

**DEPARTMENT OF IMMIGRATION
AND MULTICULTURAL AND
INDIGENOUS AFFAIRS**

DEPARTMENT OF IMMIGRATION AND MULTICULTURAL AND INDIGENOUS AFFAIRS

Section 1: Overview, variations and measures

AGENCY OVERVIEW

There have been no significant changes to DIMIA's role/mission, outcomes and outputs structure and/or purchaser provider arrangements as a result of additional estimates.

ADDITIONAL ESTIMATES AND VARIATIONS TO OUTCOMES

The department is to receive additional appropriations for a number of measures announced since the 2003-04 Budget and other variations through additional estimates. Details of these variations, and their impact on the appropriation bills by outcome, are explained below.

Departmental

The total price of DIMIA's departmental outputs for 2003-04 has increased from \$808.9 million to \$845.4 million. The \$36.5 million increase comprises:

- € supplementary funding to be received through Appropriation Bill No. 3 of \$5.8 million. The supplementation is to be received for:
 - the additional costs associated with the implementation of government measures announced since the 2003-04 Budget of \$3.7 million,
 - supplementation for increases in the Comcover premium of \$0.5 million, and
 - funding associated with asset transfers from related entities of \$1.6 million; and
- € the net increase of \$30.6 million to revenue estimates not requiring supplementary funding through the 2003-04 Appropriation Bills. This increase comprises:
 - transfers of non-lapsing appropriations between financial years of \$9.7 million,
 - decreases in revenues received under section 31 of the *Financial Management and Accountability (FMA) Act 1997* of \$2.9 million, and
 - revenue from transfer of assets from related entities of \$23.8 million.

Administered

Total estimated administered expenses have decreased from \$342.7 million to \$339.5 million. The \$3.2 million decrease comprises:

- € net savings identified of \$3.0 million;
- € rephasing of funding between financial years; and
- € adjustments to special appropriations.

Detailed explanations of variations to the 2003-04 estimates are outlined in Section 2 by Outcome. Aggregate movements within the financial statements are reviewed in Section 3.

Measures

Measures announced since the 2003-04 Budget

	2003-04 revised estimate \$'000	2004-05 forward estimate \$'000	2005-06 forward estimate \$'000	2006-07 forward estimate \$'000
Departmental appropriations increase/(decrease)				
Outcome 1				
Bill 3				
Alternative detention arrangements - Port Hedland	2,309	-	-	-
Budget estimates – enhanced quality and timeliness	249	252	254	256
Combating maritime people smuggling	747	1,719	1,744	1,770
Combating trafficking in persons: whole of government strategy	331	381	386	391
Bill 4				
Alternative detention arrangements - Port Hedland	170	-	-	-
Combating maritime people smuggling	286	-	-	-
Combating trafficking in persons: whole of government strategy	45	-	-	-
Outcome 2				
Bill 3				
Budget estimates – enhanced quality and timeliness	43	43	44	45
Outcome 3				
Bill 3				
Budget estimates – enhanced quality and timeliness	3	3	3	3
Cross outcome				
Bill 4				
Budget estimates – enhanced quality and timeliness	783	-	-	-
Measure increase/(decrease)	4,966	2,398	2,431	2,465

Other variations to appropriations

Other variations to appropriations since the 2003-04 Budget

	2003-04 revised estimate \$'000	2004-05 forward estimate \$'000	2005-06 forward estimate \$'000	2006-07 forward estimate \$'000
Administered appropriations increase/(decrease)				
Outcome 1				
Bill 3				
Adjustment to administered items for changes in forecast economic parameters	-	-	98	198
Adjustment to administered items for changes in program specific parameters	(3,034)	(2,992)	(3,004)	(3,015)
Movement of funding between financial years - rephasing from 2002-03 to 2003-04	354	-	-	-
Special appropriations				
Adjustment for changes in program specific parameters	(1,000)	(1,000)	(1,000)	(1,000)
Outcome 2				
Bill 3				
Adjustment to administered items for changes in forecast economic parameters	-	(716)	(735)	(780)
Movement of funding between financial years - rephasing from 2002-03 to 2003-04	765	-	-	-
Bill 4 - Specific Purpose Payments (SPP)				
Adjustment to administered items for changes in forecast economic parameters	-	(10)	(11)	(11)
Adjustment for changes in program specific parameters	(336)	-	-	-
Administered increase/(decrease)	(3,251)	(4,718)	(4,652)	(4,608)

Other variations to appropriations since the 2003-04 Budget (continued)

	2003-04 revised estimate \$'000	2004-05 forward estimate \$'000	2005-06 forward estimate \$'000	2006-07 forward estimate \$'000
Departmental appropriations increase/(decrease)				
Outcome 1				
Bill 3				
Adjustment for changes in forecast economic parameters - departmental outputs appropriation	-	(1,460)	(3,116)	(3,702)
Increase of funding associated with the transfer of staff housing facilities on Christmas Island from the Department of Transport and Regional Services (DOTARS) to DIMIA	1,628	1,628	1,628	1,628
Supplementation for increase to Comcover premium	409	-	-	-
Bill na				
Movement of non-lapsing funding between financial years - from 2002-03 to 2003-04	9,705	-	-	-
Outcome 2				
Bill 3				
Adjustment for changes in forecast economic parameters - departmental outputs appropriation	-	(528)	(962)	(1,140)
Supplementation for increase to Comcover premium	80	-	-	-
Outcome 3				
Bill 3				
Adjustment for changes in forecast economic parameters - departmental outputs appropriation	-	(20)	(33)	(38)
Supplementation for increase to Comcover premium	5	-	-	-
Total increase/(decrease)	11,827	(380)	(2,483)	(3,252)

Other variations

Other variations to estimates since the 2003-04 Budget

	2003-04 revised estimate \$'000	2004-05 forward estimate \$'000	2005-06 forward estimate \$'000	2006-07 forward estimate \$'000
Administered revenue from independent sources increase/(decrease)				
Outcome 1				
Immigration fees, fines and other revenue collected on behalf of government	7,727	428	2,147	1,939
Outcome 2				
Immigration fees and other revenue collected on behalf of government	835	747	657	(849)
Total administered revenue increase/(decrease)	8,562	1,175	2,804	1,090
Departmental revenue from independent sources increase/(decrease)				
Outcome 1				
Revision to section 31 (FMA Act) revenue estimates	(2,644)	(585)	(416)	(417)
Transfer of assets from related entities - transfer of the Christmas Island Staff Housing from DOTARS	23,807			
Outcome 2				
Revision to section 31 (FMA Act) revenue estimates	(213)	(166)	(134)	(135)
Outcome 3				
Revision to section 31 (FMA Act) revenue estimates	(6)	(8)	(6)	(6)
Total departmental revenue increase/(decrease)	20,944	(759)	(556)	(558)

Summary of other variations

Revision to estimated administered revenue received from independent sources

The net increase in estimated administered revenue for Outcome 1 is primarily due to an anticipated increase in the application rate for student visas and penalty payments received from passenger carriers, offset by a decrease in estimated fines.

The increase in estimated revenue for Outcome 2 is associated with a forecast increase in applications for decisions on status of Australian citizenship.

Revision to estimated revenue received under section 31 of the FMA Act

The decrease in estimated section 31 revenue (cross outcome/output variation) is primarily due to:

- € a correction to eliminate revenue recognition of internal recoveries undertaken by the Cluster 3 Management Office (C3MO) of approximately \$1.2 million in the current year and forward estimates;
- € the reduction of \$2.1 million in anticipated revenue arising from the operation of the Australian Commerce and Industry Office (ACIO); and
- € minor increases arising from specific cost recovery activities.

Transfer of Christmas Island Staff Housing from the Department of Transport and Regional Services (DOTARS)

DIMIA will recognise the transfer of assets from DOTARS as revenue resulting from assets being transferred from a related entity. This variation will impact on the total price of outputs for Output 1.5.

