

# **MIGRATION REVIEW TRIBUNAL**



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# MIGRATION REVIEW TRIBUNAL

## Section 1: Overview, variations and measures

### TRIBUNAL OVERVIEW

There have been no significant changes to the MRT'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 total revised appropriations for the MRT in the 2003-04 Additional Estimates is \$21.9 million. This consists of:

- € \$21.5 million in departmental outputs appropriations (increase of \$1.5 million); and
- € \$0.4 million for previous years' outputs (increase of \$0.4 million).

The total price of the MRT's departmental outputs for 2003-04 has increased from \$20.0 million to \$21.5 million. The \$1.5 million increase comprises:

- € supplementary funding to be received through Appropriation Bill No. 3 of \$1.5 million. The supplementation is to be received for:
  - supplementation for increases in the Comcover premium of \$0.02 million,
  - supplementation for increases in members' salaries of \$0.05 million, and
  - supplementation for increases in case finalisations of \$1.4 million; and
- € the net increase of \$0.04 million to departmental revenue estimates not requiring supplementary funding through the 2003-04 Appropriation Bills.

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## Measures

No government measures have been announced since the 2003-04 Budget relating to the Tribunal. For this reason, tables 1.2.1 and 1.2.2 are not presented.

## 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)
<b>Departmental appropriations increase/(decrease)</b>				
<b>Outcome 1</b>				
<b>Bill 3</b>				
Adjustment for increase in case finalisations	1,395	-	-	-
Increases in members' salaries	46	-	-	-
Comcover supplementation	23	-	-	-
<b>Bill 4</b>				
Previous year's outputs	431	-	-	-
<b>Total increase/(decrease)</b>	<b>1,895</b>	-	-	-

## 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)
<b>Departmental revenue from independent sources increase/(decrease)</b>				
<b>Outcome 1</b>				
Revision to section 31 (FMA Act) revenue estimates	40	-	-	-
<b>Total increase/(decrease)</b>	<b>40</b>	-	-	-

## BREAKDOWN OF ADDITIONAL ESTIMATES BY APPROPRIATION BILL

The additional estimates of \$1.9 million comprise:

€ Appropriation Bill (No. 3) of \$1.5 million; and

€ Appropriation Bill (No 4) of \$0.4 million.

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

	2002-03 available <sup>1</sup> \$'000	2003-04 budget \$'000	2003-04 revised \$'000	Additional estimates \$'000	Reduced estimates \$'000
<b>DEPARTMENTAL OUTPUTS</b>					
<b>Outcome 1</b>					
Contribute to ensuring that the administrative decisions of government are correct and preferable in relation to non-humanitarian entrants	20,379	20,006	21,470	1,464	-
<b>Total departmental</b>	<b>20,379</b>	<b>20,006</b>	<b>21,470</b>	<b>1,464</b>	<b>-</b>

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

	2002-03 available <sup>1</sup> \$'000	2003-04 budget \$'000	2003-04 revised \$'000	Additional estimates \$'000	Reduced estimates \$'000
<b>DEPARTMENTAL NON-OPERATING</b>					
Previous year's outputs	-	-	431	431	-
<b>Total departmental</b>	<b>-</b>	<b>-</b>	<b>431</b>	<b>431</b>	<b>-</b>

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.

## VARIATIONS TO REVENUE FROM OTHER SOURCES THROUGH NET ANNOTATED APPROPRIATION RECEIPTS

The increase in receipts is due to estimated gains on assets disposed of in the year.

**Table 1.3: Changes to net annotated appropriation receipts**

	Total approp 2003-04 budget	Total approp 2003-04 revised	Receipts from independent sources budget	Receipts from independent sources revised	Increase/ (decrease)
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Outcome 1</b>					
Contribute to ensuring that the administrative decisions of Government are correct and preferable in relation to non-humanitarian entrants	20,006	21,470	23	63	40
<b>Total</b>	<b>20,006</b>	<b>21,470</b>	<b>23</b>	<b>63</b>	<b>40</b>

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

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

## ESTIMATED SPECIAL ACCOUNT FLOWS

The MRT 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
<b>ADMINISTERED REVENUE</b>			
<b>Outcome 1</b>			
MRT Fees	12,000	11,000	(1,000)
<b>Total Outcome 1</b>	<b>12,000</b>	<b>11,000</b>	<b>(1,000)</b>
<b>Total non-appropriation administered revenue</b>	<b>12,000</b>	<b>11,000</b>	<b>(1,000)</b>
<b>DEPARTMENTAL REVENUE</b>			
<b>Outcome 1</b>			
Section 31 (FMA Act)	23	35	12
Other departmental revenue	-	28	28
<b>Total Outcome 1</b>	<b>23</b>	<b>63</b>	<b>40</b>
<b>Total non-appropriation departmental revenue</b>	<b>23</b>	<b>63</b>	<b>40</b>

## SUMMARY OF STAFFING CHANGES

There have been no significant changes to the estimated staffing position as a result of additional estimates from that published in the 2003-04 PBS. For this reason, table 1.7 is not presented.

