



Australian Government

**Department of Immigration and
Multicultural and Indigenous Affairs**

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PART FOUR

FINANCIAL STATEMENTS

INDEX OF FINANCIAL STATEMENTS AND NOTES

DEPARTMENT OF IMMIGRATION AND MULTILCULTURAL AND INDIGENOUS AFFAIRS

Independent Audit report	147
Statement by Chief Executive and Chief Financial Officer	149
Financial Statements	150
Notes	161



INDEPENDENT AUDIT REPORT

To the Minister for Immigration and Multicultural and Indigenous Affairs

Matters relating to the Electronic Presentation of the Audited Financial Report

This audit report relates to the financial report of the Department of Immigration and Multicultural and Indigenous Affairs for the year ended 30 June 2003 included on the Department of Immigration and Multicultural and Indigenous Affairs' web site. The Department's Secretary is responsible for the integrity of the Department of Immigration and Multicultural and Indigenous Affairs' web site.

The audit report refers only to the statements named below. It does not provide an opinion on any other information that may have been hyperlinked to/from the audited financial report.

If the users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial report to confirm the information included in the audited financial report presented on this web site.

Scope

I have audited the financial statements of the Department of Immigration and Multicultural and Indigenous Affairs for the year ended 30 June 2003. The financial statements comprise:

- Statement by the Chief Executive and the Chief Financial Officer;
- Statements of Financial Performance, Financial Position and Cash Flows;
- Schedules of Contingencies and Commitments;
- Schedule of Administered Items; and
- Notes to and forming part of the Financial Statements.

The Department's Chief Executive and Chief Financial Officer are 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.

GPO Box 707 CANBERRA ACT 2601
Centenary House 19 National Circuit
BARTON ACT
Phone (02) 6203 7300 Fax (02) 6203 7777

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 Accounting Standards and other mandatory professional reporting requirements in Australia and statutory requirements so as to present a view which is consistent with my understanding of the Department's financial position, its financial performance and its cash flows.

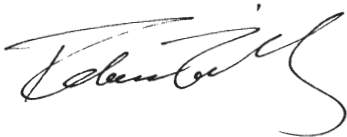
The audit opinion expressed in this report has been formed on the above basis.

Audit Opinion

In my opinion the financial statements:

- (i) have been prepared in accordance with the Finance Minister's Orders made under the *Financial Management and Accountability Act 1997*; and
- (ii) give a true and fair view, in accordance with applicable Accounting Standards and other mandatory professional reporting requirements in Australia and the Finance Minister's Orders, of the financial position of the Department of Immigration and Multicultural and Indigenous Affairs as at 30 June 2003, and its financial performance and cash flows for the year then ended.

Australian National Audit Office



Rebecca Reilly
Acting Executive Director

Delegate of the Auditor-General

Canberra
2 September 2003

STATEMENT BY THE CHIEF EXECUTIVE AND CHIEF FINANCIAL OFFICER

In our opinion, the attached financial statements for the year ended 30 June 2003 give a true and fair view of the matters required by the Finance Minister's Orders made under the *Financial Management and Accountability Act 1997*.



WJ Farmer
Chief Executive

1 September 2003



Louise Gray
Chief Financial Officer

1 September 2003

STATEMENT OF FINANCIAL PERFORMANCE

DEPARTMENT OF IMMIGRATION AND MULTICULTURAL AND INDIGENOUS AFFAIRS

Statement of Financial Performance

for the year ended 30 June 2003

	Notes	2002-03 \$'000	2001-02 \$'000
Revenues from ordinary activities			
Revenues from government	3A	807,855	760,951
Sales of goods and services	3B	23,238	23,825
Foreign exchange gains		158	-
Interest		1,103	2,751
Revenue from sales of assets	3C	121	63
Other revenues from independent sources	3D	16,811	9,940
Reversal of previous asset write-downs	3E	662	2,646
Total revenues from ordinary activities		849,948	800,176
Expenses from ordinary activities (excluding borrowing cost expense)			
Employees	4A	279,529	262,124
Suppliers	4B	480,632	534,927
Depreciation and amortisation	4C	46,213	34,820
Foreign exchange losses		43	82
Value of assets sold	3C	224	104
Write-down of assets	4D	15,984	4,659
Total expenses from ordinary activities (excluding borrowing cost expense)		822,625	836,716
Borrowing cost expense	5	383	668
Net surplus / (deficit)¹		26,940	(37,208)
Net credit (debit) to asset revaluation reserve		-	8,530
Total revenues, expenses and valuation adjustments attributable to the Commonwealth and recognised directly in equity		-	8,530
Total changes in equity other than those resulting from transactions with owners as owners		26,940	(28,678)

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

1. Net surplus attributable to the Commonwealth for 2002-03 excludes a Capital Use Charge component of \$15.417m (2001-02: \$5.135m).

STATEMENT OF FINANCIAL POSITION

DEPARTMENT OF IMMIGRATION AND MULTICULTURAL AND INDIGENOUS AFFAIRS

Statement of Financial Position

as at 30 June 2003

	Notes	2002-03 \$'000	2001-02 \$'000
ASSETS			
Financial Assets			
Cash	6A	24,830	64,018
Receivables	6B	89,494	58,017
Accrued revenue		14,213	721
Total financial assets		<u>128,537</u>	<u>122,756</u>
Non-financial assets			
Land and buildings	7A,7D	127,133	80,844
Infrastructure, plant and equipment	7B,7D	67,186	67,262
Intangibles	7C,7D	52,647	53,496
Inventories	7E	254	824
Other	7F	9,779	9,942
Total non-financial assets		<u>256,999</u>	<u>212,368</u>
TOTAL ASSETS		<u>385,536</u>	<u>335,124</u>
LIABILITIES			
Interest bearing liabilities			
Lease incentives	8A	8,714	8,985
Leases	8B	18,939	7,930
Total interest bearing liabilities		<u>27,653</u>	<u>16,915</u>
Provisions			
Employees	9	92,347	89,223
Other		500	608
Total provisions		<u>92,847</u>	<u>89,831</u>
Payables			
Suppliers	10	79,578	86,461
Other		16	1,758
Total payables		<u>79,594</u>	<u>88,219</u>
TOTAL LIABILITIES		<u>200,094</u>	<u>194,965</u>
NET ASSETS		<u>185,442</u>	<u>140,159</u>
EQUITY			
Contributed equity	11	109,418	75,658
Retained surpluses (deficits)		49,440	37,917
Reserves		26,584	26,584
TOTAL EQUITY		<u>185,442</u>	<u>140,159</u>
Current assets		138,570	133,522
Non-current assets		246,966	201,602
Current liabilities		114,598	126,625
Non-current liabilities		85,496	68,340

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

STATEMENT OF CASH FLOWS

DEPARTMENT OF IMMIGRATION AND MULTICULTURAL AND INDIGENOUS AFFAIRS

Statement of Cash Flows

for the year ended 30 June 2003

	Notes	2002-03 \$'000	2001-02 \$'000
OPERATING ACTIVITIES			
Cash Received			
Appropriations for outputs		771,330	814,639
Sales of goods and services			
- Government		13,653	13,216
- Non-government		7,351	7,117
Other		3,087	6,987
GST received from ATO		44,593	40,646
Total Cash Received		840,014	882,605
Cash Used			
Employees		276,562	253,788
Suppliers		527,854	545,322
GST paid to ATO		1,762	2,188
Total Cash Used		806,178	801,298
Net cash from/(used by) operating activities	12	33,836	81,307
INVESTING ACTIVITIES			
Cash Received			
Proceeds from maturity of term deposits		1,090	2,750
Proceeds from sales of property, plant and equipment		121	63
Cash acquired from DORATSIA following AAO		-	1,310
Total Cash Received		1,211	4,123
Cash Used			
Purchase of property, plant and equipment		60,478	83,101
Purchase of intangibles		14,650	18,664
Total Cash Used		75,128	101,765
Net cash from/(used by) investing activities		(73,917)	(97,642)
FINANCING ACTIVITIES			
Cash Received			
Appropriations - contributed equity		23,832	40,000
Other - Capital Use Charge refund		3,103	-
Total Cash Received		26,935	40,000
Cash Used			
Capital Use Charge paid		15,417	9,165
Repayment of Borrowings		7,930	5,859
Other		2,695	-
Total Cash Used		26,042	15,024
Net cash from/(used by) financing activities		893	24,976
Net increase (decrease) in cash held		(39,188)	8,641
Cash at beginning of the reporting period		64,018	55,377
Cash at the end of the reporting period		24,830	64,018

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

SCHEDULE OF COMMITMENTS

DEPARTMENT OF IMMIGRATION AND MULTICULTURAL AND INDIGENOUS AFFAIRS

SCHEDULE OF COMMITMENTS

as at 30 June 2003

	2002-03 \$'000	2001-02 \$'000
BY TYPE		
CAPITAL COMMITMENTS		
Land and buildings ¹	13,003	184,503
Infrastructure, plant and equipment ²	279	797
Other capital commitments ³	5,736	8,755
Total Capital Commitments	19,018	194,055
OTHER COMMITMENTS		
Operating leases ⁴	312,730	330,176
Other commitments ⁵	347,606	255,673
Total Other Commitments	660,336	585,849
COMMITMENTS RECEIVABLE ⁶	(54,315)	(50,392)
Net Commitments	625,039	729,512
BY MATURITY		
Capital commitments		
One year or less	11,310	88,532
From one to five years	5,984	101,613
Over five years	-	-
Operating lease commitments		
One year or less	42,720	40,297
From one to five years	110,666	105,270
Over five years	137,702	164,038
Other commitments		
One year or less	170,326	109,282
From one to five years	146,331	120,424
Over five years	-	56
Net commitments by maturity	625,039	729,512

NB: All commitments are GST inclusive where relevant.

1. Land and buildings commitments represent amounts attributable to the new Central Office building fitout. 2001-02 Land and building commitments include amounts relating to the construction of the Immigration and Reception Processing Centre (IRPC) on Christmas Island. Responsibility for this was transferred to the Department of Finance and Administration on 18 February 2003.

2. The commitments relate to a range of laboratory and document examination tools.

3. Commitments relate to an upgrade of telephony equipment for translating and interpreting services.

4. Operating lease commitments include leases for onshore and offshore accommodation, SES vehicles and photocopiers. A substantial portion of the commitment is rent for the new offices in Belconnen and the Lee Street building in Sydney.

5. Other commitments include costs for CSC, Optus, detention contracts, passenger card processing and the Service Level Agreement with the Department of Foreign Affairs and Trade.

6. Commitments receivable represents the gross GST component in commitment totals for both capital and other commitments.

SCHEDULE OF COMMITMENTS

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 five years at the Department's option, following a one-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 Department.
A lease in relation to support costs for computer equipment and software	<ul style="list-style-type: none"> - the Arrangement was for 5 years and has been extended for a further 4 years at the Department's option. - the Department may vary its originally designated requirement, subject to giving three months notice, incurring no penalty.

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

SCHEDULE OF CONTINGENCIES

DEPARTMENT OF IMMIGRATION AND MULTICULTURAL AND INDIGENOUS AFFAIRS SCHEDULE OF CONTINGENCIES

as at 30 June 2003

	2002-03 \$'000	2001-02 \$'000
CONTINGENT LIABILITIES		
Claims for damages/costs ¹	1,743	438
Other ²	2,451	1,927
Total Contingent Liabilities	4,194	2,365

Remote contingencies are disclosed in Note 13.

