

# **Aboriginal Hostels Limited**



# ABORIGINAL HOSTELS LIMITED

## Section 1: Overview, appropriations and budget measures summary

### OVERVIEW

The role of Aboriginal Hostels Limited (AHL) is to provide appropriate temporary accommodation to Aboriginal and Torres Strait Islander people through a national network of 128<sup>3</sup> hostels.

The hostels, operated either by AHL or through grants to community organisations, provide over 3,300 beds each night to assist Aboriginal and Torres Strait Islander people to improve their standard of living and achieve health, aged care, educational and employment related goals.

In providing temporary accommodation services to Aboriginal and Torres Strait Islander people, AHL aims to:

- provide affordable temporary accommodation in areas of greatest need;
- provide hostel accommodation in a cost effective manner;
- provide hostel services of high standard in an appropriate environment;
- increase awareness of our services;
- maintain a high standard of design and accommodation at company hostels;
- provide adequate mechanisms for complaints and appeals;
- employ people who have the appropriate skills and experience needed to do their jobs effectively;
- target recruitment of Aboriginal and Torres Strait Islander people;
- provide staff with skills and knowledge required to do their jobs;

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<sup>3</sup> 2001-02 Aboriginal Hostels Limited Annual Report (page 13)

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- promote a culture in which people perform highly and accept responsibility for their actions;
- provide high quality working conditions and ensuring staff are consulted on organisational change and each new certified agreement;
- provide appropriate plans and policies to assist business management; and
- adopt corporate governance practices that are based on separation of purchaser and provider roles and a balanced scorecard that ensures:
  - effective assessment of performance through service level agreements, and
  - effective mechanisms for management.

AHL identifies temporary accommodation needs of Aboriginal and Torres Strait Islanders by researching emerging needs and consulting with local communities. AHL's principal objective is to provide affordable, accessible and appropriate accommodation. AHL does not compete for clients and sees itself as a 'gap' provider of services. When other suppliers meet the needs of our clients in any location or if need diminishes, AHL relocates its resources to other areas of need.

AHL's outcome is to provide temporary accommodation that assists Aboriginal and Torres Strait Islander people to achieve personal goals to obtain dignity and equity in the Australian community.

## APPROPRIATIONS AND RESOURCING

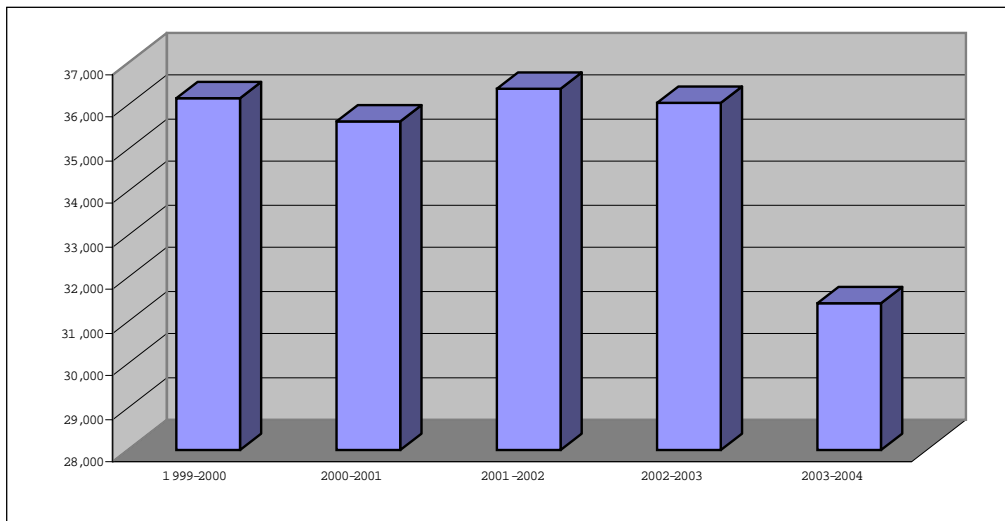
Total appropriations for AHL in the 2003-04 Budget is \$31.4 million<sup>4</sup>. AHL has no 2003-04 Budget measures.

Table 1.1, on the following page, shows the total appropriation for AHL for 2003-04 for the Government planned outcome, by administered expenses, price of outputs, and appropriation.

### TREND IN APPROPRIATIONS FOR OUTCOME 1

Financial year	Total appropriations (\$'000)
1999-2000	36,142
2000-01	35,616
2001-02	36,380
2002-03	36,023
2003-04	31,374

**Chart 1: Trend in appropriations for Outcome 1 (\$'000)**



Note: the decrease in funding of \$4.649 million from 2002-03 (when compared with 2003-04) is mainly due to the discontinuation of the Capital Use Charge from 1 July 2003.

<sup>4</sup> Includes annual appropriation of \$2.93 million accrual expenses.

