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## Section 3: Budgeted financial statements

Section 3 provides the budgeted financial statements in accrual format for the budget year, previous year and the three forward years for each agency. Due to the government's decision to restructure the provision and coordination of the delivery of Indigenous programs, and to aid in comprehension of financial statements, this section is provided in two sub-sections;

- sub-section A - DIMIA budgeted financial statements for all financial years, including the consolidation of estimates for ATSIC and ATSI from 2004-05 on; and
- sub-section B - ATSIC and ATSI budgeted financial statements for the estimated outcome for 2003-04 only, due to the consolidation into DIMIA from 2004-05.

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

An analysis of the primary causes of movements from the financial statements published in the 2004-05 PB Statements is provided below.

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

This statement explains the expected financial results for the Department of Immigration and Multicultural and Indigenous Affairs by identifying full accrual expenses and revenues, which highlights whether the department is operating at a sustainable level.

The Department is budgeting for a positive operating result for 2003-04 and forward years.

#### **Revenue**

Total revenue (price of outputs) is estimated to be \$1.1 billion million for 2004-05. This is an increase of \$0.2 billion from the 2003-04 estimated actual. The increase is primarily due to the transfer of funding from ATSIC and ATSI to DIMIA Outcome 4 and 5 as a result of the government's decision to restructure the provision and coordination of the delivery of Indigenous programs pending finalisation of Administrative Arrangement Orders. A detailed analysis of movement between 2003-04 and 2004-05 by outcome is provided in Section 2.

The increase in the forward estimates from the 2004-05 estimate is primarily caused by the application of economic parameters to funding levels to state revenues in forward year prices and due to funding level patterns associated with government measures.

## Expenses

Total expenses are estimated to be \$1.1 billion for 2004-05, an increase of \$0.2 billion from the 2003-04 estimated actual. The increase is largely due to the impact of the transfer of function of ATSIC and AT SIS to DIMIA Outcomes 4 and 5.

The increase in the forward estimates from the 2004-05 estimate is primarily caused by the application of economic parameters to expense estimates in order to state in forward year prices and due to funding level patterns associated with government measures.

Depreciation and amortisation expense levels will increase from 2004-05 to 2005-06 due to the additional depreciation of non-financial assets associated with assets transferred to the department through transfer of functions (see *Notes to the financial statements - Restructuring*).

## Transfers to the OPA

DIMIA is budgeting to return funding in all financial years to the OPA. The transfer in 2003-04 of \$0.1 million reflects the transfer of unspent departmental appropriations from previous years to fund administered Safe Haven allowances in 2003-04. The transfer in the budget and forward years is associated with revenue from independent sources that is not available for DIMIA to spend in the delivery of outputs.

## Budgeted departmental statement of financial position

This statement shows the financial position of the Department of Immigration and Multicultural and Indigenous Affairs. It helps decision-makers to track the management of assets and liabilities.

The budgeted net asset position of \$0.8 billion in 2004-05 represents an increase of \$0.6 billion from the 2003-04 estimated actual.

The increase is primarily comprised:

- transfer of assets and liabilities from ATSIC and AT SIS to DIMIA from 1 July 2004 of \$0.5 billion (see *Notes to the financial statements - Restructuring*); and
- expenditure in the Department's capital works program funded through capital measures (see *Capital Budget Statement*).

The 2005-06, 2006-07 and 2007-08 increase in non-financial assets and contributed equity levels are due to the transfer of the finished Christmas Island permanent IRPC from the Department of Finance and Administration and Villawood detention centres.

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

Budgeted cash flows, as reflected in the statement of cash flows, provide important information on the extent and nature of cash flows by categorising them into expected cash flows from operating activities, investing activities and financing activities.

Predicted departmental cash flows have been adjusted to reflect the cash impact of variations in the financial performance and position statements.

## **Departmental capital budget statement**

Shows all planned departmental capital expenditure (capital expenditure on non-financial assets or for other purposes), whether funded through capital appropriations for additional equity or borrowings, or from funds from internal sources.

Trends in expenditure are determined by associated government decisions and the DIMIA 2004-05 and forward year asset acquisition and replacement plan.

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

Shows budgeted acquisitions and disposals of non-financial assets during the budget year.

## **SCHEDULE OF ADMINISTERED ACTIVITY**

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

This schedule identifies the main revenues and expenses administered on behalf of the government.

#### **Revenue**

The department will administer the collection of revenue on behalf of the government of \$0.7 billion. This consists of immigration fees, fines, sale of financial assets and other non-taxation revenue. The increase from 2003-04 to 2004-05 estimated revenue is primarily due to the transfer of function from ATSIC and ATSSIS to DIMIA Outcomes 4 and 5. A detailed analysis of revenue items administered on behalf of government is provided in Table 1.7 in Section 1.

#### **Expenses**

The department will receive appropriation of \$1.3 billion for 2004-05 for expenses of \$1.5 billion administered on behalf of the government. The increase in appropriations and expenditure is largely due to the impact of the transfer of function of ATSIC and

ATSIS to DIMIA Outcomes 4 and 5. A detailed analysis of movement between 2003-04 and 2004-05 from administered items by outcome is provided in Section 2.

