

# TORRES STRAIT REGIONAL AUTHORITY

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# TORRES STRAIT REGIONAL AUTHORITY

## Section 1: Agency overview

The functions of the Torres Strait Regional Authority (TSRA) as outlined in section 142A of the *Aboriginal and Torres Strait Islander Act 2005* (ATSI Act 2005) are to:

- Recognise and maintain the special and unique *Ailan Kastom* of Torres Strait Islanders living in the Torres Strait area;
- Formulate and implement programs for Torres Strait Islanders and Aboriginal persons living in the Torres Strait area, including programs conducted by other bodies;
- Develop policy proposals to meet National, State and regional needs and priorities of Torres Strait Islanders and Aboriginal persons living in the Torres Strait area;
- Assist, advise and cooperate with Torres Strait Islander and Aboriginal communities, organisation, and individuals at National, State, Territory and regional levels;
- Advise the Minister for Immigration and Multicultural and Indigenous Affairs on:
  - Matters relating to Torres Strait Islander affairs and Aboriginal affairs in the Torres Strait area, including the administration of legislation, and
  - The coordination of activities of other Commonwealth bodies that affect Torres Strait Islanders or Aboriginal persons living in the Torres Strait area;
- When requested by the Minister, provide information or advice to the Minister on any matters specified by the Minister;
- Take reasonable action considered necessary to protect Torres Strait Islander and Aboriginal cultural material and information relating to the Torres Strait area if the material or information is considered sacred or otherwise significant by Torres Strait Islanders or Aboriginal persons;
- At the request of, or with the agreement of, the Australian Bureau of Statistics but not otherwise, to collect and publish statistical information relating to Torres Strait Islanders and Aboriginal persons living in the Torres Strait area;

- Such other functions as are expressly conferred on the TSRA by a law of a State or an internal Territory and in respect of which there is in force written approval by the Minister under Section 142B;
- To undertake such research as is necessary to enable the TSRA to perform any of its other functions; and
- Do anything else that is incidental or conducive to the performance of any of the preceding functions.

The TSRA has only one planned outcome which is to *achieve a better quality of life and to develop an economic base for Torres Strait Islander and Aboriginal persons living in the Torres Strait.*

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

Outcome	Description	Output groups
<b>Outcome 1</b>		
To achieve a better quality of life and develop and economic base for Torres Strait Islander and Aboriginal persons living in the Torres Strait	To achieve a better quality of life and develop an economic base for Torres Strait Islander and Aboriginal persons living in the Torres Strait	Output Group 1.1 Economic Development Output Group 1.2 Community Development, Employment and Training Output Group 1.3 Native Title Output Group 1.4 Housing and Environmental Health Infrastructure Output Group 1.5 Social and Cultural Development Output Group 1.6 Policy and Information

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## Section 2: Agency resources for 2005-06

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

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 TSRA in the 2005-06 Budget is \$53.7 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>	Total approp <sup>4</sup>	\$'000	% <sup>6</sup>	
<b>Outcome 1 - To achieve a better quality of life and develop an economic base for Torres Strait Islander and Islander and Aboriginal persons living in the Torres Strait</b>							
Administered				-			-
Departmental	53,664			53,664	1,885	3%	55,549
<b>Total outcome 1</b>	<b>53,664</b>	<b>-</b>	<b>-</b>	<b>53,664</b>	<b>1,885</b>	<b>3%</b>	<b>55,549</b>
Departmental capital (equity injections)				-			
Previous year's outputs				-			
Administered assets and liabilities				-			
<b>Total resources</b>	<b>53,664</b>	<b>-</b>	<b>-</b>	<b>53,664</b>	<b>1,885</b>	<b>3%</b>	<b>55,549</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 expensed, 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 Torres Strait Regional Authority are summarised in Table 2.2. Measures listed in Table 2.2 are explained in Budget Paper No. 2.