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Aboriginal Hostels Limited - appropriations 2003-04

**Table 1.1: Appropriations and other revenue (\$'000)**

Outcome	Departmental (price of outputs) (\$'000)					Administered (\$'000)				Total appropriations (\$'000)
	Revenue from Government (appropriations)		Revenue from other sources <sup>(4)</sup>	Price of outputs <sup>(3)</sup>	Annual appropriations (\$'000)	Special approp <sup>(5)</sup>	Total admin approp	Total		
	Bill No. 1	Special approps <sup>(5)</sup>	Total			Bill No. 1	Bill No. 2 (SPPs & NAOs) <sup>(2)</sup>			
	(A)	(B)	(C = A+B) (C1) <sup>(1)</sup>	(D)	(E = C+D) (E1) <sup>(1)</sup>	(F)	(G)	(H)	(I = F+G+H) (I1) <sup>(1)</sup>	(J=C+I)
<b>Outcome 1</b> - Provide temporary accommodation that assists Aboriginal and Torres Strait Islander people to achieve personal goals to obtain dignity and equity in the Australian community	31,374	-	31,374	9,930	41,304	-	-	-	-	<b>31,374</b>
			75.9%							
<b>Total</b>	<b>31,374</b>	-	<b>31,374</b>	<b>9,930</b>	<b>41,304</b>	-	-	-	<b>(K2)<sup>(1)</sup></b>	<b>31,374</b>
			(K1) <sup>(1)</sup>	Departmental capital (equity injections and loans)					(K3) <sup>(1)</sup>	-
						Administered capital			(K4) <sup>(1)</sup>	-
						Total appropriations				<b>31,374</b>

- Cells C1, E1 and I1 refer to information provided in Total Resources for Outcome tables. Amounts K1, K2 to Budgeted Statement of Financial Performance, and amounts K3, K4 to Capital Budget Statements.
  - Under the appropriation structure, Bill No. 2 includes Specific Purpose Payments (SPP's), new agency Outcomes (NAO's), administered capital and departmental capital via departmental injections and loans.
  - Refer to Budgeted Statement of Financial Performance for application of agency revenue.
  - Revenue from other sources includes other revenue from government (for example, resources free of charge) and revenue from other sources (for example, sales of goods and services by agencies such as the Australian Bureau of Statistics (ABS) or the Australian Broadcasting Corporation (ABC)). Non-appropriated departmental and administered revenues are details in Table 1.3.
  - Estimated expenses from individual Special Appropriations are shown in Table 1.4.
- Note: Percentage figures indicate the percentage contribution of Revenue from Government (Departmental Appropriations) to the Total Price of Outputs, by outcome.

## RECEIPTS FROM INDEPENDENT SOURCES

**Table 1.3: Receipts from independent sources**

	Estimated revenue	Estimated revenue
	2002-03	2003-04
	\$'000	\$'000
Operating Grants - Department of Health and Ageing	2,800	2,800
Accommodation charges	6,400	6,500
Proceeds from sale of assets	124	310
Interest	400	200
Sundry Revenue	120	120
<b>Total estimated revenue</b>	<b>9,844</b>	<b>9,930</b>

Note: The proportion of receipts from independent sources, which is due to Cost Recovery for AHL, is the total accommodation charges of \$6.5 million for 2003-04. This equates to 65.46 percent of total estimated revenue from receipts from independent sources for 2003-04.

## NON-APPROPRIATION DEPARTMENTAL AND ADMINISTERED

**Table 1.6: Non-appropriation departmental and administered revenue**

	Revised estimate	Budget estimate
	2002-03	2003-04
	\$'000	\$'000
Operating cash - DoHA	2,800	2,800
Accommodation charges	6,400	6,500
Proceeds from sale of assets	124	310
Interest	400	200
Other departmental revenue	120	120
<b>Total Revenue</b>	<b>9,844</b>	<b>9,930</b>

## Section 2: Outcomes and outputs information

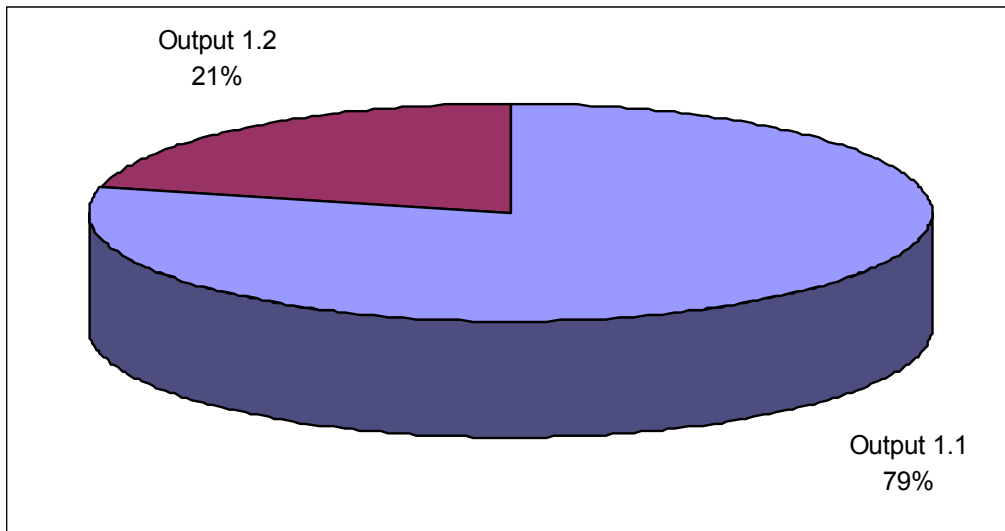
### OUTCOMES AND OUTPUT GROUPS

Aboriginal Hostels Limited works to achieving one outcome specified by Government which is to *provide temporary accommodation that assists Aboriginal and Torres Strait Islander people to achieve personal goals to obtain dignity and equity in the Australian community*. The following section provides a departmental overview, and then the outcome is discussed. The map on the following page shows the relationship between the outcome.