## SUMMARY OF AGENCY SAVINGS

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



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## Section 2: Revisions to outcomes and outputs

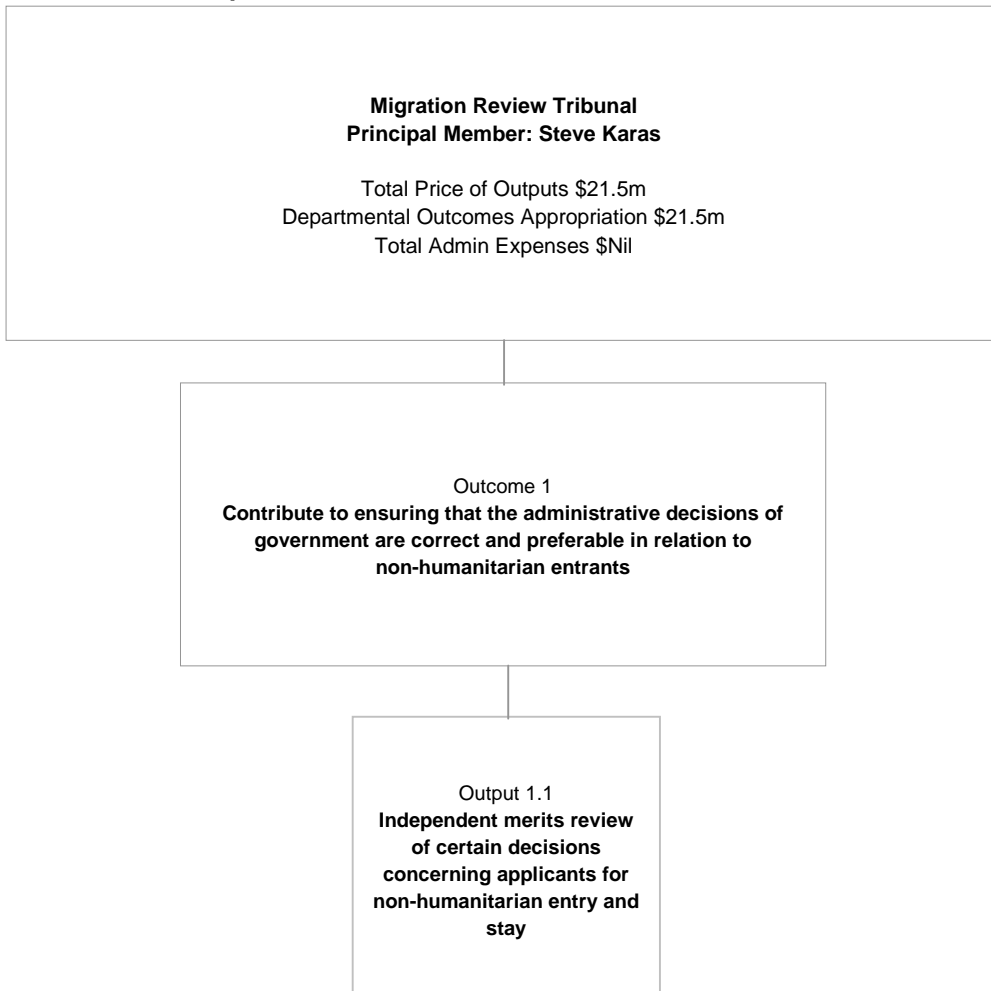
### OUTCOMES AND OUTPUT GROUPS

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

### OUTPUT COST ATTRIBUTION

The tribunal has only one output to which the full price is attributed.

