
Section 3: Budgeted financial statements

ANALYSIS OF BUDGETED FINANCIAL STATEMENTS

An analysis of the primary sources of movements from the financial statements published in the 2004-05 PBS is provided below.

Departmental financial statements

Budgeted departmental statement of financial performance

This statement provides a picture of the expected financial results for DIMIA by identifying full accrual expenses and revenues, which highlights whether the Department is operating at a sustainable level.

Revenue

In 2004-05 total revenue (price of outputs) is expected to decrease by \$59.0 million from the 2004-05 PBS estimates. This comprises:

Reason	Variation (\$m)
Transfers relating to Indigenous functions	(71.5)
Movement of funding between years	8.4
Net additional funding received for new measures	2.1
Other variations	2.0
TOTAL	(59.0)

Further detail on the above factors is provided in Section 2.

Expenses

In 2004-05 total expenses are estimated to change from \$1061.1 million to \$1008.8 million, a decrease of \$52.3 million from the 2004-05 PBS estimates. This comprises:

Reason	Variation (\$m)
Transfers relating to Indigenous functions	(71.5)
Movement of funding between years	8.4
Increase in expenses funded through cash balances relating to the 2004-05 budget measures Investing in Australia's Security – information technology systems disaster recovery	6.7
Net additional expenses related to new measures	2.1
Other variations	2.0
TOTAL	(52.3)

Budgeted departmental statement of financial position

This statement shows the financial position of DIMIA. It helps decision-makers to track the management of assets and liabilities.

Departmental asset and liability balances have primarily changed to reflect the impact of the 2003-04 audited results. In addition, the following adjustments have been made:

- an increase to buildings in 2005-06 of \$59.3 million relating to the increased value of assets to be transferred into the department;
- the decrease to employee entitlements relating to the transfer of indigenous functions and associated staff;
- the capital impact of new measures; and
- updates required to reflect the most current capital acquisition plan.

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.

The cash flow statement has been updated, where necessary, to reflect the above changes made to the statement of financial performance and position.

Departmental capital budget statement

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

The departmental capital budget statement has been revised to include additional capital injections agreed through government measures announced since the 2004-05 Budget, and the latest capital acquisition plan.

Departmental non-financial assets — summary of movement

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

This table has been updated to reflect the impact of government measures announced since the 2004-05 Budget and the latest capital acquisition plan.

Schedules of administered activity

Schedule of budgeted administered financial performance

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

Revenue

In 2004-05 the department will administer the collection of revenue on behalf of government of \$964.5 million, which is an increase of \$290.7 million since the 2004-05 Budget. The increase is primarily due to estimated revenue relating to the Aboriginal and Torres Strait Islander Land Fund, and the impact of measures announced since the 2004-05 Budget.

Further detail on revenue variations is provided in Table 1.6 in Section 1.

Expenses

Total administered expenses are estimated to change from \$1537.8 million to \$1218.0 million, a decrease of \$319.8 million since the 2004-05 budget. The decrease comprises:

Reason	Variation (\$m)
Transfers relating to Indigenous functions	(655.3)
Revised estimates relating to ATSI Land Fund investments	314.0
Measures	8.9
Movement of funds between years	1.6
Other variations	11.0
TOTAL	(319.8)

Schedule of budgeted administered financial position

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

Administered assets and liability balances have been adjusted since the 2004-05 Budget for the impact of the 2003-04 audited financial position and the transfer of capital items relating to Indigenous programs.

Schedule of budgeted administered cash flows

This schedule shows cash flows administered on behalf of the Government and has been adjusted to reflect the cash impact of the changes reported in the statement of financial performance and position.

Schedule of administered capital budget

This schedule shows details of planned administered capital expenditure and has changed since the 2004-05 Budget to reflect the impact of funding and activity associated with the transfer of indigenous programs.

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

	Actual 2003-04 \$'000	Revised Budget 2004-05 \$'000	Forward estimate 2005-06 \$'000	Forward estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000
REVENUE					
Revenues from ordinary activities					
Revenue from government ¹	751,097	950,358	965,060	977,730	1,003,884
Goods and services	31,028	35,347	35,348	34,853	34,852
Interest	11	20,319	20,721	20,621	20,621
Other revenues	29,679	11,906	10,063	9,875	9,915
Revenues from ordinary activities	811,815	1,017,930	1,031,192	1,043,079	1,069,272
EXPENSE					
Expenses from ordinary activities (Excluding borrowing costs expense)					
Employees	315,266	375,486	379,810	389,125	395,648
Suppliers	447,010	556,259	529,675	537,759	548,850
Grants	-	2,000	2,000	2,000	2,000
Depreciation and amortisation	49,130	62,259	87,584	82,003	90,816
Write-down of assets	6,038	3,740	3,740	3,740	3,740
Other expenses	624	9,056	9,056	9,056	9,056
Expenses from ordinary activities (Excluding borrowing costs expense)	818,068	1,008,800	1,011,865	1,023,683	1,050,110
Borrowing costs expense	1,397	668	668	668	668
Operating surplus/(deficit) from ordinary activities	(7,650)	8,462	18,659	18,728	18,494
Transfers to the OPA	-	10,869	12,782	11,423	11,364
Net surplus/(deficit) attributable to the Australian Government	(7,650)	(2,407)	5,877	7,305	7,130
Net credit/(debit) to asset revaluation reserve	24,943	-	-	-	-
Total changes in equity other than those resulting from transactions with owners as owners	17,293	(2,407)	5,877	7,305	7,130