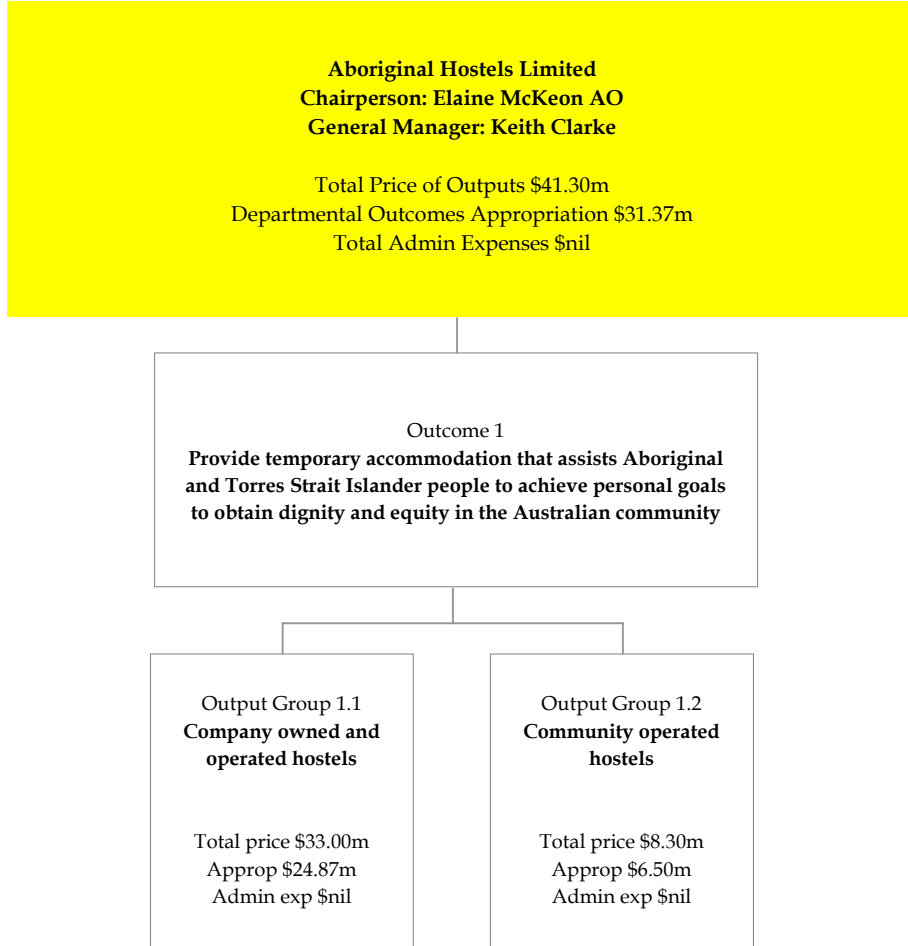
### OUTPUT COST ATTRIBUTION

The methodology used in allocating general overheads and other expenses has been limited to normal indexation increases as supplemented in the budget appropriation and those based on past performance with actuals.

**Chart 2: Departmental appropriations by output 2003-04**



**Map 2: Outcomes and output groups**



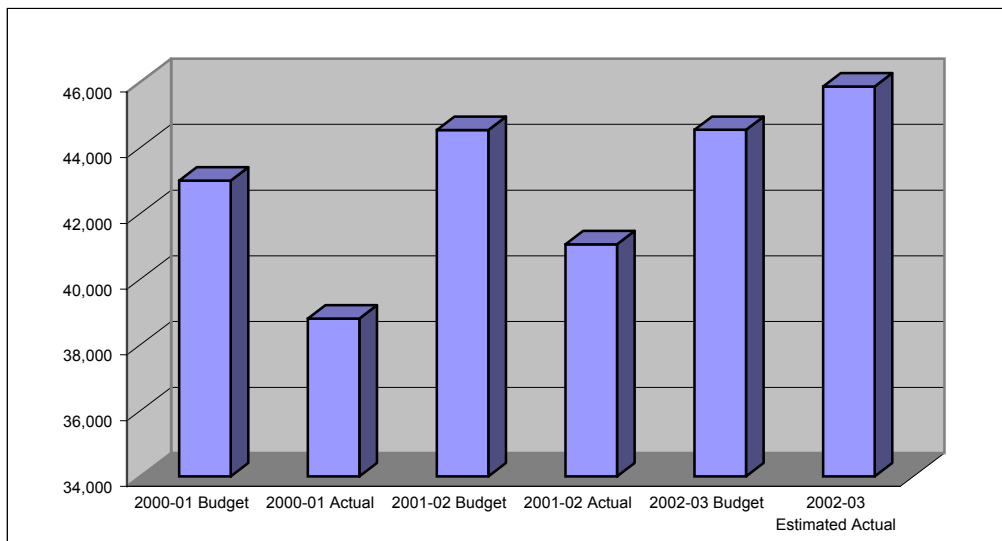
**TRENDS IN RESOURCING ACROSS OUTCOMES**

Financial Year	Budget (\$'000)	Actual (\$'000)
2000-01	43,000	38,805
2001-02	44,537	41,061
2002-03	44,543	45,867*

\*This represents estimated actuals for 2002-03

The actuals have been below budget for the years 2000-01 and 2001-02 mainly due to the delay in the start of the major maintenance program at the company owned hostels and lower than expected community hostels grants program.

