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## 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 2005-06 Portfolio Budget Statements is provided below.

The following budgeted financial statements for 2005-06 incorporate items under the department's former Outcome 3, except those which are new appropriations from Appropriation Bills No. 3 and No. 4 2005-2006. The budgeted financial statements will be revised in the Portfolio Budget Statements 2006-07 to account for the effect of the AAO effective 27 January 2006, which transferred Indigenous Affairs into the Department of Families, Community Services and Indigenous Affairs. Refer to the Portfolio Additional Estimates Statements for Families, Community Services and Indigenous Affairs 2005-06 for new appropriations in Indigenous Affairs.

### **BUDGETED FINANCIAL STATEMENTS**

#### **Departmental financial statements**

##### **Budgeted departmental income statement**

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

##### Income

In 2005-06 total income (price of outputs) is expected to change from \$1063.6 million to \$1105.2 million, an increase of \$41.6 million from the 2005-06 Portfolio Budget Statements estimates. This comprises \$41.2 million of net additional funding received for new measures, and an increase of \$0.4 million in revenue from independent sources.

Further detail on the above factors is provided in Section 2 on pages 12 and 22 respectively.

##### Expenses

In 2005-06 total expenses are estimated to change from \$1063.6 million to \$1138.3 million, an increase of \$74.7 million from 2005-06 Portfolio Budget Statements estimates. This comprises:

| <b>Reason</b>  | <b>Variation (\$m)</b> |
|--|------------------------|
| Increases in expenses funded through cash balances:  |                        |
| <i>2004-05 measures</i>  |                        |
| Investing in Australia's Security – information technology systems<br>disaster recovery                              | 6.7                    |
| Information Technology Costs   | 2.0                    |
| <i>2005-06 measures</i>  |                        |
| Addressing Indigenous Needs – Shared Responsibility Agreements<br>and Community Engagement Implementation Assistance | 4.7                    |
| Implementation of Palmer Recommendations   | 19.8                   |
| Net additional expenses related to new measures  | 41.2                   |
| Other variations   | 0.3                    |
| <b>TOTAL</b>   | <b>74.7</b>            |

### **Budgeted departmental balance sheet**

This statement shows the financial position of DIMA. 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 2004-05 audited results. In addition, the following adjustments have been made:

- the capital impact of new measures;
- variations required to reflect the most recent capital acquisition plan; and
- the impact of the budgeted operating loss funded through cash balances.

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

Budgeted cash flow, as reflected in the statement of cash flows, provides 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 income statement and balance sheet.

### **Departmental statement of changes in equity — summary of movement**

The statement of changes in equity is a new statement in addition to the financial statements in Portfolio Budget Statements, which represents the movement of parent entity (the Commonwealth) interest.

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The statement has been prepared to reflect the net operating result, movement of capital return and additional capital injections from the Commonwealth.

### **Departmental capital budget statement**

The 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 2005-06 Budget, and the latest capital acquisition plan.

### **Departmental property, plant, equipment and intangibles — summary of movement**

This statement 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 2005-06 Budget and the latest capital acquisition plan.

### **Schedule of administered activity**

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

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

Income:

In 2005-06 the department will administer the collection of income on behalf of government of \$742.4 million, which is a decrease of \$99.0 million since the 2005-06 budget. The variation is primarily due to a change in reporting requirements for sales. Previously, sales income and cost of sales were reported separately (gross). In these statements, sales income and cost of sales are now reported net. The financial effect of this variation has resulted in a decrease of \$300.0 million in total income. (The decrease in income is matched by a comparative decrease in expenses – refer below). The decrease in income is offset by an increase of \$201.0 million due to operational activity variations, including \$200.0 million in the revenue estimates for the Indigenous special accounts.

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

Expenses:

Total administered expenses are estimated to change from \$738.0 million to \$475.7 million, a decrease of \$262.3 million since the 2005-06 budget.

The decrease comprises:

| <b>Reason</b>   | <b>Variation (\$m)</b> |
|---|------------------------|
| Revised estimates: change in accounting treatment -<br>amount previously disclosed as expenses from asset sales | (300.1)                |
| Revised estimates for the Indigenous special accounts   | 48.6                   |
| Measures  | 0.6                    |
| Movement of funds between years   | (0.8)                  |
| Other variations  | (10.6)                 |
| <b>TOTAL</b>  | <b>(262.3)</b>         |

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

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

Administered assets and liability balances have been adjusted since the 2005-06 Budget for the impact of the 2004-05 audited financial position.

