

# MIGRATION REVIEW TRIBUNAL

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# MIGRATION REVIEW TRIBUNAL

## Section 1: Agency overview

The Migration Review Tribunal (MRT) provides final independent merits review of certain administrative decisions of DIMIA. The MRT is required to provide a review that is fair, just, economical, informal and quick.

The MRT is prescribed under the *Financial Management and Accountability Act 1997*, and administers the MRT application for review fee.

**Table 1.1: Agency outcomes and output groups**

Outcome	Description
<b>Outcome 1</b>	
Contribute to ensuring that administrative decisions of Government are correct and preferable in relation to non-humanitarian entrants	The MRT provides final independent merits review of certain administrative decisions of DIMIA. The MRT is required to provide a review that is fair, just, economical, informal and quick

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## Section 2: Agency resources for 2005-06

### **2.1: APPROPRIATIONS AND OTHER RESOURCES**

The MRT has entered into an ongoing agreement with the Department of Finance and Administration (Finance) to have funding considered on the basis of a formula using fixed and variable costs. The MRT will receive 75 per cent of its appropriation as a fixed amount and the remaining 25 per cent is dependent on the number of cases finalised in a year.

Table 2.1 shows the total resources from all origins for 2005-06, including appropriations. The table summarises how revenue will be applied by outcome, administered and departmental classification.

The total appropriation for the MRT in the 2005-06 Budget is \$21.5 million.

**Table 2.1: Appropriations and other revenue 2005-06<sup>1</sup> ('000)**

Outcome	Appropriations			Revenue from other sources <sup>5</sup>		Total resources <sup>7</sup>
	\$'000 Bill No. 1	\$'000 Bill No. 2 <sup>2</sup>	\$'000 Special approp <sup>3</sup>	\$'000 Total approp <sup>4</sup>	% <sup>6</sup>	
<b>Outcome 1 Contribute to ensuring that administrative decisions of Government are correct and preferable in relation to non-humanitarian entrants</b>						
Administered						
Departmental	21,532	-	-	21,532	50	21,582
<b>Total outcome 1</b>	<b>21,532</b>	<b>-</b>	<b>-</b>	<b>21,532</b>	<b>50</b>	<b>21,582</b>
Departmental capital (equity injections)						
Previous year's outputs						
Administered assets and liabilities						
<b>Total resources</b>	<b>21,532</b>	<b>-</b>	<b>-</b>	<b>21,532</b>	<b>50</b>	<b>21,582</b>

1 This table has been redesigned to correspond with Budget Paper No. 4 'Agency Resourcing'. It now includes (where appropriate) administered revenue from other sources.

2 Under the appropriation structure, Bill No. 2 includes Specific Purpose Payments (SPPs), New Agency Outcomes (NAOs), administered capital and departmental capital via departmental injections and loans.

3 Estimated expenses from individual Special Appropriations are shown at Section 3, Tables 3.1, etc.

4 Total appropriations = Bill No. 1 + Bill No. 2 + Special Appropriations.

5 Revenue from other sources includes FMA s.31 revenues, CAC body revenues that are available to be expended, special accounts (non-appropriation revenues) and resources received free of charge.

6 Percentage figures indicate the percentage contribution of revenue from government (departmental appropriations) to the total price of outputs, by outcome, and the percentage contribution of revenue from other sources (departmental) to the total price of outputs, by outcome.

7 Total resources = Total appropriations + revenue from other sources.

Note: Refer to Budgeted statement of financial performance for application of agency revenue.

## **2.2: 2005-06 BUDGET MEASURES**

Budget measures relating to the Migration Review Tribunal are summarised in Table 2.2. Measures listed in Table 2.2 are explained in Budget Paper No. 2.