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

This schedule shows the assets and liabilities administered on behalf of the government.

Budgeted assets are estimated to increase in 2004-05 to \$1.8 billion, representing an increase of \$1.3 billion from the 2003-04 estimated actual.

The increase is primarily comprised:

- transfer of assets from ATSIC and ATSIS to DIMIA from 1 July 2004 of \$1.6 billion (see Notes to the financial statements - Restructuring); and
- the elimination of previously recognised administered investments on consolidation of ATSIC into DIMIA of \$-0.3 billion.

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

This schedule shows cash flows administered on behalf of the government and reflect the cash impact of changes to the financial performance and position schedules.

Sale of goods and services - the increase between 2004-05 and 2005-06 is due to increases in anticipated revenue related to student, temporary resident, visitor and contributory parent visa charges.

### **Schedule of administered capital budget**

This schedule shows details of planned administered capital expenditure.

## Section 3A: DIMIA budgeted financial statements

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

	Estimated actual 2003-04 \$'000	Budget estimate 2004-05 \$'000	Forward estimate 2005-06 \$'000	Forward estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000
<b>REVENUES</b>					
<b>Revenues from ordinary activities</b>					
Revenue from government <sup>1</sup>	772,674	1,011,768	1,038,364	1,048,466	1,067,888
Goods and services	32,763	33,306	33,312	33,317	33,316
Interest	-	20,319	20,721	20,621	20,621
Net foreign exchange gains	10	10	10	10	10
Other	26,587	11,485	9,605	9,601	9,606
<b>Revenues from ordinary activities</b>	<b>832,034</b>	<b>1,076,888</b>	<b>1,102,012</b>	<b>1,112,015</b>	<b>1,131,441</b>
<b>EXPENSES</b>					
<b>Expenses from ordinary activities (excluding borrowing costs expense)</b>					
Employees	304,690	422,955	431,167	441,159	447,635
Suppliers	447,844	564,382	550,079	555,647	560,046
Grants	-	2,000	2,000	2,000	2,000
Depreciation and amortisation	56,031	58,925	86,668	81,016	89,802
Write-down of assets	3,740	3,740	3,740	3,740	3,740
Other	9,045	9,056	9,056	9,056	9,056
<b>Expenses from ordinary activities (excluding borrowing costs expense)</b>	<b>821,350</b>	<b>1,061,058</b>	<b>1,082,710</b>	<b>1,092,618</b>	<b>1,112,279</b>
Borrowing cost expense	668	668	668	668	668
<b>Net surplus or deficit</b>	<b>10,016</b>	<b>15,162</b>	<b>18,634</b>	<b>18,729</b>	<b>18,494</b>
Transfers to OPA	100	10,869	12,757	11,423	11,364
<b>Net surplus or deficit attributable to the Commonwealth</b>	<b>9,916</b>	<b>4,293</b>	<b>5,877</b>	<b>7,306</b>	<b>7,130</b>

Note 1: Revenue from government includes revenue from appropriations and resources received free of charge of \$1.043 million in all years.