### **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 budgeted income and expenses.

**Table 3.1: Budgeted departmental income statement (for the period ended 30 June)**

|   | Actual<br>2004-05<br>\$'000 | Revised<br>budget<br>2005-06<br>\$'000 | Forward<br>estimate<br>2006-07<br>\$'000 | Forward<br>estimate<br>2007-08<br>\$'000 | Forward<br>estimate<br>2008-09<br>\$'000 |
|---|-----------------------------|--|--|--|--|
| <b>INCOME</b>   |                             |  |  |  |  |
| <b>Revenue</b>  |                             |  |  |  |  |
| Revenues from Government  | 947,001                     | 1,046,359                              | 1,088,640                                | 1,120,317                                | 1,155,956                                |
| Goods and services  | 39,452                      | 37,670                                 | 44,253                                   | 42,990                                   | 40,224                                   |
| Interest  | 25                          | -                                      | -  | -  | -  |
| <b>Total revenue</b>  | <b>986,478</b>              | <b>1,084,029</b>                       | <b>1,132,893</b>                         | <b>1,163,307</b>                         | <b>1,196,180</b>                         |
| <b>Gains</b>  |                             |  |  |  |  |
| Net foreign exchange gains  | 42                          | 10                                     | 10                                       | 10                                       | 10                                       |
| Other   | 13,521                      | 21,200                                 | 19,975                                   | 20,284                                   | 23,429                                   |
| <b>Total gains</b>  | <b>13,563</b>               | <b>21,210</b>                          | <b>19,985</b>                            | <b>20,294</b>                            | <b>23,439</b>                            |
| <b>Total income</b>   | <b>1,000,041</b>            | <b>1,105,239</b>                       | <b>1,152,878</b>                         | <b>1,183,601</b>                         | <b>1,219,619</b>                         |
| <b>EXPENSE</b>  |                             |  |  |  |  |
| Employees   | 414,632                     | 432,635                                | 441,906                                  | 442,225                                  | 441,821                                  |
| Suppliers   | 508,468                     | 643,122                                | 658,996                                  | 669,171                                  | 695,801                                  |
| Depreciation and amortisation   | 46,714                      | 51,545                                 | 59,847                                   | 66,069                                   | 70,952                                   |
| Write-down of assets and<br>impairment of assets                              | 16,463                      | 10,335                                 | 10,335                                   | 10,335                                   | 10,335                                   |
| Other   | 1,350                       | 42                                     | 42                                       | 42                                       | 42                                       |
| Borrowing costs expenses  | 965                         | 668                                    | 668                                      | 668                                      | 668                                      |
| <b>Total expenses</b>   | <b>988,592</b>              | <b>1,138,347</b>                       | <b>1,171,794</b>                         | <b>1,188,510</b>                         | <b>1,219,619</b>                         |
| <b>Operating result from continuing<br/>operations</b>                        | <b>11,449</b>               | <b>(33,108)</b>                        | <b>(18,916)</b>                          | <b>(4,909)</b>                           | <b>-</b>                                 |
| <b>Net surplus or (deficit) attributable<br/>to the Australian Government</b> | <b>11,449</b>               | <b>(33,108)</b>                        | <b>(18,916)</b>                          | <b>(4,909)</b>                           | <b>-</b>                                 |