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

2. Other contingent losses include disputed invoices from suppliers.

Details of each class of contingent liability and asset, including those not included above because they cannot be quantified or are considered remote, are disclosed in Note 13: Contingent Liabilities and Assets.

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

SCHEDULE OF ADMINISTERED ITEMS

DEPARTMENT OF IMMIGRATION AND MULTICULTURAL AND INDIGENOUS AFFAIRS

Schedule of Administered Items

	Notes	2002-03 \$'000	2001-02 \$'000
Revenues Administered on Behalf of Government			
<i>for the year ended 30 June 2003</i>			
Non-taxation - fees and charges		293,072	237,628
Fines		7,898	11,480
Sales of goods and services		7,758	7,049
Recovery of detention costs		84,710	51,295
Other sources of non-taxation revenue		3,717	5,987
Total Revenues Administered on Behalf of Government		397,155	313,439
Expenses Administered on Behalf of Government			
<i>for the year ended 30 June 2003</i>			
Grants	19	28,406	26,151
Subsidies	19	1,290	6,551
Personal benefits	19	13,126	12,977
Suppliers	19	105,520	105,026
Write down and impairment of assets	19	90,093	51,633
Other	19	9	1,648
Total Expenses Administered on Behalf of Government		238,444	203,986

This schedule should be read in conjunction with the accompanying notes.

SCHEDULE OF ADMINISTERED ITEMS

DEPARTMENT OF IMMIGRATION AND MULTICULTURAL AND INDIGENOUS AFFAIRS SCHEDULE OF ADMINISTERED ITEMS (continued)

Assets administered on behalf of Government <i>as at 30 June 2003</i>	Notes	2002-03 \$'000	2001-02 \$'000
Financial Assets			
Cash	20	1,180	1,259
Receivables	20	3,510	5,786
Accrued Revenues	20	5,348	12,137
Investments	20	480,934	480,934
Total Financial Assets administered on behalf of Government		490,972	500,116
Non-financial Assets			
Prepayments	20	5,538	6,762
Total Non-Financial Assets administered on behalf of Government		5,538	6,762
Total Assets Administered on Behalf of Government		496,510	506,878
Liabilities Administered on Behalf of Government <i>as at 30 June 2003</i>			
Payables			
Suppliers	21	17,256	21,751
Other	21	14,742	14,972
Total Liabilities Administered on Behalf of Government		31,998	36,723
Net Assets Administered on Behalf of Government		464,512	470,155
Current Assets		15,576	25,944
Non-current Assets		480,934	480,934
Current Liabilities		31,998	36,723
Non-current Liabilities		-	-

This schedule should be read in conjunction with the accompanying notes.

SCHEDULE OF ADMINISTERED ITEMS

DEPARTMENT OF IMMIGRATION AND MULTICULTURAL AND INDIGENOUS AFFAIRS SCHEDULE OF ADMINISTERED ITEMS (continued)

	2002-03	2001-02
	<u>\$'000</u>	<u>\$'000</u>
Administered Cash Flows		
<i>for the year ended 30 June 2003</i>		
Operating Activities		
Cash Received		
Immigration fees and charges	301,868	261,681
Sales of goods and services	7,786	6,092
Other sources of non-tax revenue	6,914	6,724
Cash from the Official Public Account	155,492	146,632
GST appropriations	5,946	5,850
Other - GST received from the ATO	6,501	4,526
Total Cash Received	<u>484,507</u>	<u>431,505</u>
Cash Used		
Personal benefits	13,125	12,977
Grants	28,406	26,151
Subsidies	1,290	6,551
Suppliers	115,561	104,157
Cash to the Official Public Account	319,712	275,976
GST appropriations to Official Public Account	5,363	4,279
Other - GST paid to the ATO	1,129	891
Total Cash Used	<u>484,586</u>	<u>430,982</u>
Net cash from / (used by) operating activities	<u>(79)</u>	<u>523</u>
Net increase / (decrease) in cash held	<u>(79)</u>	<u>523</u>
Cash at the beginning of the reporting period	1,259	736
Cash at the end of the reporting period	<u>1,180</u>	<u>1,259</u>

This schedule should be read in conjunction with the accompanying notes.

SCHEDULE OF ADMINISTERED ITEMS

DEPARTMENT OF IMMIGRATION AND MULTICULTURAL AND INDIGENOUS AFFAIRS SCHEDULE OF ADMINISTERED ITEMS (continued)

Administered Commitments ³ <i>as at 30 June 2003</i>	Notes	2002-03 \$'000	2001-02 \$'000
BY TYPE			
Other commitments			
Operating leases ¹		3,633	3,761
Other commitments ²		578,693	82,515
Total Other Commitments		582,326	86,276
Commitments receivable ³		(25,619)	(1,711)
Net Administered Commitments		556,707	84,565
BY MATURITY			
Operating lease commitments			
One year or less		702	562
From one to five years		2,600	2,811
Over five years		-	51
Other commitments			
One year or less		152,978	76,224
From one to five years		400,427	4,917
Net Administered Commitments		556,707	84,565

NB: All commitments are GST inclusive where relevant.

1. Operating lease commitments cover property leases for the Adult Migrant English Program (AMEP).
2. Other commitments relate mainly to AMEP contracts and obligations under grant agreements.
3. The commitments receivable total represents the gross GST component in commitment totals.

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 Department's option, following a one-off adjustment of rentals to current market value.

This schedule should be read in conjunction with the accompanying notes.

SCHEDULE OF ADMINISTERED ITEMS

DEPARTMENT OF IMMIGRATION AND MULTICULTURAL AND INDIGENOUS AFFAIRS SCHEDULE OF ADMINISTERED ITEMS (continued)

	Notes	2002-03 \$'000	2001-02 \$'000
Administered Contingencies		<u> </u>	<u> </u>
<i>as at 30 June 2003</i>			
Administered Contingent Liabilities			
Claims for damages/costs ¹		<u>20</u>	<u>-</u>
Total Contingent Liabilities		<u>20</u>	<u>-</u>
Administered Contingent Assets			
Claims for damages/costs ¹		<u>500</u>	<u>-</u>
Total Contingent Assets		<u>500</u>	<u>-</u>
Net Contingent Assets		<u><u>480</u></u>	<u><u>-</u></u>

1. Represents an estimate of the Department's liability/gain based on precedent cases.

Unquantifiable and remote contingencies are disclosed in Note 23: Administered Contingent Liabilities and Assets.

Statement of Activities Administered on Behalf of Government

The major administered activities of the Department are directed towards achieving the three outcomes described in Note 1 to the Financial Statements. The Department's major financial activity is the collection of visa application fees and fines under the *Migration Act 1958*. The Department also administers a number of grant programs to teach migrants English, assist with their assimilation into Australian society and promote harmony and multiculturalism in the community.

Details of planned activities for the year can be found in the Department's Portfolio Budget and Portfolio Additional Estimates Statements for 2002-03, which have been tabled in Parliament.

This schedule should be read in conjunction with the accompanying notes.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

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

for the year ended 30 June 2003

Note	Description
1	Summary of Significant Accounting Policies
2	Events Occurring after Reporting Date
3	Operating Revenues
4	Operating Expenses
5	Borrowing Cost Expense
6	Financial Assets
7	Non-Financial Assets
8	Interest Bearing Liabilities
9	Employee Provisions
10	Payables
11	Equity
12	Cash Flow Reconciliation
13	Contingent Liabilities and Assets
14	Executive Remuneration
15	Remuneration of Auditors
16	Average Staffing Levels
17	Act of Grace Payments, Waivers and Defective Administration Scheme
18	Financial Instruments
19	Expenses Administered on Behalf of Government
20	Assets Administered on Behalf of Government
21	Liabilities Administered on Behalf of Government
22	Administered Reconciliation Table
23	Administered Contingent Liabilities and Assets
24	Administered Investments
25	Administered Restructuring
26	Administered Financial Instruments
27	Appropriations
28	Assets Held in Trust
29	Special Public Monies
30	Reporting of Outcomes

Note 1: Summary of Significant Accounting Policies

1.1 Objectives of the Department

The objectives of the Department of Immigration and Multicultural and Indigenous Affairs are to manage the movement of people into and out of Australia; and to co-ordinate government policies, programs and decision making processes in relation to indigenous affairs and reconciliation.

The Department produces ten outputs that contribute to the achievement of three outcomes:

Outcome 1: Contributing to Australia's society and its economic advancement through the 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

Output 1.5: Offshore asylum seeker management

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Outcome 3: Sound and well-co-ordinated policies, programs and decision-making processes in relation to indigenous affairs and reconciliation.

Output 3.1: Indigenous policy

Department activities contributing to these outcomes are classified as either departmental or administered. Departmental activities involve the use of assets, liabilities, revenues, and expenses controlled or incurred by the Department in its own right. Administered activities involve management or oversight by the Department 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:

- Finance Minister's Orders (or FMO's, being the *Financial Management and Accountability (Financial Statements for reporting periods ending on or after 30 June 2003) Orders*);
- Australian Accounting Standards and Accounting Interpretations issued by the Australian Accounting Standards Board; and
- Consensus Views of the Urgent Issues Group.

The 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 Statement of Financial Position when and only when it is probable that future economic benefits will flow and the amounts of the assets or liabilities can be reliably measured. However, assets and liabilities arising under agreements equally proportionately unperformed are 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 unquantifiable and remote contingencies, which are reported at Note 13).

Revenues and expenses are recognised in the 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 Department in its present form, and with its present programs, is dependent on Government policy and on continuing appropriations by Parliament for the Department's administration and programs.

Administered revenues, expenses, assets and liabilities, and cash flows reported in the Schedule of Administered Items and related notes are accounted for on the same basis and using the same policies as for departmental items, except where otherwise stated at Note 1.18.

1.3 Changes in Accounting Policy

The accounting policies used in the preparation of these financial statements are consistent with those used in 2001-02, except in respect of:

- recognition of equity injections (refer to Note 1.5);
- measurement of certain employee benefits at nominal amounts (refer to Note 1.6);
- the initial revaluation of property plant and equipment on a fair value basis (refer to Note 1.12); and
- the imposition of an impairment test for non-current assets carried at cost (refer to Note 1.13).

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

1.4 Revenues

Revenues from Government

Departmental outputs appropriations for the year (less any savings offered up in Portfolio Additional Estimates Statements) are recognised as revenue, except for certain amounts which relate to activities that are reciprocal in nature, in which case revenue is recognised only when it has been earned.

Appropriations are recognised in accordance with the Purchasing Agreement with the Department of Finance and Administration.

Resources Received Free of Charge

Services received free of charge are recognised 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 department as a consequence of a restructuring of administrative arrangements (refer to Note 1.5).

Other Revenue

Revenue from the sale of goods is recognised upon the delivery of goods to customers.

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

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Revenue from disposal of non-current assets is recognised when control of the asset has passed to the buyer.

1.5 Transactions with the Government as Owner

Equity Injections

From 1 July 2002, the FMO's require that amounts of appropriations designated as 'equity injections' (less any savings offered up in Portfolio Additional Estimates Statements) are recognised directly in contributed equity as at 1 July or later date of effect of the appropriation.

This is a change of accounting policy from 2001-02 to the extent any part of an equity injection that was dependant on specific future events occurring was not recognised until the appropriation was drawn down.

