

Section 5: Budgeted financial statements

5.1 ANALYSIS OF BUDGETED FINANCIAL STATEMENTS

An analysis of the primary sources of movements from the financial statements published in the 2007-08 PBS is provided below.

Departmental financial statements

Budgeted departmental income statement

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

Budgeted departmental balance sheet

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

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 income statement and balance sheet.

Departmental statement of changes in equity – summary of movement

The statement of changes in equity represents movement of parent entity (the Commonwealth) interest.

The statement has been prepared to reflect the revised accumulated results and the movement of contributed equity 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.

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 latest estimates for the acquisition by finance lease and depreciation expenses.

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 Government.

Schedule of budgeted assets and liabilities administered on behalf of government

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

Schedule of budgeted administered cash flows

This schedule shows cash flows administered on behalf of Government and has been adjusted to reflect the cash impact of the changes reported in the statement of budgeted income and expenses.

5.2 BUDGETED FINANCIAL STATEMENTS

Table 5.1: Budgeted departmental income statement (for period ended 30 June)

| | Estimated actual 2006-07 \$'000 | Budget estimate 2007-08 \$'000 | Forward estimate 2008-09 \$'000 | Forward estimate 2009-10 \$'000 | Forward estimate 2010-11 \$'000 |
|---|--|---|--|--|--|
| INCOME | | | | | |
| Revenue | | | | | |
| Revenues from Government | 1,177,175 | 1,264,894 | 1,235,302 | 1,253,877 | 1,211,978 |
| Goods and services | 32,749 | 31,991 | 32,752 | 32,102 | 32,602 |
| Other | 16,920 | 17,680 | 17,504 | 17,901 | 18,021 |
| Total revenue | 1,226,844 | 1,314,565 | 1,285,558 | 1,303,880 | 1,262,601 |
| Gains | | | | | |
| Net foreign exchange gains | 190 | 30 | 30 | 30 | 30 |
| Other | 1,250 | 1,250 | 1,250 | 1,250 | 1,250 |
| Total gains | 1,440 | 1,280 | 1,280 | 1,280 | 1,280 |
| Total income | 1,228,284 | 1,315,845 | 1,286,838 | 1,305,160 | 1,263,881 |
| EXPENSE | | | | | |
| Employees | 489,118 | 522,805 | 516,115 | 513,336 | 506,979 |
| Suppliers | 716,012 | 688,226 | 648,298 | 665,549 | 658,707 |
| Depreciation and amortisation | 65,137 | 94,761 | 108,463 | 113,313 | 85,233 |
| Write-down of assets and impairment of assets | 11,835 | 13,335 | 12,335 | 11,335 | 11,335 |
| Other | 42 | 42 | 42 | 42 | 42 |
| Borrowing costs expenses | 1,585 | 1,585 | 1,585 | 1,585 | 1,585 |
| Total expenses | 1,283,729 | 1,320,754 | 1,286,838 | 1,305,160 | 1,263,881 |
| Operating result from continuing operations | (55,445) | (4,909) | - | - | - |
| Net surplus or (deficit) attributable to the Australian Government | (55,445) | (4,909) | - | - | - |

Table 5.2: Budgeted departmental balance sheet (as at 30 June)