**Chart 3: Trends in resourcing across outcomes (\$'000)**



## OUTCOME 1 — RESOURCING

Table 2.1.1 shows how the 2003-04 Budget appropriations translate to total resourcing for outcome 1, including administered expenses, revenue from government (appropriation), revenue from other sources, and the total price of outputs. Cell references **C1**, **E1** And **I1** show the links back to Table 1.1 the Appropriation Table.

**Table 2.1.1: Total resources for Outcome 1 (\$'000)**

	Estimated actual 2002-03 \$'000	Budget estimate 2003-04 \$'000	
<b>Administered appropriations</b>	-	-	
<b>Total administered appropriations</b>	-	-	(I1) <sup>(1)</sup>
<b>Departmental appropriations</b>			
Output Group 1.1 - Company owned and operated hostels	28,223	24,874	
Output Group 1.2 - Community operated hostels	7,800	6,500	
<b>Subtotal Output Group 1</b>	<b>36,023</b>	<b>31,374</b>	(C1) <sup>(1)</sup>
<b>Total revenue from government (appropriations)</b>	<b>36,023</b>	<b>31,374</b>	
<b>Contributing to price of departmental outputs</b>	<b>78.5%</b>	<b>75.9%</b>	
<b>Revenue from other sources</b>			
Output Group 1.1 - Company owned and operated hostels	8,044	8,130	
Output Group 1.2 Community operated hostels	1,800	1,800	
<b>Total revenue from other sources</b>	<b>9,844</b>	<b>9,930</b>	
<b>Total price from departmental outputs</b> (Total revenue from government and from other sources)	<b>45,867</b>	<b>41,304</b>	(E1) <sup>(1)</sup>
<b>Total estimated resourcing for Outcome 1</b> (Total price of outputs and administered appropriations)	<b>45,867</b>	<b>41,304</b>	
<b>Average staffing level (number)</b>	405	405	

## OUTCOME 1 — CONTRIBUTION OF OUTPUTS

Table 2.2.1, below, lists the performance information that AHL will use to assess the level of its contribution to the achievement of outcome 1 during 2003-04. There are no administered items. The table also shows the efficiency of the outputs in contributing to the outcome. Information shown is both quantitative and qualitative.

Achievement of planned performance will be reported in the AHL 2003-04 annual report.

## PERFORMANCE INFORMATION FOR OUTCOME 1

**Table 2.2.1: Performance information for Outcome 1**

EFFECTIVENESS - OVERALL ACHIEVEMENTS OF THE OUTCOME	
Average Occupancy level in company owned hostels	70% bed occupancy rate
Average Occupancy level in community owned hostels	70% bed occupancy rate

PERFORMANCE INFORMATION FOR DEPARTMENTAL OUTPUT	
Outcome 1 - Provide temporary accommodation services to Aboriginal and Torres Strait Islander People	
Output 1.1 - Company owned and operated hostels	Quantity: 1,400 beds per night. Quality: 75% of residents surveyed satisfaction.
Output 1.2 - Community operated hostels	Quantity: 1,700 beds per night. Quality: 75% of residents surveyed satisfaction

Note: AHL only provides part subsidy for the operation costs of community operated hostels. The combined costs for price based on 3,300 beds is \$48.96 per bed per night which includes provision of three meals a day.

## **EVALUATIONS**

Ongoing evaluations of all Aboriginal hostels will continue. The following areas have been scheduled for review during 2003-04:

- Adelaide/Murray Bridge/Port Augusta;
- Port Hedland/Fitzroy Crossing/Wyndham/ Kununurra;
- Lismore/Ipswich;
- Dubbo/Newcastle/Sydney Secondary Education;
- Cairns/Thursday Island/Weipa;
- Perth/Kalgoorlie/Meekatharra;
- Brisbane/Stradbroke Island;
- Armidale; and
- Bundaberg/Cherbourg/Rockhampton/Woorabinda/Dalby/Charleville.

Information on planned evaluation activity that relates to this outcome will be shown in the AHL 2003-04 annual report.

## **COMPETITIVE TENDERING**

There are a number of activities that contribute to the production of sub-outputs that are contracted out. These include:

- project management for major repairs and maintenance;
- project management for major construction works;
- Information Technology support and network administration services;
- records management services;
- payroll processing;
- printing/graphical design and desktop publishing;
- legal services;

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- vehicle leasing;
- property insurance services;
- travel management services;
- accounting system support services;
- Goods and Services Tax support services; and
- Fringe Benefits Tax Support services.

## Section 3: Budgeted financial statements

### **ANALYSIS OF BUDGETED FINANCIAL STATEMENTS**

#### **Budgeted Departmental Statement of Financial Performance**

The major variations between estimated actuals for 2002-03 and budget estimate for 2003-04 in the Statement of Financial Performance are as follows:

##### **Revenue**

Revenue from Government: This has decreased by \$4.649 million in 2003-04 as a result of discontinuation of the Capital Use Charge appropriation to agencies from 1 July 2003;

Accommodation Charges: This is expected to increase by \$0.100 million in 2003-04 due to the provision for the review and increase of tariff charges in line with the expected adjustments in the Centrelink benefits of residents staying at AHL Hostels; and

Interest Income: Interest income is expected to fall by \$0.200 million due to lower interest rate and lower cash levels being available for investment.