**Table 3.2: DIMIA budgeted departmental statement of financial position**  
*as at 30 June*

	Estimated actual 2003-04 \$'000	Budget estimate 2004-05 \$'000	Forward estimate 2005-06 \$'000	Forward estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash	18,631	56,777	53,337	49,164	44,808
Receivables	95,550	524,677	559,847	605,907	666,561
Investments	-	2,002	2,002	2,002	2,002
Accrued revenues	1,000	1,000	1,000	1,000	1,000
<b>Total financial assets</b>	<b>115,181</b>	<b>584,456</b>	<b>616,186</b>	<b>658,073</b>	<b>714,371</b>
<b>Non-financial assets</b>					
Land and buildings	156,444	237,609	320,607	309,379	378,883
Infrastructure, plant and equipment	74,442	121,554	227,853	271,554	271,096
Intangibles	50,879	63,225	54,828	28,380	12,822
Inventories	254	254	254	254	254
Other	11,744	12,201	12,201	12,201	12,201
<b>Total non-financial assets</b>	<b>293,763</b>	<b>434,843</b>	<b>615,743</b>	<b>621,768</b>	<b>675,256</b>
<b>Total assets</b>	<b>408,944</b>	<b>1,019,299</b>	<b>1,231,929</b>	<b>1,279,841</b>	<b>1,389,627</b>
<b>LIABILITIES</b>					
<b>Interest bearing liabilities</b>					
Loans	-	5,275	5,275	5,275	5,275
Leases	14,205	14,180	9,445	27,770	25,315
Other	8,114	7,513	6,919	6,919	6,919
<b>Total interest bearing liabilities</b>	<b>22,319</b>	<b>26,968</b>	<b>21,639</b>	<b>39,964</b>	<b>37,509</b>
<b>Provisions and payables</b>					
Employees	96,583	111,510	113,058	113,578	116,281
Suppliers	20,763	22,227	22,227	22,227	22,227
Other	59,403	59,665	59,665	59,665	59,665
<b>Total provisions and payables</b>	<b>176,749</b>	<b>193,402</b>	<b>194,950</b>	<b>195,470</b>	<b>198,173</b>
<b>Total liabilities</b>	<b>199,068</b>	<b>220,370</b>	<b>216,589</b>	<b>235,434</b>	<b>235,682</b>
<b>EQUITY</b>					
<b>Parent equity interest</b>					
Contributed equity	123,939	708,699	919,233	940,994	1,043,402
Reserves	26,584	26,584	26,584	26,584	26,584
Retained surpluses/(accumulated deficits)	59,353	63,646	69,523	76,829	83,959
<b>Total parent equity interest</b>	<b>209,876</b>	<b>798,929</b>	<b>1,015,340</b>	<b>1,044,407</b>	<b>1,153,945</b>
<b>Total equity</b>	<b>209,876</b>	<b>798,929</b>	<b>1,015,340</b>	<b>1,044,407</b>	<b>1,153,945</b>
<b>Total assets and liabilities by maturity</b>					
<b>Current assets</b>	<b>127,179</b>	<b>169,619</b>	<b>191,175</b>	<b>222,495</b>	<b>264,622</b>
<b>Non-current assets</b>	<b>281,765</b>	<b>849,680</b>	<b>1,040,754</b>	<b>1,057,346</b>	<b>1,125,005</b>
<b>Current liabilities</b>	<b>78,365</b>	<b>93,285</b>	<b>93,792</b>	<b>94,145</b>	<b>96,475</b>
<b>Non-current liabilities</b>	<b>120,703</b>	<b>127,085</b>	<b>122,797</b>	<b>141,289</b>	<b>139,207</b>

**Table 3.3: DIMIA budgeted departmental statement of cash flows**  
for the year ended 30 June

	Estimated actual 2003-04 \$'000	Budget estimate 2004-05 \$'000	Forward estimate 2005-06 \$'000	Forward estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Appropriations for outputs	767,586	1,037,193	1,013,325	1,012,930	1,020,248
Sales of goods and services	23,195	25,734	25,742	25,747	25,746
Interest	-	20,319	20,721	20,621	20,621
GST received from ATO	31,212	44,010	44,339	46,987	47,215
Other	17,627	14,182	11,861	11,857	11,862
<b>Total cash received</b>	<b>839,620</b>	<b>1,141,438</b>	<b>1,115,988</b>	<b>1,118,142</b>	<b>1,125,692</b>
<b>Cash used</b>					
Employees	300,383	435,272	429,633	439,639	447,396
Suppliers	481,618	611,267	596,457	602,539	605,190
Grants	-	2,000	2,000	2,000	2,000
Transfer to the Official Public Account	100	10,869	12,757	11,423	11,364
GST paid to ATO	1,521	1,521	1,521	1,521	1,521
Other	9,713	10,124	10,677	11,470	12,346
<b>Total cash used</b>	<b>793,335</b>	<b>1,071,053</b>	<b>1,053,045</b>	<b>1,068,592</b>	<b>1,079,817</b>
<b>Net cash from/(used by) operating activities</b>	<b>46,285</b>	<b>70,385</b>	<b>62,943</b>	<b>49,550</b>	<b>45,875</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash received</b>					
Proceeds from sales of property, plant and equipment	19	19	19	19	19
Repayments of loans made	-	58,829	65,751	67,251	67,251
<b>Total cash received</b>	<b>19</b>	<b>58,848</b>	<b>65,770</b>	<b>67,270</b>	<b>67,270</b>
<b>Cash used</b>					
Purchase of property, plant and equipment and intangibles	67,022	99,661	65,146	59,948	51,933
Loans made	-	73,619	75,119	76,619	76,619
Other	-	87	87	87	87
<b>Total cash used</b>	<b>67,022</b>	<b>173,367</b>	<b>140,352</b>	<b>136,654</b>	<b>128,639</b>
<b>Net cash from/(used by) investing activities</b>	<b>(67,003)</b>	<b>(114,519)</b>	<b>(74,582)</b>	<b>(69,384)</b>	<b>(61,369)</b>
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Appropriations - contributed equity	14,520	33,198	8,199	15,661	11,138
Cash acquired from ATSIC/ATSIS restructuring	-	49,082	-	-	-
<b>Total cash received</b>	<b>14,520</b>	<b>82,280</b>	<b>8,199</b>	<b>15,661</b>	<b>11,138</b>
<b>Net cash from/(used by) financing activities</b>	<b>14,520</b>	<b>82,280</b>	<b>8,199</b>	<b>15,661</b>	<b>11,138</b>
<b>Net increase/(decrease) in cash held</b>	<b>(6,198)</b>	<b>38,146</b>	<b>(3,440)</b>	<b>(4,173)</b>	<b>(4,356)</b>
Cash at the beginning of the reporting period	24,829	18,631	56,777	53,337	49,164
<b>Cash at the end of the reporting period</b>	<b>18,631</b>	<b>56,777</b>	<b>53,337</b>	<b>49,164</b>	<b>44,808</b>