| | Estimated actual 2006-07 \$'000 | Budget estimate 2007-08 \$'000 | Forward estimate 2008-09 \$'000 | Forward estimate 2009-10 \$'000 | Forward estimate 2010-11 \$'000 |
|---|--|---|--|--|--|
| ASSETS | | | | | |
| Financial assets | | | | | |
| Cash | 12,199 | 12,199 | 12,199 | 12,199 | 12,199 |
| Receivables | 86,982 | 133,036 | 198,490 | 265,564 | 318,592 |
| Accrued revenues | 1,588 | 1,588 | 1,588 | 1,588 | 1,588 |
| Total financial assets | 100,769 | 146,823 | 212,277 | 279,351 | 332,379 |
| Non-financial assets | | | | | |
| Land and buildings | 210,408 | 415,040 | 400,506 | 385,660 | 528,000 |
| Infrastructure, plant and equipment | 119,526 | 230,736 | 214,542 | 197,815 | 179,985 |
| Intangibles | 141,150 | 158,952 | 153,594 | 137,887 | 117,069 |
| Other non-financial assets | 16,451 | 16,451 | 16,451 | 16,451 | 16,451 |
| Total non-financial assets | 487,535 | 821,179 | 785,093 | 737,813 | 841,505 |
| Total assets | 588,304 | 968,002 | 997,370 | 1,017,164 | 1,173,884 |
| LIABILITIES | | | | | |
| Interest bearing liabilities | | | | | |
| Leases | 55,416 | 52,961 | 52,961 | 52,961 | 52,961 |
| Lease incentives | 9,181 | 9,181 | 9,181 | 9,181 | 9,181 |
| Total interest bearing liabilities | 64,597 | 62,142 | 62,142 | 62,142 | 62,142 |
| Provisions | | | | | |
| Employees | 120,280 | 123,026 | 123,026 | 123,026 | 123,026 |
| Other provisions | 30,645 | 30,645 | 30,645 | 30,645 | 30,645 |
| Total provisions | 150,925 | 153,671 | 153,671 | 153,671 | 153,671 |
| Payables | | | | | |
| Suppliers | 71,098 | 71,098 | 71,098 | 71,098 | 71,098 |
| Total payables | 71,098 | 71,098 | 71,098 | 71,098 | 71,098 |
| Total liabilities | 286,620 | 286,911 | 286,911 | 286,911 | 286,911 |
| EQUITY* | | | | | |
| Parent entity interest | | | | | |
| Contributed equity | 307,726 | 692,042 | 721,410 | 741,204 | 897,924 |
| Reserves | 43,925 | 43,925 | 43,925 | 43,925 | 43,925 |
| Retained surpluses or accumulated deficits | (49,967) | (54,876) | (54,876) | (54,876) | (54,876) |
| Total parent entity interest | 301,684 | 681,091 | 710,459 | 730,253 | 886,973 |
| Total equity | 301,684 | 681,091 | 710,459 | 730,253 | 886,973 |
| Current assets | 117,220 | 163,274 | 228,728 | 295,802 | 348,830 |
| Non-current assets | 471,084 | 804,728 | 768,642 | 721,362 | 825,054 |
| Current liabilities | 218,844 | 219,766 | 219,766 | 219,766 | 219,766 |
| Non-current liabilities | 67,776 | 67,145 | 67,145 | 67,145 | 67,145 |

* 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 2006-07 \$'000 | Budget estimate 2007-08 \$'000 | Forward estimate 2008-09 \$'000 | Forward estimate 2009-10 \$'000 | Forward estimate 2010-11 \$'000 |
|--|--|---|--|--|--|
| OPERATING ACTIVITIES | | | | | |
| Cash received | | | | | |
| Goods and services | 22,004 | 21,315 | 22,146 | 26,702 | 32,602 |
| Appropriations | 1,296,447 | 1,310,236 | 1,261,244 | 1,278,199 | 1,250,346 |
| GST received from ATO | 67,257 | 63,366 | 62,336 | 64,676 | 64,342 |
| Other | 20,355 | 18,586 | 18,015 | 12,881 | 7,301 |
| Total cash received | 1,406,063 | 1,413,503 | 1,363,741 | 1,382,458 | 1,354,591 |
| Cash used | | | | | |
| Employees | 489,506 | 521,034 | 517,106 | 517,936 | 506,979 |
| Suppliers | 714,126 | 685,391 | 641,667 | 653,984 | 651,442 |
| Transfer to the Official Public Account | 91,396 | 91,396 | 91,396 | 91,396 | 91,396 |
| GST paid to ATO | 67,257 | 63,366 | 62,336 | 64,676 | 64,342 |
| Total cash used | 1,362,285 | 1,361,187 | 1,312,505 | 1,327,992 | 1,314,159 |
| Net cash from or (used by) operating activities | 43,778 | 52,316 | 51,236 | 54,466 | 40,432 |
| INVESTING ACTIVITIES | | | | | |
| Cash used | | | | | |
| Purchase of property, plant and equipment | 167,744 | 96,834 | 72,377 | 66,033 | 32,205 |
| Total cash used | 167,744 | 96,834 | 72,377 | 66,033 | 32,205 |
| Net cash from or (used by) investing activities | (167,744) | (96,834) | (72,377) | (66,033) | (32,205) |
| FINANCING ACTIVITIES | | | | | |
| Cash received | | | | | |
| Appropriations - contributed equity | 132,193 | 52,745 | 29,368 | 19,794 | - |
| Total cash received | 132,193 | 52,745 | 29,368 | 19,794 | - |
| Cash used | | | | | |
| Other | 8,227 | 8,227 | 8,227 | 8,227 | 8,227 |
| Total cash used | 8,227 | 8,227 | 8,227 | 8,227 | 8,227 |
| Net cash from/(used by) financing activities | 123,966 | 44,518 | 21,141 | 11,567 | (8,227) |
| Net increase or (decrease) in cash held | - | - | - | - | - |
| Cash at the beginning of the reporting period | 12,199 | 12,199 | 12,199 | 12,199 | 12,199 |
| Cash at the end of the reporting period | 12,199 | 12,199 | 12,199 | 12,199 | 12,199 |