BREAKDOWN OF ADDITIONAL ESTIMATES BY APPROPRIATION BILL

Table 1.1.1: Appropriation Bill (No. 3) 2003-04

	2002-03 available ¹ \$'000	2003-04 budget \$'000	2003-04 revised \$'000	Additional estimates \$'000	Reduced estimates \$'000
ADMINISTERED ITEMS					
Outcome 1					
Contributing to Australia's society and its economic advancement through the lawful and orderly entry and stay of people	23,299	129,285	126,605	-	(2,680)
Outcome 2					
A society which values Australian citizenship, appreciates cultural diversity and enables migrants to participate equitably	129,298	144,862	145,627	765	-
Outcome 3					
Sound and well-coordinated policies, programs and decision-making processes in relation to Indigenous affairs and reconciliation	1,532	5,554	5,554	-	-
Total administered	154,129	279,701	277,786	765	(2,680)
DEPARTMENTAL OUTPUTS					
Outcome 1					
Contributing to Australia's society and its economic advancement through the lawful and orderly entry and stay of people	688,820	665,059	670,732	5,673	-
Outcome 2					
A society which values Australian citizenship, appreciates cultural diversity and enables migrants to participate equitably	92,845	113,046	113,169	123	-
Outcome 3					
Sound and well-coordinated policies, programs and decision-making processes in relation to Indigenous affairs and reconciliation	3,344	3,343	3,351	8	-
Total departmental	785,009	781,448	787,252	5,804	-
Total administered and departmental	939,138	1,061,149	1,065,038	6,569	(2,680)

Table 1.1.2: Appropriation Bill (No. 4) 2003-04

	2002-03 available ¹ \$'000	2003-04 budget \$'000	2003-04 revised \$'000	Additional estimates \$'000	Reduced estimates \$'000
ADMINISTERED ITEMS					
Specific purpose payments to the states and territories					
Outcome 2					
A society which values Australian citizenship, appreciates cultural diversity and enables migrants to participate equitably	1,139	1,823	1,487	-	(336)
Total administered	1,139	1,823	1,487	-	(336)
DEPARTMENTAL NON-OPERATING					
Equity injections	25,102	13,236	14,520	1,284	-
Total departmental	25,102	13,236	14,520	1,284	-

Note 1: 2002-03 available appropriation is included to allow a comparison of this year's appropriation with what was made available for use in the previous year. Available appropriation is the amount available to be drawn down, and is equal to: Budget Appropriation + Additional Estimates Appropriation + Departmental Items/Adjustments and Borrowings (DIAB) + Advance from the Finance Minister (AFM) - Savings - Rephasings - Other Reductions.

MEASURES — AGENCY SUMMARY**Table 1.2.1: Summary of expense measures since the 2003-04 Budget**

Measure	Outcome & Output	Appropriations 2003-04 (\$'000)			Appropriations 2004-05 (\$'000)			Appropriations 2005-06 (\$'000)			Appropriations 2006-07 (\$'000)		
		Admin expenses	Dept outputs	Total	Admin expenses	Dept outputs	Total	Admin expenses	Dept outputs	Total	Admin expenses	Dept outputs	Total
Alternative detention arrangements - Port Hedland	1.3	-	2,309	2,309	-	-	-	-	-	-	-	-	
Budget estimates – enhanced quality and timeliness	All	-	295	295	-	298	298	-	301	301	-	304	
Combating Maritime People Smuggling	1.3	-	747	747	-	1,719	1,719	-	1,744	1,744	-	1,770	
Combating trafficking in persons: whole of government strategy	1.3	-	331	331	-	381	381	-	386	386	-	391	
Philippines – counter-terrorism assistance	1.3	-	-	-	-	-	-	-	-	-	-	-	

Table 1.2.2: Summary of capital measures since the 2003-04 Budget

Measure	Outcome & Output	Appropriations 2003-04 (\$'000)			Appropriations 2004-05 (\$'000)			Appropriations 2005-06 (\$'000)			Appropriations 2006-07 (\$'000)		
		Admin capital	Dept capital	Total	Admin capital	Dept capital	Total	Admin capital	Dept capital	Total	Admin capital	Dept capital	Total
Alternative detention arrangements - Port Hedland	1	-	170	170	-	-	-	-	-	-	-	-	
Budget estimates – enhanced quality and timeliness	All	-	783	783	-	-	-	-	-	-	-	-	
Combating Maritime People Smuggling	1	-	286	286	-	-	-	-	-	-	-	-	
Combating trafficking in persons: whole of government strategy	1	-	45	45	-	-	-	-	-	-	-	-	

VARIATIONS TO REVENUE FROM OTHER SOURCES THROUGH NET ANNOTATED APPROPRIATION RECEIPTS

Table 1.3: Changes to net annotated appropriation receipts

	Total approp ¹ 2003-04 budget \$'000	Total approp ¹ 2003-04 revised \$'000	Receipts from independent sources budget \$'000	Receipts from independent sources revised \$'000	Increase/ (decrease) \$'000
Outcome 1					
Contributing to Australia's society and its economic advancement through the lawful and orderly entry and stay of people	798,344	810,042	9,610	5,105	(4,505)
Outcome 2					
A society which values Australian citizenship, appreciates cultural diversity and enables migrants to participate equitably	259,731	260,283	13,033	12,846	(187)
Outcome 3					
Sound and well-coordinated policies, programs and decision-making processes in relation to Indigenous affairs and reconciliation	8,897	8,905	31	22	(9)
Equity injections	13,236	14,520	-	-	-
Total	1,080,208	1,093,750	22,674	17,973	(4,701)

Note 1: Total appropriation includes all administered and departmental funding received under Appropriation Bills No. 1, 2, 3 and 4, funding received under special appropriations and non-lapsing departmental former year appropriations that will be recognised in 2003-04.

ESTIMATES OF EXPENSES FROM SPECIAL APPROPRIATIONS

Table 1.4: Estimates of expenses from special appropriations

	Outcome affected	Budget estimate 2003-04 \$'000	Revised estimate 2003-04 \$'000	Increase/ (decrease) \$'000
Estimated expenses				
Statutory self-regulation of migration agents	1	4,000	3,000	(1,000)
Total estimated expenses		4,000	3,000	(1,000)

Explanations of variances from estimates published in the 2003-04 PBS are provided at Section 2.

ESTIMATED SPECIAL ACCOUNT FLOWS

Table 1.5: Estimated special account flows

	Revised estimate - 2003-04, bold figures Final actual - 2002-03, light figures ⁽¹⁾			
	Opening Balance 2003-04 ⁽¹⁾ 2002-03 ⁽¹⁾ \$'000	Receipts 2003-04 2002-03 \$'000	Payments 2003-04 2002-03 \$'000	Closing Balance 2003-04 2002-03 \$'000
Outcome 1				
Australian Population Multicultural and Immigration Research Program Account - section 20 (FMA Act) (A)	277 217	100 100	270 40	107 277
Cross Outcome Special Accounts				
Services for other governments and non-departmental bodies - section 20 (FMA Act) (A)	15 422	1,050 1,149	1,050 1,556	15 15
Other Trust Monies				
- section 20 (FMA Act) (A)	28,498 20,306	75,000 62,751	69,000 54,559	34,498 28,498
Total Special Accounts	28,790 20,945	76,150 64,000	70,320 56,155	34,620 28,790

Note 1: The revised Opening Balance for 2003-04 is the same as the final actual closing balance for 2002-03. This balance may have changed from that shown in the 2003-04 PBS as the actuals for 2002-03 have been updated to reflect the final budget outcome for that year.
A = Administered

REVENUE FROM INDEPENDENT SOURCES

Table 1.6: Revenue from independent sources

	2003-04 budget \$'000	2003-04 revised \$'000	Increase/ (decrease) \$'000
ADMINISTERED REVENUE¹			
Outcome 1			
Application for migration to Australia	71,672	72,234	562
Application for permanent visa onshore	53,333	54,045	712
Application for resident return visa	8,009	8,324	315
Application for student visa	72,236	78,115	5,879
Application for temporary resident visa	29,878	29,218	(660)
Application for visitor visa	49,365	48,542	(823)
Application for migration agent registration	4,000	3,000	(1,000)
Fines from employer sanctions	2,400	-	(2,400)
Forfeited bonds	2,293	2,765	472
Miscellaneous revenue	14,910	15,267	357
Sponsored Professional Development Visa fines	416	12	(404)
Penalty payments by passenger carriers for breaches of section 229 of the <i>Migration Act 1958</i>	1,120	5,500	4,380
Recovery of detention and removal costs	57,181	57,181	-
Second instalment visa application charge	73,626	73,626	-
Sponsorship fees for applications under the employer nomination scheme	1,040	1,138	98
Sponsorship fees for temporary residents	7,086	7,325	239
Total Outcome 1	448,565	456,292	7,727
Outcome 2			
Adult Migrant English Program fees and charges	8,271	7,968	(303)
Application for decisions on status of Australian citizenship	8,406	9,544	1,138
Total Outcome 2	16,677	17,512	835
Outcome 3			
Recovery of litigation costs - Indigenous affairs	400	400	-
Total Outcome 3	400	400	-
Total non-appropriation administered revenue	465,642	474,204	8,562

Note 1: A reclassification of administered revenue categories has occurred since the 2003-04 Budget.

