revenues

Accrued revenue	21,769	2,951
Provision for unrecoverable accrued revenue	<u>(8,193)</u>	<u>0</u>
Total	<u>13,576</u>	<u>2,951</u>

Provision for unrecoverable accrued revenue is provided for Temporary Protection Visa and Protection Visa debtors revenue recognised in 2000-01.

Note 20C - Other Financial Assets

Loans Receivable - Current	0	62
Loans Receivable - Non-Current	<u>0</u>	<u>85</u>
Total	<u>0</u>	<u>147</u>

Note 20D - Land and Buildings

Buildings at valuation (30 June 1995)	0	55
Less: Accumulated depreciation	<u>0</u>	<u>(25)</u>
	<u>0</u>	<u>30</u>
Buildings at valuation (30 June 2001)	81	0
Less: Accumulated depreciation	<u>(14)</u>	<u>0</u>
	<u>67</u>	<u>0</u>
Total Buildings	<u>67</u>	<u>30</u>
Total Land and Buildings	<u>67</u>	<u>30</u>

The valuations were in accordance with the revaluation policy stated in Note 1.12 and were completed by an independent valuer, the Australian Valuation Office. A net increment of \$39,000 for buildings offset a prior year decrement to the Statement of Financial Performance as did a net decrement of \$321,000 for intangibles.

Note 20E - Infrastructure, Plant and Equipment

Plant & Equipment at valuation (30 June 1999)	2,081	2,168
Less: Accumulated depreciation	<u>(2,069)</u>	<u>(2,021)</u>
	<u>12</u>	<u>147</u>
Plant & Equipment at cost	18	0
Less: Accumulated depreciation	<u>(11)</u>	<u>0</u>
Total Infrastructure, Plant and Equipment at cost	<u>7</u>	<u>0</u>
Infrastructure, Plant & Equipment - work in progress	9	0
Total Infrastructure, Plant & Equipment	<u>28</u>	<u>147</u>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Note - 20F Intangibles		
Purchased software at cost	0	399
Less: Accumulated amortisation	<u>0</u>	<u>(372)</u>
	<u>0</u>	<u>27</u>
Internally developed software at valuation (30 June 1999)	0	1,200
Less: Accumulated amortisation	<u>0</u>	<u>(300)</u>
	<u>0</u>	<u>900</u>
Internally developed software at valuation (30 June 2001)	987	0
Less: Accumulated amortisation	<u>(696)</u>	<u>0</u>
	<u>291</u>	<u>0</u>
Internally developed software - work in progress	785	0
Total Intangibles	<u><u>1,076</u></u>	<u><u>927</u></u>
Note 20G - Other Non-Financial Assets		
Prepayments	<u>6,664</u>	<u>6,912</u>
Total	<u><u>6,664</u></u>	<u><u>6,912</u></u>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Note 20H - Analysis of Property, Plant, Equipment and Intangibles						
TABLE A - Administered - Movement summary 2000-2001 for all assets irrespective of valuation basis						
Item	2000-01			2000-01		
	Land	Buildings	Total land & buildings	Infrastructure, plant & equipment	Intangibles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Gross Value as at 1 July 2000	0	55	55	2,168	1,589	3,822
Additions				19	795	813
Revaluations: write-ups/(write-downs)		26	26		(213)	(187)
Disposals						0
Write-offs				(77)	(402)	(479)
Write-offs due to accounting policy change					(8)	(8)
Assets transferred in / (out)					0	0
Other movements				(1)	(1)	(1)
Gross value as at 30 June 2001	0	81	81	2,108	1,771	3,969
Accumulated Depreciation / Amortisation as at 1 July 2000	0	(25)	(25)	(2,021)	(672)	(2,718)
Depreciation / amortisation charge for the year		(1)	(1)	(131)	(305)	(438)
Adjustment for revaluation		12	12		(109)	(97)
Adjustment for disposals						0
Adjustment for write-offs				72	386	458
Write-offs due to accounting policy change					6	6
Assets transferred in / (out)					0	0
Adjustment for other movements		(14)	(14)			0
Accumulated Depreciation / Amortisation as at 30 June 2001	0	(14)	(14)	(2,090)	(695)	(2,789)
Net book value as at 30 June 2001	0	67	67	29	1,076	1,171
Net book value as at 1 July 2000	0	30	30	147	527	1,904