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

Measure	Outcome and Output Groups	Appropriations budget 2005-06 (\$'000)			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
Addressing Indigenous Needs - Fringe Benefits Tax supplementation for Aboriginal and Torres Strait Islander organisations - extension	1	-	-	-	-	-	-	-	-	-	-	-	
Efficiency dividend - increase in the rate from 1 per cent to 1.25 per cent	1	-	(8)	(8)	-	(8)	(8)	-	(8)	(8)	-	-	

### 2.3: OTHER RECEIPTS AVAILABLE TO BE USED

Table 2.3 provides details of other receipts available to be used and include FMA Act Section 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**

Outcome	Estimated receipts 2004-05 \$'000	Budget estimate 2005-06 \$'000
<b>Departmental other receipts</b>		
To achieve a better quality of life and develop and economic base for Torres Strait Islander and Aboriginal persons living in the Torres Strait	2,408	1,885
<b>Total departmental other receipts available to be used</b>	<b>2,408</b>	<b>1,885</b>

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

TSRA has no administered funds. For this reason, table 2.4 is not presented.

### 2.5: SPECIAL APPROPRIATIONS

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

### 2.6: SPECIAL ACCOUNTS

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

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

No administered capital and departmental equity injections and loans are anticipated for TSRA in the 2005-06 budget year.

## 2.8: REVENUE FROM INDEPENDENT SOURCES

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

	Estimated actual 2004-05 \$'000	Budget estimate 2005-06 \$'000
<b>DEPARTMENTAL REVENUE</b>		
<b>Outcome 1</b>		
To achieve a better quality of life and develop an economic base for Torres Strait Islander and Aboriginal persons living in the Torres Strait	2,408	1,885
<b>Total Outcome 1</b>	<b>2,408</b>	<b>1,885</b>
<b>Total departmental revenue</b>	<b>2,408</b>	<b>1,885</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 Torres Strait Regional Authority.

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

The Torres Strait Regional Authority works towards achieving one outcome specified by Australian Government which is *to achieve a better quality of life and to develop an economic base for Torres Strait Islander and Aboriginal persons living in the Torres Strait*. The following section provides a departmental overview, and that outcome is discussed.

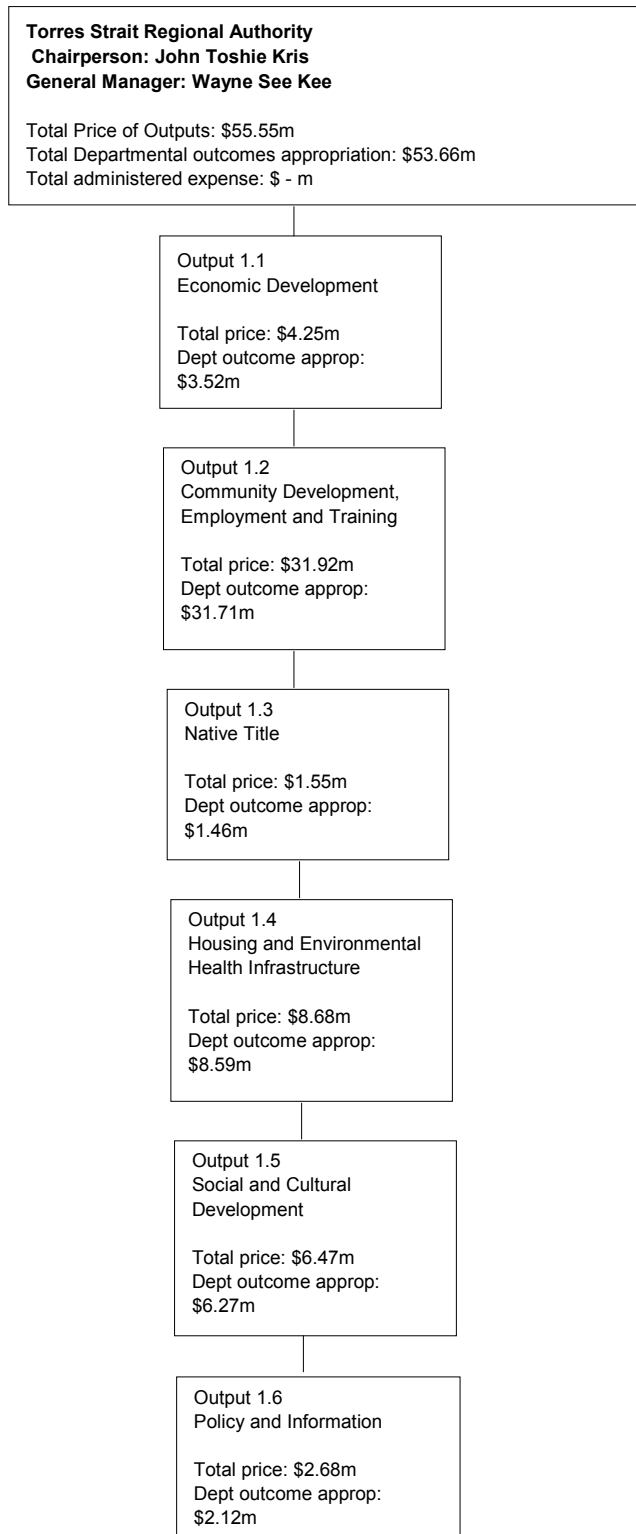
The relationship between activities of the Torres Strait Regional Authority and the outcome is summarised in Figure 4.