Table 1.6: Revenue from independent sources (continued)

	2003-04 budget \$'000	2003-04 revised \$'000	Increase/ (decrease) \$'000
DEPARTMENTAL REVENUE			
Outcome 1			
Section 31 (FMA Act) revenue	13,348	10,704	(2,644)
Assets transferred from related entities	-	23,807	23,807
Resources received free of charge	862	862	-
Total Outcome 1	14,210	35,373	21,163
Outcome 2			
Section 31 (FMA Act) revenue	13,033	12,820	(213)
Resources received free of charge	176	176	-
Total Outcome 2	13,209	12,996	(213)
Outcome 3			
Section 31 (FMA Act) revenue	31	25	(6)
Resources received free of charge	5	5	-
Total Outcome 3	36	30	(6)
Total non-appropriation departmental revenue	27,455	48,399	20,944

It is estimated that DIMIA will recognise total revenue of \$522.6 million for the 2003-04 financial year. This represents a net increase of \$29.5 million from the 2003-04 Budget estimate. This variation comprises:

- € an increase of \$8.6 million to revenue administered on behalf of the government, consisting of variations to activity levels in respect of immigration fees, fines and other revenue;
- € a reduction of \$2.9 million for estimated revenue associated with departmental cost recovery activity undertaken by authority of section 31 of the FMA Act; and
- € an increase to departmental operating revenues of \$23.8 million relating to staff housing assets transferred to DIMIA from DOTARS.

SUMMARY OF STAFFING CHANGES

Table 1.7: Average staffing level (ASL)

	2003-04 budget	2003-04 revised	Increase/ (decrease)
Outcome 1			
Contributing to Australia's society and its economic advancement through the lawful and orderly entry and stay of people	3,785	3,790	5
Outcome 2			
A society which values Australian citizenship, appreciates cultural diversity and enables migrants to participate equitably	731	731	-
Outcome 3			
Sound and well-coordinated policies, programs and decision-making processes in relation to Indigenous affairs and reconciliation	36	36	-
Total	4,552	4,557	5

Increases to estimated staffing levels for 2003-04 are due to the staffing impact of government measures announced since the 2003-04 Budget.

SUMMARY OF AGENCY SAVINGS

S	Savings from annual appropriations	\$3.0 m
T	Transfer of appropriation monies across outcomes	\$0 m
M	Movements of funding between years	\$0 m
	Total agency savings	\$3.0 m

Outcome 1: Estimated Savings

The saving is due to a net reduction in administered expenditure relating to the Asylum Seeker Assistance Scheme and Refugee, humanitarian and assisted movements — passage and associated costs (\$2.7 million). Further details of variations to resourcing requirements are provided in Section 2.

Outcome 2: Estimated Savings

The saving relates to the decrease in the estimated administered resourcing requirements in 2003-04 for the supervision and welfare support of unaccompanied humanitarian minors of \$0.3 million.

EVALUATIONS

In addition to the evaluations specified on pages 47 and 48 of the 2003-04 PBS, the department is undertaking an evaluation in 2003-04 relating to Output 1.1, a review of the methodology for the risk factor criteria used in the processing of student visas.

COMPETITIVE TENDERING AND CONTRACTING (CTC)

DIMIA will undertake the following additional competitive tendering and contracting (CTC) activity during the 2003-04 financial year:

- € the Transactional Banking Services Contract with the Commonwealth Bank of Australia was signed on 28 October 2003. This contract will enable the department to consolidate its banking arrangements with one provider instead of the current five. The new arrangements will provide economies of scale across services and will achieve pricing benefits and overall value for money. The implementation of this contract has been scheduled for February/March 2004;
- € an RFT closed in May 2003 for an educational assessment service for persons with generalist occupations who hold Australian and/or overseas qualifications. The service covers persons intending to apply to enter Australia under the General Skilled Migration program. The selection process is complete and the preferred tenderer announced. Detailed contract negotiations have commenced and will be finalised in the near future. Applicants applying for a qualification assessment will pay a fee for this service directly to the service provider. There is no payment to or by DIMIA; and
- € amendments to the Cluster 3 IT infrastructure outsourcing contract commenced on 1 July 2003. These changes will provide DIMIA with greater flexibility to meet changing business needs and improved service quality through increased system reliability, stability and availability.

Section 2: Revisions to outcomes and outputs

OUTCOMES AND OUTPUT GROUPS

The department works towards achieving three outcomes specified by government. The following section provides a discussion of changes to outcome by output resulting from additional estimates.

The relationship between the three outcomes and the administered programs and departmental outputs that contribute to them is illustrated in the diagram on the following page.

The structure of the departmental outcomes and outputs remains unchanged from that specified in the 2003-04 PBS.

OUTPUT COST ATTRIBUTION

There is no change to the methodology described in the 2003-04 PBS for allocating overheads and other expenses between outputs to determine full price.

Outcomes and outputs framework

Department of Immigration and Multicultural and Indigenous Affairs

Total Price of Outputs \$845.4 million

Departmental Outcomes Appropriation \$797.0 million

Total Administered Expenses¹ \$282.3 million

Outcome 1 Contributing to Australia's society and its economic advancement through the lawful and orderly entry and stay of people		Outcome 2 A society which values Australian citizenship, appreciates cultural diversity and enables migrants to participate equitably		Outcome 3 Sound and well-coordinated policies, programs and decision-making processes in relation to Indigenous affairs and reconciliation	
Total price \$715.8 million Dept outputs approp \$680.4 million Admin expenses ¹ \$129.6 million		Total price \$126.2 million Dept outputs approp \$113.2 million Admin expenses \$147.1 million		Total price \$3.4 million Dept outputs approp \$3.4 million Admin expenses \$5.6 million	
Output 1.1 Non-Humanitarian Entry and Stay Total price \$244.6m Approp \$238.9m	Output 1.2 Refugee and Humanitarian Entry and Stay Total price \$53.4m Approp \$53.1m	Output 1.3 Enforcement of Immigration Law Total price \$348.4m Approp \$342.9m	Output 2.1 Settlement Services Total price \$69.8m Approp \$69.6m	Output 2.2 Translating and Interpreting Services Total price \$22.3m Approp \$9.7m	Output 3.1 Indigenous Policy Total price \$3.4m Approp \$3.4m
Output 1.4 Safe Haven Total price \$nil Approp \$nil	Output 1.5 Offshore Asylum Seeker Management Total price \$69.4m Approp \$45.6m	Output 2.3 Australian Citizenship Total price \$20.9m Approp \$20.8m	Output 2.4 Appreciation of Cultural Diversity Total price \$13.1m Approp \$13.0m		

Note 1: Does not include expenses of \$57.18 million in respect of the write-down of administered assets (bad debts) associated with the recovery of detention and removal costs (Outcome 1). As this is a non-cash expense, no funding is required from administered appropriations.

OUTCOME 1 — CONTRIBUTING TO AUSTRALIA'S SOCIETY AND ITS ECONOMIC ADVANCEMENT THROUGH THE LAWFUL AND ORDERLY ENTRY AND STAY OF PEOPLE

Measures affecting Outcome 1

Alternative detention arrangements — Port Hedland

	2003-04	2004-05	2005-06	2006-07
<i>Expense (\$m)</i>				
DIMIA	2.3	-	-	-
<i>Related capital (\$m)</i>				
DIMIA	0.2	-	-	-

Explanation

The Government will provide \$2.5 million (including \$0.2 million capital funding) in 2003-04 to support alternative detention arrangements for women and children, through the provision of appropriate residential housing near the Port Hedland detention facility. The new housing project will expand the capacity for residential detention and follows the project originally trialled at Woomera and the announcement in the 2003-04 Budget of a Residential Housing Project near the Baxter detention facility.

The capital funding will meet the cost of refurbishing an existing building to accommodate up to 12 eligible detainees in a more domestic environment.

Further information can be found in the press release of 18 September 2003 issued by the Minister for Immigration and Multicultural and Indigenous Affairs.

Budget estimates – enhanced quality and timeliness

	2003-04	2004-05	2005-06	2006-07
<i>Expense (\$m)</i>				
Cross portfolio	6.1	1.4	0.8	0.2
<i>Related capital (\$m)</i>				
Cross portfolio	0.7	0.6	0.8	..

Explanation

The Government will provide additional funding to agencies of \$88.5 million over five years (including \$0.1 million in 2007-08) to implement the Budget Estimates and Framework Review (BEFR) recommendations. This funding includes capital of \$7.4 million over four years.