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Item	2000-01					1999-00	
	Land	Buildings	Total land & buildings	Infrastructure, plant & equipment	Intangibles	Total	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
As at 30 June 2001							
Gross value	0	81	81	2,081	987	3,149	3,425
Accumulated Depreciation / Amortisation	0	(14)	(14)	(2,069)	(896)	(2,779)	(2,346)
Other movements	0	0	0	0	0	0	0
Net book value	0	67	67	12	291	370	1,079
As at 30 June 2000							
Gross value	0	55	55	2,168	1,200	3,423	
Accumulated Depreciation / Amortisation	0	(25)	(25)	(2,021)	(300)	(2,346)	
Other movements	0	0	0	0	0	0	
Net book value	0	30	30	147	900	1,077	

Item	2000-01					1999-00	
	Land	Buildings	Total land & buildings	Infrastructure, plant & equipment	Intangibles	Total	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
As at 30 June 2001							
Gross value	0	0	0	9	785	794	1,588
Accumulated Depreciation / Amortisation	0	0	0	0	0	0	0
Net book value	0	0	0	9	785	794	1,588
As at 30 June 2000							
Gross value	0	0	0	0	0	0	0
Accumulated Depreciation / Amortisation	0	0	0	0	0	0	0
Net book value	0	0	0	0	0	0	0

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Note 21 - Administered Liabilities - Payables - Suppliers

Trade creditors	16,331	3,182
GST accrued payable	<u>989</u>	<u>0</u>
Total	<u>17,320</u>	<u>3,182</u>

All liabilities are expected to be settled within 12 months of balance date.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Note 23 - Equity	Accumulated results		Asset revaluation reserve		Other reserves		Total reserves		Capital		TOTAL EQUITY	
	2000-01 \$'000	1999-00 \$'000	2000-01 \$'000	1999-00 \$'000	2000-01 \$'000	1999-00 \$'000	2000-01 \$'000	1999-00 \$'000	2000-01 \$'000	1999-00 \$'000	2000-01 \$'000	1999-00 \$'000
Item												
Opening balance as at 1 July 2000	13,914	25,412	354	355	4	0	368	362	380	447	14,662	24,227
Net Contribution to Budget Outcome	288,568	223,942									288,568	223,942
Transfers to Official Commonwealth Public Account	(207,336)	(233,442)									(287,336)	(233,442)
Dividends provided for or paid											0	0
Net revaluation increment / (decrement)											0	0
Admin investments acquired / (transferred to the Office of Asset Sales & IT Disbudding)			4	(4)	(4)	4					0	0
Transfers to / (from) / between reserves											0	0
Changes in accounting policies											0	0
Currency translation gains / (loss)											0	0
Injection / (disposal) of capital									(185)	0	(185)	0
Other (parale below)											0	0
Net change in administered assets											0	0
Adj. opening balances										(67)	0	(67)
Transfer assets to Department											0	0
Transfer assets from Department											0	0
Closing balance as at 30 June 2001	15,147	13,914	388	364	6	4	368	362	275	392	15,799	14,662
Less: Outside equity interests											0	0
Total equity attributable to the Commonwealth	15,147	13,914	388	364	6	4	368	362	275	392	15,799	14,662

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Note 23 - Administered Cash Flow Reconciliation	2000-01	1999-00
Reconciliation of Cash per Statement of Financial Position to Statement of Cash Flows	\$'000	\$'000
Cash at year end per Statement of Cash Flows	736	3,497
Statement of Financial Position items comprising above cash: 'Financial asset - Cash'	736	3,497
Reconciliation of net contribution (cost) to Government to net cash provided by operating activities:		
Net contribution (cost) to government	121,741	88,953
Cash from Commonwealth Public Account for operations	146,828	134,988
Cash to Commonwealth Public Account from operations	(267,336)	(233,440)
Extraordinary items	0	0
Net change in administered assets from operations	1,233	(9,499)
Depreciation / amortisation	438	774
Assets written down	(152)	(694)
Increase (decrease) in grant liabilities	0	(18)
<i>Change in assets and liabilities</i>		
Decrease (increase) in receivables	(7,729)	2,057
Decrease (increase) in other financial assets	147	(147)
Decrease (increase) in non-financial assets	247	(139)
Decrease (increase) in accrued revenue	(10,625)	(1,149)
(Decrease) increase in provisions and payables	14,138	2,550
Net cash provided by operating activities	(2,303)	(8,265)

Note 24 - Administered Remote Contingencies

The Agency has assigned three leases for properties to three AMEP service providers. The expiry date of the leases are 10 September 2002 for the Campsie property (balance outstanding \$702,629); 22 March 2002 for the Cabramatta property (\$409,500); and 31 July 2003 for the Burwood property (\$1,670,538).