**Table 2.2: MRT - summary of expense measures in the 2005-06 Budget**

Measure	Outcome and Output Groups	Appropriations budget			Appropriations forward estimate 2006-07 (\$'000)			Appropriations forward estimate 2007-08 (\$'000)			Appropriations forward estimate 2008-09 (\$'000)		
		Admin expenses	Dept outputs	Total	Admin expenses	Dept outputs	Total	Admin expenses	Dept outputs	Total	Admin expenses	Dept outputs	Total
Efficiency dividend - increase in the rate from 1 per cent to 1.25 per cent	1	-	(53)	(53)	-	(53)	(53)	-	(53)	(53)	-	(53)	(53)

## 2.3: OTHER RECEIPTS AVAILABLE TO BE USED

Table 2.3 provides details of other receipts available to be used and include FMA s.31 receipts, CAC body receipts that are available to be spent, special accounts (non-appropriation receipts) and resources received free of charge.

**Table 2.3: Other receipts available to be used**

	Estimated receipts 2004-05 \$'000	Budget estimate 2005-06 \$'000
Outcome 1		
<b>Departmental other receipts</b>		
Proceeds from sale of assets	20	20
Resources Received Free of Charge	30	30
<b>Total departmental other receipts available to be used</b>	<b>50</b>	<b>50</b>

## 2.4: MOVEMENT OF ADMINISTERED FUNDS FROM 2004-05 TO 2005-06

The MRT has no movement of administered funding from 2004-05 to 2005-06. For this reason, table 2.4 is not presented.

## 2.5: SPECIAL APPROPRIATIONS

The MRT has no special appropriations. For this reason, table 2.5 is not presented.

## 2.6: SPECIAL ACCOUNTS

The MRT has no special accounts. For this reason, table 2.6 is not presented.

## 2.7: ADMINISTERED CAPITAL AND DEPARTMENTAL EQUITY INJECTIONS AND LOANS

The MRT has no administered capital, departmental equity injections or loans.

## 2.8: REVENUE FROM INDEPENDENT SOURCES

**Supplementary Table 1: Revenue from independent sources**

	Estimated actual 2004-05 \$'000	Budget estimate 2005-06 \$'000
<b>ADMINISTERED REVENUE</b>		
<b>Outcome 1</b>		
MRT fees	8,310	8,690
<b>Total Outcome 1</b>	<b>8,310</b>	<b>8,690</b>
<b>Total administered revenue</b>	<b>8,310</b>	<b>8,690</b>
<b>DEPARTMENTAL REVENUE</b>		
<b>Outcome 1</b>		
Proceeds from Sale of assets	20	20
Resources received free of charge	30	30
<b>Total Outcome 1</b>	<b>50</b>	<b>50</b>
<b>Total departmental revenue</b>	<b>50</b>	<b>50</b>

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## Section 3: Agency outcomes

This section explains how the resources identified in Section 2 will be used to deliver outputs and administered items to contribute to the outcome for the Migration Review Tribunal.