In the 2003-04 Budget the Government made provision for \$78 million over five years to improve the accuracy, responsiveness and effectiveness of agencies' contribution to the Commonwealth's budget estimates and framework system and to assist agencies to drive improved financial management and reporting within their organisations. The Government has provided an extra \$10.5 million over five years to fund agencies to implement the BEFR recommendations.

This is a cross-portfolio package, of which DIMIA will receive \$2.0 million over four years of total funding. See also the related expense and capital measures titled *Budget estimates – enhanced quality and timeliness* in the Finance and Administration Portfolio.

Combating Maritime People Smuggling

	2003-04	2004-05	2005-06	2006-07
<i>Expense (\$m)</i>				
DIMIA	0.7	1.7	1.7	1.7
<i>Related capital (\$m)</i>				
DIMIA	0.3	-	-	-

Explanation

The Government will provide \$6.2 million (including \$0.3 million capital funding) over four years to expand the Department of Immigration and Multicultural and Indigenous Affairs network of compliance officers and Airline Liaison Officers in the Asia-Pacific Region.

The compliance officers will help Australia's overseas posts combat irregular people movement. The Airline Liaison Officers will be stationed at key airports to help prevent unlawful entry to Australia through the detection of identity and document fraud and improperly documented passengers.

The capital funding will meet the cost of office fitout and linkage to the Secure Australian Telecommunications and Information Network for the additional compliance officers.

Combating trafficking in persons — whole of government strategy

	2003-04	2004-05	2005-06	2006-07
<i>Expense (\$m)</i>				
DIMIA	0.3	0.4	0.4	0.4
<i>Related capital (\$m)</i>				
DIMIA	0.1	-	-	-

Explanation

The Government will provide \$13.1 million (including \$0.6 million capital funding) over four years to combat people trafficking and sexual servitude in Australia.

A range of initiatives, including the establishment of a mobile people trafficking strike team, improvements to legislation to comprehensively criminalise trafficking activity, and the provision of co-ordinated victim support measures will significantly enhance the detection, investigation and prosecution of traffickers, and help prevent trafficking of persons. The measure includes an amount of \$0.5 million for surveillance and standard-issue equipment for AFP officers.

Further information can be found in the joint press release of 13 October 2003 issued by the Minister for Justice and Customs, the Minister for Immigration and Multicultural and Indigenous Affairs, the Minister for Foreign Affairs, the Minister Assisting the Prime Minister for the Status of Women and the Attorney-General.

This is a cross-portfolio package, of which DIMIA will receive \$1.6 million over four years of total funding. See also the related expense and capital measures titled *Combating trafficking in persons — whole of government strategy* in the Attorney-General's portfolio.

Philippines — counter-terrorism assistance

	2003-04	2004-05	2005-06	2006-07
<i>Expenses (\$m)</i>				
DIMIA	-	-	-	-

Explanation

The Government will provide \$5.0 million over three years (\$1.0 million in 2003-04, \$1.8 million in 2004-05 and \$2.2 million in 2005-06) for a package of practical counter-terrorism assistance to the Philippines Government.

The assistance will involve the provision of policing, immigration, port security and regional cooperation support and training to assist the Philippines to combat terrorism and strengthen the region's counter-terrorism capacity.

The cost of this measure is being fully absorbed from within the existing resourcing of the Australian Agency for International Development (\$4.6 million) and the Department of Immigration and Multicultural and Indigenous Affairs (\$0.4 million).

Further information can be found in the press release of 14 July 2003 issued by the Prime Minister.

This is a cross-portfolio package. See also the related expense measure titled *Philippines — counter-terrorism assistance* in the Foreign Affairs and Trade Portfolio.

Outcome 1 — Resourcing

Table 2.1.1: Revised resources for Outcome 1

	2002-03 available ¹ \$'000	2003-04 budget \$'000	2003-04 revised \$'000	Additional estimates \$'000	Reduced estimates \$'000
ADMINISTERED ITEMS					
Outcome 1					
Allowances for persons on temporary visas in the Humanitarian Program	700	130	130	-	-
Contribution to the secretariat for Inter-governmental consultations on asylum, refugee and migration policies	136	136	136	-	-
Initiatives to address the situation of displaced Afghan and Iraqi refugees	-	10,602	10,602	-	-
International Organization for Migration contribution	780	821	821	-	-
Joint Commonwealth, State and Territory Research Program (for payment to the Australian Population, Multicultural and Immigration Research Program)	50	50	50	-	-
Offshore management of asylum seekers	-	99,125	99,125	-	-
Payments to Australian Red Cross Society for Asylum Seeker Assistance Scheme	12,406	9,469	7,000	-	(2,469)
Payments under section 33 (FMA Act)	138	138	138	-	-
Refugee, humanitarian and assisted movements - passage and associated costs	6,560	6,699	6,134	-	(565)
Reintegration allowances	2,429	2,015	2,369	354	-
Safe Haven allowances	100	100	100	-	-
Special appropriation - statutory self-regulation of migration agents	2,965	4,000	3,000	-	(1,000)
Total administered appropriations	26,264	133,285	129,605	354	(4,034)
Non-cash administered expenses - bad and doubtful debts	36,654	57,181	57,181	-	-
Total administered expenses	62,918	190,466	186,786	354	(4,034)

Table 2.1.1: Revised resources for Outcome 1 (continued)

	2002-03 available ¹ \$'000	2003-04 budget \$'000	2003-04 revised \$'000	Additional estimates \$'000	Reduced estimates \$'000
DEPARTMENTAL OUTPUTS					
Outcome 1					
Output Group 1.1 - Non Humanitarian Entry and Stay	209,445	238,597	238,882	285	-
Output Group 1.2 - Refugee and Humanitarian Entry and Stay	33,809	53,028	53,100	72	-
Output Group 1.3 - Enforcement of Immigration Law	341,046	339,190	342,878	3,688	-
Output Group 1.4 - Safe Haven	-	-	-	-	-
Output Group 1.5 - Offshore Asylum Seeker Management	104,520	34,244	45,577	11,333	-
Total Output Group 1	688,820	665,059	680,437	15,378	-
Total revenue from government (appropriations)	715,084	798,344	810,042	15,732	(4,034)
Contributing to price of departmental outputs	96%	98%	95%	-	-
Revenue from other sources					
Assets transferred from related entities	-	-	23,807	23,807	-
Resources received free of charge	834	862	862	-	-
Section 31 (FMA Act) revenue	28,908	13,348	10,704	-	(2,644)
Other revenue	843	-	-	-	-
Total revenue from other sources	30,585	14,210	35,373	23,807	(2,644)
Total price from departmental outputs (Total revenue from government and from other sources)	719,405	679,269	715,810	39,185	(2,644)
Total estimated resourcing for Outcome 1 (Total price of outputs and administered appropriations)	745,669	812,554	845,415	39,539	(6,678)

Note 1: 2002-03 available appropriation is included to allow a comparison of this year's appropriation with what was made available for use in the previous year. Available appropriation is the amount available to be drawn down, and is equal to: Budget Appropriation + Additional Estimates Appropriation + DIAB + AFM - Savings - Rephasings - Other Reductions.

Explanation of variations

Variations to Outcome 1 administered items

The revised estimates to Outcome 1 administered items comprise:

- € payments to the Australian Red Cross Society for the Asylum Seeker Assistance Scheme: decrease of \$2.5 million. The reduction in expenditure is anticipated due to decreased demand for assistance as a result of the processing and finalisation of the East Timorese Protection Visa caseload;
- € Refugee, humanitarian and assisted movements – passage and associated costs: decrease of approximately \$0.6 million is forecast due to exchange rate fluctuations;
- € Special appropriation – statutory self-regulation of migration agents: decrease of \$1.0 million to align estimates with anticipated revenue outcomes for the financial year. The reduction revises the increase estimated within the 2003-04 Budget due to the commencement of the new fee structure on 1 July 2003; and
- € rephasing of \$0.4 million of unspent 2002-03 funds for payment of reintegration allowances in 2003-04 that have not yet been taken up by Afghans and non-Afghans. The rephased amount is in addition to the \$0.3 million estimated at Budget 2003-04.