**Table 3.2: Budgeted departmental balance sheet (as at 30 June)**

|  | Actual<br>2004-05<br>\$'000 | Revised<br>Budget<br>2005-06<br>\$'000 | Forward<br>estimate<br>2006-07<br>\$'000 | Forward<br>estimate<br>2007-08<br>\$'000 | Forward<br>estimate<br>2008-09<br>\$'000 |
|--|-----------------------------|--|--|--|--|
| <b>ASSETS</b>  |                             |  |  |  |  |
| <b>Financial assets</b>                                    |                             |  |  |  |  |
| Cash   | 16,306                      | 20,500                                 | 20,500                                   | 20,500                                   | 20,500                                   |
| Receivables <sup>1</sup>                                   | 176,250                     | 82,451                                 | 70,074                                   | 82,730                                   | 104,973                                  |
| Accrued revenues   | 1,644                       | 1,644                                  | 1,644                                    | 1,644                                    | 1,644                                    |
| <b>Total financial assets</b>                              | <b>194,200</b>              | <b>104,595</b>                         | <b>92,218</b>                            | <b>104,874</b>                           | <b>127,117</b>                           |
| <b>Non-financial assets</b>                                |                             |  |  |  |  |
| Land and buildings <sup>2</sup>                            | 216,377                     | 236,527                                | 409,686                                  | 411,392                                  | 534,581                                  |
| Infrastructure, plant and equipment <sup>2</sup>           | 63,408                      | 79,524                                 | 216,226                                  | 228,787                                  | 238,324                                  |
| Inventories  | 64                          | 64                                     | 64                                       | 64                                       | 64                                       |
| Intangibles  | 56,676                      | 82,171                                 | 83,740                                   | 78,712                                   | 59,259                                   |
| Other non-financial assets                                 | 15,089                      | 15,089                                 | 15,089                                   | 15,089                                   | 15,089                                   |
| <b>Total non-financial assets</b>                          | <b>351,614</b>              | <b>413,375</b>                         | <b>724,805</b>                           | <b>734,044</b>                           | <b>847,317</b>                           |
| <b>Total assets</b>  | <b>545,814</b>              | <b>517,970</b>                         | <b>817,023</b>                           | <b>838,918</b>                           | <b>974,434</b>                           |
| <b>LIABILITIES</b>   |                             |  |  |  |  |
| <b>Interest bearing liabilities</b>                        |                             |  |  |  |  |
| Leases   | 13,340                      | 8,605                                  | 26,930                                   | 24,475                                   | 24,475                                   |
| Other interest bearing liabilities                         | 9,781                       | 9,187                                  | 9,187                                    | 9,187                                    | 9,187                                    |
| <b>Total interest bearing liabilities</b>                  | <b>23,121</b>               | <b>17,792</b>                          | <b>36,117</b>                            | <b>33,662</b>                            | <b>33,662</b>                            |
| <b>Provisions</b>  |                             |  |  |  |  |
| Employees  | 118,746                     | 120,340                                | 120,904                                  | 123,650                                  | 123,650                                  |
| Other provisions   | 500                         | 7,632                                  | 7,632                                    | 7,632                                    | 7,632                                    |
| <b>Total provisions</b>                                    | <b>119,246</b>              | <b>127,972</b>                         | <b>128,536</b>                           | <b>131,282</b>                           | <b>131,282</b>                           |
| <b>Payables</b>  |                             |  |  |  |  |
| Suppliers  | 18,616                      | 18,616                                 | 18,616                                   | 18,616                                   | 18,616                                   |
| Other payables   | 73,456                      | 60,087                                 | 60,087                                   | 60,087                                   | 60,087                                   |
| <b>Total payables</b>                                      | <b>92,072</b>               | <b>78,703</b>                          | <b>78,703</b>                            | <b>78,703</b>                            | <b>78,703</b>                            |
| <b>Total liabilities</b>                                   | <b>234,439</b>              | <b>224,467</b>                         | <b>243,356</b>                           | <b>243,647</b>                           | <b>243,647</b>                           |
| <b>EQUITY*</b>   |                             |  |  |  |  |
| <b>Parent entity interest</b>                              |                             |  |  |  |  |
| Contributed equity <sup>2</sup>                            | 206,612                     | 235,136                                | 534,216                                  | 560,729                                  | 696,245                                  |
| Reserves   | 51,526                      | 43,925                                 | 43,925                                   | 43,925                                   | 43,925                                   |
| Retained surpluses or<br>accumulated deficits <sup>1</sup> | 53,237                      | 14,442                                 | (4,474)                                  | (9,383)                                  | (9,383)                                  |
| <b>Total parent entity interest</b>                        | <b>311,375</b>              | <b>293,503</b>                         | <b>573,667</b>                           | <b>595,271</b>                           | <b>730,787</b>                           |
| <b>Total equity</b>  | <b>311,375</b>              | <b>293,503</b>                         | <b>573,667</b>                           | <b>595,271</b>                           | <b>730,787</b>                           |
| <b>Current assets</b>                                      | <b>209,353</b>              | <b>119,748</b>                         | <b>107,371</b>                           | <b>120,027</b>                           | <b>142,270</b>                           |
| <b>Non-current assets</b>                                  | <b>336,461</b>              | <b>398,222</b>                         | <b>709,652</b>                           | <b>718,891</b>                           | <b>832,164</b>                           |
| <b>Current liabilities</b>                                 | <b>149,743</b>              | <b>141,295</b>                         | <b>141,542</b>                           | <b>142,745</b>                           | <b>142,745</b>                           |
| <b>Non-current liabilities</b>                             | <b>84,695</b>               | <b>83,172</b>                          | <b>101,814</b>                           | <b>100,902</b>                           | <b>100,902</b>                           |

## Notes:

- The decrease in these items from 2005-06 onwards reflects the operating loss funded through cash reserves.
- The increase in these items from 2006-07 onwards relates to the transfer of the Christmas Island Immigration Reception and Processing Centre (2006-07) and the Villawood Detention Centre (2008-09) to DIMA from the Department of Finance and Administration upon completion of construction.