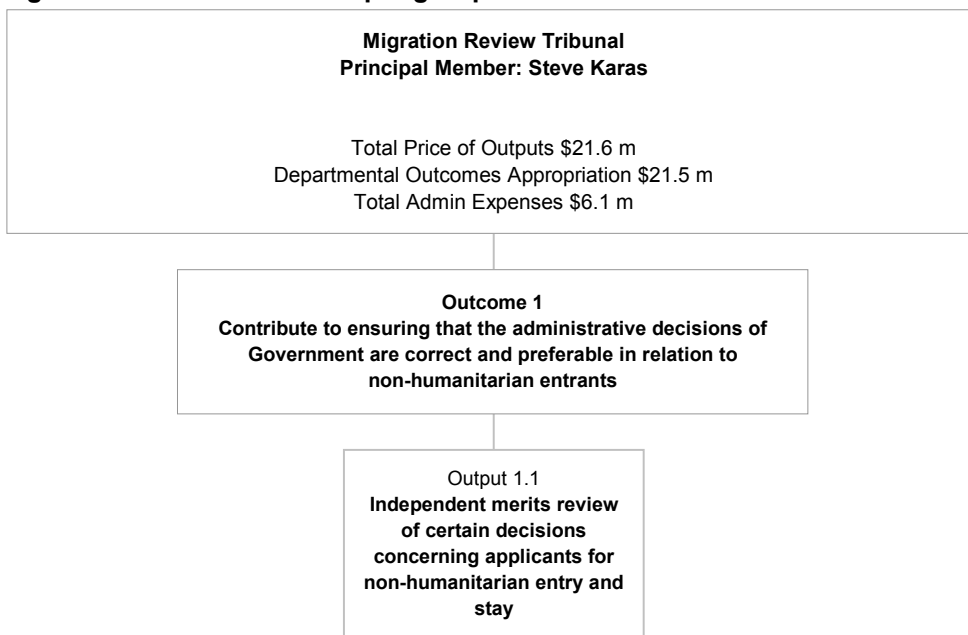
### 3.1: SUMMARY OF OUTCOMES, OUTPUTS AND ADMINISTERED ITEMS

The MRT works towards achieving one outcome specified by government. The outcome is *to contribute to ensuring that the administrative decisions of government are correct and preferable in relation to non-humanitarian entrants*.

#### Output cost attribution

There is one output for the MRT which is the *independent merits review of certain decisions concerning applicants for non-humanitarian entry and stay*. All costs are allocated to this output.

**Figure 4: Outcomes and output groups and administered items**



### **Changes to outcomes and outputs**

MRT has had no changes to the number, wording or structure of its outcome or outputs since Budget 2004-05.

## **3.2: OUTCOMES — DEPARTMENTAL AND ADMINISTERED**

### **Departmental appropriations by outcome**

As identified in Section 3.1, the MRT works towards achieving one outcome. All departmental appropriation is allocated to this outcome. An analysis of departmental resources for this outcome is provided in Section 5.1: Analysis of Budgeted Financial Statements.

### **Administered appropriations by outcome**

The MRT has no administered appropriation.

## **3.3: OUTCOMES RESOURCING**

### **Outcome 1 resourcing**

Table 3.1 shows how the 2005-06 Budget appropriations translate to total resourcing for Outcome 1, including administered expenses, revenue from government (appropriation), revenue from other sources (departmental) and the total price of outputs.

**Table 3.1: Total resources for Outcome 1 (\$'000)**

	Estimated actual 2004-05 \$'000	Budget estimate 2005-06 \$'000
<b>Administered items</b>		
Refund of fees	5,850	6,110
<b>Total administered expenses</b>	<b>5,850</b>	<b>6,110</b>
<b>Departmental appropriations</b>		
Output Group 1.		
Output 1.1 - independent merits review of certain decisions concerning applicants for non- humanitarian entry and stay	21,055	21,532
<b>Subtotal Output Group 1</b>	<b>21,055</b>	<b>21,532</b>
<b>Total revenue from government (appropriations)</b>	<b>21,055</b>	<b>21,532</b>
<b>Contributing to price of departmental outputs</b>	<b>99.8%</b>	<b>99.8%</b>
<b>Revenue from other sources</b>		
Other revenue	50	50
<b>Total revenue from other sources</b>	<b>50</b>	<b>50</b>
<b>Total price from departmental outputs</b> (Total revenue from government and from other sources)	<b>21,105</b>	<b>21,582</b>
<b>Total estimated resourcing for Outcome 1</b> (Total price of outputs and administered appropriations)	<b>26,955</b>	<b>27,692</b>
	2004-05	2005-06
<b>Average staffing level (number)</b>	174	174

## Performance information for Outcome 1

**Table 3.2: Performance information for Outcome 1**

<b>Effectiveness — overall achievement of the outcome</b>	
<b>Decisions are correct and preferable</b>	
Extent to which the MRT contributes to the quality and consistency of decision making	
<b>Performance information for departmental outputs</b>	
<b>Output 1.1 — Independent merits review of certain decisions concerning applicants for non-humanitarian entry and stay</b>	<b>\$21.5 million</b>
Quantity	
Cases finalised	9,700
Quality	
Level and outcome of appeals against Tribunal decisions	
Complaints received	
Extent to which time standards are met	