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: Budgeted departmental statement of financial position
as at 30 June

	Actual 2003-04 \$'000	Revised Budget 2004-05 \$'000	Forward estimate 2005-06 \$'000	Forward estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000
ASSETS					
Financial assets					
Cash	22,727	95,003	91,563	87,390	83,034
Receivables	84,288	486,997	523,569	571,100	634,466
Other investments	-	2,000	2,000	2,000	2,000
Accrued revenues	14,177	14,177	14,177	14,177	14,177
Total financial assets	121,192	598,177	631,309	674,667	733,677
Non-financial assets					
Land and buildings	173,740	295,659	443,023	436,558	513,113
Infrastructure, plant and equipment	65,570	75,988	179,932	214,538	204,493
Inventories	70	70	70	70	70
Intangibles	47,069	55,974	52,760	31,047	20,716
Other	11,000	9,781	9,781	9,781	9,781
Total non-financial assets	297,449	437,472	685,566	691,994	748,173
Total assets	418,641	1,035,649	1,316,875	1,366,661	1,481,850
LIABILITIES					
Interest bearing liabilities					
Loans	-	7,975	7,975	7,975	7,975
Leases	25,477	12,405	7,670	25,995	23,540
Other	-	7,736	7,142	7,142	7,142
Total interest bearing liabilities	25,477	28,116	22,787	41,112	38,657
Provisions and payables					
Employees	100,480	108,978	110,572	111,136	113,882
Suppliers	15,890	24,285	24,285	24,285	24,285
Other	59,542	71,518	71,518	71,518	71,518
Total provisions and payables	175,912	204,781	206,375	206,939	209,685
Total liabilities	201,389	232,897	229,162	248,051	248,342
EQUITY					
Parent entity interest					
Contributed equity	123,938	711,845	990,929	1,014,521	1,122,289
Retained surpluses/(deficits)	41,788	39,381	45,258	52,563	59,693
Reserves	51,526	51,526	51,526	51,526	51,526
Total parent entity interest	217,252	802,752	1,087,713	1,118,610	1,233,508
Total equity	217,252	802,752	1,087,713	1,118,610	1,233,508
Current assets	132,262	191,745	214,703	247,494	292,333
Non-current assets	286,379	843,904	1,102,172	1,119,167	1,189,517
Current liabilities	115,782	125,902	123,688	134,382	134,387
Non-current liabilities	85,607	106,995	105,474	113,669	113,955

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

	Actual 2003-04 \$'000	Revised Budget 2004-05 \$'000	Forward estimate 2005-06 \$'000	Forward estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000
OPERATING ACTIVITIES					
Cash received					
Goods and services	18,836	27,642	27,645	27,317	27,326
Appropriations	826,801	1,072,388	1,029,455	1,031,560	1,046,697
Interest	11	20,319	20,721	20,621	20,621
GST received from ATO	36,805	41,939	40,902	43,560	43,573
Other	6,279	14,490	12,206	12,018	12,058
Total cash received	888,732	1,176,778	1,130,929	1,135,076	1,150,275
Cash used					
Employees	307,572	384,749	378,216	388,561	392,902
Suppliers	485,837	598,817	568,210	574,284	587,129
Grants	-	2,000	2,000	2,000	2,000
Transfers to the Official Public Account	56,158	102,265	104,178	102,819	102,760
GST paid to ATO	1,893	1,521	1,521	1,521	1,521
Other	-	10,124	13,842	16,322	18,069
Total cash used	851,460	1,099,476	1,067,967	1,085,507	1,104,381
Net cash from/ (used by)					
Operating activities	37,272	77,302	62,962	49,569	45,894
INVESTING ACTIVITIES					
Cash received					
Proceeds from sale of property, plant and equipment	59	-	-	-	-
Repayments of loans made	-	58,829	65,751	67,251	67,251
Total cash received	59	58,829	65,751	67,251	67,251
Cash used					
Purchase of property, plant and equipment and intangibles	40,656	110,129	74,396	61,779	57,293
Loans made	-	73,619	75,119	76,619	76,619
Other	-	87	87	87	87
Total cash used	40,656	183,835	149,602	138,485	133,999
Net cash from/ (used by) investing activities	(40,597)	(125,006)	(83,851)	(71,234)	(66,748)
FINANCING ACTIVITIES					
Cash received					
Appropriations - contributed equity	4,419	58,768	17,449	17,492	16,498
Other	-	83,212	-	-	-
Total cash received	4,419	141,980	17,449	17,492	16,498
Cash used					
Other	3,197	22,000	-	-	-
Total cash used	3,197	22,000	-	-	-
Net cash from/ (used by) financing activities	1,222	119,980	17,449	17,492	16,498
Net increase or (decrease) in cash held	(2,103)	72,276	(3,440)	(4,173)	(4,356)
Cash at the beginning of the reporting period	24,830	22,727	95,003	91,563	87,390
Cash at the end of the reporting period	22,727	95,003	91,563	87,390	83,034