#### **Output cost attribution**

The full price of each TSRA output is determined using the following general methodology:

- Any costs which can be directly attributed to an output area are costed completely to that output;
- Any remaining costs which cannot be fully attributed to any one particular output are attributed to each output on a percentage basis. This percentage is arrived at by assessing the relative usage, by each output, of unattainable costs; and
- In calculating relative usage percentage, factors which are taken into account include:
  - an assessment of the administration resources consumed in the delivery of the output,
  - the extent to which direct costs can be attributed to the output,
  - the number of employees directly involved in delivery of the output,
  - number of employees involved in delivering more than one output,
  - measures of the delivery of the output such as total funds expended, and
  - number of clients serviced.

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



### **Changes to outcome and outputs**

TSRA has had no change to the number, wording or structure of its outputs since the 2004-05 Budget.

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

### **Departmental appropriations by outcome**

As identified in Section 3.1, the Torres Strait Regional Authority 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: Budgeted Financial Statements.

### **Administered appropriations by outcome**

The TRSA 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>Departmental appropriations</b>		
Output Group 1.1 - Economic Development	2,744	3,522
Output Group 1.2 - Community Development, Employment and Training	31,948	31,711
Output Group 1.3 - Native Title	1,405	1,456
Output Group 1.4 - Housing and Environmental Health Infrastructure	8,094	8,592
Output Group 1.5 - Social and Cultural Development	6,613	6,267
Output Group 1.6 - Policy and Information	1,237	2,116
<b>Subtotal Output Group 1.1</b>	<b>52,042</b>	<b>53,664</b>
<b>Total revenue from government (appropriations)</b>	<b>52,042</b>	<b>53,664</b>
<b>Contributing to price of departmental outputs</b>	<b>0.96</b>	<b>0.97</b>
<b>Revenue from other sources</b>		
Output Group 1.1 - Economic Development	409	732
Output Group 1.2 - Community Development, Employment and Training	530	209
Output Group 1.3 - Native Title	241	95
Output Group 1.4 - Housing and Environmental Health Infrastructure	217	85
Output Group 1.5 - Social and Cultural Development	457	205
Output Group 1.6 - Policy and Information	554	559
<b>Total revenue from other sources</b>	<b>2,408</b>	<b>1,885</b>
<b>Total price from departmental outputs</b>		
(Total revenue from government and from other sources)	<b>54,450</b>	<b>55,549</b>
	2004-05	2005-06
<b>Average staffing level (number)</b>	50	50

- 1 Flows into Special Accounts are also shown in the receipts column of the Special Accounts table in Table 2.6.
- 2 Special Account outflows are shown in the payments column of the Special Account table in Table 2.6. The estimated payments from special account balances are provided by way of note only and do not form part of the total estimated resourcing.
- 3 Where names of Acts have been abbreviated, the full name of the Act can be found in the Acts Glossary at the end of Table 2.6.