Should the service provider default on the lease payments, the Agency will become liable for the outstanding amount.

The potential liability at 30 June 2001 is \$2.783 million (1999-00: \$3.4 million).

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Note 25A - Administered Financial Instruments		
Financial Instruments	Notes	Accounting Policies and Methods
Financial Instruments		Financial assets are recognised when control over future economic benefits is established and the amount of the benefit can be reliably measured.
Financial Assets		Deposits are recognised at their nominal amounts.
Cash		
Receivables for goods and services	20A	Receivables are recognised at the nominal amounts due less any provision for bad and doubtful debts. Collectibility of debts is reviewed at balance date. Provisions are made when collection of the debt is judged to be less than more likely.
Fees and Fines receivable		Fees accrued and are recognised at the time services are performed.
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.
Trade creditors	21	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 or services have been received (irrespective of having been invoiced).
Unrecognised financial liabilities		
Indemnities		The maximum amount payable under the indemnities given is disclosed in the Schedule of Contingencies. At the time of completion of the financial statements, there was no reason to believe that the guarantee would be called upon, and recognition of a liability was therefore not required.

Financial Instrument	Notes	Floating Interest Rate	Fixed Interest Rate			Non-Interest Bearing	Total	Weighted Average Effective Interest Rate	
			1 year or less	1 to 2 years	2 to 5 years			> 5 years	00-01
		00-01	00-01	00-01	00-01	00-01	00-01	00-01	00-01
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	%	%
Financial Assets									
Cash		-	-	-	-	736	736	3.497	1%
Other (Accrued Revenue)	25A	-	-	-	-	19,863	19,863	2.951	-
Goods and Services Receivables	20A	-	-	-	-	13,576	13,576	3.234	-
Total Financial Assets (Recognised)		-	-	-	-	25,175	25,175	0.682	
Total Assets						33,118	17,844		
Financial Liabilities									
Operating lease creditors		-	-	-	-	-	-	-	-
Trade creditors	21	-	-	-	-	17,328	17,328	3.182	-
Total Financial Liabilities (Recognised)		-	-	-	-	17,328	17,328	3.182	
Total Liabilities						17,328	17,328	3.182	
Liabilities not recognised									
Guarantees		-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-
Indemnities		-	-	-	-	-	-	-	-
Total Financial Liabilities (Unrecognised Indemnity)									

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Note 25C - Net Fair Values of Financial Assets and Liabilities

	Notes	2000-01		1999-00	
		Total carrying amount \$'000s	Aggregate net fair value \$'000s	Total carrying amount \$'000s	Aggregate net fair value \$'000s
Administered					
Financial Assets					
Cash at bank	25A	736	736	3,497	3,497
Fees receivable	20A	10,963	10,963	3,234	3,234
Accrued revenue	20B	13,576	13,576	2,951	2,951
Other loans	20C	0	0	147	147
Total Financial Assets		25,275	25,275	9,829	9,829
Financial Liabilities (Recognised)					
Trade creditors	21	17,320	17,320	3,182	3,182
Total Financial Liabilities (Recognised)		17,320	17,320	3,182	3,182
Financial Liabilities (Unrecognised)					
Guarantees to public trading enterprises		0	0	0	0
Other guarantees		0	0	0	0
Indemnities		0	0	0	0
Total Financial Liabilities (Unrecognised)		0	0	0	0

Financial assets

The net fair values of cash and non-interest bearing monetary financial assets approximate their carrying amounts.

Financial liabilities

The net fair values of the guarantees are based on discounted cash flows using current interest rates for liabilities with similar risk profiles.

The net fair values for trade creditors and grant liabilities are short-term in nature, and are approximated by their carrying amounts.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

**Note 26 - Appropriations
Note 26A - Agency Appropriations**

Annual appropriations for Departmental items (outputs)

	2000-01 \$'000	1999-00 \$'000
Appropriation Acts No 1 & 3 credits:		
Section 7 - Act 1 - basic appropriations (budget)	746,332	371,910
Section 7 - Act 3 - basic appropriations (budget)	6,315	116,144
Section 10 - adjustments		
Section 11 - Advance to the Finance Minister		15,000
Section 12 - Comcover receipts		
Total Current Appropriations Acts	752,647	503,054
Add: FMA Act appropriations		
s30 appropriations	27,953	
s30A appropriations (GST recoverables)	31,869	19,360
s31 appropriations		
s32 appropriations	(9,420)	
Total appropriated this year	803,049	522,414
Balance available at 1 July brought forward from previous period	17,095	
Lapsed Appropriation	98,556	
Total appropriations available for payments	721,588	522,414
Payments during the year	575,599	505,319
Balance of appropriations at 30 June carried to next period	145,989	17,095