## Evaluations for Outcome 1

The MRT regularly seeks feedback from stakeholders through regular community liaison meetings and liaison meetings with DIMIA. Monthly activity and financial reports are reviewed by the Senior Management Group and by the Joint Management Board. There is an internal audit program and there are management initiated reviews to enhance the flexibility, accountability and cost effectiveness of output delivery. The Australian National Audit Office (the ANAO) will be conducting a general performance audit on the effectiveness of the MRT and the RRT.

## Competitive tendering and contracting (CTC)

The MRT manages a number of contracts with external service providers. Service providers are selected through competitive tendering processes.

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## Section 4: Other reporting requirements

### **4.1: PURCHASER-PROVIDER ARRANGEMENTS**

The MRT currently purchases its financial system from DIMIA. The MRT also has arrangements with DIMIA to use DIMIA's travel provider.

The MRT has a memorandum of understanding with the Administrative Appeals Tribunal (AAT) for the provision of counter services and serviced offices in Perth, Adelaide and Brisbane.

The MRT receives corporate, research and library services from the RRT. The MRT is charged a fee for this service which is based on direct costs, comprised mainly of staff and rent.

#### **Cross agency overview**

The MRT and the RRT have established a Joint Management Board and other joint corporate governance arrangements, and are continuing to implement measures to find efficiencies in the operations of the tribunals through common staff service arrangements, common infrastructure, and common purchasing. In July 2004, a significant proportion of members were cross-appointed to both the MRT and the RRT. The management of the allocation of work to these members between the tribunals permits the tribunals to deal with changing caseloads.

The tribunals co-located in Melbourne in 2003 and will co-locate in Sydney in 2005.

#### **Responsibility**

The reporting of these arrangements forms part of the MRT's Annual Report.

#### **Control arrangements**

The MRT is accountable for its operations, and there are joint corporate governance arrangements in place across MRT and RRT operations.

#### **Resourcing**

Charges are funded from within the MRT's resources.

### **Performance against outcomes of purchased outputs**

The services which are provided by other agencies are support services and the effectiveness will be reported in the MRT's annual report. The services provided or sourced support the efficient delivery of the MRT's single outcome.

### **4.2: COST RECOVERY ARRANGEMENTS**

The MRT has no cost recovery arrangements. Fees and charges for courts and tribunals are excluded from the government's cost recovery policy (which generally encompasses fees and charges related to the provision of government goods and services to the private and other non-government sectors of the economy).

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## Section 5: Budgeted financial statements

### **5.1: ANALYSIS OF BUDGETED FINANCIAL STATEMENTS**

An analysis of the MRT's budgeted financial statements for the 2005-06 Portfolio Budget Statements is provided below.

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

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

The MRT's funding is based on an agreement with Finance, and receives funding for fixed costs plus variable costs based on the MRT's total operating costs. Total expenses for 2005-06 are estimated at \$21.6 million, which will lead to an anticipated nil surplus. The MRT is co-locating with the RRT in Sydney mid 2005, and productivity improvements should be achieved in outyears after transitional costs are incurred.

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

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

Financial assets will decrease by \$1.6 million due to increase in non-financial assets as a result of a joint case management system project.

Financial assets will increase in out years as a result of lower capital expenditure.

#### **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 movement in cash flow has been affected by capital purchases of \$2.3 million.

#### **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 MRT replaces assets on a regular basis as part of its ongoing asset maintenance program. This year the capital budget is affected by a co-location in Sydney with the Refugee Review Tribunal.

### **Departmental non financial assets – summary of movement**

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

Capital purchases will be affected by the Sydney co-location. The fitout component includes an upgrade of a PABX and a replacement program for copiers, printers and PCs. The MRT is also replacing its current case management system (CMS), with a new CMS in conjunction with the RRT.