**Table 3.4: DIMIA departmental capital budget statement**

	Estimated actual 2003-04 \$'000	Budget estimate 2004-05 \$'000	Forward estimate 2005-06 \$'000	Forward estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000
<b>CAPITAL APPROPRIATIONS</b>					
Total equity injections	14,520	55,198	8,199	15,661	11,138
<b>Total</b>	<b>14,520</b>	<b>55,198</b>	<b>8,199</b>	<b>15,661</b>	<b>11,138</b>
<b>Represented by</b>					
Purchase of non-financial assets	12,961	35,198	8,199	15,661	11,138
Other	1,559	20,000	-	-	-
<b>Total</b>	<b>14,520</b>	<b>55,198</b>	<b>8,199</b>	<b>15,661</b>	<b>11,138</b>
<b>PURCHASE OF NON-FINANCIAL ASSETS</b>					
Funded by capital appropriations	12,961	35,198	8,199	15,661	11,138
Funded internally by departmental resources	54,061	64,463	56,947	44,287	40,795
<b>Total</b>	<b>67,022</b>	<b>99,661</b>	<b>65,146</b>	<b>59,948</b>	<b>51,933</b>

**Table 3.5: DIMIA departmental non-financial assets — summary of movement***Budget 2004-05*

	Land	Buildings	Specialist military equipment	Other infrastructure plant and equipment	Heritage and cultural assets	Computer Software	Other intangibles	<b>Total</b>
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	<b>\$'000</b>
Carrying amount at the start of year	23,091	133,353	-	74,442	-	50,879	-	281,765
Additions	6,000	8,655	-	56,585	-	28,421	-	99,661
Disposals	-	-	-	-	-	-	-	-
Revaluation increments	-	-	-	-	-	-	-	-
Recoverable amount write-downs	-	-	-	-	-	-	-	-
Assets Transferred in/(out)	22,223	64,230	-	10,834	-	2,513	-	99,800
Depreciation/amortisation expense	-	19,943	-	20,394	-	18,588	-	58,925
Write-off of assets	-	-	-	-	-	-	-	-
Other	-	-	-	87	-	-	-	87
Carrying amount at the end of year	51,314	186,295	-	121,554	-	63,225	-	<b>422,388</b>
<b>Total additions</b>								
Appropriations	6,000	7,000	-	15,588	-	6,610	-	35,198
Self-funded	-	1,655	-	40,997	-	21,811	-	64,463
<b>Total</b>	<b>6,000</b>	<b>8,655</b>	<b>-</b>	<b>56,585</b>	<b>-</b>	<b>28,421</b>	<b>-</b>	<b>99,661</b>

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

	Estimated actual 2003-04 \$'000	Budget estimate 2004-05 \$'000	Forward estimate 2005-06 \$'000	Forward estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000
<b>REVENUES</b>					
<b>Non-taxation</b>					
Fees and charges	389,468	419,511	466,251	495,949	516,646
Fines	5,512	2,025	4,427	4,335	4,338
Sale of goods and services	8,539	8,337	8,262	8,379	8,583
Proceeds from sale of financial assets	-	105,500	98,700	88,000	88,000
Recovery of detention costs	52,652	41,043	20,686	11,069	9,577
Interest	-	83,850	88,172	91,138	90,776
Other sources of non-taxation revenue	6,347	13,496	9,763	9,165	10,167
<b>Total non-taxation</b>	<b>462,518</b>	<b>673,762</b>	<b>696,261</b>	<b>708,035</b>	<b>728,087</b>
<b>Total revenues administered on behalf of government</b>	<b>462,518</b>	<b>673,762</b>	<b>696,261</b>	<b>708,035</b>	<b>728,087</b>
<b>EXPENSES</b>					
Grants	32,128	999,107	1,058,951	1,084,731	1,106,709
Subsidies	12,050	6,828	6,955	7,096	7,252
Personal benefits	8,615	6,086	5,059	5,159	5,261
Suppliers	192,568	364,583	359,494	380,675	382,131
Other	-	34,150	33,550	32,950	32,350
Value of assets sold	-	86,000	86,000	86,000	86,000
Write-down and impairment of assets	52,652	41,043	20,686	11,069	9,577
<b>Total expenses administered on behalf of government</b>	<b>298,013</b>	<b>1,537,797</b>	<b>1,570,695</b>	<b>1,607,680</b>	<b>1,629,280</b>