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Note 26B - Annual Appropriations for Departmental Capital Items

	Equity Injections		Loans		Carryovers		Total	
	2000-01	1999-00	2000-01	1999-00	2000-01	1999-00	2000-01	1999-00
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Appropriation Acts No 2 & 4								
Section 10 - Act No 2 (Budget)	3,678	289			72,243	26,109	75,921	289
Section 10 - Act No 4					26,553		26,553	26,109
Advance to Finance Minister		2,414						2,414
Total Current Appropriations Acts	3,678	2,703	0	0	98,796	26,109	102,474	28,812
Add: FMA Act appropriations								
s30 appropriations								
s30A appropriations (GST recoverables)								
Total appropriated this year	3,678	2,703	0	0	98,796	26,109	102,474	28,812
Balance available at 1 July brought forward from previous period	0							0
Lapsed Appropriation	(3,000)	0					(3,000)	0
Total appropriations available for payments	678	2,703	0	0	98,796	26,109	99,474	28,812
Payments during the year	0	2,703			98,796	26,109	98,796	28,812
Balance of appropriations at 30 June carried to next period	678	0	0	0	0	0	678	0

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

	Administered Expenses			Other Administration Expenses			State Payment Items			Total Outcome 1		
	Appropriation Acts No 1 & 3		1999-00	Appropriation Acts No 2 & 4		1999-00	Appropriation Acts No 2 & 4		2000-01	1999-00	2000-01	1999-00
	2000-01	1999-00		2000-01	1999-00		2000-01	1999-00				
Appropriation Acts Credits	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Act 1/2 - basic appropriations (budget)	23,764	16,068							23,764	16,068		
Act 3/4 - basic appropriations	881	7,588						881	7,588			
Section 11 - Advance to the Finance Minister	1,010	0						1,010	0			
Section 12 - Concomitant receipts	0	0						0	0			
Total Current Appropriations Acts	25,655	23,672	0	0	0	0	0	25,655	23,672	0	0	0
Add: FMA Act appropriations												
s30 appropriations	961									961		
s30A appropriations (GST recoverables)												
Total appropriated this year	26,616	23,672	0	0	0	0	0	26,616	23,672	0	0	0
Less: Amounts lapsed by Ministerial determination	661	4,883						661	4,883			
Adjustment for prior year estimates now determined	4,482	0						4,482	0			
Balance available at 1 July brought forward from previous period	0	0						0	0			
Total appropriations available for payments	30,437	18,789	0	0	0	0	0	30,437	18,789	0	0	0
Payments during the year	25,544	18,789						25,544	18,789			
Balance of appropriations at 30 June carried to next period ¹	4,893	0	0	0	0	0	0	4,893	0	0	0	0

¹ As Ministerial determinations in respect of payments has not been finalized, the balance of appropriation is an estimate.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Annual Appropriations for Administered expense items										
OUTCOME 2 - A society which values Australian citizenship, appreciates cultural diversity and enables migrants to participate equitably										
	Administered Expenses Appropriation Acts No 1 & 3			Other Administered Expenses Appropriation Acts No 2 & 4			State Payment Items Appropriation Acts No 2 & 4		Total Outcome 2	
	2000-01 \$'000	1999-00 \$'000	2000-01 \$'000	1999-00 \$'000	2000-01 \$'000	1999-00 \$'000	2000-01 \$'000	1999-00 \$'000	2000-01 \$'000	1999-00 \$'000
Appropriation Acts Credits	115,187	113,072			187				115,374	113,235
Act 1/2 - basic appropriations (budget)	3,985	7,800				5		3,986	7,805	0
Act 3/4 - basic appropriations										0
Section 11 - Advance to the Finance Minister										0
Section 12 - Comcover receipts										0
Total Current Appropriations Acts	119,173	120,872	0	0	187	168	168	119,360	121,040	
Add: FMA Act appropriations s30 appropriations	4,692								4,692	0
s30A appropriations (GST recoverables)	123,865	120,872	0	0	187	168	168	124,052	121,040	
Total appropriated this year	2,070	4,625				63		2,070	4,688	
Less: Amounts lapsed by Ministerial determination Adjustment for prior year estimates now determined	774							774		
Balance available at 1 July brought forward from previous period	126,709	116,247	0	0	187	105	105	126,896	116,352	
Total appropriations available for payments	112,647	115,473	0	0	149	106	106	112,796	115,578	
Payments during the year										
Balance of appropriations at 30 June carried to next period ¹	14,062	774	0	0	38	0	0	14,100	774	