#### Outcomes and outputs framework



**OUTCOME 1 — CONTRIBUTE TO ENSURING THAT THE ADMINISTRATIVE DECISIONS OF GOVERNMENT ARE CORRECT AND PREFERABLE IN RELATION TO NON-HUMANITARIAN ENTRANTS**

**Outcome 1 — Resourcing**

**Table 2.1.1: Revised resources for Outcome 1**

	2002-03 available <sup>1</sup> \$'000	2003-04 budget \$'000	2003-04 revised \$'000	Additional estimates \$'000	Reduced estimates \$'000
<b>DEPARTMENTAL OUTPUTS</b>					
<b>Outcome 1</b>					
Output 1.1 - Independent merits review of certain decisions concerning applicants for non- humanitarian entry and stay	20,379	20,006	21,470	1,464	-
<b>Total Output Group 1</b>	<b>20,379</b>	<b>20,006</b>	<b>21,470</b>	<b>1,464</b>	<b>-</b>
<b>Total revenue from government (appropriations)</b>	<b>20,379</b>	<b>20,006</b>	<b>21,470</b>	<b>1,464</b>	<b>-</b>
<b>Contributing to price of departmental outputs</b>	<b>99.70%</b>	<b>99.89%</b>	<b>99.71%</b>	<b>-</b>	<b>-</b>
<b>Revenue from other sources</b>					
Other revenue	62	23	63	40	-
<b>Total revenue from other sources</b>	<b>62</b>	<b>23</b>	<b>63</b>	<b>40</b>	<b>-</b>
<b>Total price from departmental outputs (Total revenue from government and from other sources)</b>	<b>20,441</b>	<b>20,029</b>	<b>21,533</b>	<b>1,504</b>	<b>-</b>
<b>Total estimated resourcing for Outcome 1 (Total price of outputs and administered appropriations)</b>	<b>20,441</b>	<b>20,029</b>	<b>21,533</b>	<b>1,504</b>	<b>-</b>

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.

## Revised performance information and level of achievement – 2003-04

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

	2003-04 budget	2003-04 revised	Increase/ (decrease)
<b>Output Group 1.1 — Independent merits review</b>			
<b>Output 1.1 — Independent merits review</b>			
Quantity:			
Cases finalised	9,500	10,200	700
<b>Total Price of Output 1.1 (\$ million)</b>	<b>20.03</b>	<b>21.96</b>	<b>1.93</b>



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## Section 3: Budgeted financial statements

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

An analysis of the MRT's budgeted financial statements for 2003-04 is provided below.

#### **Departmental financial statements**

##### **Budgeted departmental statement of financial performance**

The Tribunal is funded by a purchasing agreement (PA) which sets the cost per finalised case. Total expenses for 2003-04 are estimated at \$20.7 million resulting in a net surplus of \$0.8 million. A round of new member appointments has taken place.

The PA is due to expire at the end of 2003-04, and a new arrangement will be negotiated during the course of the year to reflect the ongoing operating expenses of the Tribunal.

##### **Budgeted departmental statement of financial position**

Cash should increase to a balance of \$1.7 million as a result of the operating surplus in 2003-04. Assets are depreciating as normal with a standard asset replacement plan in place, with additions of \$2.5 million, which includes a \$1.5 million fitout of the Melbourne co-location with the Refugee Review Tribunal, \$0.5 million for a new Case Management System and \$0.5 million for replacement of office machines and IT equipment.

##### **Budgeted departmental statement of cash flows**

The movement in cashflow from a balance of \$0.9 million (2002-03) to \$0.4 million (2003-04) reflects operating activities for the year, \$0.4 million appropriation from additional cases finalised over target in 2002-03 and a transfer to receivables of \$1.3 million.

##### **Departmental capital budget statement**

The tribunal's asset replacement plan allows for renewal of assets as they reach the end of their useful life.

##### **Departmental non-financial assets — summary of movement**

Expenditure for 2003-04 of \$2.5 million, includes fitout work of \$1.5 million, a case management system of \$0.5 million and the replacement of IT equipment and office machines totalling \$0.5 million.

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## **Schedule of administered activity**

### **Schedule of budgeted revenues and expenses administered on behalf of government**

The MRT charges a fee of \$1,400 to applicants. Fees are refundable to applicants if decisions are made in their favour. Revenue totalling \$11.0 million reflects the anticipated fees for 2003-04.

### **Schedule of budgeted assets and liabilities administered on behalf of government**

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

### **Schedule of budgeted administered cash flows**

The \$11.0 million for fees represents the anticipated receipts for 2003-04, which in turn are remitted to the Official Public Account.

Cash of \$5.5 million received from the Official Public Account is used for refunds of fees to successful applicants.