## **Outcome 1 — contribution of outputs**

This outcome will be attained through the ongoing completion of six specific outputs, as follows:

### **Output group 1.1: *Economic Development***

The *Economic Development* output, through the development of business enterprises, land acquisition and management, together with appropriate education and training, aims to enhance opportunities for employment, land ownership and sustainable self-sufficiency.

### **Output group 1.2: *Community Development, Employment and Training***

Approximately 1,970 eligible persons will be participating in the Community Development Employment Program (CDEP) in 2005-06 under the *Community Development Employment and Training* output. The quality of life of people living in the Torres Strait communities will be improved by community projects undertaken by the CDEP, which will also ensure the maintenance of a certain level of income for the participants to the program.

### **Output group 1.3: *Native Title***

The overall objective of the *Native Title* output is for the TSRA's Native Title Office to be recognised as an organisation providing high quality and culturally appropriate professional services to native title holders and claimants in the Torres Strait through consulting with and effectively representing Indigenous inhabitants in the Torres Strait in the performance of its functions under the *Native Title Act 1993 (Commonwealth)* and in accordance with the TSRA Native Title Strategic Plan 2004-2007. The TSRA is the Native Title Representative Body of the region.

### **Output group 1.4: *Housing and Environment Health Infrastructure***

The *Housing and Environmental Health Infrastructure* output aims to increase the number of Torres Strait Islander and Aboriginal persons in the area with access to adequate housing, infrastructure facilities and essential municipal services, consistent with and appropriate to their needs. The output also aims to improve the health standards of the Indigenous population of the Torres Strait region by providing appropriate and sustainable infrastructure, as well as ensuring that adequate environmental health programs are implemented.

### **Output group 1.5: *Social and Cultural Development***

The *Social and Cultural Development* output aims to improve the social, emotional and cultural well being of Torres Strait Islander and Aboriginal persons. This aim will be achieved by preserving their cultural heritage and integrity, improving access to human and legal services, providing and improving community infrastructure and providing opportunities to engage in international issues impacting on Indigenous people worldwide.

**Output group 1.6: Policy and Information**

The *Policy and Information* output aims to:

- provide participation in the development of regional policies and planning and coordination of initiatives undertaken by mainstream Commonwealth and State agencies to achieve a better outcome for Torres Strait Islander and Aboriginal people living in the region;
- coordinate the TSRA Board input into the formulation of policies;
- develop and maintain the Torres Strait Development Plan as required by Section 142D of the ATSI Act 2005 and to assist in the review of the TSRA's Corporate documents;
- provide secretariat support and advice to the TSRA Board Members, as well as executive support to the Chairperson, Portfolio Members and General Manager;
- arrange TSRA Board Meetings and coordinate Chairperson, TSRA Members and General Manager's attendance at various forum and conferences as required;
- provide information to the public through the publication of newsletters, pamphlets, press releases and other multi media materials as well as coordinate TSRA input into radio and television programs.

## Performance information for Outcome 1

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

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**Effectiveness — overall achievement of the outcome**

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**Output 1.1 — Economic Development**

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Effectiveness

- Provide 20 loans to establish or expand businesses, maintaining a business loan portfolio of 100
  - Provide 7 grants/loans to communities in order to establish viable business enterprises
  - Maintain the Housing Loan portfolio at 40 to 50 loans with a total holding value of \$4.5 million
- 

**Output 1.2 — Community Development, Employment and Training**

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Effectiveness

- Ensure that the programs are working effectively by scheduling community visitations at least three times a year, ensure Commonwealth/State coordination of training programs are closely monitoring planning, financial and performance returns.
  - Verifying the eligibility of 1,970 participants to the CDEP program.
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**Output 1.3 — Native Title**

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Effectiveness

- Remaining Land Claims and Torres Strait Regional Sea Claim to be progressed towards determination.
  - Assist Native Title holders in the resolution of land management matters in accordance with the TSRA Native Title Office Strategic Plan 2004-2007.
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**Output 1.4 — Housing and Environmental Health Infrastructure**