**Table 3.7: DIMIA schedule of budgeted assets and liabilities administered on behalf of government**

*as at 30 June*

	Estimated actual 2003-04 \$'000	Budget estimate 2004-05 \$'000	Forward estimate 2005-06 \$'000	Forward estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash	1,293	31,445	31,447	31,447	31,447
Receivables <sup>1</sup>	3,506	39,656	53,356	67,056	80,756
Accrued revenues	5,348	5,348	5,348	5,348	5,348
Investments	480,934	1,765,045	1,758,694	1,765,929	1,779,092
<b>Total financial assets</b>	<b>491,081</b>	<b>1,841,494</b>	<b>1,848,845</b>	<b>1,869,780</b>	<b>1,896,643</b>
<b>Non-financial assets</b>					
Prepayments	5,538	5,538	5,538	5,538	5,538
<b>Total non-financial assets</b>	<b>5,538</b>	<b>5,538</b>	<b>5,538</b>	<b>5,538</b>	<b>5,538</b>
<b>Total assets administered on behalf of government</b>	<b>496,619</b>	<b>1,847,032</b>	<b>1,854,383</b>	<b>1,875,318</b>	<b>1,902,181</b>
<b>LIABILITIES</b>					
<b>Provisions and payables</b>					
Suppliers	17,372	18,177	18,177	18,177	18,177
Other payables	14,742	20,737	20,737	20,737	20,737
<b>Total provisions and payables</b>	<b>32,114</b>	<b>38,914</b>	<b>38,914</b>	<b>38,914</b>	<b>38,914</b>
<b>Total liabilities administered on behalf of government</b>	<b>32,114</b>	<b>38,914</b>	<b>38,914</b>	<b>38,914</b>	<b>38,914</b>
<b>Total assets and liabilities by maturity</b>					
<b>Current assets</b>	<b>15,685</b>	<b>54,587</b>	<b>54,589</b>	<b>54,589</b>	<b>54,589</b>
<b>Non-current assets</b>	<b>480,934</b>	<b>1,792,445</b>	<b>1,799,794</b>	<b>1,820,729</b>	<b>1,847,592</b>
<b>Current liabilities</b>	<b>32,114</b>	<b>38,914</b>	<b>38,914</b>	<b>38,914</b>	<b>38,914</b>
<b>Non-current liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Note 1: Receivables excludes appropriation receivable from government.

**Table 3.8: DIMIA schedule of budgeted administered cash flows**  
for the year ended 30 June

	Estimated actual 2003-04 \$'000	Budget estimate 2004-05 \$'000	Forward estimate 2005-06 \$'000	Forward estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Sale of goods and services	403,519	429,873	478,940	508,663	529,567
Interest	-	83,800	88,172	91,138	90,776
Cash from Official Public Account	245,358	1,351,242	1,371,788	1,419,708	1,449,090
GST received from ATO	7,736	20,436	19,758	20,067	20,022
Other	9,731	16,880	13,147	12,549	13,551
<b>Total cash received</b>	<b>666,344</b>	<b>1,902,231</b>	<b>1,971,805</b>	<b>2,052,125</b>	<b>2,103,006</b>
<b>Cash used</b>					
Grants	32,128	1,002,107	1,058,951	1,084,731	1,106,709
Subsidies	12,050	6,828	6,955	7,096	7,252
Personal benefits	8,615	6,086	5,059	5,159	5,261
Suppliers	200,188	385,019	379,252	400,742	402,153
Cash to the Official Public Account	409,866	443,369	488,703	517,828	539,734
GST paid to ATO	3,384	3,384	3,384	3,384	3,384
Other	-	34,500	33,550	32,950	32,350
<b>Total cash used</b>	<b>666,231</b>	<b>1,881,293</b>	<b>1,975,854</b>	<b>2,051,890</b>	<b>2,096,843</b>
<b>Net cash from/(used by) operating activities</b>	<b>113</b>	<b>20,938</b>	<b>(4,049)</b>	<b>235</b>	<b>6,163</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash received</b>					
Deposits	-	1,545,000	1,545,000	1,545,000	1,545,000
<b>Total cash received</b>	<b>-</b>	<b>1,545,000</b>	<b>1,545,000</b>	<b>1,545,000</b>	<b>1,545,000</b>
<b>Cash used</b>					
Advances and loans	-	13,700	13,700	13,700	13,700
Deposits	-	1,565,786	1,540,949	1,545,235	1,551,163
<b>Total cash used</b>	<b>-</b>	<b>1,579,486</b>	<b>1,554,649</b>	<b>1,558,935</b>	<b>1,564,863</b>
<b>Net cash from investing activities</b>	<b>-</b>	<b>(34,486)</b>	<b>(9,649)</b>	<b>(13,935)</b>	<b>(19,863)</b>
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Capital injections	-	13,700	13,700	13,700	13,700
Cash acquired from ATSIC/ATSIS through restructuring	-	30,000	-	-	-
Administered GST appropriations	6,368	6,368	6,368	6,368	6,368
<b>Total cash received</b>	<b>6,368</b>	<b>50,068</b>	<b>20,068</b>	<b>20,068</b>	<b>20,068</b>
<b>Cash used</b>					
Return of GST to the OPA	6,368	6,368	6,368	6,368	6,368
<b>Total cash used</b>	<b>6,368</b>	<b>6,368</b>	<b>6,368</b>	<b>6,368</b>	<b>6,368</b>
<b>Net cash from/(used by) financing activities</b>	<b>-</b>	<b>43,700</b>	<b>13,700</b>	<b>13,700</b>	<b>13,700</b>
<b>Net increase/(decrease) in cash held</b>	<b>113</b>	<b>30,152</b>	<b>2</b>	<b>-</b>	<b>-</b>
Cash at the beginning of the reporting period	1,180	1,293	31,445	31,447	31,447
<b>Cash at end of reporting period</b>	<b>1,293</b>	<b>31,445</b>	<b>31,447</b>	<b>31,447</b>	<b>31,447</b>