### **Schedule of administered activity**

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

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

The MRT administers a fee of \$1,400 for lodging an application for review. Fees are refundable to applicants if decisions are made in their favour. Revenue totalling \$8.7 million represents estimated fees for 2005-06, and expenses of \$6.1 million represent anticipated refunds.

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

This schedule shows the assets and liabilities administered on behalf of the government. Financial assets of \$2,000 are the cash on hand at the 30 June 2006.

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

This schedule shows cash flows administered on behalf of the government.

The \$8.7 million for fees represents the anticipated receipts for 2005-06, which in turn are remitted to the official public account. Cash of \$6.1 million received from the official public account is used for refunds of fees to successful applicants.

## 5.2: BUDGETED FINANCIAL STATEMENTS TABLES

**Table 5.1: Budgeted departmental statement of financial performance for the period ended 30 June**

	Estimated actual 2004-05 \$'000	Budget estimate 2005-06 \$'000	Forward estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000
<b>REVENUE</b>					
<b>Revenues from ordinary activities</b>					
Revenues from Government	21,055	21,532	21,402	21,648	21,929
Revenue from sales of assets	20	20			
Other	30	30	30	30	30
<b>Revenues from ordinary activities</b>	<b>21,105</b>	<b>21,582</b>	<b>21,432</b>	<b>21,678</b>	<b>21,959</b>
<b>EXPENSE</b>					
<b>Expenses from ordinary activities (excluding borrowing costs expense)</b>					
Employees	13,864	13,894	13,785	14,030	14,255
Suppliers	6,402	6,785	6,854	6,922	6,991
Depreciation and amortisation	522	903	793	726	713
<b>Expenses from ordinary activities (excluding borrowing costs expense)</b>	<b>20,788</b>	<b>21,582</b>	<b>21,432</b>	<b>21,678</b>	<b>21,959</b>
<b>Operating surplus or (deficit) from ordinary activities</b>	<b>317</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net surplus or deficit attributable to the Australian Government</b>	<b>317</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Table 5.2: Budgeted departmental statement of financial position as at 30 June**

	Estimated actual 2004-05 \$'000	Budget estimate 2005-06 \$'000	Forward estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash	398	227	94	174	54
Receivables	2,017	551	1,151	1,651	2,151
<b>Total financial assets</b>	<b>2,415</b>	<b>778</b>	<b>1,245</b>	<b>1,825</b>	<b>2,205</b>
<b>Non-financial assets</b>					
Land and buildings	1,207	1,059	911	763	615
Infrastructure, plant and equipment	482	315	330	242	367
Intangibles	85	1,825	1,385	945	505
Other non-financial assets	122	122	122	122	122
<b>Total non-financial assets</b>	<b>1,896</b>	<b>3,321</b>	<b>2,748</b>	<b>2,072</b>	<b>1,609</b>
<b>Total assets</b>	<b>4,311</b>	<b>4,099</b>	<b>3,993</b>	<b>3,897</b>	<b>3,814</b>
<b>LIABILITIES</b>					
<b>Interest bearing liabilities</b>					
Leases	413	296	190	94	11
<b>Total interest bearing liabilities</b>	<b>413</b>	<b>296</b>	<b>190</b>	<b>94</b>	<b>11</b>
<b>Provisions</b>					
Employees	2,251	2,251	2,251	2,251	2,251
<b>Total provisions</b>	<b>2,251</b>	<b>2,251</b>	<b>2,251</b>	<b>2,251</b>	<b>2,251</b>
<b>Payables</b>					
Suppliers	375	280	280	280	280
<b>Total payables</b>	<b>375</b>	<b>280</b>	<b>280</b>	<b>280</b>	<b>280</b>
<b>Total liabilities</b>	<b>3,039</b>	<b>2,827</b>	<b>2,721</b>	<b>2,625</b>	<b>2,542</b>
<b>EQUITY*</b>					
<b>Parent entity interest</b>					
Reserves	558	558	558	558	558
Retained surpluses or accumulated deficits	714	714	714	714	714
<b>Total parent entity interest</b>	<b>1,272</b>	<b>1,272</b>	<b>1,272</b>	<b>1,272</b>	<b>1,272</b>
<b>Total equity</b>	<b>1,272</b>	<b>1,272</b>	<b>1,272</b>	<b>1,272</b>	<b>1,272</b>
<b>Current assets</b>	2,537	900	1,367	1,947	2,327
<b>Non-current assets</b>	1,774	3,199	2,626	1,950	1,487
<b>Current liabilities</b>	847	752	752	752	752
<b>Non-current liabilities</b>	2,192	2,075	1,969	1,873	1,790