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

	Actual	Revised budget	Forward estimate	Forward estimate	Forward estimate
	2002-03	2003-04	2004-05	2005-06	2006-07
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>REVENUES</b>					
<b>Revenues from ordinary activities</b>					
Revenues from government	20,664	21,470	20,006	20,006	20,006
Interest	4	-	-	-	-
Other	41	63	63	63	63
<b>Revenues from ordinary activities</b>	<b>20,709</b>	<b>21,533</b>	<b>20,069</b>	<b>20,069</b>	<b>20,069</b>
<b>EXPENSES</b>					
<b>Expenses from ordinary activities</b>					
Employees	12,575	13,760	13,144	13,154	13,165
Suppliers	5,153	6,338	6,325	6,315	6,304
Depreciation and amortisation	657	603	600	600	600
Other	31	-	-	-	-
<b>Expenses from ordinary activities</b>	<b>18,416</b>	<b>20,701</b>	<b>20,069</b>	<b>20,069</b>	<b>20,069</b>
<b>Net surplus or deficit</b>	<b>2,293</b>	<b>832</b>	-	-	-
<b>Net surplus or deficit attributable to Commonwealth</b>	<b>2,293</b>	<b>832</b>	-	-	-

**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
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash	917	430	484	400	415
Receivables	1,943	2,812	3,112	3,412	3,612
<b>Total financial assets</b>	<b>2,860</b>	<b>3,242</b>	<b>3,596</b>	<b>3,812</b>	<b>4,027</b>
<b>Non-financial assets</b>					
Land and buildings	211	1,435	1,162	889	616
Infrastructure, plant and equipment	435	1,136	980	953	916
Intangibles	153	133	113	93	73
Other	76	76	76	76	76
<b>Total non-financial assets</b>	<b>875</b>	<b>2,780</b>	<b>2,331</b>	<b>2,011</b>	<b>1,681</b>
<b>Total assets</b>	<b>3,735</b>	<b>6,022</b>	<b>5,927</b>	<b>5,823</b>	<b>5,708</b>
<b>LIABILITIES</b>					
<b>Interest bearing liabilities</b>					
Lease Incentive	-	1,356	1,258	1,151	1,033
<b>Total interest bearing liabilities</b>	<b>-</b>	<b>1,356</b>	<b>1,258</b>	<b>1,151</b>	<b>1,033</b>
<b>Provisions and payables</b>					
Employees	2,219	2,319	2,319	2,319	2,319
Suppliers	454	453	453	453	453
<b>Total provisions and payables</b>	<b>2,673</b>	<b>2,772</b>	<b>2,772</b>	<b>2,772</b>	<b>2,772</b>
<b>Total liabilities</b>	<b>2,673</b>	<b>4,128</b>	<b>4,030</b>	<b>3,923</b>	<b>3,805</b>
<b>EQUITY</b>					
Reserves	558	558	558	558	558
Retained surpluses or deficits	504	1,336	1,336	1,336	1,336
<b>Total equity</b>	<b>1,062</b>	<b>1,894</b>	<b>1,894</b>	<b>1,894</b>	<b>1,894</b>
<b>Total assets and liabilities by maturity</b>					
<b>Current assets</b>	<b>2,936</b>	<b>3,568</b>	<b>3,672</b>	<b>3,888</b>	<b>4,103</b>
<b>Non-current assets</b>	<b>799</b>	<b>2,454</b>	<b>2,255</b>	<b>1,935</b>	<b>1,605</b>
<b>Current liabilities</b>	<b>1,784</b>	<b>1,128</b>	<b>1,130</b>	<b>1,123</b>	<b>1,105</b>
<b>Non-current liabilities</b>	<b>889</b>	<b>3,000</b>	<b>2,900</b>	<b>2,800</b>	<b>2,700</b>