**Table 3.9: DIMIA schedule of administered capital budget**

	Estimated actual 2003-04 \$'000	Budget estimate 2004-05 \$'000	Forward estimate 2005-06 \$'000	Forward estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000
<b>CAPITAL APPROPRIATIONS</b>					
Total equity injections	-	-	-	-	-
Total loans	-	-	-	-	-
Administered assets and liabilities appropriation	-	13,700	13,700	13,700	13,700
<b>Total</b>	<b>-</b>	<b>13,700</b>	<b>13,700</b>	<b>13,700</b>	<b>13,700</b>
<b>Represented by</b>					
Other	-	13,700	13,700	13,700	13,700
<b>Total</b>	<b>-</b>	<b>13,700</b>	<b>13,700</b>	<b>13,700</b>	<b>13,700</b>
<b>PURCHASE OF NON-FINANCIAL ASSETS</b>					
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Table 3.10: DIMIA schedule of administered non-financial assets — summary of movement**

DIMIA has no administered non-financial assets. For this reason, table 3.10 is not presented.

## **NOTES TO THE FINANCIAL STATEMENTS**

### **Departmental financial statements and schedule of administered activity**

Under the Australian Government's accrual-based 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 Australian Government's accrual budgeting framework, separate annual appropriations are provided for:

- departmental price of outputs appropriations: representing the government's funding for 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).

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## Administered investments in controlled entities

Each Commonwealth Department is required to show an administered investment in each *Commonwealth Authority and Company (CAC) Act 1997* 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.

## Restructuring

As a result of the government's decision to restructure, from 1 July 2004 the department will assume responsibility for the Aboriginal and Torres Strait Islander Commission and the Aboriginal and Torres Strait Islander Services.

The estimated net book value of assets and liabilities as at the date of transfer for ATSIC and ATSI is:

### Departmental

	<b>2003-04</b>
	<b>\$'000</b>
<b>ATSIC</b>	
Total assets recognised	487,714
Total liabilities recognised	8,160
<b>ATSIC Net Assets assumed</b>	<b>479,554</b>
<b>Net contribution by government as owner</b>	<b>479,554</b>
<b>ATSI</b>	
Total assets recognised	94,814
Total liabilities recognised	32,806
<b>ATSI Net Assets assumed</b>	<b>62,008</b>
<b>Net contribution by government as owner</b>	<b>62,008</b>

**Administered**

	<b>2003-04</b>
	<b>\$'000</b>
<b>ATSIC</b>	
Total assets recognised	1,595,419
Total liabilities recognised	10,150
<b>ATSIC Net Assets assumed</b>	<b>1,585,269</b>
<b>Net contribution by government as owner</b>	<b>1,585,269</b>
<b>ATSIS</b>	
Total assets recognised	13,700
Total liabilities recognised	-
<b>ATSIS Net Assets assumed</b>	<b>13,700</b>
<b>Net contribution by government as owner</b>	<b>13,700</b>

In addition, the department no longer needs to recognise administered investments in ATSIC:

**Administered**

	<b>2004-05</b>
	<b>\$'000</b>
<b>DIMIA</b>	
Total assets recognised	(292,894)
Total liabilities recognised	-
<b>DIMIA Net Assets assumed</b>	<b>(292,894)</b>
<b>Net contribution by government as owner</b>	<b>(292,894)</b>

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## Restructuring – transfer of function

Upon completion of construction the Department of Finance of Administration will transfer to the department the Christmas Island Immigration Reception and Processing Centre (2005-06 & 2006-07) and the Villawood Detention Centre (2007-08).

### Departmental

	2005-06	2006-07	2007-08
	\$'000	\$'000	\$'000
<b>DIMIA</b>			
Total assets recognised	202,335	6,100	91,270
Total liabilities recognised			
<b>DIMIA Net Assets transferred in</b>	<b>202,335</b>	<b>6,100</b>	<b>91,270</b>
<b>Net contribution by government as owner</b>	<b>202,335</b>	<b>6,100</b>	<b>91,270</b>