\* 'Equity' is the residual interest in assets after deduction of liabilities

**Table 3.3: Budgeted departmental statement of cash flows (for the period ended 30 June)**

|  | Actual<br>2004-05<br>\$'000 | Revised<br>Budget<br>2005-06<br>\$'000 | Forward<br>estimate<br>2006-07<br>\$'000 | Forward<br>estimate<br>2007-08<br>\$'000 | Forward<br>estimate<br>2008-09<br>\$'000 |
|--|-----------------------------|--|--|--|--|
| <b>OPERATING ACTIVITIES</b>                                |                             |  |  |  |  |
| <b>Cash received</b>                                       |                             |  |  |  |  |
| Goods and services   | 25,417                      | 31,298                                 | 38,068                                   | 36,839                                   | 38,095                                   |
| Appropriations   | 1,020,332                   | 1,218,185                              | 1,192,413                                | 1,199,057                                | 1,225,109                                |
| Interest   | 25                          | -                                      | -  | -  | -  |
| GST received from ATO                                      | 44,781                      | 40,902                                 | 43,560                                   | 43,573                                   | 43,573                                   |
| Other  | 23,565                      | 22,310                                 | 20,955                                   | 21,094                                   | 20,066                                   |
| <b>Total cash received</b>                                 | <b>1,114,120</b>            | <b>1,312,695</b>                       | <b>1,294,996</b>                         | <b>1,300,563</b>                         | <b>1,326,843</b>                         |
| <b>Cash used</b>   |                             |  |  |  |  |
| Employees  | 405,818                     | 432,375                                | 442,694                                  | 440,854                                  | 443,212                                  |
| Suppliers  | 550,706                     | 667,560                                | 691,232                                  | 699,928                                  | 729,304                                  |
| Transfer to the Official Public Account                    | 138,666                     | 91,421                                 | 91,936                                   | 91,396                                   | 91,396                                   |
| GST paid to ATO  | 2,743                       | 1,521                                  | 1,521                                    | 1,521                                    | 1,521                                    |
| Other  | 1,419                       | 13,842                                 | 16,322                                   | 18,069                                   | 12,614                                   |
| <b>Total cash used</b>                                     | <b>1,099,352</b>            | <b>1,206,719</b>                       | <b>1,243,705</b>                         | <b>1,251,768</b>                         | <b>1,278,047</b>                         |
| <b>Net cash from or (used by)<br/>operating activities</b> | <b>14,768</b>               | <b>105,976</b>                         | <b>51,291</b>                            | <b>48,795</b>                            | <b>48,796</b>                            |
| <b>INVESTING ACTIVITIES</b>                                |                             |  |  |  |  |
| <b>Cash received</b>                                       |                             |  |  |  |  |
| Proceeds from sales of property,<br>plant and equipment    | 392                         | -                                      | -  | -  | -  |
| <b>Total cash received</b>                                 | <b>392</b>                  | <b>-</b>                               | <b>-</b>                                 | <b>-</b>                                 | <b>-</b>                                 |
| <b>Cash used</b>   |                             |  |  |  |  |
| Purchase of property, plant<br>and equipment               | 39,620                      | 119,350                                | 84,549                                   | 73,221                                   | 90,955                                   |
| Other  | 22,638                      | 87                                     | 87                                       | 87                                       | 87                                       |
| <b>Total cash used</b>                                     | <b>62,258</b>               | <b>119,437</b>                         | <b>84,636</b>                            | <b>73,308</b>                            | <b>91,042</b>                            |
| <b>Net cash from or (used by)<br/>investing activities</b> | <b>(61,866)</b>             | <b>(119,437)</b>                       | <b>(84,636)</b>                          | <b>(73,308)</b>                          | <b>(91,042)</b>                          |
| <b>FINANCING ACTIVITIES</b>                                |                             |  |  |  |  |
| <b>Cash received</b>                                       |                             |  |  |  |  |
| Appropriations - contributed equity                        | 38,451                      | 35,983                                 | 33,345                                   | 24,513                                   | 42,246                                   |
| Cash acquired from ATSIC/ATSIS<br>restructuring            | 26,026                      | -                                      | -  | -  | -  |
| <b>Total cash received</b>                                 | <b>64,477</b>               | <b>35,983</b>                          | <b>33,345</b>                            | <b>24,513</b>                            | <b>42,246</b>                            |
| <b>Cash used</b>   |                             |  |  |  |  |
| Repayments of debt   | 3,800                       | -                                      | -  | -  | -  |
| Other  | 20,000                      | 18,328                                 | -  | -  | -  |
| <b>Total cash used</b>                                     | <b>23,800</b>               | <b>18,328</b>                          | <b>-</b>                                 | <b>-</b>                                 | <b>-</b>                                 |
| <b>Net cash from/(used by) financing<br/>activities</b>    | <b>40,677</b>               | <b>17,655</b>                          | <b>33,345</b>                            | <b>24,513</b>                            | <b>42,246</b>                            |
| <b>Net increase or (decrease)<br/>in cash held</b>         | <b>(6,421)</b>              | <b>4,194</b>                           | <b>-</b>                                 | <b>-</b>                                 | <b>-</b>                                 |
| Cash at the beginning of<br>the reporting period           | 22,727                      | 16,306                                 | 20,500                                   | 20,500                                   | 20,500                                   |
| <b>Cash at the end of the<br/>reporting period</b>         | <b>16,306</b>               | <b>20,500</b>                          | <b>20,500</b>                            | <b>20,500</b>                            | <b>20,500</b>                            |