The change in policy has resulted in the recognition of \$2.376m of 2001-02 appropriations in the 2002-03 financial year.

Restructuring of Administrative Arrangements

Net assets received from or relinquished to another Commonwealth agency or authority under a restructuring of administrative arrangements are adjusted at their book value directly against contributed equity.

A restructuring of administrative arrangements took effect on 18 February 2003 when responsibility for the construction of the permanent Immigration and Reception Processing Centre (IRPC) on Christmas Island was transferred to the Department of Finance and Administration. The amount of funding transferred was \$61.670m and the value of the asset transferred was \$20.419m.

Capital Use Charge

A Capital Use Charge of 11% (2001-02: 11%) is imposed by the Government on the net assets of the Department at 1 July 2002. The assets figure is adjusted to take account of asset gifts and revaluation increments during the financial year. The Charge is accounted for as a dividend to Government.

In accordance with the recommendations of a review of Budget Estimates and Framework, the Government has decided that the Charge will not operate after 30 June 2003.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

1.6 Employee Benefits

Liabilities for services rendered by employees are recognised at the reporting date to the extent that they have not been settled.

Liabilities for wages and salaries (including non-monetary benefits), annual leave and sick leave are measured at their nominal amounts. Other employee benefits expected to be settled within 12 months of the reporting date are also measured at their nominal amounts.

The nominal amount is calculated with regard to the rates expected to be paid on settlement of the liability. This is a change in accounting policy from last year required by an initial application of a new Accounting Standard AASB 1028 from 1 July 2002. As DIMIA's Certified Agreement ceases as of 30 March 2004 any calculations relating to future liabilities will use the present rates until such time as a new Certified Agreement is finalised. The financial effect of this change for 2002-03 is nil.

All other employee benefit liabilities are measured as the present value of the estimated future cash outflows to be made in respect of services provided by employees up to the reporting date.

Leave

The liability for employee benefits includes provision for annual leave and long service leave. No long service leave accrues for overseas posts' locally engaged employees 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 Department is estimated to be less than the annual entitlement for sick leave.

The leave liabilities are calculated on the basis of employees' remuneration, including the Department's employer superannuation contribution rates to the extent that the leave is likely to be taken during service rather than paid out on termination.

The liability for long service leave has been determined by reference to the work of an actuary as at 30 April 2003. The estimate of the present value of the liability takes into account attrition rates and pay increases through promotion and inflation.

Locally Engaged Staff at Post

Locally Engaged Staff (LES) are covered by individual employment contracts that are negotiated between the employee and the Department of Foreign Affairs and Trade on behalf of the Department. These contracts are negotiated at post level in order to ensure compliance with local labour laws and regulations. The individual contracts are supported and expanded upon by the LES Conditions of Service handbook that is specific to each post. Where there is conflict between the two documents the individual contract takes precedence.

Separation and redundancy

Provision is made for separation and redundancy benefit payments in circumstances where the Department has developed a formal plan for the terminations and has informed these employees affected that it will carry out the terminations.

Superannuation

Staff of the Department are members of the Commonwealth Superannuation Scheme and the Public Sector Superannuation Scheme. The liability for their superannuation benefits is recognised in the financial statements of the Commonwealth and is settled by the Commonwealth in due course.

The Department makes employer contributions to the Commonwealth at rates determined by an actuary to be sufficient to meet the cost to the Commonwealth of the superannuation entitlements of the Department's employees.

The liability for superannuation recognised as at 30 June 2003 represents outstanding contributions for the final fortnight of the year.

The Department is required to contribute to pension schemes for its locally engaged employees in North America and the United Kingdom. The North American and the United Kingdom schemes have been classified as defined benefit schemes. A new scheme was introduced on 1 July 1998 for the United States of America and has been classified as a defined contribution scheme. Actuarial valuations of the pension schemes are done triennially. Both pension schemes are administered by the Department of Foreign Affairs and Trade on behalf of the Commonwealth.

Disclosures relating to the United Kingdom scheme are stated in Note 9.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

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.

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

Operating lease payments are expensed on a basis, which is representative of the pattern of benefits derived from the leased assets. The net present value of future net outlays in respect of surplus space under non-cancellable lease agreements is expensed in the period in which the space becomes surplus.

Finance leases exist in relation to IT equipment. The leases are non-cancellable and for a fixed term of 4 years with an asset refresh due after 18 months for desktop equipment. The Department guarantees the residual values of all assets leased. There are no contingent rentals.

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

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. Currently the Department has no qualifying assets.

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 18 and 26.

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 of administrative arrangements. In the latter case, assets are initially recognised as contributions by owners at the amounts at which they were recognised in the transferor Department's accounts immediately prior to the restructuring.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

1.12 Property (Land and Buildings), Infrastructure, 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 where 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. DIMIA has determined that it is not cost effective to manage internally developed and purchased software below these thresholds. Amounts below these thresholds are considered immaterial.

Revaluations

Basis

Land, buildings and plant and equipment are carried at valuation. Revaluations undertaken up to 30 June 2002 were done on a deprival basis. Revaluations carried out after that date will be done at fair value. This change in accounting policy is required by Australian Accounting Standard AASB 1041 *Revaluation of Non-Current Assets*. Fair and deprival values for each class of asset are determined as shown below.

Assets

Asset Class	Fair value measured at:	Deprival value measured at:
Land	Market selling price	Market selling price
Buildings ¹	Market selling price	Depreciated replacement cost
Leasehold Improvements	Depreciated replacement cost	Depreciated replacement cost
Plant and Equipment ²	Market selling price	Depreciated replacement cost

¹ Due to the specialised nature and location of the Department's buildings, depreciated replacement is considered as the most reliable measure of fair value.

² Due to the specialised nature, and limited secondary market for the Department's plant and equipment, the depreciated replacement cost of all plant and equipment with the exception of motor vehicles can be used to find both deprival and fair values.

Land, buildings, leasehold improvements and plant and equipment are currently carried at deprival value. Under both deprival and fair value, assets that are surplus to requirements are measured at their net realisable value. At 30 June 2003, the Department of Immigration and Multicultural and Indigenous Affairs had no assets in this situation. (30 June 2002: Nil)

Frequency

Land, buildings and plant and equipment have been revalued progressively in successive three-year cycles with the current cycle running from 1 July 2000 to 30 June 2003.

From 1 July 2003, the Department will revalue assets on a five-year progressive revaluation cycle. Freehold land, buildings on freehold land, leasehold improvements and plant and equipment (P&E) will continue to be revalued progressively on a class basis. This cycle will be supplemented by annual confirmations from certified valuers that existing fair values are not materially different from the carrying value recorded by the department for classes of assets.

Where a certified valuer advises that the market value of a class of asset is likely to be materially different from the carrying value, that class will be revalued outside the five year cycle to keep carrying value in line with market value.

Assets in each class acquired after the commencement of a revaluation cycle are not captured by the progressive revaluation then in progress.

Freehold land, buildings on freehold land, leasehold improvements and plant and equipment are revalued progressively on a class basis.

Conduct

All valuations are performed by qualified, independent valuers.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Depreciation and Amortisation

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

Depreciation rates (useful lives) and methods are reviewed at each reporting 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:

	2002-03	2001-02
Buildings on freehold land	40 years	40 years
Leasehold improvements	Lease term or 10 Years	Lease term or 10 years
Plant and equipment	3 to 10 years	3 to 10 years

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

Recoverable Amount Test

From 1 July 2002, Schedule 1 to the FMO's no longer requires the application of the recoverable amount test in Australian Accounting Standard AAS 10 *Recoverable Amount of Non-Current Assets* to the assets of the Department when the primary purpose of the asset is not the generation of net cash inflows.

The Department does not hold any property, plant or equipment whose primary purpose is the generation of net cash inflows accordingly the change in policy has had no financial effect.

1.13 Intangibles

The Department's intangible assets comprise internally developed software and purchased software for internal use. This software is carried at cost.

From 1 July 2002, Schedule 1 to the FMO's no longer requires the application of the recoverable amount test in Australian Accounting Standard AAS 10 *Recoverable Amount of Non-Current Assets* to the assets of departments when the primary purpose of the asset is not the generation of net cash inflows.

However, Schedule 1 now requires such assets, if carried on the cost basis, to be assessed for indications of impairment. The carrying amount of impaired assets must be written down to the higher of its net market selling price or depreciated replacement cost.

All software assets were assessed for impairment as at 1 July 2002. None were found to be impaired.

Intangible assets are amortised on a straight-line basis over their anticipated useful lives.

Useful lives are:	2002-03	2001-02
Intangibles	3 to 10 years	3 to 10 years

1.14 Inventories

Inventories held for resale are valued at the lower of cost and net realisable value. Inventories not held for resale are 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.

1.15 Taxation

The Department is exempt from all forms of taxation except Fringe Benefits Tax and the Goods and Services Tax (GST).

Revenues, expenses and assets are recognised net of GST:

- except where the amount of GST incurred is not recoverable from the Australian Taxation Office; and
- except for receivables and payables.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

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 and losses are not material.

1.17 Insurance

The Department has insured for risks through the Government's insurable risk managed fund, called 'Comcover'. Workers compensation is insured through the Government's 'Comcare Australia'.

1.18 Reporting of Administered Activities

Administered revenues, expenses, assets, liabilities and cash flows are disclosed in the Schedule of Administered Items and related Notes.

Except where otherwise stated below, administered items are accounted for on the same basis and using the same policies as for Departmental items, including the application to the greatest extent possible of Accounting Standards, Accounting Interpretations and UIG Consensus Views.

Administered appropriations received or receivable from the Official Public Account (OPA) are not reported as administered revenues or assets respectively. Similarly, administered receipts transferred or transferable to the OPA are not reported as administered expenses or payables. These transactions or balances are internal to the Administered entity.

These transfers of cash are reported as administered (operating) cash flows and in the Administered Reconciliation Table in Note 22.

Accounting policies that are relevant to the administered activities only of the Department are disclosed below.

Revenue

All administered revenues are revenues relating to the core operating activities performed by the Department on behalf of the Commonwealth.

Fees are charged for visa applications and migration applications. Fines are charged for non-compliance with the *Migration Act*.

Administered revenue is recognised when applications are lodged with the Department. Administered fines are recognised in the period in which the breach occurs.

Grants

The Department administers a number of grant schemes on behalf of the Government.

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.

Administered Investments

Administered investments in controlled entities are not consolidated because their consolidation is relevant only at the Whole of Government level.

The Commonwealth's investment in other controlled authorities and companies in the portfolio is valued at deemed cost as at 1 July 2002 or later cost, adjusted for any subsequent capital injections or drawdowns.