Variations to Outcome 1 departmental outputs

The revised estimates to Outcome 1 departmental outputs comprise:

- € supplementation for increases to Comcover premium rates in 2003-04 of \$0.4 million. The Comcover premium is a cross-outcome expense with funding allocated over departmental outputs by the output cost attribution method described at page 51 of the 2003-04 PBS;
- € funding through government measures:
 - Output 1.3 – *Alternative detention arrangements – Port Hedland* of \$2.3 million,
 - Output 1.3 – *Combating Maritime People Smuggling* of \$0.7 million,
 - Output 1.3 – *Combating trafficking in persons — whole of government strategy* of \$0.3 million, and
- Cross output – *Budget estimates – enhanced quality and timeliness* of \$0.3 million;

€ Movement of funding between financial years:

- Output 1.5 – In 2003-04, the department will recognise \$9.7 million of unspent 2002-03 departmental appropriations provided for in the 2002-03 Budget measure package *Protecting Australia's borders*; and

€ Transfer of funding from other agencies:

- Output 1.5 – Transfer of \$1.6 million for the operating costs, including depreciation and maintenance, associated with the transfer of staff housing facilities for the Christmas Island Immigration Reception Processing Centre (IRPC) from DOTARS to DIMIA from 1 July 2003.

Revised performance information and level of achievement – 2003-04

This section provides the revised performance information and level of achievement anticipated in 2003-04 from that published in the 2003-04 PBS. No significant changes have occurred to the performance information for Outcome 1 administered items as a result of additional estimates.

Service standards tables have been included only where significant changes have occurred from the output standards published in the 2003-04 PBS.

Table 2.2.1: Outcome 1 departmental performance information affected by additional estimates

	2003-04 budget	2003-04 revised	Increase/ (decrease)
Output Group 1.1 — Non-humanitarian entry and stay			
Output 1.1.1 — Economic Entry (Permanent)			
Quantity:			
Onshore applications (persons) finalised	24,150	21,885	(2,265)
Offshore applications (persons) finalised	58,474	69,875	11,401
Nomination/sponsorship applications finalised	3,900	5,250	1,350
Output 1.1.2 — Family Entry (Permanent)			
Quantity:			
Onshore applications (persons) finalised	48,419	52,730	4,311
Offshore applications (persons) finalised	53,971	54,535	564
Output 1.1.3 — Special Eligibility			
Quantity:			
Onshore applications (persons) finalised	940	1,020	80
Offshore applications (persons) finalised	175	275	100
Output 1.1.4 — Visitors and Working Holiday Makers			
Quantity:			
Visitor onshore applications (persons) finalised	35,700	29,970	(5,730)
Visitor offshore applications (persons) finalised	721,779	715,750	(6,029)
Working holiday maker offshore applications (persons) finalised	90,054	97,000	6,946
Sanctions issued where there has been breach of visa and/or sponsorship conditions	202	205	3
Electronic Travel Authority (ETA) applications finalised	2,907,944	2,609,000	(298,944)

Table 2.2.1: Outcome 1 departmental performance information affected by additional estimates (continued)

	2003-04 budget	2003-04 revised	Increase/ (decrease)
Output 1.1.5 — Students			
Quantity:			
Onshore applications (persons) finalised	115,174	117,660	2,486
Offshore applications (persons) finalised	118,976	123,910	4,934
Output 1.1.6 — Temporary Residents			
Quantity:			
Sponsored Business (Long Stay) onshore applications (persons) finalised	28,590	31,140	2,550
Other temporary residence onshore applications (persons) finalised	11,969	19,410	7,441
Onshore nomination/sponsorship applications finalised	55,215	61,820	6,605
Sponsored Business (Long Stay) offshore applications (persons) finalised	17,400	19,370	1,970
Sanctions issued where there has been breach of visa and/or sponsorship conditions	55	35	(20)
Other temporary residence offshore applications (persons) finalised	44,815	43,605	(1,210)
Output 1.1.7 — Resident Return Visas, Australian Declaratory Visas and Certificate of Evidence of Residence Status			
Quantity:			
Onshore applications (persons) finalised	65,175	66,060	885
Offshore applications (persons) finalised	7,650	7,240	(410)
Total Price of Output 1.1 (\$ million)	246.3	244.6	(1.7)

Table 2.2.1: Outcome 1 departmental performance information affected by additional estimates (continued)

	2003-04 budget	2003-04 revised	Increase/ (decrease)
Output Group 1.2 — Refugee and humanitarian entry and stay			
Output 1.2.1 — Offshore Humanitarian			
Quantity:			
Applications (persons) finalised	39,989	55,947	15,958
Output 1.2.2 — Protection Visas (onshore)			
Quantity:			
Onshore protection (persons) finalised	7,650	7,650	-
Intervention assessment	8,980	8,980	-
- including post-review assessment	5,123	5,123	-
Matters relating to complaints to and assessments for UN treaty bodies	45	45	-
Persons in detention assisted under the Immigration Advice and Application Assistance Scheme	250	250	-
Total Price of Output 1.2 (\$ million)	53.3	53.4	0.1

Table 2.2.1: Outcome 1 departmental performance information affected by additional estimates (continued)

	2003-04 budget	2003-04 revised	Increase/ (decrease)
Output Group 1.3 — Enforcement of immigration law			
Output 1.3.1 — Regulate Entry and Departure			
Quantity:			
Passenger arrivals/departures	17,759,000	17,759,000	-
ETAs checks and Advance Passenger Processing transactions	10,252,000	10,252,000	-
Output 1.3.2 — Prevent Unlawful Entry			
Quantity:			
Persons refused entry (excluding unauthorised boat arrivals)	916	916	-
Illegal fishers, deserters and stowaways	100	1000	900
Output 1.3.4 — Removals			
Quantity:			
Removals and departures	10,474	10,870	396
Output 1.3.5 — Detention			
Quantity:			
Unauthorised boat arrival detainee days	175,200	97,000	(78,200)
Non-boat detainee days in Immigration Detention Centres and other State facilities	214,211	250,000	35,789
Output 1.3.6 — Litigation			
Quantity:			
Matters resolved	1,800	3,500	1,700
Total Price of Output 1.3 (\$ million)	345.4	348.4	3.0

Table 2.2.1: Outcome 1 departmental performance information affected by additional estimates (continued)

	2003-04 budget	2003-04 revised	Increase/ (decrease)
Output Group 1.5 — Offshore asylum seeker management			
Output 1.5.1 — Other Countries			
No change from 2003-04 PBS	na	na	na
Output 1.5.2 — Offshore Territories			
No change from 2003-04 PBS	na	na	na
Total Price of Output 1.5 (\$ million)	34.2	69.4	35.2

Table 2.2.1.1: Service Standards

	Onshore		Offshore	
	Low Risk	High Risk ¹	Low Risk	High Risk ¹
Output 1.1.3: Special Eligibility				
Other Special Eligibility				
Median processing time	6 months	9 months	9 months	12 months
Revised median	4 months	7 months	7 months	10 months
75 percentile processing time	9 months	13 months	15 months	18 months
Revised 75 percentile	7 months	10 months	10 months	13 months

Note 1: High Risk is defined as those nations for whom ETA is not available.

**OUTCOME 2 — A SOCIETY WHICH VALUES AUSTRALIAN CITIZENSHIP,
APPRECIATES CULTURAL DIVERSITY AND ENABLES MIGRANTS TO
PARTICIPATE EQUITABLY**

Outcome 2 — Resourcing

Table 2.1.2: Revised resources for Outcome 2

	2002-03 available ¹ \$'000	2003-04 budget \$'000	2003-04 revised \$'000	Additional estimates \$'000	Reduced estimates \$'000
ADMINISTERED ITEMS					
Outcome 2					
Adult Migrant English Program	99,522	114,345	114,345	-	-
Assistance for Former Child Migrants	892	1,125	1,458	333	-
Grants for Living in Harmony	1,517	1,469	1,901	432	-
Grants for migrant community services	26,588	27,132	27,132	-	-
Multicultural Affairs	350	350	350	-	-
National Accreditation Authority for Translators and Interpreters Limited - contribution	429	441	441	-	-
Supervision and welfare support of unaccompanied humanitarian minors (SPP2 Bill 2)	1,139	1,823	1,487	-	(336)
Total administered appropriations	130,437	146,685	147,114	765	(336)
DEPARTMENTAL OUTPUTS					
Outcome 2					
Output Group 2.1 - Settlement Services	48,119	69,555	69,609	54	-
Output Group 2.2 - Translating and Interpreting Services	10,533	9,672	9,698	26	-
Output Group 2.3 - Australian Citizenship	21,126	20,801	20,826	25	-
Output Group 2.4 - Appreciation of Cultural Diversity	13,067	13,018	13,036	18	-
Total Output Group 2	92,845	113,046	113,169	123	-
Total revenue from government (appropriations)	92,845	113,046	113,169	123	-
Contributing to price of departmental outputs	88%	90%	90%	-	-
Revenue from other sources					
Resources received free of charge	156	176	176	-	-
Section 31 (FMA Act) revenue	12,177	13,033	12,820	-	(213)
Other revenue	137	-	-	-	-
Total revenue from other sources	12,470	13,209	12,996	-	(213)

Table 2.1.2: Revised resources for Outcome 2 (continued)

	2002-03 available \$'000	2003-04 budget \$'000	2003-04 revised \$'000	Additional estimates \$'000	Reduced estimates \$'000
Total price from departmental outputs (Total revenue from government and from other sources)	105,315	126,255	126,165	123	(213)
Total estimated resourcing for Outcome 2 (Total price of outputs and administered appropriations)	235,752	272,940	273,279	888	(549)

Note 1: 2002-03 available appropriation is included to allow a comparison of this year's appropriation with what was made available for use in the previous year. Available appropriation is the amount available to be drawn down, and is equal to: Budget Appropriation + Additional Estimates Appropriation + DIAB + AFM - Savings - Rephasings - Other Reductions.