##### **Expenses**

Salaries and employee benefits: These benefits have been increased by \$1.002 million to accommodate the likely costs in the certified agreement making process during 2003-04. It also accommodates salaries and employee costs for new hostel operations during the 2003-04 financial year and an increase in employer superannuation contributions.

Food, materials, services and sundry expenses: This line item has increased by \$0.420 million mainly to absorb CPI increases and to cater for increased expenses as a result of new hostel operations during the 2003-04 financial year.

#### **Budgeted Departmental Statement of Financial Position**

The major variations between estimated actuals for 2002-03 and budget estimate for 2003-04 in the Statement of Financial Position are as follows:

The Statement of Financial Position is static when compared between 2002-03 and 2003-04 financial years due to decrease in investment activities into non-current assets. This activity is expected to pick up from 2004-05 financial years and this mainly involves use of the depreciation funding to redevelop some of the existing hostels in need of urgent major repairs and maintenance works.

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The receivables are decreasing and those included represent normal receivables such as GST refunds due from ATO and trade debtors.

The liabilities are expected to remain at level for the next three financial years.

#### **Budgeted Departmental Statement of Cash Flows**

The major variations between estimated actuals for 2002-03 and budget estimate for 2003-04 in the Statement of Cash Flows are as follows:

The decrease in total cash to be received in 2003-04 is linked to the discontinuation of the Capital Use Charge appropriation from 1 July 2003.

The increase in payments to suppliers and employees is in line with the comments provided under the expenses category in the Statement of Financial Performance.

The purchase of property, plant and equipment has decreased by \$2 million to bring back expenditure to the level of the depreciation funding and those available from the proceeds of property sales. The expenditure under this line item increases from 2004-05 and this mainly involves use of the depreciation funding to redevelop some of the existing hostels in need of urgent major repairs and maintenance works.

Capital use and dividends paid has decreased by 100% due to discontinuation of the Capital Use Charge appropriation from 1 July 2003.

## **BUDGETED FINANCIAL STATEMENTS**

### **Departmental financial statements**

The following budgeted financial statements for AHL are presented in this section:

- Budgeted Departmental Statement of Financial Performance.
- Budgeted Departmental Statement of Financial Position.
- Budgeted Departmental Statement of Cash Flows.
- Departmental Capital Budget Statement.
- Departmental Non Financial Assets – Summary of Movement.

**Table 3.1: Budgeted Departmental Statement of Financial Performance**  
for the period ended 30 June

		Estimated actual 2002-03 Note	Budget estimate 2003-04 \$'000	Forward estimate 2004-05 \$'000	Forward estimate 2005-06 \$'000	Forward estimate 2006-07 \$'000
<b>REVENUE</b>						
<b>Revenues from ordinary activities</b>						
Revenues from government <sup>(K1)</sup>	1	36,023	31,374	31,997	32,634	33,284
Government Grants - DoHA		2,800	2,800	2,800	2,800	2,800
Accommodation charges		6,400	6,500	6,600	6,700	6,800
Interest		400	200	200	200	200
Revenue from sales of assets		124	310	-	-	-
Sundry Revenue		120	120	120	120	120
<b>Revenues from ordinary activities</b>		<b>45,867</b>	<b>41,304</b>	<b>41,717</b>	<b>42,454</b>	<b>43,204</b>
<b>EXPENSE</b>						
<b>Expenses from ordinary activities</b>						
<b>(excluding borrowing costs expense)</b>						
Employees	3	19,000	20,002	20,202	20,502	20,852
Food, materials, services and sundry expenses	4	9,660	10,080	10,175	10,380	10,575
Community Support Hostel payments		8,000	8,300	8,300	8,400	8,500
Depreciation and amortisation		2,400	2,400	2,500	2,600	2,700
Value of assets sold		200	200	200	200	200
Bad Debts		200	200	200	200	200
<b>Expenses from ordinary activities</b>		<b>39,460</b>	<b>41,182</b>	<b>41,577</b>	<b>42,282</b>	<b>43,027</b>
<b>(excluding borrowing costs expense)</b>						
Borrowing costs expense		-	-	-	-	-
<b>Operating surplus or deficit</b>		<b>6,407</b>	<b>122</b>	<b>140</b>	<b>172</b>	<b>177</b>
<b>from ordinary activities</b>						
Gain or loss on extraordinary items		-	-	-	-	-
Capital Use Charge		6,303	-	-	-	-
<b>Net surplus or deficit</b>		<b>104</b>	<b>122</b>	<b>140</b>	<b>172</b>	<b>177</b>