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Effectiveness

- Improve communities housing and environmental health by providing financial assistance to the communities through the joint Commonwealth/State MIP, and other programs funded by the TSRA.
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**Output 1.5 — Social and Cultural Development**

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Effectiveness

- Provide assistance to the communities to promote and improve their physical, social and cultural wellbeing.
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**Table 3.2: Performance information for Outcome 1 (continued)**

<b>Output 1.6 — Policy and Information</b>	
Effectiveness	
<ul style="list-style-type: none"> <li>• To provide secretariat support and advice to the TSRA Board, and executive support to the Chairperson, Portfolio Members and General Manager.</li> <li>• To provide policy advice to the Board, and to impact on the policies of other government agencies and organisations which have an effect on the TSRA outcome.</li> <li>• To supply and monitor public information related to the outcome, and coordinate the TSRA public relations efforts.</li> </ul>	
<b>Performance information for departmental outputs</b>	
<b>Output Group 1.1 — Economic Development</b>	<b>\$4.3 million</b>
Quantity:	
20 New contracts	
\$30,000 Average per loan	
10 Community Development grants / loans	
10 Housing loans	
Quality:	
75% of loan contracts settled with one month and 20% within two months.	
<b>Output Group 1.2 — Community Development, Employment and Training</b>	<b>\$31.9 million</b>
Quantity:	
19 Communities to be on CDEP	
25 Training Programs to be funded	
Quality:	
90% of CDEP Communities comply with guidelines	
85% of targeted training delivered within the financial year	
<b>Output Group 1.3 — Native Title</b>	<b>\$1.6 million</b>
Quantity:	
Remaining land claims under the <i>Native Title Act 1993</i> (Commonwealth) to be progressed towards determination.	
Torres Strait Regional Sea Claim to be progressed towards determination.	
Quality:	
Inquiries dealt with in accordance with the TSRA Native Title Office Strategic Plan 2004-2007.	

**Table 3.2: Performance information for Outcome 1 (continued)**

<b>Performance information for departmental outputs</b>									
<b>Output Group 1.4 — Housing and Environmental Health Infrastructure</b>	<b>\$8.7 million</b>								
<p>Quantity:</p> <p>Water Projects - desalination projects, metering and establishing dual supply (mains and tanks) hardstand areas for desalination projects and other minor water projects.</p> <p>Commencement of road design and drainage works, subdivision development.</p> <p>Primary focus on planning and design, and project manager of selection process.</p> <p>Residential sub-division servicing works at one community to be completed.</p> <p>Approximately \$5.82 million by 30 June 2006</p> <p>Quality:</p> <p>Infrastructure projects commenced in 2005-06 year to be 90% completed by 30 June 2006.</p>									
<b>Output Group 1.5 — Social and Cultural Development</b>	<b>\$6.4 million</b>								
<p>Quantity:</p> <p>25 grants will be approved in the financial year.</p> <p>Quality:</p> <p>Approved grants for approval projects will be funded within 28 days of the commencement of the financial year.</p>									
<b>Output Group 1.6 — Policy and Information</b>	<b>\$2.7 million</b>								
<p>Quantity:</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="padding-left: 20px;">Publications produced</td> <td style="text-align: right;">14</td> </tr> <tr> <td style="padding-left: 20px;">Ministerials</td> <td style="text-align: right;">30</td> </tr> <tr> <td style="padding-left: 20px;">Queries / correspondence attended</td> <td style="text-align: right;">100</td> </tr> <tr> <td style="padding-left: 20px;">Fewer than 5 complaints from TSRA clients</td> <td></td> </tr> </table> <p>Quality:</p> <p>95 % of Ministerial Correspondence dealt with within the due date (14 days or 21 days)</p> <p>98% of TSRA Board Members and Portfolio Members inquiries responded within 14 days</p> <p>98% of inquiries from the public responded to within 14 days</p>		Publications produced	14	Ministerials	30	Queries / correspondence attended	100	Fewer than 5 complaints from TSRA clients	
Publications produced	14								
Ministerials	30								
Queries / correspondence attended	100								
Fewer than 5 complaints from TSRA clients									

### **Evaluations for Outcome 1**

No evaluations are anticipated for TSRA in the 2005-06 budget year.