Outcome 2 — Variations impacting appropriation

Variations to Outcome 2 administered items

The revised estimates to Outcome 2 administered items comprise:

- € rephased appropriations from 2002-03 to 2003-04, including:
 - \$0.3 million for Assistance for Former Child Migrants, and
 - \$0.4 million for grants for Living in Harmony; and
- € a decrease in estimated resourcing of \$0.3 million in 2003-04 due to ongoing negotiation of revised cost sharing arrangements for the supervision and welfare support of unaccompanied humanitarian minors with state and territory governments.

Variations to Outcome 2 departmental outputs

The revised estimates to Outcome 2 departmental outputs comprise:

- € supplementation for increases to Comcover premium rates in 2003-04 of \$0.1 million. The Comcover premium is a cross-outcome expense, and funding has been allocated over departmental outputs by the output cost attribution method described at page 51 of the 2003-04 PBS; and
- € Funding through the government measure *Budget estimates – enhanced quality and timeliness* of \$0.04 million.

Revised performance information and level of achievement – 2003-04

This section provides the revised performance information and level of achievement anticipated in 2003-04 from that published in the 2003-04 PBS. No significant changes have occurred to the performance information for Outcome 2 administered items as a result of additional estimates.

Table 2.2.2: Outcome 2 departmental performance information affected by additional estimates

	2003-04 budget	2003-04 revised	Increase/ (decrease)
Output Group 2.1 — Settlement services			
Output 2.1.1 — Settlement Planning and Information Delivery			
No change from 2003-04 PBS	na	na	na
Output 2.1.2 — Humanitarian Settlement Services			
Quantity:			
Offshore Humanitarian Program entrants assisted	7,885	11,500	3,615
Output 2.1.3 — Support for Community Services			
Quantity:			
Core funding to MRC/MSA grants	31	30	(1)
Funded work programs administered	363	360	(3)
Output 2.1.4 — AMEP Administration			
Quantity:			
Major AMEP related contracts administered	22	18	(4)
Output 2.1.4 — Fee-free Translating and Interpreting Services			
Quantity:			
Document translations purchased	17,100	10,000	(7,100)
Telephone interpreting services purchased	86,000	86,000	-
On-site interpreting visits purchased	23,000	23,000	-
Total Price of Output 2.1 (\$ million)	69.9	69.8	(0.1)

Table 2.2.2: Outcome 2 departmental performance information affected by additional estimates (continued)

	2003-04 budget	2003-04 revised	Increase/ (decrease)
Output Group 2.2 — Translating and interpreting services			
Output 2.2.2 — Document Translating			
Quantity:			
Documents translated	17,100	10,000	(7,100)
Output 2.2.2 — Telephone Interpreting			
Quantity:			
Telephone interpreting calls	290,000	350,000	60,000
Output 2.2.3 — On-site Interpreting			
Quantity:			
On-site interpreting visits	78,000	65,000	(13,000)
Total Price of Output 2.2 (\$ million)	22.4	22.3	(0.1)
Output Group 2.3 — Australian Citizenship			
Output 2.3.2 — Decisions on Australian Citizenship Status			
Quantity:			
Decisions (persons) on citizenship status made	93,401	102,401	9,000
- including applications (persons) for grant finalised	73,000	82,000	9,000
Output 2.3.2 — Promotion of the Value of Australian Citizenship			
No change from 2003-04 PBS	na	na	na
Total Price of Output 2.3 (\$ million)	20.9	20.9	..
Output Group 2.4 – Appreciation of cultural diversity			
Output 2.4.1 — Appreciating Cultural Diversity			
No change from 2003-04 PBS	na	na	na
Total Price of Output 2.4 (\$ million)	13.1	13.1	..

OUTCOME 3 — SOUND AND WELL-COORDINATED POLICIES, PROGRAMS AND DECISION-MAKING PROCESSES IN RELATION TO INDIGENOUS AFFAIRS AND RECONCILIATION

Outcome 3 — Resourcing

Table 2.1.3: Revised resources for Outcome 3

	2002-03 available ¹ \$'000	2003-04 budget \$'000	2003-04 revised \$'000	Additional estimates \$'000	Reduced estimates \$'000
ADMINISTERED ITEMS					
Outcome 3					
Cross portfolio Indigenous flexible funding arrangements	-	3,000	3,000	-	-
Indigenous affairs litigation	1,532	1,500	1,500	-	-
Reconciliation Place - completion of stage two	-	1,054	1,054	-	-
Total administered appropriations	1,532	5,554	5,554	-	-
DEPARTMENTAL OUTPUTS					
Outcome 3					
Output 3.1 - Indigenous Policy	3,344	3,343	3,351	8	-
Total Output Group 3	3,344	3,343	3,351	8	-
Total revenue from government (appropriations)	3,344	3,343	3,351	8	-
Contributing to price of departmental outputs	99%	99%	99%	-	-
Revenue from other sources					
Section 31 (FMA Act) revenue	26	31	25	-	(6)
Resources received free of charge	4	5	5	-	-
Other revenue	4	-	-	-	-
Total revenue from other sources	34	36	30	-	(6)
Total price from departmental outputs (Total revenue from government and from other sources)	3,378	3,379	3,381	8	(6)
Total estimated resourcing for Outcome 3 (Total price of outputs and administered appropriations)	4,910	8,933	8,935	8	(6)

Note 1: 2002-03 available appropriation is included to allow a comparison of this year's appropriation with what was made available for use in the previous year. Available appropriation is the amount available to be drawn down, and is equal to: Budget Appropriation + Additional Estimates Appropriation + DIAB + AFM - Savings - Rephasings - Other Reductions.

Outcome 3 — Variations impacting appropriation

Variations to Outcome 3 Departmental Outputs

The total additional estimate for departmental Outcome 3 appropriations is comprised of:

- € supplementation for increases to Comcover premium rates in 2003-04 (cross-outcome and output funding) of \$5,000; and
- € funding through the government measure *Budget estimates – enhanced quality and timeliness* of \$3,000.

Revised performance information and level of achievement – 2003-04

There have been no significant changes to the performance information of Outcome 3 or its evaluation and administration as a result of additional estimates.

Section 3: Budgeted financial statements

ANALYSIS OF BUDGETED FINANCIAL STATEMENTS

An analysis of the primary causes of movements from the financial statements published in the 2003-04 PBS is provided below.

Departmental financial statements

Budgeted departmental statement of financial performance

Total revenue

In 2003-04, total revenue (price of outputs) is expected to increase by \$36.5 million from the 2003-04 PBS estimates. This comprises:

- € an increase in revenues from government of \$15.5 million due to the impact of new measure funding, Comcover supplementation and movement of funding between financial years;
- € a decrease in revenue received from sale of goods and services of \$3.2 million; and
- € an increase in revenue from other sources of \$24.2 million due to assets transferred from related entities and other recoveries under section 31 of the FMA Act.

The major contributing factors to the increase in total price of outputs are discussed in further detail in Section 2.

Total expenses

Total expenses are estimated to be \$834.7 million, an increase of \$26.4 million from Budget. The increase is primarily due to:

- € a net increase of expenditure of \$12.6 million associated with the increases in revenues from government and cost recovery revenue discussed above; and
- € the impact of a mismatch in timing between revenue and expenses for Outputs 1.3.6 - *Litigation* and 2.1.2 - *Humanitarian Settlement Services*. Activity occurring within the outputs in June 2003 resulted in additional revenue being earned under the Purchasing Agreement which operated in 2002-03. Due to the associated costs for the two activities being prospective in nature, expenses will not be incurred until the 2003-04 and 2004-05 financial years.