Note 2 - Events Occurring after Balance Date

The transfer of Immigration Reception and Processing Centre housing to the Department from the Department of Transport and Regional Services took effect from 1 July 2003. The assets have been transferred at their written down value of \$23.807m.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Note 3 - Operating Revenues

	2002-03	2001-02
	\$'000	\$'000
Note 3A - Revenues from Government		
Appropriations for outputs	806,859	759,907
Resources received free of charge	996	1,044
Total Revenues from Government	<u>807,855</u>	<u>760,951</u>

The following resources received free of charge were not included in the aggregate amounts in relation to revenue shown in the Statement of Financial Performance 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	5,527	6,681
Services	17,711	17,144
Total Sales of Goods and Services	<u>23,238</u>	<u>23,825</u>

Provision of goods to:		
External entities	5,527	6,681
Total sales of goods	<u>5,527</u>	<u>6,681</u>

Rendering of services to:		
Related entities	3,542	3,429
External entities	14,169	13,715
Total rendering of services	<u>17,711</u>	<u>17,144</u>

Note 3C - Net Gains/(Losses) from Sales of Assets

Land and buildings:		
Proceeds from sale	77	-
Net book value at sale	69	-
Net gain/(loss) from disposal of land and buildings	<u>8</u>	<u>-</u>

Infrastructure plant and equipment:		
Proceeds from sale	44	63
Net book value at sale	155	104
Net gain/(loss) from disposal of infrastructure plant and equipment	<u>(111)</u>	<u>(41)</u>

TOTAL proceeds from disposals	121	63
TOTAL value of assets disposed	224	104
TOTAL net gain/(loss) from disposal of assets	<u>(103)</u>	<u>(41)</u>

Note 3D - Other Revenues from Independent sources

Insurance recoveries	13,873	867
Other	2,938	9,073
Total Other Revenues from Independent sources	<u>16,811</u>	<u>9,940</u>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Note 3E - Reversal of Previous Asset Write Downs	2002-03 \$'000	2001-02 \$'000
Financial assets		
Write back of previously written off debtors	230	182
Non-financial assets		
Non-current assets - intangibles	-	87
Non-current assets - other	432	2,377
Total Reversal of Previous Asset Write Downs	<u>662</u>	<u>2,646</u>

Note 4 - Operating Expenses

Note 4A - Employee Expenses

Wages and Salary	212,543	190,839
Superannuation	28,644	26,160
Leave and other entitlements	31,436	39,028
Separation and redundancies	1,609	1,519
Other employee expenses	2,661	2,601
Total employee benefits expense	<u>276,893</u>	<u>260,147</u>
Workers compensation premiums	2,636	1,977
Total employee expenses	<u>279,529</u>	<u>262,124</u>

Note 4B - Supplier Expenses

Goods from external entities	13,430	24,998
Services from related entities	55,771	53,010
Services from external entities	367,028	408,644
Operating lease rentals ¹	44,403	48,275
Total Supplier Expenses	<u>480,632</u>	<u>534,927</u>

¹ These comprise minimum lease payments only.

Note 4C - Depreciation and Amortisation

Depreciation

Buildings	1,894	74
Leasehold Improvements	13,975	13,432
Infrastructure, plant and equipment	7,533	4,539
Total Depreciation	<u>23,402</u>	<u>18,045</u>

Amortisation

Amortisation of intangibles	15,675	10,790
Amortisation of infrastructure, plant and equipment under finance lease	7,136	5,985
Total Amortisation	<u>22,811</u>	<u>16,775</u>
Total depreciation and amortisation	<u>46,213</u>	<u>34,820</u>

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

Buildings on freehold land	1,894	74
Leasehold improvements	13,975	13,432
Infrastructure, plant and equipment	7,533	4,539
Intangibles	15,675	10,790
Infrastructure, plant and equipment under finance lease	7,136	5,985
Total depreciation and amortisation	<u>46,213</u>	<u>34,820</u>

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

	2002-03 \$'000	2001-02 \$'000
Note 4D - Write Down of Assets		
Financial assets		
Bad and doubtful debts expense	4,186	4,056
Non-financial assets		
Land and buildings - write-off	1,505	452
Infrastructure, plant and equipment - write-off	10,293	138
Intangibles - write-off	-	13
Total Write Down of Assets	15,984	4,659
Note 5 - Borrowing Cost Expense		
Finance lease of IT equipment	383	668
Total Borrowing Cost Expense	383	668
Note 6 - Financial Assets		
Note 6A - Cash		
Cash at bank and on hand	24,830	6,368
Term deposits	-	57,650
Total Cash	24,830	64,018
Note 6B - Receivables		
Goods and services	8,647	7,572
Less: Provision for doubtful debts	(2,885)	(1,915)
	5,762	5,657
GST accrued receivable	4,117	5,229
GST receivable from ATO	4,320	7,799
	14,199	18,685
Appropriations receivable	75,295	36,119
Capital Use Charge refund	-	3,213
Total receivables (net)	89,494	58,017
All receivables are current assets.		
Receivables (gross) are aged as follows:		
Not Overdue	87,579	55,397
Overdue by:		
less than 30 days	880	979
30 to 60 days	350	438
60 to 90 days	372	1,558
more than 90 days	3,198	1,560
Total receivables (gross)	92,379	59,932
The provision for doubtful debts is aged as follows:		
Not overdue	-	-
Overdue by:		
Less than 30 days	529	414
30 to 60 days	210	185
60 to 90 days	224	658
More than 90 days	1,922	658
Total provision for doubtful debts	2,885	1,915

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

<u>Note 7 - Non-financial Assets</u>	2002-03	2001-02
Note 7A - Land and Buildings	\$'000	\$'000
Freehold Land		
At cost	21	-
Land at valuation (30 June 2001)	405	405
Land at valuation (transferred)	<u>16,665</u>	<u>-</u>
Total Land	<u>17,091</u>	<u>405</u>
Buildings on Freehold Land		
Buildings at cost	12,727	125
Less: Accumulated depreciation	<u>(1,764)</u>	<u>(3)</u>
	<u>10,963</u>	<u>122</u>
Buildings - work in progress	-	345
Buildings at valuation (30 June 2001)	2,860	2,860
Less: Accumulated depreciation	<u>(1,226)</u>	<u>(1,154)</u>
	<u>1,634</u>	<u>1,706</u>
Total Buildings on Freehold Land	<u>12,597</u>	<u>2,173</u>
Leasehold Improvements		
Leasehold improvements at cost	74,832	30,327
Less: Accumulated depreciation	<u>(6,155)</u>	<u>(1,267)</u>
	<u>68,677</u>	<u>29,060</u>
Leasehold improvements - work in progress	8,454	19,062
Leasehold improvements at valuation (30 June 2001)	63,101	77,728
Less: Accumulated depreciation	<u>(42,787)</u>	<u>(47,584)</u>
	<u>20,314</u>	<u>30,144</u>
Total Leasehold Improvements	<u>97,445</u>	<u>78,266</u>
Total Land and Buildings	<u>127,133</u>	<u>80,844</u>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

	2002-03 \$'000	2001-02 \$'000
Note 7B - Infrastructure, Plant and Equipment		
Infrastructure, plant and equipment at cost	64,879	16,549
Less: Accumulated depreciation	<u>(16,695)</u>	<u>(6,466)</u>
	<u>48,184</u>	<u>10,083</u>
Infrastructure, plant and equipment - work in progress	7,875	35,921
Infrastructure, plant and equipment at valuation (30 June 2002)	25,762	35,596
Less: Accumulated depreciation	<u>(14,635)</u>	<u>(14,338)</u>
	<u>11,127</u>	<u>21,258</u>
Total Infrastructure, Plant and Equipment	<u><u>67,186</u></u>	<u><u>67,262</u></u>

Plant and equipment under finance lease is not subject to revaluation. The carrying amount is included in the 'at cost' figures above, and is disclosed separately in Table C, Note 7D.

All valuations are independent and are conducted in accordance with the revaluation policy stated at Note 1.12. No revaluations were conducted during 2002-03.

A revaluation increment of \$8,529,839 was made to the asset revaluation reserve in 2001-02 in relation to the revaluation of infrastructure, plant and equipment. This valuation was carried out by Mr Brian Nicholson (AAPI) and Mr Roger Horton (FAPI) on behalf of International Valuation Consultants as at 30 June 2002.

Note 7C - Intangibles

Internally developed software - work in progress	4,739	15,915
Purchased software at cost	6,310	5,159
Less: Accumulated amortisation	<u>(3,278)</u>	<u>(2,506)</u>
	<u>3,032</u>	<u>2,653</u>
Internally developed software at cost	90,678	65,827
Less: Accumulated amortisation	<u>(45,802)</u>	<u>(30,899)</u>
	<u>44,876</u>	<u>34,928</u>
Total Intangibles	<u><u>52,647</u></u>	<u><u>53,496</u></u>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Note 7D - Analysis of Property, Plant, Equipment and Intangibles

Item	TABLE A - Reconciliation of the opening and closing balances of property, plant and equipment and intangibles							Total
	Land	Buildings on Freehold Land	Buildings - Leasehold Improvements	Total land & buildings	Total infrastructure, plant & equipment	Total intangibles - computer software	Total	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
As at 1 July 2002								
Gross book value	405	3,402	127,045	130,852	88,067	86,901	305,820	
Accumulated depreciation/amortisation	-	(1,157)	(48,851)	(50,008)	(20,805)	(33,405)	(104,218)	
Net book value	405	2,245	78,194	80,844	67,262	53,496	201,602	
Additions								
by purchase	21	0	50,319	50,340	29,693	14,826	94,859	
from acquisition of operations	16,665	12,731	-	29,396	-	-	29,396	
Net revaluation increment/(decrement)	-	-	-	-	-	-	-	
Depreciation/amortisation expense	-	(1,894)	(13,975)	(15,869)	(14,671)	(15,675)	(46,215)	
Recoverable amount of Writedowns	-	-	-	-	-	-	-	
Disposals								
From disposal of Operations	-	-	(20,419)	(20,419)	-	-	(20,419)	
other disposals	-	(485)	(1,089)	(1,574)	(10,447)	-	(12,021)	
Other movements								
Write back of assets previously expensed	-	-	143	143	289	-	432	
Other movements	-	-	4,272	4,272	(4,940)	-	(668)	
As at 30 June 2003								
Gross book value	17,091	15,587	146,387	179,065	98,516	101,727	379,308	
Accumulated depreciation/amortisation	-	(2,990)	(48,942)	(51,932)	(31,330)	(49,080)	(132,342)	
Net book value	17,091	12,597	97,445	127,133	67,186	52,647	246,966	

Net assets transferred in/out, in the table above, comprises:

- Acquisitions through acquisitions of operations - all due to administrative arrangements - net assets \$29,396,394 (2001-02: \$70,877); and
- Disposals through disposal of operations - all due to administrative arrangements - net assets \$20,419,028 (2001-02: nil).

