

**ABORIGINAL AND TORRES STRAIT
ISLANDER SERVICES**

ABORIGINAL AND TORRES STRAIT ISLANDER SERVICES

Section 1: Overview, variations and measures

AGENCY OVERVIEW

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

ADDITIONAL ESTIMATES AND VARIATIONS TO OUTCOMES

Departmental

The total revised appropriation for ATSI in the 2003-04 Additional Estimates is \$1,150.4 million. This consists of:

- € \$168.9 million in departmental outputs appropriations (increase of \$0.8 million);
- € \$0.2 million in departmental equity injections (increase of \$0.2 million);
- € \$967.6 million in administered appropriations (increase of \$0.2 million);
- € \$13.7 million for new administered assets and liabilities (nil increase).

The total price of ATSI's departmental outputs for 2003-04 has increased from \$168.4 million to \$171.4 million. The \$3.0 million increase comprises:

- € supplementary funding to be received through Appropriation Bill No. 3 of \$0.8 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 \$0.5 million, and
 - supplementation for increases in the Comcover premium of \$0.3 million; and
- € an increase of \$2.2 million to departmental revenue estimates not requiring supplementary funding through the 2003-04 Appropriation Bills.

Administered

Total administered expenses for 2003-04 have increased from \$972.4 million to \$987.0 million. The \$14.6 million increase comprises:

- € the additional costs associated with the implementation of government measures announced since the 2003-04 Budget of \$0.2 million; and
- € an increase of \$14.4 million to administered revenue estimates not requiring supplementary funding through the 2003-04 Appropriation Bills.

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
Administered appropriations increase/(decrease)				
Outcome 1				
Bill 3				
Budget estimates – enhanced quality and timeliness	154	135	143	139
Administered increase/(decrease)	154	135	143	139
Departmental appropriations increase/(decrease)				
Outcome 1				
Bill 3				
Budget estimates – enhanced quality and timeliness	465	558	574	580
Bill 4				
Budget estimates – enhanced quality and timeliness	220	-	-	-
Departmental increase/(decrease)	685	558	574	580

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
Departmental appropriations increase/(decrease)				
Outcome 1				
Bill 3				
Supplementation for increase to Comcover premium	294	-	-	-
Total increase/(decrease)	294	-	-	-

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				
Revision to section 31 (FMA Act) revenue estimates	14,406	-	-	-
Administered increase/(decrease)	14,406	-	-	-
Departmental revenue from independent sources increase/(decrease)				
Outcome 1				
Revision to section 31 (FMA Act) revenue estimates	2,155	2,672	(2,445)	(2,545)
Departmental increase/(decrease)	2,155	2,672	(2,445)	(2,545)

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					
Effective delivery of policy advocacy support and program services to Aboriginal and Torres Strait Islander Peoples	-	967,410	967,564	154	-
Total administered	-	967,410	967,564	154	-
DEPARTMENTAL OUTPUTS					
Outcome 1					
Effective delivery of policy advocacy support and program services to Aboriginal and Torres Strait Islander Peoples	-	168,165	168,924	759	-
Total departmental	-	168,165	168,924	759	-
Total administered and departmental	-	1,135,575	1,136,488	913	-

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					
Administered assets and liabilities	-	13,700	13,700	-	-
DEPARTMENTAL NON-OPERATING					
Equity injections	-	-	220	220	-
Total capital	-	13,700	13,920	220	-

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 capital	Dept capital	Admin capital	Dept capital	Admin capital	Dept capital	Admin capital	Dept capital
Budget estimates – enhanced quality and timeliness	1	154	465	135	558	143	574	139	580
			619		693		717		719

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	Admin capital	Dept capital	Admin capital	Dept capital	Admin capital	Dept capital
Budget estimates – enhanced quality and timeliness	1	-	220	-	-	-	-	-	-
			220		-		-		-

VARIATIONS TO REVENUE FROM OTHER SOURCES THROUGH NET ANNOTATED APPROPRIATION RECEIPTS

Table 1.3: Changes to net annotated appropriation receipts

	Total appropriation 2003-04 budget \$'000	Total appropriation 2003-04 revised \$'000	Receipts from independent sources budget \$'000	Receipts from independent sources revised \$'000	Increase/ (decrease) \$'000
ADMINISTERED					
Outcome 1					
Effective delivery of policy advocacy support and program services to Aboriginal and Torres Strait Islander Peoples	967,410	967,564	5,000	19,406	14,406
Equity Injections	13,700	13,700	-	-	-
DEPARTMENTAL					
Outcome 1					
Effective delivery of policy advocacy support and program services to Aboriginal and Torres Strait Islander Peoples	168,165	168,924	275	2,430	2,155
Equity Injections	-	220	-	-	-
Total	1,149,275	1,150,408	5,275	21,836	16,561

ESTIMATES OF EXPENSES FROM SPECIAL APPROPRIATIONS

ATSIS has no special appropriations. For this reason, table 1.4 is not presented.