**Table 5.4: Departmental statement changes in equity – summary of movement
(Budget year 2007-08)**

| | Accumulated results \$'000 | Asset revaluation reserve \$'000 | Other reserves \$'000 | Contributed equity/ capital \$'000 | Total equity \$'000 |
|--|----------------------------------|---|-----------------------------|---|------------------------------------|
| Opening balance as at 1 July 2007 | | | | | |
| Balance carried forward from previous period | (49,967) | 43,925 | | 307,726 | 301,684 |
| Adjustment for changes in accounting policies | - | - | - | - | - |
| Adjusted opening balance | (49,967) | 43,925 | - | 307,726 | 301,684 |
| Income and expense | | | | | |
| Income and expenses recognised directly in equity: | | | | | |
| Gain/loss on revaluation of property | - | - | - | - | - |
| Sub-total income and expense | - | - | - | - | - |
| Net operating result | (4,909) | | | | (4,909) |
| Total income and expenses recognised directly in equity | (4,909) | - | - | - | (4,909) |
| Transactions with owners | | | | | |
| <i>Distribution to owners</i> | | | | | |
| Other | - | - | - | - | - |
| <i>Contribution by owners</i> | | | | | |
| Appropriation (equity injection) | | | | 52,745 | 52,745 |
| Other: | | | | | |
| Restructuring | - | - | - | 331,571 | 331,571 |
| Sub-total transactions with owners | - | - | - | 384,316 | 384,316 |
| Transfers between equity components | - | - | - | - | - |
| Estimated closing balance as at 30 June 2008 | (54,876) | 43,925 | - | 692,042 | 681,091 |

Table 5.5: Departmental capital budget statement

| | Estimated actual 2006-07 \$'000 | Budget estimate 2007-08 \$'000 | Forward estimate 2008-09 \$'000 | Forward estimate 2009-10 \$'000 | Forward estimate 2010-11 \$'000 |
|--|--|---|--|--|--|
| CAPITAL APPROPRIATIONS | | | | | |
| Total equity injections | 132,193 | 52,745 | 29,368 | 19,794 | - |
| Total loans | - | - | - | - | - |
| Total capital appropriations | 132,193 | 52,745 | 29,368 | 19,794 | - |
| Represented by: | | | | | |
| Purchase of non-financial assets | 120,153 | 51,739 | 29,368 | 19,794 | - |
| Other | 12,040 | 1,006 | - | - | - |
| Total represented by | 132,193 | 52,745 | 29,368 | 19,794 | - |
| PURCHASE OF NON-FINANCIAL ASSETS | | | | | |
| Funded by capital appropriation | 120,153 | 51,739 | 29,368 | 19,794 | - |
| Funded internally by Departmental resources | 47,591 | 45,095 | 43,009 | 46,239 | 32,205 |
| Total | 167,744 | 96,834 | 72,377 | 66,033 | 32,205 |

Table 5.6: Departmental property, plant, equipment and intangibles – summary of movement (Budget year 2007-08)

| | Land | Buildings | Other infrastructure plant and equipment | Computer software | Total |
|--|---------------|----------------|---|----------------------|----------------|
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| As at 1 July 2007 | | | | | |
| Gross book value | 43,057 | 241,892 | 172,582 | 213,173 | 670,704 |
| Accumulated depreciation | - | 74,541 | 53,056 | 72,023 | 199,620 |
| Opening net book value | 43,057 | 167,351 | 119,526 | 141,150 | 471,084 |
| Additions: | | | | | |
| by purchase | 3,621 | 14,945 | 18,600 | 59,668 | 96,834 |
| from acquisitions of entities or operations (including restructuring) | - | 211,975 | 119,596 | - | 331,571 |
| Depreciation/amortisation expense | - | 25,909 | 26,986 | 41,866 | 94,761 |
| Disposals: | | | | | |
| other disposals | - | - | - | - | - |
| As at 30 June 2008 | 46,678 | 368,362 | 230,736 | 158,952 | 804,728 |
| Gross book value | 46,678 | 468,812 | 310,778 | 272,841 | 1,099,109 |
| Accumulated depreciation | - | 100,450 | 80,042 | 113,889 | 294,381 |
| Estimated closing net book value | 46,678 | 368,362 | 230,736 | 158,952 | 804,728 |

Table 5.7: Schedule of budgeted income and expenses administered on behalf of government (for the period ended 30 June)