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

TABLE B - Assets at Valuation

Item	Land \$'000	Buildings on Freehold Land \$'000	Buildings - Leasehold Improvements \$'000	Total land & buildings \$'000	Total infrastructure, plant & equipment \$'000	Total intangibles - computer software \$'000	Total \$'000
As at 30 June 2003							
Gross value	17,070	2,520	63,781	83,371	25,762	-	109,133
Accumulated depreciation/amortisation	-	(886)	(43,467)	(44,353)	(14,635)	-	(58,988)
Net book value	17,070	1,634	20,314	39,018	11,127	-	50,145
As at 30 June 2002							
Gross value	405	2,860	77,726	80,991	35,596	-	116,587
Accumulated depreciation/amortisation	-	(1,154)	(47,584)	(48,738)	(14,338)	-	(63,076)
Net book value	405	1,706	30,142	32,253	21,258	-	53,511

TABLE C - Assets held under finance lease

Item	Land \$'000	Buildings on Freehold Land \$'000	Buildings - Leasehold Improvements \$'000	Total land & buildings \$'000	Total infrastructure, plant & equipment \$'000	Total intangibles - computer software \$'000	Total \$'000
As at 30 June 2003							
Gross value	-	-	-	-	32,060	-	32,060
Accumulated depreciation/amortisation	-	-	-	-	(13,121)	-	(13,121)
Net book value	-	-	-	-	18,939	-	18,939
As at 30 June 2002							
Gross value	-	-	-	-	13,121	-	13,121
Accumulated depreciation/amortisation	-	-	-	-	(5,985)	-	(5,985)
Net book value	-	-	-	-	7,136	-	7,136

TABLE D - Assets under construction

Item	Land \$'000	Buildings on Freehold Land \$'000	Buildings - Leasehold Improvements \$'000	Total land & buildings \$'000	Total infrastructure, plant & equipment \$'000	Total intangibles - computer software \$'000	Total
As at 30 June 2003							
Gross value	-	-	8,454	8,454	7,875	4,739	21,068
As at 30 June 2002							
Gross value	-	345	19,063	19,408	35,921	15,915	71,244

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Note 7E - Inventories	2002-03 \$'000	2001-02 \$'000
Finished goods (cost)	254	824
Inventories held for sale	254	824
Total Inventories	254	824

All departmental inventories are current assets.

Note 7F - Other Non-financial Assets

Prepayments	6,908	5,654
Property bonds	2,656	2,700
Education bonds	215	142
Leasehold rights	-	1,446
Total Other Non-financial Assets	9,779	9,942

Note 8 - Interest Bearing Liabilities

Note 8A - Lease incentive liabilities	8,714	8,985
---------------------------------------	-------	-------

Lease incentive payments and rent free holidays received for new office fitout at Belconnen ACT, Sydney and Perth offices.

Lease incentive liabilities are represented by:

Current	701	722
Non-current	8,013	8,263

Total Lease Incentive Liabilities	8,714	8,985
--	--------------	--------------

Payable:

Not later than one year	4,898	8,313
Later than one year and not later than five years	16,821	-
Minimum lease payments	21,719	8,313
<i>Deduct:</i> future finance charges	(2,780)	(383)
Total Lease Liability	18,939	7,930

Lease liability is represented by:

Current	4,745	7,930
Non-current	14,194	-
Net Lease Liability	18,939	7,930

Finance leases exist in relation to certain IT equipment assets. The leases are non-cancellable and for a fixed term of 4 years. The Department guarantees the residual values of all assets leased. There are no contingent rentals.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

<u>Note 9 - Employee Provisions</u>	2002-03 \$'000	2001-02 \$'000
Salaries and wages	5,792	5,496
Leave	81,306	78,466
Superannuation	936	757
Separation and redundancies	149	73
Locally engaged staff resignation benefits	4,164	4,431
Aggregate employee entitlement liability	92,347	89,223
Current	29,558	29,754
Non-Current	62,789	59,469

The UK Pension Scheme is disclosed in the most recent financial report of the plan as at 1 July 2000.¹

	Date Measured		Date Measured	
Accrued Benefits	1 July 2003	5,251	1 July 2000	4,261
Net Market Value of Plan Assets	30 June 2002	4,309	30 June 2001	4,979
Net Assets		<u>(942)</u>		<u>718</u>
Vested Benefits	1 July 2003	<u>4,816</u>	1 July 2000	<u>3,913</u>

The Department's contribution to the scheme in 2002-03 was \$111,500 (2001-02: \$122,289).

The Department's share of the net market value of plan assets is 21.94% of \$19,639,000 (2001-02: 20.71% of \$24,045,000).

The scheme is reviewed triennially.

¹ Figures for the UK Pension Scheme are based on an actuarial report dated 26 March 2003 (2001-02 figures based on actuarial report dated 1 July 2000).

Note 10 - Payables

Note 10A - Supplier Payables

Trade creditors	79,020	86,404
Operating lease creditors	558	57
Total Supplier Payables	79,578	86,461
Supplier payables are represented by:		
Current	79,578	86,461
Total Supplier Payables	79,578	86,461

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Note 11A - Equity

Item	Accumulated Results		Asset Revaluation Reserve		Other Reserves		Total Reserves		Contributed Equity		TOTAL EQUITY	
	2002-03 \$'000	2001-02 \$'000	2002-03 \$'000	2001-02 \$'000	2002-03 \$'000	2001-02 \$'000	2002-03 \$'000	2001-02 \$'000	2002-03 \$'000	2002-03 \$'000	2001-02 \$'000	2001-02 \$'000
Opening balance as at 1 July	37,917	80,260	26,574	18,044	10	10	26,584	18,054	75,658	29,490	140,159	127,804
Net surplus/deficit	26,940	(37,208)		8,530				8,530			26,940	(37,208)
Net revaluation increments (decrements)												
Transactions with owner:												
Distributions to owner:												
<i>Returns on Capital</i>												8,530
Dividends												
Capital Use Charge												
<i>Returns of Capital</i>	(15,417)	(5,135)									(15,417)	(5,135)
Restructuring												
Returns of contributed equity										243	(20,419)	243
Contributions by owner												
Appropriations (equity injections)										27,478	27,478	45,925
Restructuring										29,396	29,396	
Other												
Transfers to/(from)/between reserves			10		(10)							
Closing balance as at 30 June	49,440	37,917	26,584	26,574	-	10	26,584	26,584	109,418	75,658	185,442	140,159
Less: Outside equity interests												
Total equity attributable to the Commonwealth	49,440	37,917	26,584	26,574	-	10	26,584	26,584	109,418	75,658	185,442	140,159

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Note 11B - Restructuring

As a result of a restructuring of administrative arrangements, the Department ceded responsibility for the construction of the permanent Immigration and Reception Processing Centre (IRPC) on Christmas Island on 18 February 2003 to the Department of Finance and Administration.

The net book value of assets transferred to the Department of Finance and Administration for no consideration and recognised as at the date of transfer were:

	2002-03	2001-02
	\$'000	\$'000
Total assets relinquished	<u>20,419</u>	<u>-</u>
Net Assets relinquished	<u>20,419</u>	<u>-</u>

As a result of a restructuring of administrative arrangements, the Department assumed responsibility for reconciliation and indigenous affairs on 26 November 2001, from the Department of Reconciliation and Aboriginal and Torres Strait Islander Affairs.

The net book value of assets and liabilities transferred to the Department of Immigration and Multicultural and Indigenous Affairs for no consideration and recognised as at the date of transfer were:

Total assets recognised	-	1,465
Total liabilities recognised	-	1,222
Net Assets assumed	<u>-</u>	<u>243</u>
Net contribution by Government as owner during the year	<u>-</u>	<u>243</u>

Department of Reconciliation and Aboriginal and Torres Strait Islander Affairs

Revenues

Recognised by the Department of Reconciliation and Aboriginal and Torres Strait Islander Affairs	-	1,658
Recognised by the Department of Immigration and Multicultural and Indigenous Affairs	-	1,973
Total Revenues	<u>-</u>	<u>3,631</u>

Expenses

Recognised by the Department of Reconciliation and Aboriginal and Torres Strait Islander Affairs	-	1,893
Recognised by the Department of Immigration and Multicultural and Indigenous Affairs	-	2,000
Total Expenses	<u>-</u>	<u>3,893</u>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

<u>Note 12 - Cash Flow Reconciliation</u>	2002-03 \$'000	2001-02 \$'000
<i>Reconciliation of cash per Statement of Financial Position to Statement of Cash Flows</i>		
Cash at year end per <i>Statement of Cash Flows</i>	24,830	64,018
Statement of Financial Position items comprising above cash: Financial Asset - Cash note 6A.	24,830	64,018
 <i>Reconciliation of net surplus (deficit) to net cash from operating activities:</i>		
Net Surplus (deficit)	26,940	(37,208)
Depreciation/amortisation (excluding finance lease assets)	38,461	34,820
(Gain)/loss on sale of disposal of non-current assets	103	43
Write-down of assets	11,797	833
Asset recognised for the first time	(432)	(2,646)
Increase/(decrease) in net assets from restructuring	-	(1,066)
Interest earned	(1,090)	-
<i>Change in assets and liabilities</i>		
Decrease (increase) in receivables	(34,690)	39,051
Decrease (increase) in accrued revenue	(13,492)	(317)
Decrease (increase) in inventories	570	881
Decrease (increase) in other non-financial assets	162	2,153
Increase (decrease) in employee provisions	3,124	8,336
Increase (decrease) in payables	(8,626)	28,497
Increase (decrease) in lease liabilities	11,009	7,930
Net cash from/(used by) operating activities	<u>33,836</u>	<u>81,307</u>

Note 13 - Contingent Liabilities and Assets

Quantifiable Contingencies

The Schedule of Contingencies reports contingent liabilities in respect of claims for damages/costs of \$4,194,000 (2002: \$2,364,000). The amount represents an estimate of the Department's liability based on precedent cases and disputed invoices with suppliers. The Department is defending the claims.

Unquantifiable Contingencies

As at 30 June 2003 the Department had a number of legal claims against it. The Department has denied liability and is defending the claims. It is not possible to estimate the amounts of any eventual payments that may be required in relation to these claims.

Remote Contingencies

As at 30 June 2003 the Department had a number of legal claims against it. It is considered unlikely that the Department will have to bear these costs. The potential liability is \$1,010,000 (2002: \$900,000).

As at 30 June the Department had also provided indemnities to a number of organisations. For five contracts where liability is limited, the potential liability is \$119,760,000 with these contracts being recognised for the first time in 2002-03. Seven contracts provide for unlimited indemnities, and have been recognised for the first time in 2002-03. It is considered unlikely that the Department will have to bear any of these costs.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Note 14 - Executive Remuneration

The number of Executives who received or were due to receive total remuneration of \$100,000 or more:

\$110,000 to \$119,999
 \$120,000 to \$129,999
 \$130,000 to \$139,999
 \$140,000 to \$149,999
 \$150,000 to \$159,999
 \$160,000 to \$169,999
 \$170,000 to \$179,999
 \$180,000 to \$189,999
 \$190,000 to \$199,999
 \$200,000 to \$209,999
 \$210,000 to \$219,999
 \$230,000 to \$239,999
 \$240,000 to \$249,999
 \$250,000 to \$259,999
 \$320,000 to \$329,999
 \$360,000 to \$369,999

Total

2002-03

2001-02

Number

Number

2

1

1

3

3

12

6

6

11

4

6

5

4

3

3

1

3

1

4

-

1

-

-

1

1

1

1

-

-

1

1

-

47

39

\$

\$

The aggregate amount of total remuneration of executives shown above.

8,057,114

6,118,778

Note 15 - Remuneration of Auditors

Financial statement audit services are provided free of charge to the Department. The fair value of the audit services provided was:

No other services were provided by the Auditor-General.

\$

\$

410,000

389,000

Note 16 - Average Staffing Levels

The average staffing levels for the Department during the year were:

4,473

4,301

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

	2002-03	2001-02
Note 17 - Act of Grace Payments, Waivers and Defective Administration Scheme		
	\$	\$
Act of Grace payments made during the reporting period	<u><u>-</u></u>	<u><u>720</u></u>

For the financial year ended 30 June 2002 there was one Act of Grace payment of \$720.