\*Note: 'equity' is the residual interest in assets after deduction of liabilities.

**Table 5.3: Budgeted departmental statement of cash flows for the period ended 30 June**

	Estimated actual 2004-05 \$'000	Budget estimate 2005-06 \$'000	Forward estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Appropriations	20,700	21,532	21,402	21,648	21,929
<b>Total cash received</b>	<b>20,700</b>	<b>21,532</b>	<b>21,402</b>	<b>21,648</b>	<b>21,929</b>
<b>Cash used</b>					
Employees	13,864	13,894	13,785	14,030	14,255
Suppliers	6,372	6,584	6,824	6,892	6,961
Transfers to/(from) DOFA	100	(1,200)	600	500	500
<b>Total cash used</b>	<b>20,336</b>	<b>19,278</b>	<b>21,209</b>	<b>21,422</b>	<b>21,716</b>
<b>Net cash from or (used by) operating activities</b>	<b>364</b>	<b>2,254</b>	<b>193</b>	<b>226</b>	<b>213</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash received</b>					
Proceeds from sales of property, plant and equipment	20	20	-	-	-
<b>Total cash received</b>	<b>20</b>	<b>20</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash used</b>					
Purchase of property, plant and equipment	520	2,328	220	50	250
<b>Total cash used</b>	<b>520</b>	<b>2,328</b>	<b>220</b>	<b>50</b>	<b>250</b>
<b>Net cash from or (used by) investing activities</b>	<b>(500)</b>	<b>(2,308)</b>	<b>(220)</b>	<b>(50)</b>	<b>(250)</b>
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Other	-	-	-	-	-
<b>Total cash received</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash used</b>					
Repayments of debt	117	117	106	96	83
<b>Total cash used</b>	<b>117</b>	<b>117</b>	<b>106</b>	<b>96</b>	<b>83</b>
<b>Net cash from/(used by) financing activities</b>	<b>(117)</b>	<b>(117)</b>	<b>(106)</b>	<b>(96)</b>	<b>(83)</b>
<b>Net increase or (decrease) in cash held</b>	<b>(253)</b>	<b>(171)</b>	<b>(133)</b>	<b>80</b>	<b>(120)</b>
Cash at the beginning of the reporting period	651	398	227	94	174
<b>Cash at the end of the reporting period</b>	<b>398</b>	<b>227</b>	<b>94</b>	<b>174</b>	<b>54</b>

**Table 5.4: Departmental capital budget statement**

	Estimated actual 2004-05 \$'000	Budget estimate 2005-06 \$'000	Forward estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000
<b>PURCHASE OF NON-FINANCIAL ASSETS</b>					
Funded internally by					
Departmental resources	520	2,328	220	50	250
<b>Total</b>	<b>520</b>	<b>2,328</b>	<b>220</b>	<b>50</b>	<b>250</b>