| | Estimated actual 2006-07 \$'000 | Budget estimate 2007-08 \$'000 | Forward estimate 2008-09 \$'000 | Forward estimate 2009-10 \$'000 | Forward estimate 2010-11 \$'000 |
|--|--|---|--|--|--|
| INCOME ADMINISTERED ON BEHALF OF GOVERNMENT | | | | | |
| Revenue | | | | | |
| Non-taxation | | | | | |
| Goods and services | 567,882 | 593,136 | 588,537 | 601,234 | 621,494 |
| Other sources of non-taxation revenues | 44,379 | 39,510 | 42,894 | 43,076 | 43,113 |
| Total non-taxation | 612,261 | 632,646 | 631,431 | 644,310 | 664,607 |
| Total revenues administered on behalf of Government | 612,261 | 632,646 | 631,431 | 644,310 | 664,607 |
| Gains | | | | | |
| Net gains from sale of assets | - | - | - | - | - |
| Total gains administered on behalf of Government | - | - | - | - | - |
| Total income administered on behalf of Government | 612,261 | 632,646 | 631,431 | 644,310 | 664,607 |
| EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT | | | | | |
| Grants | 36,817 | 40,050 | 38,707 | 39,615 | 40,558 |
| Subsidies | 7,293 | 17,295 | 7,697 | 7,781 | 7,933 |
| Personal benefits | 4,834 | 4,455 | 3,983 | 4,027 | 4,115 |
| Suppliers | 193,336 | 206,437 | 200,238 | 196,580 | 201,336 |
| Write down and impairment of assets | 34,758 | 28,255 | 28,255 | 28,255 | 28,255 |
| Total expenses administered on behalf of Government | 277,038 | 296,492 | 278,880 | 276,258 | 282,197 |

Table 5.8: Schedule of budgeted assets and liabilities administered on behalf of government (as at 30 June)

| | Estimated actual 2006-07 \$'000 | Budget estimate 2007-08 \$'000 | Forward estimate 2008-09 \$'000 | Forward estimate 2009-10 \$'000 | Forward estimate 2010-11 \$'000 |
|---|--|---|--|--|--|
| ASSETS ADMINISTERED ON BEHALF OF GOVERNMENT | | | | | |
| Financial assets | | | | | |
| Cash | 6,301 | 6,301 | 6,601 | 6,601 | 6,601 |
| Receivables | 9,167 | 9,167 | 8,867 | 8,867 | 8,867 |
| Accrued revenues | 12,901 | 12,901 | 12,901 | 12,901 | 12,901 |
| Total financial assets | 28,369 | 28,369 | 28,369 | 28,369 | 28,369 |
| Non-financial assets | | | | | |
| Other | 651 | 651 | 651 | 651 | 651 |
| Total non-financial assets | 651 | 651 | 651 | 651 | 651 |
| Total assets administered on behalf of Government | 29,020 | 29,020 | 29,020 | 29,020 | 29,020 |
| LIABILITIES ADMINISTERED ON BEHALF OF GOVERNMENT | | | | | |
| Payables | | | | | |
| Suppliers | 26,945 | 26,945 | 26,945 | 26,945 | 26,945 |
| Other payables | 19,316 | 19,316 | 19,316 | 19,316 | 19,316 |
| Total payables | 46,261 | 46,261 | 46,261 | 46,261 | 46,261 |
| Total liabilities administered on behalf of Government | 46,261 | 46,261 | 46,261 | 46,261 | 46,261 |

Table 5.9: Schedule of budgeted administered cash flows (for the period ended 30 June)

| | Estimated actual 2006-07 \$'000 | Budget estimate 2007-08 \$'000 | Forward estimate 2008-09 \$'000 | Forward estimate 2009-10 \$'000 | Forward estimate 2010-11 \$'000 |
|--|--|---|--|--|--|
| OPERATING ACTIVITIES | | | | | |
| Cash received | | | | | |
| GST received from ATO | 23,451 | 23,406 | 23,406 | 23,406 | 23,406 |
| Sales of goods | 574,020 | 600,437 | 596,138 | 605,550 | 621,494 |
| Other | 3,482 | 3,954 | 7,338 | 10,505 | 14,858 |
| Cash from Official Public Account | 242,280 | 268,237 | 250,625 | 248,003 | 253,942 |
| Total cash received | 843,233 | 896,034 | 877,507 | 887,464 | 913,700 |
| Cash used | | | | | |
| Grant payments | 32,071 | 40,049 | 38,707 | 39,615 | 40,558 |
| Subsidies paid | 7,293 | 17,297 | 7,697 | 7,781 | 7,933 |
| Personal benefits | 4,827 | 4,447 | 3,983 | 4,027 | 4,115 |
| Suppliers | 198,089 | 206,444 | 200,238 | 196,580 | 201,336 |
| Other | 23,451 | 23,406 | 23,406 | 23,406 | 23,406 |
| Cash to Official Public Account | 577,503 | 604,391 | 603,176 | 616,055 | 636,352 |
| Total cash used | 843,234 | 896,034 | 877,207 | 887,464 | 913,700 |
| Net cash from or (used by) operating activities | (1) | - | 300 | - | - |
| Net increase or (decrease) in cash held | | | | | |
| | (1) | - | 300 | - | - |
| Cash at beginning of reporting period | 6,302 | 6,301 | 6,301 | 6,601 | 6,601 |
| Cash at end of reporting period | 6,301 | 6,301 | 6,601 | 6,601 | 6,601 |