ESTIMATED SPECIAL ACCOUNT FLOWS

ATSIS has no special accounts. For this reason, table 1.5 is not presented.

REVENUE FROM INDEPENDENT SOURCES

Table 1.6: Revenue from independent sources

	2003-04 Budget \$'000	2003-04 Revised \$'000	Increase/ (decrease) \$'000
ADMINISTERED REVENUE			
Outcome 1			
Section 31 (FMA Act) revenue			
Business Development Program	-	2,800	2,800
Community Development and Employment Program	-	9,000	9,000
Australian Greenhouse Office - Community Housing Infrastructure Projects	2,000	2,000	-
ATSIC Army Community Assistance Projects - Community Housing Infrastructure Projects	3,000	4,394	1,394
Office of Aboriginal and Torres Strait Islander Health	-	920	920
Department of Aboriginal and Torres Strait Islander Policy	-	92	92
Palm Island	-	200	200
Total non-appropriation administered revenue	5,000	19,406	14,406
DEPARTMENTAL REVENUE			
Outcome 1			
Section 31 (FMA Act) revenue			
Rent and other operational	275	930	655
Community Participation Agreement	-	1,500	1,500
Total non-appropriation departmental revenue	275	2,430	2,155

SUMMARY OF STAFFING CHANGES

Table 1.7: Average staffing level (ASL)

	2003-04 budget	2003-04 revised	Increase/ (decrease)
Outcome 1			
Effective delivery of policy advocacy support and program services to Aboriginal and Torres Strait Islander peoples	1,172	1,175	3
Total	1,172	1,175	3

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

ATSIS has no agency savings to report as a result of additional estimates.

Section 2: Revisions to outcomes and outputs

OUTCOMES AND OUTPUT GROUPS

ATSIS works to achieving one outcome specified by government. The following section provides a discussion of changes to the outcome by output group resulting from additional estimates.

The relationship between the outcome, administered programs and contributing departmental outputs is illustrated in the map on the following page.

The structure of the departmental and administered outcome 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

Aboriginal and Torres Strait Islander Services Chief Executive Officer: Wayne Gibbons Outcome: Effective delivery of policy advocacy support and program services to Aboriginal and Torres Strait Islander Peoples Total Price of Outputs: \$171.4m Departmental Outcomes Appropriation: \$168.9m Total Administered Expenses: \$987.0m				
Output Group 1 Promotion of Cultural Authority Total Price: \$20.1m Dept outputs approp: \$19.9m Admin expenses: \$161.6m	Output Group 2 Advancement of Indigenous Rights and Equity Total Price: \$20.4m Dept outputs approp: \$20.3m Admin expenses: \$67.5m	Output Group 3 Improvement to Social and Physical Wellbeing Total Price: \$49.8m Dept outputs approp: \$49.6m Admin expenses: \$546.6m	Output Group 4 Economic Development Total Price: \$67.6m Dept outputs approp: \$57.2m Admin expenses: \$194.0m	Output Group 5 Capacity Building and Quality Assurance Total Price: \$23.5m Dept outputs approp: \$21.9m Admin expenses: \$17.3m
Output 1.1 Advocacy Support	Output 2.1 Advocacy Support	Output 3.1 Advocacy Support	Output 4.1 Advocacy Support	Output 5.1 Advocacy Support
Output 1.2 Ministerial Services	Output 2.2 Ministerial Services	Output 3.2 Ministerial Services	Output 4.2 Ministerial Services	Output 5.2 Ministerial Services
Output 1.3 Broadcasting Services	Output 2.3 Professional Services to Native Title Claimants	Output 3.3 Community Housing and Infrastructure	Output 4.3 Business Development and Assistance	Output 5.3 Planning and Partnership Development
Output 1.4 Maintenance and Promotion of Indigenous Culture	Output 2.4 Advancement of Rights to Land and Sea	Output 3.4 Municipal Services	Output 4.4 Employment and Training	Output 5.4 Business as Separate Legal Entities
Output 1.5 Maintenance and Promotion of Indigenous Language and Recordings	Output 2.5 Indigenous Rights	Output 3.5 Sporting Opportunities for Indigenous People	Output 4.5 Economic Development - CDEP Activities	Output 5.5 Welfare Reform - Participation
Output 1.6 Maintenance and Protection of Indigenous Heritage and the Environment	Output 2.6 Aboriginal and Torres Strait Islander Women	Output 3.6 Legal Aid		
Output 1.7 Access to Effective Family Tracing and Reunion Services	Output 2.7 Public Information	Output 3.7 Law and Justice Advocacy		
Output 1.8 Promotion of Cultural Authority - CDEP Activities	Output 2.8 Torres Strait Islanders on the Mainland	Output 3.8 Family Violence Prevention		
		Output 3.9 Prevention, Diversion and Rehabilitation		
		Output 3.10 Improvement to Social and Physical Wellbeing - CDEP Activities		