**Table 3.4: Departmental statement of changes in equity — summary of movement (Budget year 2005-06)**

|  | Accumulated<br>results<br>\$'000 | Asset<br>revaluation<br>reserve<br>\$'000 | Contributed<br>equity/<br>capital<br>\$'000 | Total<br>equity<br>\$'000 |
|--|----------------------------------|---|---|---------------------------|
| <b>Opening balance as at 1 July 2005</b>                       |                                  |   |   |                           |
| Balance carried forward from previous period                   | 47,575                           | 43,925                                    | 206,612                                     | 298,112                   |
| <b>Adjusted opening balance</b>                                | <b>47,575</b>                    | <b>43,925</b>                             | <b>206,612</b>                              | <b>298,112</b>            |
| <b>Income and expense</b>                                      |                                  |   |   |                           |
| Income and expenses recognised directly in equity:             |                                  |   |   |                           |
| Gain/loss on revaluation of property                           | -                                | -   | -   | -                         |
| <b>Sub-total income and expense</b>                            | <b>-</b>                         | <b>-</b>                                  | <b>-</b>                                    | <b>-</b>                  |
| Net operating result   | (33,108)                         | -   | -   | (33,108)                  |
| <b>Total income and expenses recognised directly in equity</b> | <b>(33,108)</b>                  | <b>-</b>                                  | <b>-</b>                                    | <b>(33,108)</b>           |
| <b>Transactions with owners</b>                                |                                  |   |   |                           |
| <i>Distribution to owners</i>                                  |                                  |   |   |                           |
| Returns of capital   |                                  |   |   |                           |
| Restructuring  | -                                | -   | -   | -                         |
| Other  | (25)                             | -   | (7,459)                                     | (7,484)                   |
| <i>Contribution by owners</i>                                  |                                  |   |   |                           |
| Appropriation (equity injection)                               | -                                | -   | 35,983                                      | 35,983                    |
| <b>Sub-total transactions with owners</b>                      | <b>(25)</b>                      | <b>-</b>                                  | <b>28,524</b>                               | <b>28,499</b>             |
| <b>Closing balance as at 30 June 2006</b>                      | <b>14,442</b>                    | <b>43,925</b>                             | <b>235,136</b>                              | <b>293,503</b>            |

**Table 3.5: Departmental capital budget statement**

|   | Actual<br>2004-05<br>\$'000 | Revised<br>Budget<br>2005-06<br>\$'000 | Forward<br>estimate<br>2006-07<br>\$'000 | Forward<br>estimate<br>2007-08<br>\$'000 | Forward<br>estimate<br>2008-09<br>\$'000 |
|---|-----------------------------|--|--|--|--|
| <b>CAPITAL APPROPRIATIONS</b>               |                             |  |  |  |  |
| Total equity injections                     | 38,451                      | 35,983                                 | 33,345                                   | 24,513                                   | 42,246                                   |
| <b>Total capital appropriations</b>         | <b>38,451</b>               | <b>35,983</b>                          | <b>33,345</b>                            | <b>24,513</b>                            | <b>42,246</b>                            |
| <b>Represented by:</b>                      |                             |  |  |  |  |
| Purchase of non-financial assets            | 38,451                      | 35,983                                 | 33,345                                   | 24,513                                   | 42,246                                   |
| <b>Total represented by</b>                 | <b>38,451</b>               | <b>35,983</b>                          | <b>33,345</b>                            | <b>24,513</b>                            | <b>42,246</b>                            |
| <b>PURCHASE OF NON-FINANCIAL<br/>ASSETS</b> |                             |  |  |  |  |
| Funded by capital appropriation             | 38,451                      | 35,983                                 | 33,345                                   | 24,513                                   | 42,246                                   |
| Funded internally by                        |                             |  |  |  |  |
| Departmental resources                      | 24,162                      | 83,367                                 | 51,204                                   | 48,708                                   | 48,709                                   |
| <b>Total</b>                                | <b>62,613</b>               | <b>119,350</b>                         | <b>84,549</b>                            | <b>73,221</b>                            | <b>90,955</b>                            |