Table 3.4: Departmental capital budget statement

	Actual	Revised	Forward	Forward	Forward
	2003-04	Budget	estimate	estimate	estimate
	\$'000	2004-05	2005-06	2006-07	2007-08
		\$'000	\$'000	\$'000	\$'000
CAPITAL APPROPRIATIONS					
Total equity injections	4,419	58,768	17,449	17,492	16,498
REPRESENTED BY					
Purchase of non-current assets	4,419	38,422	17,449	17,492	16,498
Other	-	20,346	-	-	-
Total	4,419	58,768	17,449	17,492	16,498
PURCHASE OF NON CURRENT ASSETS					
Funded by capital appropriation	4,419	38,422	17,449	17,492	16,498
Funded by prior year capital appropriation	-	6,204	-	-	-
Funded internally by Departmental resources	36,237	65,503	56,947	44,287	40,795
Total	40,656	110,129	74,396	61,779	57,293

Table 3.5: Departmental non-financial assets — summary of movement

Budget year 2004-05

	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	30,704	143,036	-	65,570	-	47,069	-	286,379
Additions	6,100	52,929	-	25,702	-	25,398	-	110,129
Disposals	-	-	-	-	-	-	-	-
Assets transferred in/(out) - restructuring	24,602	60,094	-	6,712	-	1,677	200	93,285
Net Revaluation increment / decrement	-	-	-	-	-	-	-	-
Recoverable amount write-downs	-	-	-	-	-	-	-	-
Net transfers free of charge	-	-	-	-	-	-	-	-
Depreciation/amortisation expense	-	21,806	-	22,083	-	18,370	-	62,259
Write-off of assets	-	-	-	-	-	-	-	-
Reclassifications	-	-	-	-	-	-	-	-
Other	-	-	-	87	-	-	-	87
Carrying amount at the end of year	61,406	234,253	-	75,988	-	55,774	200	427,621
Total additions								
Self funded	6,100	28,833	-	13,698	-	23,076	-	71,707
Appropriations	-	24,096	-	12,004	-	2,322	-	38,422
Total	6,100	52,929	-	25,702	-	25,398	-	110,129

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

	Actual	Revised	Forward	Forward	Forward
	2003-04	Budget	estimate	estimate	estimate
	2003-04	2004-05	2005-06	2006-07	2007-08
	\$'000	\$'000	\$'000	\$'000	\$'000
REVENUES					
Non-taxation (revenues from government)					
Fees and charges	404,188	424,332	468,180	496,585	517,165
Fines	5,292	5,775	2,977	5,285	5,288
Sale of assets	-	400,000	200,000	200,000	200,000
Recovery of detention costs	67,305	38,558	35,107	21,319	11,365
Goods and services	9,326	9,186	9,085	9,176	9,360
Interest	-	79,057	78,946	79,374	79,374
Other sources of non-taxation revenues	4,340	7,579	8,169	9,165	10,167
Total revenues administered on behalf of government	490,451	964,487	802,464	820,904	832,719
EXPENSES					
Grants	29,574	484,313	205,955	213,873	223,498
Subsidies	1,435	6,828	6,977	7,118	7,276
Personal benefits	11,852	6,422	5,706	6,141	5,787
Suppliers	163,223	238,729	237,922	254,769	256,588
Write down and impairment of assets	62,499	38,558	35,107	21,319	11,365
Value of assets sold	-	400,000	200,000	200,000	200,000
Other	-	43,123	45,002	40,575	40,575
Total expenses administered on behalf of the government	268,583	1,217,973	736,669	743,795	745,089