Waivers made pursuant to subsection 34(1) of the *Financial Management and Accountability Act 1997*

Afghani Returnees - Detention ¹	8,600,000	-
Other ²	<u>3,170</u>	<u>37,244</u>
	<u><u>8,603,170</u></u>	<u><u>37,244</u></u>

¹ The debt waiver approved for Afghani Returnees was \$8,600,000 the amount requested and approved to 30 June 2003 was \$1,434,387 consisting of 47 individual applicants.

² Consists of debt waivers approved for Bushfire Victims Citizenship Certificates (\$2,750 approved, \$1,980 requested to 30 June 2003, consisting of 36 waivers at \$55 each) and detention costs for one applicant (\$420).

For the financial year ended 30 June 2002 there were 3 debt waivers requested and approved totalling \$37,244.

Payments made under the Defective Administration Scheme	<u><u>7,146</u></u>	<u><u>5,281</u></u>
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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Note 18 - Departmental Financial Instruments

Note 18A - Terms, conditions and accounting policies

Financial Instruments	Notes	Accounting Policies and Methods (including recognition criteria and measurement basis)	Nature of Underlying Instrument (including significant terms and conditions affecting the amount, timing and certainty of cash flows)
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	6A	Deposits are recognised at their nominal amounts. Interest was credited to revenue as it was earned during 2002-03.	The balance of the Departmental cash account is non-interest bearing.
Receivables for goods and services	6B	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 (2001-02: 30 days).
Appropriations receivable	6B	These receivables are recognised at their nominal amounts.	Amounts appropriated by the Parliament in the current or previous years which are available to be drawn down by the Department. Also includes amounts to be appropriated by the Parliament in a future year for services provided in previous years under a purchasing, workload or similar agreement.
Accrued revenue		Accrued revenue is recognised for goods and services rendered where an invoice has not been issued.	

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Financial Instruments	Notes	Accounting Policies and Methods (including recognition criteria and measurement basis)	Nature of Underlying Instrument (including significant terms and conditions affecting the amount, timing and certainty of cash flows)
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.	
Finance lease liabilities	8B	Liabilities are recognised as the present value of the minimum lease payments at the beginning of the lease. The discount rate used is an estimate of the interest rate implicit in the lease.	At reporting date, the Department had a finance lease in respect of its IT equipment for a term of 4 years ending 30 June 2007. The interest rate implicit in the lease was 5.95%.
Trade creditors	10	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.	Creditors are both government and non-government legal entities. Settlement is usually made net 30 days.
Unrecognised Financial Liabilities			
Indemnities	13	The maximum amount payable under limited liability indemnities given is disclosed in Note 13, Contingent Assets and Liabilities. At the time of completion of the financial statements, there was no reason to believe that the indemnities would be called upon, and recognition of the liability was therefore not required.	Indemnities are given to organisations to provide independent advice or to carry out specific development work, defined research, reviews or evaluations.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Note 18B - Interest rate risk

Financial Instrument	Notes	Fixed Interest Rate				Non-Interest Bearing		Total		Weighted Average Effective Interest Rate	
		1 Year or Less		> 5 years							
		2002-03	2001-02	2002-03	2001-02	2002-03	2001-02	2002-03	2001-02	2002-03	2001-02
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	%	%
Financial Assets											
Cash at bank	6A		64,018				24,830	24,830	64,018		4.47%
Appropriations receivable							75,295	75,295	36,119		
Receivables for goods and services	6B						17,084	17,084	23,813		
Less: Provision for doubtful debts	6B						(2,885)	(2,885)	(1,915)		
Accrued revenue							14,213	14,213	721		
Total Financial Assets							128,537	128,537	122,756		
Total Assets							385,536	385,536	335,124		

Financial Liabilities											
Finance lease liabilities	8B								18,939	7,930	5.95%
Operating lease creditors	10						558	57	57		
Trade creditors	10						79,020	86,404	79,020	86,404	
Total Financial Liabilities (Recognised)							79,578	86,461	98,517	94,391	
Total Liabilities							200,094	194,965			
Unrecognised Indemnities	13						119,760	-	119,760	-	n/a

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Note 18C - Net fair Values of Financial Assets and Liabilities

	Notes	2002-03		2001-02	
		Total carrying amount	Aggregate net fair value	Total carrying amount	Aggregate net fair value
		\$'000	\$'000	\$'000	\$'000
Departmental Financial Assets					
Cash at bank	6A	24,830	24,830	64,018	64,018
Receivables for goods and services (net)	6B	14,199	14,199	18,685	18,685
Accrued revenue		14,213	14,213	721	721
Appropriations receivable	6B	75,295	75,295	36,119	36,119
Capital Use Charge		-	-	3,213	3,213
Total Financial Assets		128,537	128,537	122,756	122,756
Financial Liabilities (Recognised)					
Finance lease liabilities	8B	18,939	18,939	7,930	7,930
Operating lease creditors	10	558	558	57	57
Trade creditors	10	79,020	79,020	86,404	86,404
Total Financial Liabilities (Recognised)		98,517	98,517	94,391	94,391
Financial Liabilities (Unrecognised)					
Indemnities	13	119,760	-	-	-

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 finance lease liabilities 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.

Indemnities

At the time of completion of the financial statements, there was no reason to believe that the indemnities would be called upon, and recognition of the liability was therefore not required. The net fair value of the indemnities given is taken to be nil as the likelihood of any of them being called upon is regarded as remote.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Note 18D - Credit Risk Exposures

The Department'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 Position.

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

Note 19 - Expenses Administered on Behalf of Government	2002-03 \$'000	2001-02 \$'000
Expenses		
Grants		
Grants to non-profit institutions	28,406	26,151
Total grants	28,406	26,151
<i>The nature of the grants are as follows:</i>		
Community based programs	28,406	26,151
Total	28,406	26,151
Subsidies		
Subsidies to NAATI, IOM, IGC and joint Commonwealth and State research programs	1,290	1,404
Financial assistance for displaced refugees (overseas aid)	-	5,147
Total subsidies	1,290	6,551
Personal Benefits		
Direct	2,516	476
Indirect	9,502	12,184
State payment - refugee minors	1,108	317
Total personal benefits	13,126	12,977
Suppliers		
Adult Migrant English Program	96,058	96,468
Legal costs for indigenous affairs and reconciliation	1,503	456
Migration Agents' payments	2,704	2,381
Refugee maintenance, accommodation & humanitarian expenses	5,255	5,721
Total suppliers	105,520	105,026
Write-down and impairment of assets		
Financial assets		
Receivables	88,789	51,567
Waived Debts	1,304	-
Non-financial assets		
Land and buildings - write-off	-	66
Total write-down of assets	90,093	51,633
Other	9	1,648
Total other expenses	9	1,648
Total Expenses Administered on Behalf of Government	238,444	203,986

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

<u>Note 20 - Assets Administered on Behalf of Government</u>	2002-03 \$'000	2001-02 \$'000
Financial Assets		
Cash		
Administered bank account - DIMIA	1,180	1,259
Receivables		
Immigration fees and charges	1,492	3,163
Goods and services	646	1,303
<i>Less: Provision for doubtful debts</i>	(252)	(277)
Detainee debts	9,060	2,922
<i>Less: Provision for detainee doubtful debts</i>	(9,060)	(2,922)
GST accrued receivable	629	259
GST receivable from ATO	995	1,338
Total receivables (net)	3,510	5,786
Receivables (gross) are aged as follows:		
Not Overdue	4,299	4,483
Overdue by:		
less than 30 days	1,358	591
30 to 60 days	2,467	898
60 to 90 days	224	235
more than 90 days	4,474	2,778
Total receivables (gross)	12,822	8,985
The provision for doubtful debts is aged as follows:		
Not Overdue	3,122	1,596
Overdue by:		
less than 30 days	986	210
30 to 60 days	1,792	320
60 to 90 days	163	84
more than 90 days	3,249	989
Total provision for doubtful debts	9,312	3,199
Accrued Revenues		
Accrued revenue ¹	67,757	46,201
Provision for unrecoverable accrued revenue	(62,409)	(34,064)
Total Accrued Revenues	5,348	12,137

1. \$21.030m of accrued revenue relates to the recovery of detention costs in prior years not previously recognised.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

<u>Note 20 - Assets Administered on Behalf of Government (cont)</u>	2002-03 \$'000	2001-02 \$'000
Investments		
Commonwealth Authorities		
- Aboriginal and Torres Strait Islander Commission	292,894	292,894
- Aboriginal Hostels Ltd	40,092	40,092
- Anindilyakwa Land Council	159	159
- Australian Institute of Aboriginal and Torres Strait Islander Studies	2,554	2,554
- Central Land Council	5,074	5,074
- Indigenous Business Australia	50,767	50,767
- Indigenous Land Corporation	72,696	72,696
- Northern Land Council	851	851
- Tiwi Land Council	(47)	(47)
- Torres Strait Regional Authority	15,894	15,894
Total Investments	480,934	480,934
Total financial assets administered on behalf of Government	490,972	500,116
Other Non-financial Assets		
Prepayments	5,538	6,762
Total Non-Financial Assets Administered on Behalf of Government	5,538	6,762
Total Assets Administered on Behalf of Government	496,510	506,878
 <u>Note 21 - Liabilities Administered on Behalf of Government</u>		
Payables		
Suppliers		
Trade Creditors	17,256	21,751
 Other		
GST payable	3,089	2,620
GST accrued payable	5,543	12
Unearned Income	6,110	12,340
Total other payables	14,742	14,972
Total Payables	31,998	36,723
Total Liabilities Administered on Behalf of Government	31,998	36,723
All liabilities are expected to be settled within 12 months of balance date.		
 <u>Note 22 - Administered Reconciliation Table</u>		
Administered assets less administered liabilities as at 1 July	470,155	
Plus Administered revenues	397,155	
Less Administered expenses	(238,444)	
Administered transfers to/from Government		
Appropriation transfers from OPA	161,438	
Transfers to OPA	(325,075)	
Restructuring	-	
GST drawdown and payable to the OPA	(717)	
Administered assets less administered liabilities as at 30 June	464,512	

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Note 23 - Administered Contingent Liabilities and Assets

Quantifiable Administered Contingencies

Quantifiable Administered Contingencies that are not remote are disclosed in the Schedule of Administered Items as Quantifiable Administered Contingencies.

Unquantifiable Administered Contingencies

Earlier laws, policies and practices in relation to the Commonwealth's administration of the Northern Territory led to the separation of some Indigenous children from their families. There are currently over 2,000 plaintiffs with claims pending against the Commonwealth seeking unspecified damages for alleged forcible and wrongful separation. One individual has chosen to progress their claim, which is currently being prepared for trial.

The Department has administrative responsibility for a range of other litigation relating to indigenous matters, which arise from time to time.

Remote Administered Contingencies

As at 30 June 2003 the Department held a number of bonds relating to compliance and visitor visas. It is considered unlikely that the Department will receive these monies. The potential gain is \$7,418,215. The Department also has one legal claim against it. The potential liability is \$10,000.

Note 24 - Administered Investments

The Commonwealth owns 100% of the issued capital of Aboriginal Hostels Ltd, which is incorporated in Australia.

The principal activities of each of the Department of Immigration and Multicultural and Indigenous Affairs administered investments are, as follows:

- Aboriginal and Torres Strait Islander Commission: the economic, social and cultural empowerment of Aboriginal and Torres Strait Islander peoples in order that they may freely exercise their rights equitably with other Australians.

- Aboriginal Hostels: provide temporary accommodation that assists Aboriginal and Torres Strait Islander people to achieve personal goals to obtain dignity and equity in the Australian community.