**Table 5.5: Departmental property, plant, equipment and intangibles — summary of movement (Budget year 2005-06)**

	Buildings	Other infrastructure plant and equipment	Computer software	<b>Total</b>
	\$'000	\$'000	\$'000	<b>\$'000</b>
<b>As at 1 July 2005</b>				
Gross book value	1,477	1,420	333	3,230
Accumulated depreciation	270	938	248	1,456
<b>Opening net book value</b>	<b>1,207</b>	<b>482</b>	<b>85</b>	<b>1,774</b>
Additions:				
by purchase		128	2,200	2,328
Depreciation/amortisation expense	148	295	460	903
<b>As at 30 June 2006</b>	<b>1,059</b>	<b>315</b>	<b>1,825</b>	<b>3,199</b>
Gross book value	1,477	1,548	2,533	5,558
Accumulated depreciation	418	1,233	708	2,359
<b>Closing net book value</b>	<b>1,059</b>	<b>315</b>	<b>1,825</b>	<b>3,199</b>

**Table 5.6: Schedule of budgeted revenues and expenses administered on behalf of Government for the period ended 30 June**

	Estimated actual 2004-05 \$'000	Budget estimates 2005-06 \$'000	Forward estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000
<b>REVENUES ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
<b>Non-taxation (revenues from Government)</b>					
Other sources of non-taxation	8,310	8,690	8,060	8,060	8,060
<b>Total non-taxation</b>	<b>8,310</b>	<b>8,690</b>	<b>8,060</b>	<b>8,060</b>	<b>8,060</b>
<b>Total revenues administered on behalf of Government</b>	<b>8,310</b>	<b>8,690</b>	<b>8,060</b>	<b>8,060</b>	<b>8,060</b>
<b>EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
Refund of fees	5,850	6,110	5,670	5,670	5,670
<b>Total expenses administered on behalf of Government</b>	<b>5,850</b>	<b>6,110</b>	<b>5,670</b>	<b>5,670</b>	<b>5,670</b>

**Table 5.7: Schedule of budgeted assets and liabilities administered on behalf of Government as at 30 June**

	Estimated actual 2004-05 \$'000	Budget estimate 2005-06 \$'000	Forward estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000
<b>ASSETS ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
<b>Financial assets</b>					
Cash	2	2	2	2	2
<b>Total financial assets</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>
<b>Total assets administered on behalf of Government</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>
<b>LIABILITIES ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
<b>Payables</b>					
Other payables	-	-	-	-	-
<b>Total payables</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total liabilities administered on behalf of Government</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Table 5.8: Schedule of budgeted administered cash flows for the period ended 30 June**

	Estimated actual 2004-05 \$'000	Budget estimate 2005-06 \$'000	Forward estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Cash from Official Public Account	5,850	6,110	5,670	5,670	5,670
Other taxes, fees and fines	8,310	8,690	8,060	8,060	8,060
<b>Total cash received</b>	<b>14,160</b>	<b>14,800</b>	<b>13,730</b>	<b>13,730</b>	<b>13,730</b>
<b>Cash used</b>					
Cash to Official Public Account	8,310	8,690	8,060	8,060	8,060
Other	5,850	6,110	5,670	5,670	5,670
<b>Total cash used</b>	<b>14,160</b>	<b>14,800</b>	<b>13,730</b>	<b>13,730</b>	<b>13,730</b>
<b>Net cash from/(used by) operating activities</b>	-	-	-	-	-
<b>Net increase or (decrease) in cash held</b>					
Cash at beginning of reporting period	2	2	2	2	2
<b>Cash at end of reporting period</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>

## **5.3: NOTES TO THE FINANCIAL STATEMENTS**

### **Departmental financial statements and schedule to 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 of outputs from agencies;
- departmental capital appropriations: for investments by the government for either additional equity or loans in agencies;
- administered expense appropriations: for the estimated administered expenses relating to an existing outcome, a new outcome or a Specific Purpose Payment to the states; and
- administered capital appropriations: for increases in administered equity through funding non-expense administered payments.

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

### **Administered investments in controlled entities**

Each Commonwealth Department is required to show an administered investment in each *Commonwealth Authorities and Company 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.