### **Competitive tendering and contracting (CTC)**

TSRA is not undertaking any competitive tendering and contracting activities.

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## Section 4: Other reporting requirements

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

The TSRA has no purchaser - provider arrangements.

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

The TSRA has no cost recovery arrangements.

### **4.3: AUSTRALIAN GOVERNMENT INDIGENOUS EXPENDITURE (AGIE)**

See Portfolio table 1: Australian Government Indigenous Expenditure in the Portfolio Overview section for TSRA's component of AGIE for the Immigration and Multicultural and Indigenous Affairs Portfolio.

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## Section 5: Budgeted financial statements

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

An analysis of the primary causes of movements in the financial statements is provided below.

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

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

The major variations between estimated actuals for 2004-05 and revised estimates for 2005-06 in the Statement of Financial Performance are as follows:

In 2005-06, total revenue (price of outputs) is expected to increase by 2.02% from the 2004-05 PBS estimates due to the increase in revenues from government as a result of new measure funding. A net increase of expenditure of 5.43% is anticipated due to the impact of the delivery of programs.

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

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

Departmental asset and liability balances have been adjusted from Budget estimates for 2005-06 financial year balances. In addition, contributed equity and non-financial assets have increased due to the impact of the delivery of programs.

#### **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 the above variations on the financial performance and position statement estimates.

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

This 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.

## 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	52,042	53,664	54,912	50,735	52,060
Interest	800	800	800	800	800
Other	1,608	1,085	1,085	1,085	1,085
<b>Revenues from ordinary activities</b>	<b>54,450</b>	<b>55,549</b>	<b>56,797</b>	<b>52,620</b>	<b>53,945</b>
<b>EXPENSE</b>					
<b>Expenses from ordinary activities (excluding borrowing costs expense)</b>					
Employees	3,486	4,010	4,030	4,020	4,125
Suppliers	3,379	4,007	4,017	4,013	4,100
Grants	44,572	46,185	47,705	43,685	45,185
Subsidies					
Depreciation and amortisation	354	400	400	400	400
<b>Expenses from ordinary activities (excluding borrowing costs expense)</b>	<b>51,791</b>	<b>54,602</b>	<b>56,152</b>	<b>52,118</b>	<b>53,810</b>
<b>Operating surplus or (deficit) from ordinary activities</b>	<b>2,659</b>	<b>947</b>	<b>645</b>	<b>502</b>	<b>135</b>
<b>Net surplus or (deficit)</b>	<b>2,659</b>	<b>947</b>	<b>645</b>	<b>502</b>	<b>135</b>
Outside equity interests in net surplus or (deficit)					
<b>Net surplus or deficit attributable to the Australian Government</b>	<b>2,659</b>	<b>947</b>	<b>645</b>	<b>502</b>	<b>135</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	12,339	12,700	10,744	11,916	12,254
Receivables	7,738	7,738	8,238	8,438	8,538
<b>Total financial assets</b>	<b>20,077</b>	<b>20,438</b>	<b>18,982</b>	<b>20,354</b>	<b>20,792</b>
<b>Non-financial assets</b>					
Land and buildings	13,510	13,240	12,976	13,532	13,262
Infrastructure, plant and equipment	788	1,758	3,722	3,566	3,636
<b>Total non-financial assets</b>	<b>14,298</b>	<b>14,998</b>	<b>16,698</b>	<b>17,098</b>	<b>16,898</b>
<b>Total assets</b>	<b>34,375</b>	<b>35,436</b>	<b>35,680</b>	<b>37,452</b>	<b>37,690</b>
<b>Provisions</b>					
Employees	929	1,020	1,018	1,070	1,120
Other provisions	600	586	489	445	413
<b>Total provisions</b>	<b>1,529</b>	<b>1,606</b>	<b>1,507</b>	<b>1,515</b>	<b>1,533</b>
<b>Payables</b>					
Grants	5,100	5,137	4,835	6,097	6,182
<b>Total payables</b>	<b>5,100</b>	<b>5,137</b>	<b>4,835</b>	<b>6,097</b>	<b>6,182</b>
<b>Total liabilities</b>	<b>6,629</b>	<b>6,743</b>	<b>6,342</b>	<b>7,612</b>	<b>7,715</b>
<b>EQUITY*</b>					
<b>Parent entity interest</b>					
Contributed equity	9	9	9	9	9
Reserves	3,062	3,062	3,062	3,062	3,062
accumulated deficits	24,675	25,622	26,267	26,769	26,904
<b>Total parent entity interest</b>	<b>27,746</b>	<b>28,693</b>	<b>29,338</b>	<b>29,840</b>	<b>29,975</b>
<b>Total equity</b>	<b>27,746</b>	<b>28,693</b>	<b>29,338</b>	<b>29,840</b>	<b>29,975</b>
<b>Current assets</b>	15,831	16,429	15,578	16,002	16,455
<b>Non-current assets</b>	18,544	19,007	20,102	21,450	21,235
<b>Current liabilities</b>	6,497	6,603	6,204	7,470	7,590
<b>Non-current liabilities</b>	132	140	138	142	125