(K1) links to table 1.1

**Table 3.2: Budgeted Departmental Statement of Financial Position**  
as at 30 June

	Estimated actual 2002-03	Budget estimate 2003-04	Forward estimate 2004-05	Forward estimate 2005-06	Forward estimate 2006-07	
Note	\$'000	\$'000	\$'000	\$'000	\$'000	
<b>ASSETS</b>						
<b>Financial assets</b>						
Cash	6	12,776	13,098	11,538	10,110	8,787
Receivables		1,452	1,252	1,052	852	652
<b>Total financial assets</b>		<b>14,228</b>	<b>14,350</b>	<b>12,590</b>	<b>10,962</b>	<b>9,439</b>
<b>Non-financial assets</b>						
Property, plant and equipment	5	46,826	46,826	48,726	50,526	52,226
<b>Total non-financial assets</b>		<b>46,826</b>	<b>46,826</b>	<b>48,726</b>	<b>50,526</b>	<b>52,226</b>
<b>Total assets</b>		<b>61,054</b>	<b>61,176</b>	<b>61,316</b>	<b>61,488</b>	<b>61,665</b>
<b>LIABILITIES</b>						
<b>Current Liabilities</b>						
<b>Provisions</b>						
Employees		1,750	1,750	1,750	1,750	1,750
<b>Total Provisions</b>		<b>1,750</b>	<b>1,750</b>	<b>1,750</b>	<b>1,750</b>	<b>1,750</b>
<b>Payables</b>						
Suppliers		1,200	1,200	1,200	1,200	1,200
<b>Total Payables</b>		<b>1,200</b>	<b>1,200</b>	<b>1,200</b>	<b>1,200</b>	<b>1,200</b>
<b>Total Current liabilities</b>		<b>2,950</b>	<b>2,950</b>	<b>2,950</b>	<b>2,950</b>	<b>2,950</b>
<b>Non Current Liabilities</b>						
Employees		800	800	800	800	800
<b>Total Non Current liabilities</b>		<b>800</b>	<b>800</b>	<b>800</b>	<b>800</b>	<b>800</b>
<b>Total liabilities</b>		<b>3,750</b>	<b>3,750</b>	<b>3,750</b>	<b>3,750</b>	<b>3,750</b>
<b>EQUITY</b>						
<b>Parent entity interest</b>						
Contributed equity		54,442	54,442	54,442	54,442	54,442
Retained surpluses or accumulated deficits	8	2,862	2,984	3,124	3,296	3,473
<b>Total parent entity interest</b>		<b>57,304</b>	<b>57,426</b>	<b>57,566</b>	<b>57,738</b>	<b>57,915</b>
<b>Total equity</b>		<b>57,304</b>	<b>57,426</b>	<b>57,566</b>	<b>57,738</b>	<b>57,915</b>
<b>Total assets and liabilities by maturity</b>						
<b>Current assets</b>		<b>14,228</b>	<b>14,350</b>	<b>12,590</b>	<b>10,962</b>	<b>9,439</b>
<b>Non-current assets</b>		<b>46,826</b>	<b>46,826</b>	<b>48,726</b>	<b>50,526</b>	<b>52,226</b>
<b>Current liabilities</b>		<b>2,950</b>	<b>2,950</b>	<b>2,950</b>	<b>2,950</b>	<b>2,950</b>
<b>Non-current liabilities</b>		<b>800</b>	<b>800</b>	<b>800</b>	<b>800</b>	<b>800</b>

**Table 3.3: Budgeted Departmental Statement of Cash Flows**  
for the period ended 30 June

	Estimated actual 2002-03 Note	Budget estimate 2003-04 \$'000	Forward estimate 2004-05 \$'000	Forward estimate 2005-06 \$'000	Forward estimate 2006-07 \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Receipts from customers		6,500	6,600	6,700	6,800
Appropriations	1	31,374	31,997	32,634	33,284
Interest		200	200	200	200
Government grants - DoHA		2,800	2,800	2,800	2,800
Other		120	120	120	120
<b>Total cash received</b>		<b>40,994</b>	<b>41,717</b>	<b>42,454</b>	<b>43,204</b>
<b>Cash used</b>					
Payments to suppliers and employees	7	38,382	38,677	39,282	39,927
<b>Total cash used</b>		<b>38,382</b>	<b>38,677</b>	<b>39,282</b>	<b>39,927</b>
<b>Net cash from/ (used by) operating activities</b>	6	<b>2,612</b>	<b>3,040</b>	<b>3,172</b>	<b>3,277</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash received</b>					
Proceeds from sales of property, plant and equipment		-	-	-	-
<b>Total cash received</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash used</b>					
Purchase of property, plant and equipment	5	2,600	4,600	4,600	4,600
Other		(310)	-	-	-
<b>Total cash used</b>		<b>2,290</b>	<b>4,600</b>	<b>4,600</b>	<b>4,600</b>
<b>Net cash from/ (used by) investing activities</b>		<b>(2,290)</b>	<b>(4,600)</b>	<b>(4,600)</b>	<b>(4,600)</b>
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Other		-	-	-	-
<b>Total cash received</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash used</b>					
Capital use charge paid	8	-	-	-	-
<b>Total cash used</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net cash from/ (used by) financing activities</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net increase/(decrease) in cash held</b>		<b>322</b>	<b>(1,560)</b>	<b>(1,428)</b>	<b>(1,323)</b>
Cash at the beginning of the reporting period		12,776	13,098	11,538	10,110
<b>Cash at the end of the reporting period</b>		<b>13,098</b>	<b>11,538</b>	<b>10,110</b>	<b>8,787</b>

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**Table 3.4: Departmental Capital Budget Statement**