OUTCOME 1 — EFFECTIVE DELIVERY OF POLICY ADVOCACY SUPPORT AND PROGRAM SERVICES TO ABORIGINAL AND TORRES STRAIT ISLANDER PEOPLES

ATSIS has only one outcome which is the *effective delivery of policy advocacy support and program services to Aboriginal and Torres Strait Islander Peoples*.

Measures affecting Outcome 1

Budget estimates – enhanced quality and timeliness

	2003-04	2004-05	2005-06	2006-07
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.

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.

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					
Output 1 - Promotion of Cultural Authority	-	161,248	161,248	-	-
Output 2 - Advancement of Indigenous Rights and Equity	-	66,586	66,586	-	-
Output 3 - Improvement to Social and Physical Wellbeing	-	540,990	540,990	-	-
Output 4 - Economic Development	-	181,474	181,628	154	-
Output 5 - Capacity Building and Quality Assurance	-	17,112	17,112	-	-
Total administered appropriations	-	967,410	967,564	154	-
Revenue from other sources					
Output 1 - Promotion of Cultural Authority	-	341	341	-	-
Output 2 - Advancement of Indigenous Rights and Equity	-	943	943	-	-
Output 3 - Improvement to Social and Physical Wellbeing	-	2,962	5,568	2,606	-
Output 4 - Economic Development	-	531	12,331	11,800	-
Output 5 - Capacity Building and Quality Assurance	-	223	223	-	-
Total administered revenue from other sources	-	5,000	19,406	14,406	-
Total administered expenses	-	972,410	986,970	14,560	-

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.

Table 2.1.1: Total resources for Outcome 1 (continued)

	2002-03 available \$'000	2003-04 budget \$'000	2003-04 revised \$'000	Additional estimates \$'000	Reduced estimates \$'000
DEPARTMENTAL OUTPUTS					
Outcome 1					
Output 1 - Promotion of Cultural Authority	-	19,860	19,933	73	-
Output 2 - Advancement of Indigenous Rights and Equity	-	20,230	20,322	92	-
Output 3 - Improvement to Social and Physical Wellbeing	-	49,306	49,529	223	-
Output 4 - Economic Development	-	56,991	57,248	257	-
Output 5 - Capacity Building and Quality Assurance	-	21,778	21,892	114	-
Total revenue from government (appropriations)	-	168,165	168,924	759	-
Contributing to price of departmental outputs	-	100%	99%	-	-
Revenue from other sources					
Output 1 - Promotion of Cultural Authority	-	32	108	76	-
Output 2 - Advancement of Indigenous Rights and Equity	-	33	112	79	-
Output 3 - Improvement to Social and Physical Wellbeing	-	81	274	193	-
Output 4 - Economic Development	-	93	315	222	-
Output 5 - Capacity Building and Quality Assurance	-	36	1,621	1,585	-
Total revenue from other sources	-	275	2,430	2,155	-
Total price from departmental outputs (Total revenue from government and from other sources)	-	168,440	171,354	2,914	-
Total estimated resourcing for Outcome 1 (Total price of outputs and administered appropriations)	-	1,135,850	1,138,918	3,068	-

Revised performance information and level of achievement – 2003-04

There are no significant changes to the performance information resulting from additional estimates from that published in the 2003-04 PBS. For this reason, table 2.2.1 is not presented.

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 \$3.0 million from the 2003-04 PBS estimates. This comprises:

- € an increase in revenues from government of \$0.8 million due to the impact of new measure funding and Comcover supplementation; and
- € an increase in revenue from other sources of \$2.2 million for recoveries under section 31 of the FMA Act.