**Table 3.6: Departmental property, plant, equipment and intangibles — summary of movement (Budget year 2005-06)**

|                                   | Land          | Buildings      | Other<br>infrastructure<br>plant and<br>equipment | Computer<br>software | Total          |
|-----------------------------------|---------------|----------------|---|----------------------|----------------|
|                                   | \$'000        | \$'000         | \$'000  | \$'000               | \$'000         |
| <b>As at 1 July 2005</b>          |               |                |   |                      |                |
| Gross book value                  | 51,495        | 206,728        | 87,865  | 128,918              | 475,006        |
| Accumulated depreciation          | -             | 38,175         | 24,457  | 82,044               | 144,676        |
| <b>Opening net book value</b>     | <b>51,495</b> | <b>168,553</b> | <b>63,408</b>                                     | <b>46,874</b>        | <b>330,330</b> |
| Additions:                        |               |                |   |                      |                |
| by purchase                       | 6,505         | 31,906         | 21,757  | 59,269               | 119,437        |
| Depreciation/amortisation expense | -             | 21,932         | 5,641   | 23,972               | 51,545         |
| Other movements                   | -             | -              | -   | -                    | -              |
| <b>As at 30 June 2006</b>         |               |                |   |                      |                |
| Gross book value                  | 58,000        | 238,634        | 109,622   | 188,187              | 594,443        |
| Accumulated depreciation          | -             | 60,107         | 30,098  | 106,016              | 196,221        |
| <b>Closing net book value</b>     | <b>58,000</b> | <b>178,527</b> | <b>79,524</b>                                     | <b>82,171</b>        | <b>398,222</b> |

**Table 3.7: Schedule of budgeted income and expenses administered on behalf of government (for the period ended 30 June)**

|  | Actual<br>2004-05<br>\$'000 | Revised<br>budget<br>2005-06<br>\$'000 | Forward<br>estimate<br>2006-07<br>\$'000 | Forward<br>estimate<br>2007-08<br>\$'000 | Forward<br>estimate<br>2008-09<br>\$'000 |
|--|-----------------------------|--|--|--|--|
| <b>INCOME ADMINISTERED ON BEHALF OF GOVERNMENT</b>         |                             |  |  |  |  |
| <b>Non-taxation</b>  |                             |  |  |  |  |
| Goods and services   | 435,587                     | 513,219                                | 528,677                                  | 548,051                                  | 567,489                                  |
| Interest   | 24,770                      | 100,287                                | 101,227                                  | 103,938                                  | 108,530                                  |
| Other sources of non-taxation revenues                     | 41,659                      | 48,925                                 | 42,352                                   | 37,484                                   | 36,668                                   |
| <b>Total non-taxation</b>                                  | <b>502,016</b>              | <b>662,431</b>                         | <b>672,256</b>                           | <b>689,473</b>                           | <b>712,687</b>                           |
| <b>Total revenues administered on behalf of Government</b> | <b>502,016</b>              | <b>662,431</b>                         | <b>672,256</b>                           | <b>689,473</b>                           | <b>712,687</b>                           |
| <b>Gains</b>   |                             |  |  |  |  |
| Net gains from sale of assets                              | -                           | 80,000                                 | -  | -  | -  |
| <b>Total gains administered on behalf of Government</b>    | <b>-</b>                    | <b>80,000</b>                          | <b>-</b>                                 | <b>-</b>                                 | <b>-</b>                                 |
| <b>Total income administered on behalf of Government</b>   | <b>502,016</b>              | <b>742,431</b>                         | <b>672,256</b>                           | <b>689,473</b>                           | <b>712,687</b>                           |
| <b>EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT</b>       |                             |  |  |  |  |
| Grants   | 435,920                     | 172,711                                | 175,962                                  | 164,728                                  | 167,277                                  |
| Subsidies  | 12,693                      | 7,130                                  | 7,261                                    | 7,361                                    | 7,443                                    |
| Personal benefits  | 6,215                       | 4,295                                  | 4,694                                    | 4,273                                    | 3,820                                    |
| Employees  | 417                         | -                                      | -  | -  | -  |
| Suppliers  | 171,968                     | 210,970                                | 214,009                                  | 205,851                                  | 209,327                                  |
| Depreciation and amortisation                              |                             |  |  |  |  |
| Write down and impairment of assets                        | 30,561                      | 36,099                                 | 28,352                                   | 23,468                                   | 22,635                                   |
| Finance costs  |                             |  |  |  |  |
| Other  | 7,455                       | 44,500                                 | 42,300                                   | 42,300                                   | 42,300                                   |
| <b>Losses</b>  |                             |  |  |  |  |
| Net loss from sale of assets                               | 3,688                       | -                                      | -  | -  | -  |
| <b>Total expenses administered on behalf of Government</b> | <b>668,917</b>              | <b>475,705</b>                         | <b>472,578</b>                           | <b>447,981</b>                           | <b>452,802</b>                           |