- Anindilyakwa Land Council: To represent the Aboriginal peoples living in the area of the Land Council in the management of Aboriginal land in the area and in relation to legislation concerning that land; consult and protect the interests of traditional owners and take measures to assist in the protection of sacred sites in the area of the Land Council.

- Australian Institute of Aboriginal and Torres Strait Islander Studies: promotion of knowledge and understanding of Australian Indigenous cultures, past and present.

- Central Land Council: To represent the Aboriginal peoples living in the area of the Land Council in the management of Aboriginal land in the area and in relation to legislation concerning that land; consult and protect the interests of traditional owners and take measures to assist in the protection of sacred sites in the area of the Land Council.

- Indigenous Business Australia: stimulate the economic advancement of Aboriginal and Torres Strait Islander peoples by investing in sound commercial ventures and encouraging and supporting Indigenous participation.

- Indigenous Land Corporation: provide economic, environmental, social and cultural benefits for Aboriginal persons and Torres Strait Islanders by assisting in the acquisition and management of an Indigenous land base.

- Northern Land Council: To represent the Aboriginal peoples living in the area of the Land Council in the management of Aboriginal land in the area and in relation to legislation concerning that land; consult and protect the interests of traditional owners and take measures to assist in the protection of sacred sites in the area of the Land Council.

- Tiwi Land Council: To represent the Aboriginal peoples living in the area of the Land Council in the management of Aboriginal land in the area and in relation to legislation concerning that land; consult and protect the interests of traditional owners and take measures to assist in the protection of sacred sites in the area of the Land Council.

- Torres Strait Regional Authority: Stimulate the economic advancement of Aboriginal and Torres Strait Islander peoples by investing in sound commercial ventures and encouraging and supporting Indigenous participation.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Note 25 - Administered Restructuring

As a result of a restructuring of administrative arrangements, the Department assumed responsibility for the reconciliation and indigenous affairs function on 26 November 2001, from the Department of Reconciliation and Aboriginal and Torres Strait Islander Affairs.

In respect of the functions assumed, the net book value of assets and liabilities transferred to the Department for no consideration and recognised at the date of transfer were:

	2002-03 \$'000	2001-02 \$'000
Total assets recognised	-	481,264
Total liabilities recognised	-	330
Net assets assumed	-	480,934
Net contribution by Government as owner during the year	-	480,934
 Department of Reconciliation and Aboriginal and Torres Strait Islander Affairs		
Expenses		
Recognised by the Department of Reconciliation and Aboriginal and Torres Strait Islander Affairs	-	393
Recognised by the Department of Immigration and Multicultural and Indigenous Affairs	-	456
Total Expenses	-	849

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Note 26 Administered Financial Instruments

Note 26A - Terms, conditions and accounting policies

Financial Instruments	Notes	Accounting Policies and Methods (including recognition criteria and measurement basis)	Nature of Underlying Instrument (including significant terms and conditions affecting the amount, timing and certainty of cash flows)
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	20	Deposits are recognised at their nominal amounts.	The balance of the administered cash account is non-interest bearing.
Receivables for goods and services	20	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 (2001-02: 30 days).
Fees and charges receivable	20	Fees accrue and are recognised at the time services are performed.	
Accrued revenue	20	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.	
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.	Creditors are both government and non-government legal entities. Settlement is usually made net 30 days.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Note 26 - Administered Financial Instruments

Note 26B - Interest Rate Risk

Financial Instrument	Notes	Floating Interest Rate			Fixed Interest Rate						Non-Interest Bearing	Total	Weighted Average Effective Interest Rate			
		Rate			1 year or less		1 to 2 years		> 5 years				Rate			
		2002-03	2001-02	\$'000	2002-03	2001-02	2002-03	2001-02	2002-03	2001-02			2002-03	2001-02	2002-03	2001-02
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	%	%
Financial Assets																
Cash at bank	20										1,180	1,259	1,180	1,259		
Goods and services receivable	20										394	1,026	394	1,026		
Fees receivable	20										1,492	3,163	1,492	3,163		
Accrued revenue	20										5,348	12,137	5,348	12,137		
Other											1,624	1,597	1,624	1,597		
Total Financial Assets											10,038	19,182	10,038	19,182		
Total Assets											496,510	506,878	496,510	506,878		
Financial Liabilities																
Trade creditors	21										17,256	21,751	17,256	21,751		
Total Financial Liabilities											17,256	21,751	17,256	21,751		
Total Liabilities											31,998	36,723	31,998	36,723		

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Note 26 - Administered Financial Instruments

Note 26C - Net Fair Values of Administered Financial Assets and Liabilities

	Notes	2002-03		2001-02	
		Total carrying amount	Aggregate net fair value	Total carrying amount	Aggregate net fair value
		\$'000	\$'000	\$'000	\$'000
Financial Assets					
Cash at bank	20	1,180	1,180	1,259	1,259
Receivables	20	3,510	3,510	5,786	5,786
Accrued revenue	20	5,348	5,348	12,137	12,137
Total Financial Assets		10,038	10,038	19,182	19,182
Financial Liabilities					
Trade creditors	21	17,256	17,256	21,751	21,751
Total Financial Liabilities		17,256	17,256	21,751	21,751

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 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 27A - Appropriation Acts (No. 1/3) 2002-03

Particulars	Administered Expenses			Departmental Outputs	Total
	Outcome 1	Outcome 2	Outcome 3		
Year ended 30 June 2003					
Balance carried over from previous year			\$ 371,897	\$ 103,537,770	\$ 130,948,787
Prior year Purchasing Agreement adjustment				25,156,000	25,156,000
Available from prior years				46,831,517	46,831,517
Adjustment for actual amounts lapsed in 2001-02	(274,824)	423,622			148,798
Appropriation for reporting period (Act 1)	29,153,000	134,139,000	1,000,000	875,887,000	1,040,179,000
Appropriation for reporting period (Act 3)		1,124,000	532,427		1,124,000
Amounts from Advance to the Finance Minister				1,208	1,208
Amounts from Comcover receipts (FMA s12)					
Refunds credited (FMA s30)					
GST credits (FMA s30A)	717,759	5,155,127	71,828	41,109,970	47,054,684
Annotations to 'net appropriations' (FMA s31)				25,233,000	25,233,000
Transfer to/from other agencies (FMA s32)				(652,587)	(652,587)
Appropriation lapsed	(10,449,558)	(1,550,909)			(12,000,467)
Available for payments	22,508,344	162,967,993	1,976,152	1,117,103,878	1,304,556,367
Payments made	19,747,224	141,829,569	1,976,152	882,005,152	1,045,558,097
Appropriations credited to Special Accounts					
Balance carried to next year	2,761,120	21,138,424		235,098,726	258,998,270
<i>Represented by:</i>					
Cash					
Add: Appropriations receivable				24,829,675	24,829,675
Add: Receivables - Goods and Services	1,707,129	13,601,313		29,496,416	44,803,858
- GST receivable from customers					
Add: Available but not to be drawn	1,053,991	7,537,111		8,436,825	17,027,927
Less: Payable - Suppliers - GST portion				149,108,440	149,108,440
Add: Savings in Portfolio Additional Estimates Statements				(5,166,630)	(5,166,630)
Total	2,761,120	21,138,424		235,098,726	258,998,270

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Particulars	Administered Expenses			Departmental Outputs	Total
	Outcome 1	Outcome 2	Outcome 3		
Year ended 30 June 2002					
Balance carried from previous year				\$	\$
Total annual appropriation	5,554,000	14,062,000		145,989,000	165,605,000
Adjustments and annotations to appropriations	40,035,000	130,876,000		783,194,483	954,105,483
Other Revenues	1,061,834	4,740,177	17,306	44,780,042	50,599,359
Transfers to/from other agencies (FMA s32)			1,356,841	694	694
Administered appropriation lapsed	(16,830,242)	(7,885,950)	(571,029)	3,179,551	4,536,392
Available for payments	29,820,592	141,792,227	803,118	977,143,770	1,149,559,707
Payments made during the year	26,458,625	118,115,074	431,221	873,606,000	1,018,610,920
Appropriations credited to special accounts					
Balance carried to next year	3,361,967	23,677,153	371,897	103,537,770	130,948,787

FMA = Financial Management and Accountability Act 1997

Act 1 = Appropriations Act (No.1) 2002-2003

Act 3 = Appropriations Act (No.3) 2002-2003

Any amounts of administered appropriations for 2002-03 shown above as lapsed, are estimates only.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Note 27B - Appropriation Acts (No. 2/4) 2002-03

Particulars	Administered Expenses						Capital				Total	
	Outcome 1		Outcome 2		Outcome 3		Departmental		Admin			
	SPPs	Other	SPPs	Other	SPPs	Other	Equity	Loans	Carry-Overs	Capital		
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$		
Year ended 30 June 2003												
<i>Balance carried from previous year</i>							9,811,622					9,892,875
Adjustment for actual amounts lapsed in 2001-02			81,253									(12,383)
Appropriation for reporting period (Act 2)			(12,383)									87,237,000
Appropriation for reporting period (Act 4)			339,000									800,000
Adjustments determined by the Finance Minister			800,000									
Amounts from Advance to the Finance Minister												
Refunds credited (FMA s30)												
GST credits (FMA s30A)												
Annotations to 'net appropriations' (FMA s31)			65,057									2,448,297
Transfer to/from other agencies (FMA s32)												
Administered appropriation lapsed												(61,670,774)
Available for payments			1,272,927									38,695,015
Payments made			743,670									26,086,518
Appropriations credited to Special Accounts												
Balance carried to next year			529,257				12,079,240					12,608,497
<i>Represented by:</i>												
GST payable and transferred out				40,824								2,424,064
Appropriations receivable				488,433								10,059,433
Savings in Portfolio Additional Estimates Statement												125,000
Total			529,257				12,079,240					12,608,497

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Particulars	Administered Expenses						Capital				Total	
	Outcome 1		Outcome 2		Outcome 3		Departmental		Admin			
	SPPs	Other	SPPs	Other	SPPs	Other	Equity	Loans	Carry-Overs	Capital		
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$		
Year ended 30 June 2002												
<i>Balance carried from previous year</i>												
Total annual appropriation			38,000				678,000					716,000
Adjustments and annotations to appropriations			330,000				48,300,000					48,630,000
Transfers to/from other agencies (FMA s32)			30,471				5,314,622					5,345,093
Administered appropriation lapsed Available for payments			(12,507)									(12,507)
Payments made during the year			385,964				54,292,622					54,678,586
Appropriations credited to Special Accounts			304,711				44,481,000					44,785,711
Balance carried to the next year							9,811,622					9,892,875

FMA = Financial Management and Accountability Act 1997

Act 2 = Appropriations Act (No.2) 2002-2003

Act 4 = Appropriations Act (No.4) 2002-2003

Any amounts of administered appropriations for 2002-03 shown above as lapsed, are estimates only.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Note 27C - Special Appropriations (Unlimited Amount) 2002-03