**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
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Appropriations	20,379	21,900	20,006	20,006	20,006
Other	45	63	63	63	63
<b>Total cash received</b>	<b>20,424</b>	<b>21,963</b>	<b>20,069</b>	<b>20,069</b>	<b>20,069</b>
<b>Cash used</b>					
Employees	12,662	13,660	13,141	13,151	13,162
Suppliers	5,296	6,227	6,200	6,200	6,200
Other	1,300	1,300	300	300	200
<b>Total cash used</b>	<b>19,258</b>	<b>21,187</b>	<b>19,641</b>	<b>19,651</b>	<b>19,562</b>
<b>Net cash from/(used by) operating activities</b>	<b>1,166</b>	<b>776</b>	<b>428</b>	<b>418</b>	<b>507</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash received</b>					
Proceeds from sales of property, plant and equipment	2	-	-	-	-
<b>Total cash received</b>	<b>2</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash used</b>					
Purchase of property, plant and equipment	255	2,508	151	280	270
<b>Total cash used</b>	<b>255</b>	<b>2,508</b>	<b>151</b>	<b>280</b>	<b>270</b>
<b>Net cash from/(used by) investing activities</b>	<b>(253)</b>	<b>(2,508)</b>	<b>(151)</b>	<b>(280)</b>	<b>(270)</b>
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Other - lease incentive	-	1,400	-	-	-
<b>Total cash received</b>	<b>-</b>	<b>1,400</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash used</b>					
Repayment of lease incentive	-	44	98	107	118
Lease incentive expense	-	111	125	115	104
<b>Total cash used</b>	<b>-</b>	<b>155</b>	<b>223</b>	<b>222</b>	<b>222</b>
<b>Net cash from/(used by) financing activities</b>	<b>-</b>	<b>1,245</b>	<b>(223)</b>	<b>(222)</b>	<b>(222)</b>
<b>Net increase/(decrease) in cash held</b>	<b>913</b>	<b>(487)</b>	<b>54</b>	<b>(84)</b>	<b>15</b>
Cash at the beginning of the reporting period	4	917	430	484	400
<b>Cash at the end of the reporting period</b>	<b>917</b>	<b>430</b>	<b>484</b>	<b>400</b>	<b>415</b>

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**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
<b>PURCHASE OF NON CURRENT ASSETS</b>					
Funded by capital appropriation	-	-	-	-	-
Funded internally by departmental resources	255	2,508	151	280	270

**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	-	211	-	435	-	153	-	799
Additions	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
Revaluation increments	-	-	-	-	-	-	-	-
Recoverable amount write-downs	-	-	-	-	-	-	-	-
Net transfers free of charge	-	-	-	-	-	-	-	-
Depreciation/amortisation expense	-	-	-	-	-	-	-	-
Write-off of assets	-	-	-	-	-	-	-	-
Carrying amount at the end of year	-	211	-	435	-	153	-	799
<b>Total additions</b>	-	-	-	-	-	-	-	-
Self funded	-	-	-	-	-	-	-	-
Appropriations	-	-	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	-	-	-	-

**Table 3.6: Schedule of budgeted revenues and expenses administered on behalf of government**

*for the year ended 30 June*

	Actual	Revised budget	Forward estimate	Forward estimate	Forward estimate
	2002-03	2003-04	2004-05	2005-06	2006-07
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>REVENUES</b>					
<b>Non-taxation</b>					
Goods and services	10,410	11,000	11,000	11,000	11,000
<b>Total non-taxation</b>	<b>10,410</b>	<b>11,000</b>	<b>11,000</b>	<b>11,000</b>	<b>11,000</b>
<b>Total revenues administered on behalf of the government</b>	<b>10,410</b>	<b>11,000</b>	<b>11,000</b>	<b>11,000</b>	<b>11,000</b>
<b>EXPENSES</b>					
Other	5,125	5,500	5,500	5,500	5,500
<b>Total expenses administered on behalf of the government</b>	<b>5,125</b>	<b>5,500</b>	<b>5,500</b>	<b>5,500</b>	<b>5,500</b>

**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
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash	86	2	2	2	2
<b>Total financial assets</b>	<b>86</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>
<b>Net assets administered on behalf of the Government</b>	<b>86</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>

**Table 3.8: Schedule of budgeted administered cash flows**  
*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
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Cash from Official Public Account (OPA)					
- appropriations	5,451	5,500	5,500	5,500	5,500
Other	10,653	11,000	11,000	11,000	11,000
<b>Total cash received</b>	<b>16,104</b>	<b>16,500</b>	<b>16,500</b>	<b>16,500</b>	<b>16,500</b>
<b>Cash used</b>					
Cash to OPA	10,651	11,084	11,000	11,000	11,000
Fees refunded	5,369	5,500	5,500	5,500	5,500
<b>Total cash used</b>	<b>16,020</b>	<b>16,584</b>	<b>16,500</b>	<b>16,500</b>	<b>16,500</b>
<b>Net cash from/(used by) operating activities</b>	<b>84</b>	<b>(84)</b>	-	-	-
<b>Net increase/(decrease) in cash held</b>	<b>84</b>	<b>(84)</b>	-	-	-
Cash at the beginning of the reporting period	2	86	2	2	2
<b>Cash at the end of the reporting period</b>	<b>86</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>

## **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, 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;
- € 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.

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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 Authority 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.

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## 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.