

# DEPARTMENT OF THE TREASURY

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## DEPARTMENT OF THE TREASURY

### Section 1: Agency overview and resources

#### 1.1 STRATEGIC DIRECTION

There has been no significant change to the strategic direction of the Department of the Treasury (the Treasury) from that outlined in the *Portfolio Budget Statements 2012-13* (pages 15-17).

The Treasury is seeking \$3.7 million in departmental funding through Appropriation Bill (No. 3) 2012-13. This comprises an additional \$4.5 million which is offset by a reduction of \$0.8 million.

The additional \$4.5 million relates to:

- Lowy Institute for International Policy – establishment of a G20 Studies Centre (\$2.0 million) and the Energy Security (\$0.3 million) measures outlined in the *Mid-Year Economic and Fiscal Outlook 2012-13*;
- \$1.9 million brought forward from 2013-14 for the re-profiling of funding associated with Australia hosting the Group of 20 in 2014; and
- \$0.3 million for supplementation for fringe benefits tax changes to living-away-from-home allowances and benefits.

This funding is offset by a reduction of \$0.8 million that relates to:

- \$0.01 million for the Fire Service Levy – reduction measure outlined in Budget Paper No. 2, *Budget Measures 2012-13*; and
- \$0.8 million for the Targeted savings – public service efficiencies measure outlined in the *Mid-Year Economic and Fiscal Outlook 2012-13*.

The Treasury is also seeking an additional \$14.9 million in administered items through Appropriation Bill (No. 3) 2012-13. This relates to:

- \$13.9 million for Official development assistance – support for low income countries through the Poverty Reduction and Growth Trust; and
- \$1.0 million for the Superannuation Consumer Centre – investment fund measure outlined in the *Mid-Year Economic and Fiscal Outlook 2012-13*.

## 1.2 AGENCY RESOURCE STATEMENT

Table 1.1 shows the total resources from all origins. The table summarises how resources will be applied by outcome and departmental classification.

**Table 1.1: Department of the Treasury resource statement — additional estimates for 2012-13 as at Additional Estimates February 2013**

	Estimates as at Budget <sup>+</sup> 2012-13 \$'000	Proposed Additional Estimates <sup>=</sup> 2012-13 \$'000	Total estimate at Additional Estimates 2012-13 \$'000	Total available appropriation 2011-12 \$'000
<b>Ordinary annual services</b>				
<b>Departmental</b>				
Prior year departmental appropriation	51,933	-	51,933	-
Departmental appropriation <sup>1</sup>	175,348	3,666 <sup>2</sup>	179,014	156,615
Receipts from other sources (s31)	12,610	270	12,880	13,159
<b>Total departmental</b>	<b>239,891</b>	<b>3,936</b>	<b>243,827</b>	<b>169,774</b>
<b>Administered expenses</b>				
Administered appropriation	5,175	14,928 <sup>2</sup>	20,103	14,987
<b>Total administered expenses</b>	<b>5,175</b>	<b>14,928</b>	<b>20,103</b>	<b>14,987</b>
<b>Total ordinary annual services</b>	<b>A 245,066</b>	<b>18,864</b>	<b>263,930</b>	<b>184,761</b>
<b>Other services</b>				
<b>Departmental non-operating</b>				
Equity injections	1,839	-	1,839	583
<b>Total</b>	<b>1,839</b>	<b>-</b>	<b>1,839</b>	<b>583</b>
<b>Administered non-operating</b>				
Administered assets and liabilities				
Outcome 1	57,000	-	57,000	62,708
<b>Total</b>	<b>57,000</b>	<b>-</b>	<b>57,000</b>	<b>62,708</b>
<b>Total other services</b>	<b>B 58,839</b>	<b>-</b>	<b>58,839</b>	<b>63,291</b>
<b>Total available annual appropriations (A + B)</b>	<b>303,905</b>	<b>18,864</b>	<b>322,769</b>	<b>248,052</b>

**Table 1.1: Department of the Treasury resource statement — additional estimates for 2012-13 as at Additional Estimates February 2013 (continued)**