**Table 3.8: Schedule of budgeted assets and liabilities administered on behalf of government (as at 30 June)**

|   | Actual<br>2004-05<br>\$'000 | Revised<br>budget<br>2005-06<br>\$'000 | Forward<br>estimate<br>2006-07<br>\$'000 | Forward<br>estimate<br>2007-08<br>\$'000 | Forward<br>estimate<br>2008-09<br>\$'000 |
|---|-----------------------------|--|--|--|--|
| <b>ASSETS ADMINISTERED ON<br/>BEHALF OF GOVERNMENT</b>            |                             |  |  |  |  |
| <b>Financial assets</b>   |                             |  |  |  |  |
| Cash  | 51,885                      | 52,503                                 | 47,984                                   | 58,808                                   | 51,912                                   |
| Receivables   | 18,524                      | 18,522                                 | 18,522                                   | 18,522                                   | 18,522                                   |
| Accrued revenues  | 39,038                      | 29,038                                 | 24,038                                   | 24,038                                   | 24,038                                   |
| Other financial assets  | 1,662,476                   | 1,808,744                              | 1,881,735                                | 1,951,090                                | 2,039,453                                |
| <b>Total financial assets</b>                                     | <b>1,771,923</b>            | <b>1,908,807</b>                       | <b>1,972,279</b>                         | <b>2,052,458</b>                         | <b>2,133,925</b>                         |
| <b>Non-financial assets</b>                                       |                             |  |  |  |  |
| Other   | 439                         | 439                                    | 439                                      | 439                                      | 439                                      |
| <b>Total non-financial assets</b>                                 | <b>439</b>                  | <b>439</b>                             | <b>439</b>                               | <b>439</b>                               | <b>439</b>                               |
| <b>Total assets administered<br/>on behalf of Government</b>      | <b>1,772,362</b>            | <b>1,909,246</b>                       | <b>1,972,718</b>                         | <b>2,052,897</b>                         | <b>2,134,364</b>                         |
| <b>LIABILITIES ADMINISTERED ON<br/>BEHALF OF GOVERNMENT</b>       |                             |  |  |  |  |
| <b>Interest bearing liabilities</b>                               |                             |  |  |  |  |
| Loans   | 6,424                       | 6,424                                  | 6,424                                    | 6,424                                    | 6,424                                    |
| <b>Total interest bearing liabilities</b>                         | <b>6,424</b>                | <b>6,424</b>                           | <b>6,424</b>                             | <b>6,424</b>                             | <b>6,424</b>                             |
| <b>Payables</b>   |                             |  |  |  |  |
| Suppliers   | 15,922                      | 15,922                                 | 15,922                                   | 15,922                                   | 15,922                                   |
| Grants and subsidies  | 21,058                      | 21,058                                 | 21,058                                   | 21,058                                   | 21,058                                   |
| Other payables  | 11,602                      | 11,602                                 | 11,602                                   | 11,602                                   | 11,602                                   |
| <b>Total payables</b>   | <b>48,582</b>               | <b>48,582</b>                          | <b>48,582</b>                            | <b>48,582</b>                            | <b>48,582</b>                            |
| <b>Total liabilities administered<br/>on behalf of Government</b> | <b>55,006</b>               | <b>55,006</b>                          | <b>55,006</b>                            | <b>55,006</b>                            | <b>55,006</b>                            |