	Estimated actual 2002-03 \$'000	Budget estimate 2003-04 \$'000	Forward estimate 2004-05 \$'000	Forward estimate 2005-06 \$'000	Forward estimate 2006-07 \$'000
<b>CAPITAL APPROPRIATIONS</b>					
Total equity injections <sup>(K3)1</sup>	-	-	-	-	-
Total loans <sup>(K3)1</sup>	-	-	-	-	-
<b>Represented by</b>					
Purchase of non-current assets	-	-	-	-	-
Other	-	-	-	-	-
<b>Total</b>	-	-	-	-	-
<b>PURCHASE OF NON CURRENT ASSETS</b>					
Funded by capital appropriation	-	-	-	-	-
Funded internally by					
Departmental resources	4,600	2,600	4,600	4,600	4,600

1 These two lines link to (K3) in Table 1.1

**Table 3.5: Departmental Non-financial Assets — Summary of Movement (Budget year 2003-04)**

	Land	Buildings	Specialist military equipment	Other infrastructure plant and equipment	Heritage and cultural assets	Computer software	Other intangibles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at the start of year	4,024	40,273	-	2,529	-	-	-	46,826
Additions	-	2,300	-	300	-	-	-	2,600
Disposals	(50)	(150)	-	-	-	-	-	(200)
Revaluation increments	-	-	-	-	-	-	-	-
Recoverable amount write-downs	-	-	-	-	-	-	-	-
Net transfers free of charge	-	-	-	-	-	-	-	-
Depreciation/ amortisation expense	-	(2,200)	-	(200)	-	-	-	(2,400)
Write-off of assets	-	-	-	-	-	-	-	-
Carrying amount at the end of year	3,974	40,223	-	2,629	-	-	-	46,826
<b>Total additions</b>								
Self funded	-	2,300	-	300	-	-	-	2,600
Appropriations	-	-	-	-	-	-	-	-
<b>Total</b>	-	<b>2,300</b>	-	<b>300</b>	-	-	-	<b>2,600</b>

## NOTES TO THE FINANCIAL STATEMENTS

### Notes to the Budgeted Departmental Statement of Financial Performance

	Estimated actual 2002-03 \$'000	Budget estimates 2003-04 \$'000	Forward estimate 2004-05 \$'000	Forward estimate 2005-06 \$'000	Forward estimate 2006-07 \$'000
<b>Note 1: Reconciliation AIMS to the Financial Statements</b>					
The following reconciles the appropriation per AIMS to those disclosed in the financial statements.					
<b>AIMS Appropriation</b>					
Department of Finance and Administration - Cash	26,816	28,444	29,067	29,704	30,354
Administration - Cash Operating Accrual	2,930	2,930	2,930	2,930	2,930
Capital Use Charge (11%)	6,277	-	-	-	-
<b>Total AIMS Appropriation</b>	<b>36,023</b>	<b>31,374</b>	<b>31,997</b>	<b>32,634</b>	<b>33,284</b>
<b>Note 2: Revenue from Ordinary Activities</b>					
Appropriations	36,023	31,374	31,997	32,634	33,284
Grant - Department of Health and Ageing	2,800	2,800	2,800	2,800	2,800
Accommodation charges	6,400	6,500	6,600	6,700	6,800
Interest Received	400	200	200	200	200
Sundry Revenue	120	120	120	120	120
Proceeds from sale of assets	124	310	-	-	-
<b>Total revenue from ordinary activities</b>	<b>45,867</b>	<b>41,304</b>	<b>41,717</b>	<b>42,454</b>	<b>43,204</b>
<b>Note 3: Salaries and Employee Benefits</b>					
Wages and salaries	15,180	15,400	15,500	15,600	15,800
Superannuation contributions	1,800	2,232	2,332	2,432	2,532
Director's Remuneration	120	120	120	120	120
Annual leave entitlements	1,500	1,800	1,800	1,900	1,950
Conditions of service	150	200	200	200	200
Long Service Leave	250	250	250	250	250
<b>Total salaries and employee benefits</b>	<b>19,000</b>	<b>20,002</b>	<b>20,202</b>	<b>20,502</b>	<b>20,852</b>