Particulars of legislation providing appropriation (including purpose)	Administered		Total	
	Outcome 1			
Legislation: <i>Migration Act 1958 - s332B (Administered)</i>				
Purpose: to deal with registration applications and monitor the conduct of registered agents and lawyers in the provision of immigration assistance.				
	2002-03	2001-02	2002-03	2001-02
	\$	\$	\$	\$
<i>Statutory Self-regulation of Migration Agents</i>				
Budget estimate	2,281,000	1,980,000	2,281,000	1,980,000
Other annotations	684,000		684,000	
Available for payments	2,965,000		2,965,000	
Payments made	2,841,300	2,380,520	2,841,300	2,380,520
Appropriations credited to Special Accounts				
Refunds credited (s30)				

Note 27D - Special Accounts

Account Name	2002-03	2001-02
	\$'000	\$'000
Australian Population, Multicultural and Immigration Research Program Account		
<i>Legal authority: Financial Management and Accountability Act 1997, s20</i>		
<i>Purpose:</i>		
i - for expenditure relating to the Joint Research Program on population and immigration in accordance with approval from the Minister for Immigration and Multicultural and Indigenous Affairs in consultation with State/Territory Ministers;		
ii - for the disbursement to the Commonwealth and participating State/Territory Governments of monies, if any, standing to the credit of the trust account after the research program has been wound up.		
Balance carried from previous year	217	150
Appropriations for reporting period	50	50
Costs recovered from non-government sector	50	50
Available for payments	317	250
Payments made to suppliers	(40)	(33)
Balance carried to next year	277	217
<i>Represented by:</i>		
Cash on call held in the OPA	277	217
Total	277	217

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Note 28 - Assets Held In Trust

Comcare Trust Account

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

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

	2002-03	2001-02
	\$'000	\$'000
Balance carried forward from previous period	422	546
Receipts from other sources	1,149	546
Available for payments	1,571	1,092
Less: Payments made	(1,556)	(670)
Balance carried forward to next period	15	422

Note 29 - Special Public Monies

Legal authority - *Migration Act 1958*

Classification - Special Public Monies held under a fiduciary relationship. These are visa application bond monies held by the Commonwealth on behalf of applicants for short-term visa subclasses 459, 679 and 050. If the applicant departs Australia in accordance with the terms and conditions of their visa then the security is refunded in full to the applicant. If the visa is breached the security is forfeited and treated as Administered revenue. Interest earned on the security monies is held by the Commonwealth and not credited to either the Department or the applicant.

Balance carried forward from previous period	20,306	16,469
Receipts from other sources	62,751	44,613
Available for payments	83,057	61,082
Less: Payments made	(54,559)	(40,776)
Balance carried forward to next period	28,498	20,306

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

The Department uses an Activity Based Costing System to determine the attribution of its shared items. The system was based on a time and motion study for corporate activities conducted in the year 2001-02 for the 2002-03 Budget. The basis of attribution is consistent with the basis used for the 2002-03 Budget.

Note 30A - Net cost of Outcome Delivery

	Outcome 1		Outcome 2		Outcome 3		Total	
	2002-03	2001-02	2002-03	2001-02	2002-03	2001-02	2002-03	2001-02
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Administered Expenses	110,044	78,477	126,898	125,053	1,502	456	238,444	203,986
Departmental Expenses	705,286	715,152	114,335	120,232	3,387	2,000	823,008	837,384
Total Expenses	815,330	793,584	241,233	245,285	4,889	2,456	1,061,452	1,041,370
<i>Costs recovered from provision of goods and services to the non-government sector</i>								
Administered								
Non-taxation fees and charges	286,310	236,193	12,938	12,915	1,722	-	300,970	249,108
Sales of goods and services	504	746	7,254	6,303	-	-	7,758	7,049
Other non-taxation revenues	88,393	57,043	31	239	3	-	88,427	57,282
Departmental								
Sales of goods and services	10,407	11,392	9,280	8,975	8	30	19,695	20,397
Other revenues from independent sources	3,376	9,310	594	2,964	16	54	3,986	12,328
Total Costs Recovered	388,990	314,684	30,097	31,396	1,749	84	420,836	346,164
<i>Other external revenues</i>								
Administered	-	-	-	-	-	-	-	-
Departmental								
Sales of goods and services	2,084	2,228	2,449	2,236	5	7	4,538	4,471
Other revenues from independent sources	14,717	2,317	149	741	4	14	14,870	3,072
Total other external revenues	16,801	4,545	2,598	2,977	9	21	19,408	7,543
Net cost/(contribution) of outcome	409,539	474,355	208,538	210,912	3,131	2,351	621,208	687,663

Outcomes 1,2 and 3 are described in Note 1.1. Net costs shown include intra-government costs that are eliminated in calculating the actual Budget outcome. The Capital Use Charge is not included in any of the outcomes as it is not an operating expense in end-of-year financial reports.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Outcome 1	Output Group 1.3														
	Output 1.3.1		Output 1.3.2		Output 1.3.3		Output 1.3.4		Output 1.3.5		Output 1.3.6		Total		
	2003	\$'000	2003	\$'000	2003	\$'000	2003	\$'000	2003	\$'000	2003	\$'000	2003	\$'000	
Departmental expenses															
Employees	13,317		18,337		14,126		18,507		50,425		21,075		135,787		76,986
Suppliers	20,481		28,202		21,724		28,462		77,550		10,511		186,930		232,676
Other	2,559		3,524		2,714		3,556		19,562		4,050		35,965		18,183
Total departmental expenses	36,357		50,063		38,564		50,525		147,537		35,636		358,682		327,845
Funded by:															
Revenues from government	35,824		49,096		38,094		49,948		135,234		52,083		360,279		298,812
Sales of goods and services	254		501		208		253		1,221		5,125		7,562		7,709
Other non-taxation revenues	198		380		168		194		14,820		169		15,929		5,953
Total departmental revenues	36,276		49,977		38,470		50,395		151,275		57,377		383,770		312,474

Outcome 1	Output Group 1.4								Output Group 1.5							
	Total		Output 1.5.1		Output 1.5.2		Total		Output 1.5.1		Output 1.5.2		Total		Outcome 1 Total	
	2003	\$'000	2003	\$'000	2003	\$'000	2003	\$'000	2003	\$'000	2003	\$'000	2003	\$'000	2003	\$'000
Departmental expenses																
Employees	158		-		4,589		1,028		5,617		4,411		235,388		218,562	
Suppliers	64		288		74,038		10,207		84,245		108,080		415,535		462,242	
Other	-		4		48		320		368		108		54,363		34,348	
Total departmental expenses	222		292		78,675		11,555		90,230		112,599		705,286		715,152	
Funded by:																
Revenues from government	-		(150)		78,560		11,490		90,050		112,599		699,933		661,433	
Sales of goods and services	-		-		-		-		-		-		11,658		12,740	
Other non-taxation revenues	-		-		115		65		180		-		18,095		11,630	
Total departmental revenues	-		(150)		78,675		11,555		90,230		112,599		729,686		685,803	

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Outcome 2	Output Group 2.1							Total
	Output 2.1.1	Output 2.1.2	Output 2.1.3	Output 2.1.4	Output 2.1.5			
	2003 \$'000	2003 \$'000	2003 \$'000	2003 \$'000	2003 \$'000	2003 \$'000	2002 \$'000	
Departmental expenses								
Employees	678	14,241	3,701	549	2,611	21,780	16,279	
Suppliers	1,043	19,109	5,692	845	4,015	30,704	31,746	
Other	130	2,736	711	106	502	4,185	2,428	
Total departmental expenses	1,851	36,086	10,104	1,500	7,128	56,669	50,453	
Funded by:								
Revenues from government	1,800	38,555	9,986	1,459	7,038	58,838	52,142	
Sales of goods and services	17	74	33	14	26	164	441	
Other non-taxation revenues	35	148	66	28	52	329	2,527	
Total departmental revenues	1,852	38,777	10,085	1,501	7,116	59,331	55,110	

Outcome 2	Output Group 2.2					Total
	Output 2.2.1	Output 2.2.2	Output 2.2.3			
	2003 \$'000	2003 \$'000	2003 \$'000	2003 \$'000	2002 \$'000	
Departmental expenses						
Employees	1,149	6,393	644	8,186	6,918	6,918
Suppliers	1,767	9,833	991	12,591	18,277	18,277
Other	221	1,229	124	1,574	1,304	1,304
Total departmental expenses	3,137	17,455	1,759	22,351	26,499	26,499
Funded by:						
Revenues from government	1,202	8,001	1,649	10,852	10,103	10,103
Sales of goods and services	1,912	9,335	40	11,287	10,295	10,295
Other non-taxation revenues	15	76	81	172	537	537
Total departmental revenues	3,129	17,412	1,770	22,311	20,935	20,935

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Outcome 2	Output Group 2.3				Output Group 2.4			Outcome 2	
	Output 2.3.1		Output 2.3.2		Output 2.4.1			Total	
	2003	2003	2003	2003	2003	2002	2003	2002	2003
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Departmental expenses									
Employees	6,765	1,320	8,085	12,307	4,850	6,484	42,901	41,988	
Suppliers	10,404	2,031	12,435	15,873	7,459	6,396	63,189	72,292	
Other	1,300	254	1,554	1,464	932	756	8,245	5,952	
Total departmental expenses	18,469	3,605	22,074	29,644	13,241	13,636	114,335	120,232	
Funded by:									
Revenues from government	18,257	3,542	21,799	23,623	13,085	11,776	104,574	97,644	
Sales of goods and services	58	20	78	194	43	123	11,572	11,053	
Other non-taxation revenues	117	39	156	404	86	235	743	3,703	
Total departmental revenues	18,432	3,601	22,033	24,221	13,214	12,134	116,889	112,400	

Outcome 3	Output Group 3.1			TOTAL	
	Total			TOTAL	
	2003	2002	2003	2003	2002
	\$'000	\$'000	\$'000	\$'000	\$'000
Departmental expenses					
Employees	1,240	1,574	279,529	262,124	
Suppliers	1,908	393	480,632	534,927	
Other	239	33	62,847	40,333	
Total departmental expenses	3,387	2,000	823,008	837,384	
Funded by:					
Revenues from government	3,348	1,874	807,855	760,951	
Sales of goods and services	8	32	23,238	23,825	
Other non-taxation revenues	17	67	18,855	15,400	
Total departmental revenues	3,373	1,973	849,948	800,176	

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Note 30C - Major Classes of Administered Revenues and Expenses by Outcomes

	Outcome 1		Outcome 2		Outcome 3		Total	
	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000
Administered Revenues								
Non-taxation fees and charges	286,310	236,193	12,938	12,915	1,722	-	300,970	249,108
Sales of goods and services	504	745	7,254	6,304	-	-	7,758	7,049
Other non-taxation revenues	88,393	57,044	31	238	3	-	88,427	57,282
Total Administered Revenues	375,207	293,982	20,223	19,457	1,725	-	397,155	313,439
Administered Expenses								
Suppliers	7,960	8,106	96,058	96,464	1,502	456	105,520	105,026
Grants	-	-	28,406	26,151	-	-	28,406	26,151
Personal benefits	11,126	12,660	2,000	317	-	-	13,126	12,977
Subsidies	861	6,133	429	418	-	-	1,290	6,551
Net write-down of assets	90,093	51,540	-	93	-	-	90,093	51,633
Other	4	38	5	1,610	-	-	9	1,648
Total Administered Expenses	110,044	78,477	126,898	125,053	1,502	456	238,444	203,986

Outcomes 1, 2 and 3 are described in Note 1.1.

Net costs shown include intra-government costs that are eliminated in calculating the actual Budget outcome.