Budgeted departmental statement of financial position

Departmental asset and liability balances have been adjusted from Budget estimates for 2002-03 financial year final balances. In addition, the following adjustments have occurred to asset balances:

- € movement of cash at bank balances to receivables, to reflect new arrangements for agency cash balances to be managed centrally from 1 July 2003; and
- € the recognition of the DIMIA asset acquisition plan for 2003-04 and future replacement requirements for existing assets maintained by the department.

Budgeted departmental statement of cash flows

Predicted departmental cash flows have been adjusted to reflect the cash impact of the above variations on the financial performance and position statement estimates.

Departmental capital budget statement

The departmental capital budget statement has been revised to include additional capital injections agreed through government measures announced since the 2003-04 Budget, and the DIMIA 2003-04 and forward year asset acquisition and replacement plan.

Departmental non-financial assets — summary of movement

Departmental non-financial asset movements have been adjusted to reflect planned DIMIA acquisitions in 2003-04 as a result of new measures and new and replacement acquisitions.

Schedule of administered activity

Schedule of budgeted revenues and expenses administered on behalf of government

Administered revenues

The department will administer the collection of immigration fees and fines and other non-taxation revenue estimated at \$474.2 million in 2003-04, representing an increase of \$8.6 million from Budget. The increase is primarily due to:

- € immigration fees associated with increased application rates for grant of citizenship and student visas (\$6.4 million); and
- € immigration fines (\$1.6 million) including increased estimates for revenue from infringement notices served.

Administered expenses

Administered expenses have been revised down from Budget estimates by \$3.3 million due to revised estimates for demand driven programs. Further information on individual program variations is provided in Section 2 by outcome.

Schedule of budgeted assets and liabilities administered on behalf of government

Administered asset and liability balances have been adjusted from Budget estimates for 2002-03 financial year final balances.

Schedule of budgeted administered cash flows

Administered cash flows have been adjusted to reflect the cash impact of the above changes to financial performance and position statement estimates.

Schedule of administered capital budget

No change is anticipated from the 2003-04 PBS.

Schedule of administered non-financial assets — summary of movement

No change is anticipated from the 2003-04 PBS.

Table 3.1: Budgeted departmental statement of financial performance
for the year ended 30 June

	Actual	Revised	Forward	Forward	Forward
	2002-03	budget	estimate	estimate	estimate
	2002-03	2003-04	2004-05	2005-06	2006-07
	\$'000	\$'000	\$'000	\$'000	\$'000
REVENUES					
Revenues from ordinary activities					
Revenue from government ¹	807,855	798,000	682,470	696,731	708,607
Goods and services	23,238	22,052	23,397	23,477	23,552
Interest	1,103	-	-	-	-
Other	17,752	25,304	1,210	1,208	1,206
Revenues from ordinary activities	849,948	845,356	707,077	721,416	733,365
EXPENSES					
Expenses from ordinary activities					
(excluding borrowing costs expense)					
Employees	279,529	294,690	294,885	300,579	309,072
Suppliers	480,632	484,089	364,594	369,340	379,654
Depreciation and amortisation	46,213	51,722	42,748	46,647	39,789
Write-down of assets	15,984	3,740	3,740	3,740	3,740
Net losses from sales of assets	224	-	-	-	-
Other	43	431	442	442	442
Expenses from ordinary activities	822,625	834,672	706,409	720,748	732,697
(excluding borrowing costs expense)	822,625	834,672	706,409	720,748	732,697
Borrowing cost expense	383	668	668	668	668
Net surplus or deficit	26,940	10,016	-	-	-
Capital Use Charge	15,417	-	-	-	-
Net surplus or deficit attributable to the Commonwealth	11,523	10,016	-	-	-

Note 1: Revenues from government includes revenue from appropriations and resources received free of charge.

Table 3.2: Budgeted departmental statement of financial position
as at 30 June

	Actual	Revised	Forward	Forward	Forward
	2002-03	budget	estimate	estimate	estimate
	2002-03	2003-04	2004-05	2005-06	2006-07
	\$'000	\$'000	\$'000	\$'000	\$'000
ASSETS					
Financial assets					
Cash	24,829	18,631	18,431	18,858	18,555
Receivables	89,494	94,159	83,971	81,822	85,579
Accrued revenues	14,213	1,000	1,000	1,000	1,000
Total financial assets	128,536	113,790	103,402	101,680	105,134
Non-financial assets					
Land and buildings	127,133	166,168	152,166	239,479	226,654
Infrastructure, plant and equipment	67,186	61,293	79,503	181,355	198,777
Intangibles	52,647	54,777	52,952	63,184	56,758
Inventories	254	254	254	254	254
Other	9,779	11,744	11,744	11,744	11,744
Total non-financial assets	256,999	294,236	296,619	496,016	494,187
Total assets	385,535	408,026	400,021	597,696	599,321
LIABILITIES					
Interest bearing liabilities					
Leases	18,940	13,287	7,934	2,581	228
Other	8,714	8,114	7,513	6,919	3,919
Total interest bearing liabilities	27,654	21,401	15,447	9,500	4,147
Provisions and payables					
Employees	92,347	96,583	92,848	92,848	92,848
Suppliers	79,578	79,633	79,638	79,638	79,638
Other	516	533	534	534	534
Total provisions and payables	172,441	176,749	173,020	173,020	173,020
Total liabilities	200,095	198,150	188,467	182,520	177,167
EQUITY					
Parent equity interest					
Contributed equity	109,419	123,939	125,617	329,239	336,217
Reserves	26,584	26,584	26,584	26,584	26,584
Retained surpluses or accumulated deficits	49,437	59,353	59,353	59,353	59,353
Total parent equity interest	185,440	209,876	211,554	415,176	422,154
Total equity	185,440	209,876	211,554	415,176	422,154
Total assets and liabilities by maturity					
Current assets	138,569	125,788	115,400	113,678	117,132
Non-current assets	246,966	282,238	284,621	484,018	482,189
Current liabilities	114,599	113,485	107,939	104,533	101,468
Non-current liabilities	85,496	84,665	80,528	77,987	75,699

Table 3.3: Budgeted departmental statement of cash flows
for the year ended 30 June

	Actual 2002-03 \$'000	Revised budget 2003-04 \$'000	Forward estimate 2004-05 \$'000	Forward estimate 2005-06 \$'000	Forward estimate 2006-07 \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	771,330	794,303	691,647	697,837	703,807
Sale of goods and services	21,004	16,314	19,655	19,737	19,812
Other	47,680	60,539	47,670	48,279	49,034
Total cash received	840,014	871,156	758,972	765,853	772,653
Cash used					
Employees	276,562	290,454	298,620	300,579	309,072
Suppliers	527,854	531,382	410,636	415,962	429,439
Other	1,762	1,199	1,110	1,110	1,110
Total cash used	806,178	823,035	710,366	717,651	739,621
Net cash from/(used by) operating activities	33,836	48,121	48,606	48,202	33,032
INVESTING ACTIVITIES					
Cash received					
Proceeds from maturity of term deposits	1,090	-	-	-	-
Proceeds from sales of property, plant and equipment	121	-	-	-	-
Total cash received	1,211	-	-	-	-
Cash used					
Purchase of property, plant and equipment	75,128	63,186	45,131	43,709	31,860
Total cash used	75,128	63,186	45,131	43,709	31,860
Net cash from/(used by) investing activities	(73,917)	(63,186)	(45,131)	(43,709)	(31,860)
FINANCING ACTIVITIES					
Cash received					
Appropriations - contributed equity	26,935	14,520	1,678	1,287	878
Total cash received	26,935	14,520	1,678	1,287	878
Cash used					
Repayments of debt	7,930	5,653	5,353	5,353	2,353
Capital use charge paid	15,417	-	-	-	-
Other	2,695	-	-	-	-
Total cash used	26,042	5,653	5,353	5,353	2,353
Net cash from/(used by) financing activities	893	8,867	(3,675)	(4,066)	(1,475)
Net increase/(decrease) in cash held	(39,188)	(6,198)	(200)	427	(303)
Cash at the beginning of the reporting period	64,017	24,829	18,631	18,431	18,858
Cash at the end of the reporting period	24,829	18,631	18,431	18,858	18,555

Table 3.4: Departmental capital budget statement

	Actual	Revised budget	Forward estimate	Forward estimate	Forward estimate
	2002-03	2003-04	2004-05	2005-06	2006-07
	\$'000	\$'000	\$'000	\$'000	\$'000
CAPITAL APPROPRIATIONS					
Total equity injections	27,478	14,520	1,678	1,287	878
Total	27,478	14,520	1,678	1,287	878
Represented by					
Purchase of non-current assets	27,478	11,961	1,678	1,287	878
Other	-	2,559	-	-	-
Total	27,478	14,520	1,678	1,287	878
PURCHASE OF NON-CURRENT ASSETS					
Funded by capital appropriations	27,478	11,961	1,678	1,287	878
Funded by previous year capital appropriation	-	1,000	2,000	-	-
Funded internally by departmental resources	67,381	50,225	41,453	42,422	30,982