Total expenses

Total expenses are estimated to increase by \$6.2 million from Budget. The increase is primarily due to the increase associated with revenues from government and revenue from other sources discussed above.

Schedule of administered activity

Budgeted administered statement of financial performance

Total revenue

ATSI will receive \$11.8 million of additional section 31 revenues from ATSI comprising:

- € \$9.0 million for the Community Development and Employment Program (CDEP); and
- € \$2.8 million for Indigenous Economic Development.

Total expenses

Some grant expenses have been reclassified as supplier expenses. The reclassification more accurately reflects the nature of the expenses.

Table 3.1: Budgeted departmental statement of financial performance
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					
Revenues from ordinary activities					
Revenues from government	-	168,924	169,941	170,234	168,767
Other	-	2,430	2,946	930	930
Revenues from ordinary activities	-	171,354	172,887	171,164	169,697
EXPENSES					
Expenses from ordinary activities					
Employees	-	79,628	79,920	80,753	80,766
Suppliers	-	79,536	83,301	81,571	79,987
Depreciation and amortisation	-	7,893	7,787	7,587	7,087
Expenses from ordinary activities	-	167,057	171,008	169,911	167,840
Operating surplus or deficit from ordinary activities	-	4,297	1,879	1,253	1,857
Net surplus or deficit attributable to Commonwealth	-	4,297	1,879	1,253	1,857

Table 3.2: Budgeted departmental statement of financial position
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	-	2,638	2,160	2,931	2,976
Receivables	-	29,199	30,801	32,607	34,806
Total financial assets	-	31,837	32,961	35,538	37,782
Non-financial assets					
Land and buildings	-	43,236	43,236	43,236	43,236
Infrastructure, plant and equipment	-	10,834	10,834	10,834	10,834
Intangibles	-	2,513	2,513	2,513	2,513
Other	-	394	394	394	394
Total non-financial assets	-	56,977	56,977	56,977	56,977
Total assets	-	88,814	89,938	92,515	94,759
LIABILITIES					
Debt					
Leases	-	4,710	4,710	4,710	4,710
Total debt	-	4,710	4,710	4,710	4,710
Provisions and payables					
Employees	-	25,222	26,483	27,807	28,198
Suppliers	-	858	858	858	858
Other	-	2,016	-	-	-
Total provisions and payables	-	28,096	27,341	28,665	29,056
Total liabilities	-	32,806	32,051	33,375	33,766
EQUITY					
Parent equity interest					
Capital	-	51,711	51,711	51,711	51,711
Accumulated surplus or deficits	-	4,297	6,176	7,429	9,282
Total parent equity interest	-	56,008	57,887	59,140	60,993
Total assets and liabilities by maturity					
Current liabilities	-	4,710	4,710	4,710	4,710
Non-current liabilities	-	28,096	27,341	28,665	29,056
Current assets	-	31,837	32,961	35,538	37,782
Non-current assets	-	56,977	56,977	56,977	56,977

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	-	168,924	169,941	170,234	168,767
Other	-	2,430	3,223	930	930
Total cash received	-	171,354	173,164	171,164	169,697
Cash used					
Employees	-	77,849	78,663	79,443	79,375
Suppliers	-	79,211	87,192	82,810	81,844
Other	-	3,763	-	553	1,346
Total cash used	-	160,823	165,855	162,806	162,565
Net cash from/(used by) operating activities	-	10,531	7,309	8,358	7,132
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment	-	8,113	7,787	7,587	7,087
Total cash used	-	8,113	7,787	7,587	7,087
Net cash from/(used by) investing activities	-	(8,113)	(7,787)	(7,587)	(7,087)
FINANCING ACTIVITIES					
Cash received					
Cash received - Official Public Account	-	220	-	-	-
Other	-	21,655	-	-	-
Total cash received	-	21,875	-	-	-
Cash used					
Cash to the Official Public Account (financing)	-	21,655	-	-	-
Total cash used	-	21,655	-	-	-
Net cash from/(used by) financing activities	-	220	-	-	-
Net increase/(decrease) in cash held	-	2,638	(478)	771	45
Cash at the beginning of the reporting period	-	-	2,638	2,160	2,931
Cash at the end of the reporting period	-	2,638	2,160	2,931	2,976