**Table 3.9: Schedule of budgeted administered cash flows (for the period ended 30 June)**

|   | Actual<br>2004-05<br>\$'000 | Revised<br>Budget<br>2005-06<br>\$'000 | Forward<br>estimate<br>2006-07<br>\$'000 | Forward<br>estimate<br>2007-08<br>\$'000 | Forward<br>estimate<br>2008-09<br>\$'000 |
|---|-----------------------------|--|--|--|--|
| <b>OPERATING ACTIVITIES</b>                         |                             |  |  |  |  |
| <b>Cash received</b>                                |                             |  |  |  |  |
| GST received from ATO                               | 51,490                      | 19,760                                 | 20,067                                   | 20,022                                   | 20,022                                   |
| Sales of goods                                      | 430,347                     | 528,305                                | 539,928                                  | 554,302                                  | 574,040                                  |
| Rendering of services                               |                             |  |  |  |  |
| Interest  | 13,139                      | 91,173                                 | 94,930                                   | 98,209                                   | 102,456                                  |
| Dividends   |                             |  |  |  |  |
| Other   | 622,726                     | 422,327                                | 412,604                                  | 406,903                                  | 414,570                                  |
| <b>Total cash received</b>                          | <b>1,117,702</b>            | <b>1,061,565</b>                       | <b>1,067,529</b>                         | <b>1,079,436</b>                         | <b>1,111,088</b>                         |
| <b>Cash used</b>                                    |                             |  |  |  |  |
| Employees   | 248                         | -                                      | -  | -  | -  |
| Grant payments                                      | 425,882                     | 172,711                                | 175,962                                  | 164,728                                  | 167,277                                  |
| Subsidies paid                                      | 12,370                      | 7,130                                  | 7,261                                    | 7,361                                    | 7,443                                    |
| Personal benefits                                   | 7,430                       | 4,295                                  | 4,694                                    | 4,273                                    | 3,820                                    |
| Suppliers   | 216,143                     | 229,728                                | 234,076                                  | 225,873                                  | 229,349                                  |
| Cash to the Official Public Account                 | 438,464                     | 526,045                                | 542,677                                  | 562,067                                  | 581,822                                  |
| GST paid to ATO                                     | 5,253                       | 3,384                                  | 3,384                                    | 3,384                                    | 3,384                                    |
| Other   | 2,629                       | 45,500                                 | 42,300                                   | 42,300                                   | 42,300                                   |
| <b>Total cash used</b>                              | <b>1,108,419</b>            | <b>988,793</b>                         | <b>1,010,354</b>                         | <b>1,009,986</b>                         | <b>1,035,395</b>                         |
| <b>Net cash from/(used by) operating activities</b> | <b>9,283</b>                | <b>72,772</b>                          | <b>57,175</b>                            | <b>69,450</b>                            | <b>75,693</b>                            |
| <b>INVESTING ACTIVITIES</b>                         |                             |  |  |  |  |
| <b>Cash received</b>                                |                             |  |  |  |  |
| Deposits <sup>1</sup>                               | 748,017                     | 2,312,423                              | 2,312,423                                | 2,312,423                                | 2,312,423                                |
| <b>Total cash received</b>                          | <b>748,017</b>              | <b>2,312,423</b>                       | <b>2,312,423</b>                         | <b>2,312,423</b>                         | <b>2,312,423</b>                         |
| <b>Cash used</b>                                    |                             |  |  |  |  |
| Deposits <sup>1</sup>                               | 850,069                     | 2,384,577                              | 2,374,117                                | 2,371,049                                | 2,395,012                                |
| <b>Total cash used</b>                              | <b>850,069</b>              | <b>2,384,577</b>                       | <b>2,374,117</b>                         | <b>2,371,049</b>                         | <b>2,395,012</b>                         |
| <b>Net cash from/(used by) investing activities</b> | <b>(102,052)</b>            | <b>(72,154)</b>                        | <b>(61,694)</b>                          | <b>(58,626)</b>                          | <b>(82,589)</b>                          |
| <b>FINANCING ACTIVITIES</b>                         |                             |  |  |  |  |
| <b>Cash received</b>                                |                             |  |  |  |  |
| Other <sup>2</sup>                                  | 187,115                     | 6,368                                  | 6,368                                    | 6,368                                    | 6,368                                    |
| <b>Total cash received</b>                          | <b>187,115</b>              | <b>6,368</b>                           | <b>6,368</b>                             | <b>6,368</b>                             | <b>6,368</b>                             |
| <b>Cash used</b>                                    |                             |  |  |  |  |
| Cash to Official Public Account                     | 45,887                      | 6,368                                  | 6,368                                    | 6,368                                    | 6,368                                    |
| <b>Total cash used</b>                              | <b>45,887</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>141,228</b>              | <b>-</b>                               | <b>-</b>                                 | <b>-</b>                                 | <b>-</b>                                 |
| <b>Net increase or (decrease) in cash held</b>      |                             |  |  |  |  |
|   | <b>48,459</b>               | <b>618</b>                             | <b>(4,519)</b>                           | <b>10,824</b>                            | <b>(6,896)</b>                           |
| Cash at beginning of reporting period               | 3,426                       | 51,885                                 | 52,503                                   | 47,984                                   | 58,808                                   |
| <b>Cash at end of reporting period</b>              | <b>51,885</b>               | <b>52,503</b>                          | <b>47,984</b>                            | <b>58,808</b>                            | <b>51,912</b>                            |

Notes:

1. Amounts against these items relate to the Land Fund and the ABA, which became DIMIA Special Accounts on the enactment of the ATSIC Amendment Act 2005 on 24 March 2005. Therefore, the 2004-05 figures only relate to the period 24 March 2005 to 30 June 2005.
2. The decrease in other cash is the result of cash transferred into the department from the closure of ATSIC and ATSSIS in 2004-05.

## **NOTES TO THE FINANCIAL STATEMENTS**

Material movements between years are explained by line item beneath the appropriate table.