**Notes to the Budgeted Departmental Statement of Financial Performance  
(continued)**

	Estimated actual 2002-03 \$'000	Budget estimates 2003-04 \$'000	Forward estimate 2004-05 \$'000	Forward estimate 2005-06 \$'000	Forward estimate 2006-07 \$'000
<b>Note 4: Materials, Services and Sundries</b>					
Repairs and planned maintenance	2,030	2,050	2,100	2,150	2,200
Food	1,770	1,800	1,820	1,850	1,900
Fuel and power	940	950	960	970	980
Travel	600	600	600	600	600
Telephone and facsimile	400	410	420	430	440
Rent	600	620	630	630	650
Motor vehicle hire and running	700	720	730	750	770
Cleaning	300	310	320	330	340
Rates	300	310	315	320	325
Workers compensation insurance	400	400	400	400	400
Minor equipment replacement	250	300	250	250	250
Printing and stationary	140	150	160	170	180
Training	250	250	250	300	300
Data processing	50	60	60	60	60
Staff advertising and transfer	130	150	160	170	180
Postage	70	80	80	80	80
Marketing	150	150	150	150	150
Information Technology	180	200	200	200	200
Auditor's remuneration	110	110	110	110	110
Management consultancy	90	60	60	60	60
Other Insurance	90	300	300	300	300
Sundries	110	100	100	100	100
<b>Total material, services and sundries</b>	<b>9,660</b>	<b>10,080</b>	<b>10,175</b>	<b>10,380</b>	<b>10,575</b>
<b>Note 5: Property, Plant and Equipment</b>					
<b>Opening Balance</b>	62,211	66,611	69,011	73,411	77,811
Additions	4,600	2,600	4,600	4,600	4,600
Disposals	(200)	(200)	(200)	(200)	(200)
Other Movements	-	-	-	-	-
Closing Balance	66,611	69,011	73,411	77,811	82,211
<b>Accumulated Depreciation</b>					
Opening Balance	17,385	19,785	22,185	24,685	27,285
Charges	2,400	2,400	2,500	2,600	2,700
Closing balance	19,785	22,185	24,685	27,285	29,985
<b>Net Book Value</b>	<b>46,826</b>	<b>46,826</b>	<b>48,726</b>	<b>50,526</b>	<b>52,226</b>

Part C: AHL Budget Statements

**Notes to the Budgeted Departmental Statement of Financial Position**

	Estimated actual 2002-03 \$'000	Budget estimates 2003-04 \$'000	Forward estimate 2004-05 \$'000	Forward estimate 2005-06 \$'000	Forward estimate 2006-07 \$'000
<b>Note 6: Cash Flow Information</b>					
Reconciliation of net cash flow from operating activities to operating profits.					
<b>Operating Profit</b>	6,407	122	140	172	177
Depreciation	2,400	2,400	2,500	2,600	2,700
Doubtful debts	200	200	200	200	200
Loss on disposal of assets	200	200	200	200	200
Proceeds from sale of assets	(124)	(310)	-	-	-
<b>Changes in assets and liabilities</b>					
Gross Receivable	-	-	-	-	-
Payable	-	-	-	-	-
Charges to provisions	-	-	-	-	-
<b>Cash flow operations</b>	<b>9,083</b>	<b>2,612</b>	<b>3,040</b>	<b>3,172</b>	<b>3,277</b>
<b>Note 7: Cash Payments Reconciliation</b>					
<b>Total expenses:</b>	<b>39,460</b>	<b>41,182</b>	<b>41,577</b>	<b>42,282</b>	<b>43,027</b>
Depreciation	(2,400)	(2,400)	(2,500)	(2,600)	(2,700)
Doubtful debts	(200)	(200)	(200)	(200)	(200)
Cost of disposal of assets	(200)	(200)	(200)	(200)	(200)
Movement in provisions	-	-	-	-	-
Movement in creditors	-	-	-	-	-
<b>Total Cash Payments</b>	<b>36,660</b>	<b>38,382</b>	<b>38,677</b>	<b>39,282</b>	<b>39,927</b>
<b>Note 8: Equity</b>					
Accumulated gain/loss at beginning of the year	2,758	2,862	2,984	3,124	3,296
Net Profit	6,407	122	140	172	177
Capital use charge paid	(6,303)	-	-	-	-
<b>Retained profits</b>	<b>2,862</b>	<b>2,984</b>	<b>3,124</b>	<b>3,296</b>	<b>3,473</b>
Contributed equity	54,442	54,442	54,442	54,442	54,442
<b>Total Equity</b>	<b>57,304</b>	<b>57,426</b>	<b>57,566</b>	<b>57,738</b>	<b>57,915</b>

## Section 4: Purchaser/Provider and Cost Recovery arrangements

### **PURCHASER/PROVIDER ARRANGEMENTS**

AHL has no purchaser/provider arrangements.

### **SUMMARY OF COST RECOVERY IMPACT STATEMENT**

In line with the Interim Deed of Agreement between the Commonwealth and AHL, tariff charges are set in accordance with a formula based on:

1. the cost to the company of providing services;
2. the ability of the residents to pay for the services provided; and
3. the benefits accruing to the advancement of the Aboriginal and Torres Strait Islander peoples.

The company's standard tariffs are set at levels as reasonably close as practical to:

- *Unemployed Rates*: 60 per cent of the relevant pension/benefits paid by Centrelink including provision for rent assistance;
- *Tertiary Students*: 60 per cent of the relevant pension/benefits paid by Centrelink;
- *Secondary Education*: Tariff rate to be based on all benefits payable under Abstudy including rent assistance;
- *Employed Rates*: 25 per cent of the average full-time adult weekly ordinary time wage;
- *Aged Care*: calculated at 85 per cent of the aged pension or as determined by Government; and
- *Patient Assisted Travel Scheme*: to be set in line with accommodation assistance levels as paid by State/Territory Government Health Departments.

Special rates are determined for children.

The company's tariffs are reviewed every quarter and take into account:

- movements in the Consumer Price Index;
- changes in the National Average Weekly Wage;
- rises in relevant Commonwealth Government pension/benefits paid by Centrelink;

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- rises in company operating costs;
- comparable tariffs charged by alternative accommodation providers; and
- changes in any other statistical indicators at the Board's discretion.

The total accommodation charges estimated to be received during 2003-04 financial year is \$6.5 million as shown in Table 1.3.