Table 3.5: Departmental non-financial assets ∞ summary of movement
revised budget 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	17,091	110,042	-	67,186	-	52,647	-	246,966
Additions	6,000	28,830	-	8,173	-	20,183	-	63,186
Disposals	-	-	-	-	-	-	-	-
Revaluation increments	-	-	-	-	-	-	-	-
Recoverable amount write-downs	-	-	-	-	-	-	-	-
Net transfers free of charge	-	23,807	-	-	-	-	-	23,807
Depreciation/amortisation expense	-	19,602	-	14,067	-	18,053	-	51,722
Write-off of assets	-	-	-	-	-	-	-	-
Carrying amount at the end of year	23,091	143,077	-	61,292	-	54,777	-	282,237
Total additions								
Self funded	6,000	23,915	-	5,940	-	14,370	-	50,225
Appropriations	-	4,915	-	2,233	-	5,813	-	12,961
Total	6,000	28,830	-	8,173	-	20,183	-	63,186

Table 3.6: Schedule of budgeted revenues and expenses administered on behalf of government*for the year ended 30 June*

	Actual 2002-03 \$'000	Revised budget 2003-04 \$'000	Forward estimate 2004-05 \$'000	Forward estimate 2005-06 \$'000	Forward estimate 2006-07 \$'000
REVENUES					
Non-taxation					
Immigration fees and charges	293,072	396,633	418,040	451,302	473,441
Immigration fines	7,898	5,512	3,675	3,677	3,586
Sale of goods and services	7,758	8,344	8,330	8,367	8,579
Recovery of detention costs	84,710	57,181	26,393	13,168	13,168
Other sources of non-taxation revenue	3,717	6,534	7,138	8,143	9,142
Total non-taxation	397,155	474,204	463,576	484,657	507,916
Total revenues administered on behalf of government	397,155	474,204	463,576	484,657	507,916
EXPENSES					
Grants	28,406	32,466	31,567	31,277	30,542
Subsidies	1,290	12,050	6,935	7,056	7,179
Personal benefits	13,126	9,599	6,109	5,145	5,229
Suppliers	105,520	228,158	234,383	246,394	249,286
Write-down and impairment of assets	90,093	57,181	26,393	13,168	13,168
Net foreign exchange losses	9	-	-	-	-
Total expenses administered on behalf of government	238,444	339,454	305,387	303,040	305,404

Table 3.7: Schedule of budgeted assets and liabilities administered on behalf of government

as at 30 June

	Actual 2002-03 \$'000	Revised budget 2003-04 \$'000	Forward estimate 2004-05 \$'000	Forward estimate 2005-06 \$'000	Forward estimate 2006-07 \$'000
ASSETS					
Financial assets					
Cash	1,180	1,293	1,445	1,447	1,447
Receivables	3,510	19,306	19,154	19,152	19,152
Accrued revenues	5,348	5,348	5,348	5,348	5,348
Investments	480,934	480,934	480,934	480,934	480,934
Total financial assets	490,972	506,881	506,881	506,881	506,881
Non-financial assets					
Prepayments	5,538	5,538	5,538	5,538	5,538
Total non-financial assets	5,538	5,538	5,538	5,538	5,538
Total assets administered on behalf of government	496,510	512,419	512,419	512,419	512,419
LIABILITIES					
Payables					
Suppliers	17,256	17,372	17,372	17,372	17,372
Other payables	14,742	14,742	14,742	14,742	14,742
Total payables	31,998	32,114	32,114	32,114	32,114
Total liabilities administered on behalf of government	31,998	32,114	32,114	32,114	32,114
Net assets administered on behalf of government	464,512	480,305	480,305	480,305	480,305
Total assets and liabilities by maturity					
Current assets	15,576	31,485	31,485	31,485	31,485
Non-current assets	480,934	480,934	480,934	480,934	480,934
Current liabilities	31,998	32,114	32,114	32,114	32,114
Non-current liabilities	-	-	-	-	-

Table 3.8: Schedule of budgeted administered cash flows
for the year ended 30 June

	Actual 2002-03 \$'000	Revised budget 2003-04 \$'000	Forward estimate 2004-05 \$'000	Forward estimate 2005-06 \$'000	Forward estimate 2006-07 \$'000
OPERATING ACTIVITIES					
Cash received					
Immigration fees and charges	301,868	396,633	418,040	451,302	473,441
Sale of goods and services	7,786	8,344	8,330	8,367	8,579
Other sources of non-taxation revenue	13,415	12,736	11,502	12,509	13,418
Cash from Official Public Account (OPA) - appropriations	155,492	282,270	279,146	289,874	292,236
Total cash received	478,561	699,983	717,018	762,052	787,674
Cash used					
Grants	28,406	32,466	31,567	31,277	30,542
Subsidies paid	1,290	12,050	6,935	7,056	7,179
Personal benefits	13,125	9,599	6,109	5,145	5,229
Suppliers	115,561	228,042	234,383	246,394	249,286
Cash to the OPA	319,712	417,023	437,183	471,489	494,748
Other - GST paid to the ATO	1,129	690	689	689	690
Total cash used	479,223	699,870	716,866	762,050	787,674
Net cash from/(used by) operating activities	(662)	113	152	2	-
FINANCING ACTIVITIES					
Cash received					
Administered GST appropriations	5,946	5,067	5,184	5,322	5,322
Total cash received	5,946	5,067	5,184	5,322	5,322
Cash used					
Return of GST to the OPA	5,363	5,067	5,184	5,322	5,322
Total cash used	5,363	5,067	5,184	5,322	5,322
Net cash from/(used by) financing activities	583	-	-	-	-
Net increase/(decrease) in cash held	(79)	113	152	2	-
Cash at the beginning of the reporting period	1,259	1,180	1,293	1,445	1,447
Cash at end of reporting period	1,180	1,293	1,445	1,447	1,447

NOTES TO THE FINANCIAL STATEMENTS

Basis of accounting

The agency budget statements are prepared in compliance with Australian Accounting Standards, Accounting Guidance Releases and having regard to Statements of Accounting Concepts.

Departmental financial statements and notes to administered items

Under the Commonwealth's accrual budgeting framework, and consistent with Australian Accounting Standards, transactions that agencies control (departmental transactions) are separately budgeted for and reported on from transactions agencies do not have control over (administered transactions). This ensures that agencies are only held fully accountable for the transactions over which they have control.

Departmental items are those assets, liabilities, revenues and expenses in relation to an agency or authority that are controlled by the agency. Departmental expenses include employee and supplier expenses and other administrative costs incurred by the agency in providing its goods and services.

Administered items are revenues, expenses, assets and liabilities that are managed by an agency or authority on behalf of the government according to set government directions. Administered expenses include subsidies, grants and personal benefit payments and administered revenues include taxes, fees, fines and excises.

Appropriations in the accrual budgeting framework

Under the Commonwealth's accrual budgeting framework, separate annual appropriations are provided for:

- € departmental price of outputs appropriations: representing the government's purchase of outputs from agencies;
- € departmental capital appropriations: for investments by the government for either additional equity or loans in agencies;
- € administered expense appropriations: for the estimated administered expenses relating to an existing outcome, a new outcome or a Specific Purpose Payment to the states; and
- € administered capital appropriations: for increases in administered equity through funding non-expense administered payments.

Special appropriations fund the majority of payments from the Consolidated Revenue Fund (especially those that are entitlement driven or involve transfers to state governments).

Capital Use Charge

The government has decided to discontinue the Capital Use Charge from 1 July 2003.

Administered investments in controlled entities

Each Commonwealth Department is required to show an administered investment in each *Commonwealth Authorities and Company Act 1997* (CAC Act) entity within their portfolio. These administered investments should be valued at the Commonwealth's ownership interest in the net assets of those CAC entities, fixed at a notional acquisition date of 30 June 1997.

Asset valuation

From 1 July 2002 Commonwealth agencies and authorities are required to use either the cost basis or the fair value basis to measure property, plant and equipment. The shift from the deprival method of valuation to fair value should occur gradually over a three-year period. Fair value essentially reflects the current market value of an asset.

Section 4: Purchaser/provider and cost recovery arrangements

There have been no significant changes to the purchaser/provider and cost recovery arrangements as a result of additional estimates from those published in the 2003-04 PBS.