¹ As Ministerial determination in respect of payments has not been finalised, the balance of appropriation is an estimate.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Note 26D - Annual Appropriations for Administered Capital Items		
	2000-01	1999-00
	\$'000	\$'000
Appropriation Acts No 2 & 4	0	0
Section 10 - Act 2 (budget)	0	0
Section 10 - Act 4	0	447
Advance to the Finance Minister	0	0
Total Current Appropriations Acts	0	447
Add: FMA Act appropriations		
s30 appropriations	0	0
s30A appropriations (GST recoverables)	0	0
Total appropriated this year	0	447
Balance available at 1 July brought forward from previous period	447	0
Total appropriations available for payments	447	447
Payments during the year	0	0
Less: Amounts lapsed by Ministerial determination	447	0
Balance of appropriations at 30 June carried to next period ¹	0	447

¹ As Ministerial determination in respect of payments has not been finalised, the balance of appropriation is an estimate.

Note 26E - Special Appropriations (unlimited) for Administered items						
	Outcome 1		Outcome 2		Total	
	2000-01	1999-00	2000-01	1999-00	2000-01	1999-00
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Statutory Self-Regulation of Migrant Agents						
Budget estimate	2,112	1,701	0	0	2,112	1,701
Payments made	2,037	1,685	0	0	2,037	1,685

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Note 26F - Special Accounts

Legal authority - *Financial Management and Accountability Act, 1997, s20*

Australian Population, Multicultural and Immigration Research Program Account

Purpose -

- i - for expenditure relating to the Joint Research Program on population and immigration in accordance with approvals of 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 moneys, if any, standing to the credit of the trust account after the research program has been wound up.

	2000-01 \$'000	1999-00 \$'000
Balance carried forward from previous period	94	88
Add: Receipts from appropriations	0	0
Receipts from other sources	100	100
Available for payments	194	188
Payments made	44	94
Balance carried forward to next period	150	94

Note 27 - Trust Monies

Other Trust Monies

Legal authority - *Financial Management and Accountability Act, 1997, s20*

Purpose - monies held in trust and advanced to the Department of Immigration and Multicultural Affairs by COMCARE for the purpose of distributing compensation payments made in accordance with the *Rehabilitation and Compensation Act 1998*.

Comcare Trust

Balance carried forward from previous period	515	394
Add: Receipts from appropriations	0	0
Receipts from other sources	761	541
Available for payments	1,276	935
Payments made	730	420
Balance carried forward to next period	546	515

Legal authority - *Financial Management and Accountability Act, 1997, s20*

Purpose - for the expenditure of monies temporarily held on trust or otherwise for the benefit of a person other than the Commonwealth.

Other Trust Monies

Balance carried forward from previous period	5,428	4,299
Add: Receipts from appropriations	0	0
Receipts from other sources	27,232	7,877
Available for payments	32,660	12,176
Payments made	16,191	6,748
Balance carried forward to next period	16,469	5,428

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Note 28 - Reporting of Outcomes

Major Administered Revenues and Expenses by Outcome

	OUTCOME		TOTAL	
	1	2		
	Actual \$'000	Actual \$'000	Budget \$'000	Actual \$'000
Operating Revenues				
Taxation				
Fees and fines	0	0	0	0
<i>Total taxation</i>	0	0	0	0
Non-taxation				
Revenues from government	25,996	119,676	139,124	145,672
Other	272,643	19,641	278,783	292,284
AMF	1,156	0	0	1,156
<i>Total Non-taxation</i>	299,795	139,317	417,907	439,112
Total operating revenues	299,795	139,317	417,907	439,112
Operating Expenses^(a)				
Subsidies ^(b)	5,860	536	0	6,396
Personal Benefits	12,103	231	364	12,334
Grants	0	24,869	24,594	24,869
Other	28,017	98,927	116,105	126,944
Total operating expenses	45,980	124,563	141,063	170,543

^(a) Includes \$18,949,000 bad debt expense not in budget

^(b) Includes \$129,500 adjustment for change in accounting treatment of 98-99 payments to NAATI not in budget