\*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>					
Goods and services	1,608	1,085	1,085	1,085	1,085
Appropriations	52,042	53,664	54,192	50,735	52,060
Interest	800	800	800	800	800
<b>Total cash received</b>	<b>54,450</b>	<b>55,549</b>	<b>56,077</b>	<b>52,620</b>	<b>53,945</b>
<b>Cash used</b>					
Employees	3,466	3,919	4,032	3,968	4,075
Suppliers	3,392	4,021	4,114	4,057	4,132
Grants	44,630	46,148	48,007	42,423	45,100
Other	900	1,100	2,600	1,000	300
<b>Total cash used</b>	<b>52,388</b>	<b>55,188</b>	<b>58,753</b>	<b>51,448</b>	<b>53,607</b>
<b>Net cash from or (used by) operating activities</b>	<b>2,062</b>	<b>361</b>	<b>(2,676)</b>	<b>1,172</b>	<b>338</b>
<b>Net increase or (decrease) in cash held</b>	<b>2,062</b>	<b>361</b>	<b>(2,676)</b>	<b>1,172</b>	<b>338</b>
Cash at the beginning of the reporting period	-	2,062	2,423	(253)	919
<b>Cash at the end of the reporting period</b>	<b>2,062</b>	<b>2,423</b>	<b>(253)</b>	<b>919</b>	<b>1,257</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>CAPITAL APPROPRIATIONS</b>					
Total equity injections	23				
Total loans					
<b>Total capital appropriations</b>	<b>23</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Represented by:</b>					
Purchase of non-financial assets					
Other	23				
<b>Total represented by</b>	<b>23</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>PURCHASE OF NON-FINANCIAL ASSETS</b>					
Funded internally by					
Departmental resources	420	1,100	2,100	800	200
<b>Total</b>	<b>420</b>	<b>1,100</b>	<b>2,100</b>	<b>800</b>	<b>200</b>

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

	Land	Buildings	Other infrastructure plant and equipment	<b>Total</b>
	\$'000	\$'000	\$'000	<b>\$'000</b>
<b>As at 1 July 2005</b>				
Gross book value	3,279	11,144	3,278	17,701
Accumulated depreciation		1,118	2,285	3,403
<b>Opening net book value</b>	<b>3,279</b>	<b>10,026</b>	<b>993</b>	<b>14,298</b>
Additions:				
by purchase			1,100	1,100
Depreciation/amortisation expense		205	195	400
<b>As at 30 June 2006</b>	<b>3,279</b>	<b>9,821</b>	<b>1,898</b>	<b>14,998</b>
Gross book value	3,279	11,144	4,378	18,801
Accumulated depreciation	-	1,323	2,480	3,803
<b>Closing net book value</b>	<b>3,279</b>	<b>9,821</b>	<b>1,898</b>	<b>14,998</b>

## **5.3: 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 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.

TSRA has no administered items.

### **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 Authority 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.