## Section 3B: ATSiC and ATSiS budgeted financial statements

**Table 4.1: ATSiC/ATSiS budgeted departmental statement of financial performance**

	ATSiC Estimated actual 2003-04 \$'000	ATSiS Estimated actual 2003-04 \$'000
<b>REVENUES</b>		
<b>Revenues from ordinary activities</b>		
Revenue from government	8,253	168,924
Goods and services	360	-
Interest	19,868	-
Other	4,856	2,430
<b>Revenues from ordinary activities</b>	<b>33,337</b>	<b>171,354</b>
<b>EXPENSES</b>		
<b>Expenses from ordinary activities (excluding borrowing costs expense)</b>		
Employees	8,379	79,628
Suppliers	42,700	73,536
Grants	2,000	-
Depreciation and amortisation	1,287	7,893
<b>Expenses from ordinary activities (excluding borrowing costs expense)</b>	<b>54,366</b>	<b>161,057</b>
<b>Net surplus or deficit</b>	<b>(21,029)</b>	<b>10,297</b>
<b>Net surplus or deficit attributable to the Commonwealth</b>	<b>(21,029)</b>	<b>10,297</b>

**Table 4.2: ATSiC/ATSiS budgeted departmental statement of financial position**

	ATSiC Estimated actual 2003-04 \$'000	ATSiS Estimated actual 2003-04 \$'000
<b>ASSETS</b>		
<b>Financial assets</b>		
Cash	46,444	2,638
Receivables	393,972	35,199
Investments	2,002	-
<b>Total financial assets</b>	<b>442,418</b>	<b>37,837</b>
<b>Non-financial assets</b>		
Land and buildings	43,217	43,236
Infrastructure, plant and equipment	-	10,834
Intangibles	-	2,513
Other	2,079	394
<b>Total non-financial assets</b>	<b>45,296</b>	<b>56,977</b>
<b>Total assets</b>	<b>487,714</b>	<b>94,814</b>
<b>LIABILITIES</b>		
<b>Interest bearing liabilities</b>		
Loans	5,275	-
Leases	-	4,710
<b>Total interest bearing liabilities</b>	<b>5,275</b>	<b>4,710</b>
<b>Provisions and payables</b>		
Employees	2,023	25,222
Suppliers	600	858
Tax Liability	262	-
Other	-	2,016
<b>Total provisions and payables</b>	<b>2,885</b>	<b>28,096</b>
<b>Total liabilities</b>	<b>8,160</b>	<b>32,806</b>
<b>EQUITY</b>		
<b>Parent equity interest</b>		
Contributed equity	170,597	51,711
Reserves	65,773	-
Retained surpluses or accumulated deficits	243,184	10,297
<b>Total parent equity interest</b>	<b>479,554</b>	<b>62,008</b>
<b>Total equity</b>	<b>479,554</b>	<b>62,008</b>
<b>Total assets and liabilities by maturity</b>		
<b>Current assets</b>	<b>442,495</b>	<b>38,231</b>
<b>Non-current assets</b>	<b>45,219</b>	<b>56,583</b>
<b>Current liabilities</b>	<b>5,275</b>	<b>4,710</b>
<b>Non-current liabilities</b>	<b>2,885</b>	<b>28,096</b>

**Table 4.3: ATSI/ATSI budgeted departmental statement of cash flows**

	ATSI	ATSI
	Estimated	Estimated
	actual	actual
	2003-04	2003-04
	\$'000	\$'000
<b>OPERATING ACTIVITIES</b>		
<b>Cash received</b>		
Appropriations	8,253	162,924
Sale of goods and services	360	-
Interest	19,868	-
GST received from the ATO	4,076	6,863
Other	5,367	2,646
<b>Total cash received</b>	<b>37,924</b>	<b>172,433</b>
<b>Cash used</b>		
Employees	10,449	77,849
Suppliers	49,401	79,890
Grants	2,000	-
Interest and other financing costs	-	400
Other	-	3,763
<b>Total cash used</b>	<b>61,850</b>	<b>161,902</b>
<b>Net cash from/(used by) operating activities</b>	<b>(23,926)</b>	<b>10,531</b>
<b>INVESTING ACTIVITIES</b>		
<b>Cash received</b>		
Official Public Account	-	220
Repayments from loans made	88,445	-
<b>Total cash received</b>	<b>88,445</b>	<b>220</b>
<b>Cash used</b>		
Purchase of property, plant and equipment and intangibles	1,287	8,026
Loans Made	-	87
Other	69,542	-
<b>Total cash used</b>	<b>70,829</b>	<b>8,113</b>
<b>Net cash from/(used by) investing activities</b>	<b>17,616</b>	<b>(7,893)</b>
<b>FINANCING ACTIVITIES</b>		
<b>Cash received</b>		
Cash received from other fin activities	-	21,655
<b>Total cash received</b>	<b>-</b>	<b>21,655</b>
<b>Cash used</b>		
Other	41,742	-
Cash to the Official Public Account Financing	-	21,655
<b>Total cash used</b>	<b>41,742</b>	<b>21,655</b>
<b>Net cash from/(used by) financing activities</b>	<b>(41,742)</b>	<b>-</b>
<b>Net increase/(decrease) in cash held</b>	<b>(48,052)</b>	<b>2,638</b>
Cash at the beginning of the reporting period	94,496	-
<b>Cash at the end of the reporting period</b>	<b>46,444</b>	<b>2,638</b>