Table 3.7: Schedule of budgeted assets and liabilities administered on behalf of government*as at 30 June*

	Actual 2003-04 \$'000	Revised Budget 2004-05 \$'000	Forward estimate 2005-06 \$'000	Forward estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000
ASSETS					
Financial assets					
Cash	3,426	104,241	104,243	104,243	104,243
Receivables	15,926	48,874	48,872	48,872	48,872
Investments	480,958	1,500,185	1,492,983	1,495,964	1,492,231
Accrued revenues	12,095	12,095	12,095	12,095	12,095
Total financial assets	512,405	1,665,395	1,658,193	1,661,174	1,657,441
Non-financial assets					
Prepayments	9,319	9,512	9,512	9,512	9,512
Total non-financial assets	9,319	9,512	9,512	9,512	9,512
Total assets administered on behalf of government	521,724	1,674,907	1,667,705	1,670,686	1,666,953
LIABILITIES					
Provisions and payables					
Suppliers	16,428	23,708	23,708	23,708	23,708
Other payables	21,391	20,656	20,656	20,656	20,656
Total payables	37,819	44,364	44,364	44,364	44,364
Total liabilities administered on behalf of government	37,819	44,364	44,364	44,364	44,364
Total assets and liabilities by maturity					
Current assets	37,381	174,722	174,722	174,722	174,722
Non-current assets	480,958	1,500,185	1,492,983	1,495,964	1,492,231
Current liabilities	37,819	44,364	44,364	44,364	44,364
Non-current liabilities	-	-	-	-	-

Table 3.8: Schedule of Budgeted Administered Cash Flows
for the year ended 30 June

	Actual 2003-04 \$'000	Revised estimate 2004-05 \$'000	Forward estimate 2005-06 \$'000	Forward estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000
OPERATING ACTIVITIES					
Cash received					
Sale of goods	415,275	439,293	480,242	511,046	531,813
Interest	-	79,007	78,946	79,374	79,374
Cash from Official Public Account	211,755	708,226	430,416	441,083	445,617
GST received from ATO	7,482	20,436	19,758	20,067	20,022
Other	5,990	10,963	11,553	12,549	13,551
Total cash received	640,502	1,257,925	1,020,915	1,064,119	1,090,377
Cash used					
Grant payments	32,512	486,609	205,955	213,873	223,498
Subsidies paid	1,384	6,828	6,977	7,118	7,276
Personal benefits	12,691	6,422	5,706	6,141	5,787
Suppliers	174,420	258,165	256,680	274,836	276,610
Cash to Official Public Account	417,635	446,872	488,411	520,211	541,980
GST paid to ATO	2,950	3,384	3,384	3,384	3,384
Other	-	44,473	46,002	40,575	40,575
Total cash used	641,592	1,252,753	1,013,115	1,066,138	1,099,110
Net cash from / (used by) operating activities	(1,090)	5,172	7,800	(2,019)	(8,733)
INVESTING ACTIVITIES					
Cash received					
Deposits	-	1,144,500	956,300	972,000	977,000
Total cash received	-	1,144,500	956,300	972,000	977,000
Cash used					
Deposits	-	1,152,713	964,098	969,981	968,267
Advances and loans	-	886	-	-	-
Total cash used	-	1,153,599	964,098	969,981	968,267
Net cash from / (used by) investing activities	-	(9,099)	(7,798)	2,019	8,733
FINANCING ACTIVITIES					
Cash received					
Capital injections	-	886	-	-	-
Administered GST appropriations	7,933	6,368	6,368	6,368	6,368
Other	-	103,856	-	-	-
Total cash received	7,933	111,110	6,368	6,368	6,368
Cash used					
Return of GST to the OPA	4,597	6,368	6,368	6,368	6,368
Total cash used	4,597	6,368	6,368	6,368	6,368
Net cash from / (used by) financing activities	3,336	104,742	-	-	-
Net increase or (decrease) In					
Cash held	2,246	100,815	2	-	-
Cash at beginning of reporting period	1,180	3,426	104,241	104,243	104,243
Cash at end of reporting period	3,426	104,241	104,243	104,243	104,243

Table 3.9: Schedule of Administered Capital Budget

	Actual	Revised Budget	Forward estimate	Forward estimate	Forward estimate
	2003-04	2004-05	2005-06	2006-07	2007-08
	\$'000	\$'000	\$'000	\$'000	\$'000
CAPITAL APPROPRIATIONS					
Administered capital annual appropriation	-	886	-	-	-
REPRESENTED BY					
Purchase of non-current assets	-	-	-	-	-
Other	-	886	-	-	-
Total	-	886	-	-	-

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.