Table 3.4: Departmental capital budget statement

	Actual 2002-03 \$'000	Revised budget 2003-04 \$'000	Forward estimate 2004-05 \$'000	Forward estimate 2005-06 \$'000	Forward estimate 2006-07 \$'000
CAPITAL APPROPRIATIONS					
Total equity injections	-	220	-	-	-
Total	-	220	-	-	-
Represented by					
Purchase of non-current assets	-	220	-	-	-
Total	-	220	-	-	-
PURCHASE OF NON-CURRENT ASSETS					
Funded internally by departmental resources	-	7,893	7,787	7,587	7,087

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	-	-	-	-	-	-	-	-
Additions	-	2,928	-	4,242	-	943	-	8,113
Disposals	-	-	-	-	-	-	-	-
Revaluation increments	-	-	-	-	-	-	-	-
Recoverable amount write-downs	-	-	-	-	-	-	-	-
Net transfers free of charge	7,479	35,757	-	10,614	-	2,513	-	56,363
Depreciation/amortisation expense	-	2,928	-	4,022	-	943	-	7,893
Write-off of assets	-	-	-	-	-	-	-	-
Carrying amount at the end of year	7,479	35,757	-	10,834	-	2,513	-	56,583
Total additions								
Self funded	-	2,928	-	4,022	-	943	-	7,893
Appropriations	-	-	-	220	-	-	-	220
Total	-	2,928	-	4,242	-	943	-	8,113

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					
Other	-	19,406	4,600	1,600	-
Total non-taxation	-	19,406	4,600	1,600	-
Total revenues administered on behalf of the government	-	19,406	4,600	1,600	-
EXPENSES					
Grants	-	972,211	991,644	1,020,666	1,053,477
Suppliers	-	14,759	15,055	15,541	16,040
Total expenses administered on behalf of the government	-	986,970	1,006,699	1,036,207	1,069,517

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					
Receivables	-	13,700	27,400	41,100	54,800
Total financial assets	-	13,700	27,400	41,100	54,800
Total assets administered on behalf of the government	-	13,700	27,400	41,100	54,800
EQUITY					
Capital	-	13,700	27,400	41,100	54,800
Total equity	-	13,700	27,400	41,100	54,800

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					
Cash from Official Public Account (OPA)					
- appropriations	-	967,564	1,002,099	1,034,607	1,069,517
Other	-	19,406	4,600	1,600	-
Total cash received	-	986,970	1,006,699	1,036,207	1,069,517
Cash used					
Suppliers		14,759	15,055	15,541	16,040
Grants	-	972,211	991,644	1,020,666	1,053,477
Total cash used	-	986,970	1,006,699	1,036,207	1,069,517
Net cash from/(used by) operating activities	-	-	-	-	-
INVESTING ACTIVITIES					
Cash received					
Cash from Official Public Account	-	13,700	13,700	13,700	13,700
Total cash received	-	13,700	13,700	13,700	13,700
Cash used					
Advances and loans made	-	13,700	13,700	13,700	13,700
Total cash used	-	13,700	13,700	13,700	13,700
Net cash from/(used by) investing activities	-	-	-	-	-
Net increase (decrease) in cash held					
Cash at the beginning of the reporting period	-	-	-	-	-
Cash at end of reporting period	-	-	-	-	-

Table 3.9: Schedule of administered capital budget

	Actual	Revised	Forward	Forward	Forward
	2002-03	estimate	estimate	estimate	estimate
	\$'000	2003-04	2004-05	2005-06	2006-07
		\$'000	\$'000	\$'000	\$'000
CAPITAL APPROPRIATIONS					
Administered capital	-	13,700	13,700	13,700	13,700
Total capital appropriation	-	13,700	13,700	13,700	13,700
Represented by:					
Other	-	13,700	13,700	13,700	13,700
Total	-	13,700	13,700	13,700	13,700
PURCHASE OF NON-CURRENT ASSETS					
Funded by capital appropriation	-	-	-	-	-
Funded internally by departmental resources	-	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

A new agency has been created under the *Public Service Act 1999* effective from 1 July 2003. Aboriginal and Torres Strait Islander Services (ATSIS) will include the majority of staff transferring from ATSIC. Some staff will remain in ATSIC to provide administrative support for the elected arm of ATSIC.

The majority of the funds currently appropriated through the Federal Budget will be appropriated to ATSIS for administration under the *Financial Management and Accountability Act 1997* (FMA Act). Previously these funds were appropriated to ATSIC.

The Housing and Regional Land Funds, which do not receive appropriation, will remain with ATSIC and be administered according to the provisions of the Act.

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 schedule 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, which are 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;

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- € 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.

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.