**Table 4.4: ATSI/ATSI departmental capital budget statement**

	ATSI	ATSI
	Estimated	Estimated
	actual	actual
	2003-04	2003-04
	\$'000	\$'000
<b>CAPITAL APPROPRIATIONS</b>		
Total equity injections	-	220
<b>Total</b>	<b>-</b>	<b>220</b>
<b>Represented by</b>		
Purchase of non-financial assets	-	220
<b>Total</b>	<b>-</b>	<b>220</b>
<b>PURCHASE OF NON-CURRENT ASSETS</b>		
Funded by capital appropriations	-	220
Funded internally by departmental resources	1,287	7,806
<b>Total</b>	<b>1,287</b>	<b>8,026</b>

**Table 4.5: ATSI/ATSI schedule of budgeted revenues and expenses administered on behalf of government**

	ATSI	ATSI
	Estimated	Estimated
	actual	actual
	2003-04	2003-04
	\$'000	\$'000
<b>REVENUES</b>		
<b>Non-taxation</b>		
Interest	66,630	-
Proceeds from sale of financial assets	86,000	-
Other sources of non-taxation revenue	-	19,406
<b>Total non-taxation</b>	<b>152,630</b>	<b>19,406</b>
<b>Total revenues administered on behalf of government</b>	<b>152,630</b>	<b>19,406</b>
<b>EXPENSES</b>		
Grants	58,263	966,411
Suppliers	650	4,162
Value of assets sold	86,000	-
Other	34,150	-
<b>Total expenses administered on behalf of government</b>	<b>179,063</b>	<b>970,573</b>

**Table 4.6: ATSI/ATSIS schedule of budgeted assets and liabilities administered on behalf of government**

	ATSI	ATSIS
	Estimated	Estimated
	actual	actual
	2003-04	2003-04
	\$'000	\$'000
<b>ASSETS</b>		
<b>Financial assets</b>		
Cash	30,000	-
Receivables	8,700	13,700
Investments	1,556,719	-
<b>Total financial assets</b>	<b>1,595,419</b>	<b>13,700</b>
<b>Total assets administered on behalf of government</b>	<b>1,595,419</b>	<b>13,700</b>
<b>LIABILITIES</b>		
<b>Provisions and payables</b>		
Suppliers	5	-
Grants and subsidies	3,800	-
Other provisions and payables	6,345	-
<b>Total provisions and payables</b>	<b>10,150</b>	<b>-</b>
<b>Total liabilities administered on behalf of government</b>	<b>10,150</b>	<b>-</b>

**Table 4.7: ATSI/ATSI schedule of budgeted administered cash flows**

	ATSI	ATSI
	Estimated	Estimated
	actual	actual
	2003-04	2003-04
	\$'000	\$'000
<b>OPERATING ACTIVITIES</b>		
<b>Cash received</b>		
Interest	66,802	-
Cash from Official Public Account	99,663	970,573
GST from ATO		407
Other	56	19,406
<b>Total cash received</b>	<b>166,521</b>	<b>990,386</b>
<b>Cash used</b>		
Grants	55,324	966,411
Suppliers	696	4,569
Cash to the OPA	-	19,406
Other	34,700	-
<b>Total cash used</b>	<b>90,720</b>	<b>990,386</b>
<b>Net cash from/(used by) operating activities</b>	<b>75,801</b>	<b>-</b>
<b>INVESTING ACTIVITIES</b>		
<b>Cash received</b>		
Deposits	846,965	-
<b>Total cash received</b>	<b>846,965</b>	<b>-</b>
<b>Cash used</b>		
Deposits	1,037,062	-
Advances and loans made	-	13,700
<b>Total cash used</b>	<b>1,037,062</b>	<b>13,700</b>
<b>Net cash from/(used by) investing activities</b>	<b>(190,097)</b>	<b>(13,700)</b>
<b>FINANCING ACTIVITIES</b>		
<b>Cash received</b>		
Capital injections	91,982	13,700
<b>Total cash received</b>	<b>91,982</b>	<b>13,700</b>
<b>Net cash from/(used by) financing activities</b>	<b>91,982</b>	<b>13,700</b>
<b>Net increase/(decrease) in cash held</b>	<b>(22,314)</b>	<b>-</b>
Cash at the beginning of the reporting period	52,314	-
<b>Cash at end of reporting period</b>	<b>30,000</b>	<b>-</b>

**Table 4.8: ATSI/ATSI schedule of administered capital budget**

	ATSI	ATSI
	Estimated	Estimated
	actual	actual
	2003-04	2003-04
	\$'000	\$'000
<b>CAPITAL APPROPRIATIONS</b>		
Administered capital	91,982	13,700
Special appropriations	-	-
<b>Total</b>	<b>91,982</b>	<b>13,700</b>
<b>Represented by:</b>		
Purchase of non-current assets	-	-
Other	91,982	13,700
<b>Total</b>	<b>91,982</b>	<b>13,700</b>
<b>PURCHASE OF NON-CURRENT ASSETS</b>		
Funded by capital appropriations	-	-
Funded internally by departmental resources	-	-
<b>Total</b>	<b>-</b>	<b>-</b>