	Estimates as at Budget 2012-13 \$'000	Proposed Additional Estimates 2012-13 \$'000	Total estimate at Additional Estimates 2012-13 \$'000	Total available Total appropriation 2011-12 \$'000
<b>Special appropriations</b>				
<i>Asian Development Bank (Additional Subscription) Act 2009</i>	15,040	1,199	16,239	15,168
<i>Federal Financial Relations Act 2009</i>	68,959,642	(303,166)	68,656,476	65,627,132
<i>International Monetary Agreements Act 1947</i>	2,029,872	(291,764)	1,738,108	956,257
<i>Superannuation Industry (Supervision) Act 1993</i>	-	16,720	16,720	-
<b>Total special appropriations</b>	<b>C 71,004,554</b>	<b>(577,011)</b>	<b>70,427,543</b>	<b>66,598,557</b>
<b>Total appropriations excluding special accounts (A+B+C)</b>	<b>71,308,459</b>	<b>(558,147)</b>	<b>70,750,312</b>	<b>66,846,609</b>
<b>Special accounts</b>				
Opening balance	2,282	-	2,282	2,149
Appropriation receipts	-	-	-	-
Non-appropriation receipts to special accounts	10,943,686	(342,645)	10,601,041	21,576,440
<b>Total special account</b>	<b>D 10,945,968</b>	<b>(342,645)</b>	<b>10,603,323</b>	<b>21,578,589</b>
<b>Total resourcing (A+B+C+D)</b>	<b>82,254,427</b>	<b>(900,792)</b>	<b>81,353,635</b>	<b>88,425,198</b>
Less receipts from other sources credited to special accounts	1,629	-	1,629	1,842
<b>Total net resourcing for the Treasury</b>	<b>82,252,798</b>	<b>(900,792)</b>	<b>81,352,006</b>	<b>88,423,356</b>

1 Includes \$5.2 million in 2012-13 for the departmental capital budget (also refer to Table 3.2.5).

2 Appropriation Bill (No. 3) 2012-13 — includes \$2.259 million that was recognised as revenue in 2011-12.

### 1.3 AGENCY MEASURES TABLE

Table 1.2 summarises new Government measures taken since the 2012-13 Budget.

**Table 1.2: Agency Measures since Budget**

	Program	2012-13 \$'000	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000
<b>Expense measures</b>					
Asia Pacific Financial Forum	1.1	250	-	-	-
Energy Security(a)	1.1	-	-	-	-
Fire Service Levy - reduction(b)	1.1	(14)	(15)	(15)	(15)
Lowy Institute for International Policy - establishment of a G20 Studies Centre(c)	1.1	-	-	1,000	1,000
Targeted savings - public service efficiencies	1.1	(779)	(879)	(745)	(646)
Women on Boards Accelerator Program	1.1	-	-	-	-
Australia in the Asian Century(d)	1.1	-	-	3,243	3,300
Official development assistance - support for low income countries through the Poverty Reduction and Growth Trust(d)	1.2	-	-	-	-
Superannuation - further financial assistance grants to compensate fund members for the collapse of Trio(d)	1.3	16,720	-	-	-
Superannuation Consumer Centre - investment fund	1.3	1,000	2,000	7,000	-
Customs' compliance assurance system - expansion	1.4	-	7,600	7,600	7,600
Fringe benefits tax - reform of living-away-from-home allowances and benefits	1.4	660	-	-	-
- removal of concessional treatment of 'in-house' fringe benefits if accessed through a salary sacrifice arrangement	1.4	5,000	10,000	35,000	35,000
GST - reforms to the GST margin scheme	1.4	-	-	-	-
- restrictions on GST refunds - revisions and changed start date	1.4	-	..	6,000	6,000
Indirect Tax Concession Scheme - diplomatic and consular concessions	1.4	..	..	..	..
Tax compliance - maintaining the integrity of the tax and superannuation system	1.4	61,800	6,000	6,200	6,300
Tax laws - miscellaneous amendments	1.4	..	..	..	..

**Table 1.2: Agency Measures since Budget (continued)**

	Program	2012-13 \$'000	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000
<b>Expense measures (continued)</b>					
Construction of a safe anchorage at Mission Beach - contribution	1.10	-	-	-	-
Dental health reform - National Partnership Agreement for adult public dental services	1.10	-	-	200,000	295,000
Health and Hospitals Fund - Queensland Regional Acute/ Subacute/Extended Inpatient Mental Health Services project - cancellation	1.10	(1,931)	(2,823)	(5,406)	(9,981)
Macquarie Point Railyards Precinct - remediation	1.10	-	-	-	-
Nation Building 2 Program - Northern Territory Regional Roads Productivity Package	1.10	-	-	-	-
Nation Building Program - Kennedy Highway road projects	1.10	-	-	-	-
National Immunisation Program - extended listing of Gardasil®	1.10	(17,719)	(17,664)	(17,511)	(17,541)
Parenting Payment recipients - additional training support for grandfathered recipients	1.10	-	-	-	-
Queensland reconstruction - funding the use of local council day labour	1.10	-	11,230	7,182	-
Schools - Literacy and Numeracy National Partnership - extension	1.10	-	-	-	-
Tasmania's Health System - additional funding	1.10	31,941	46,732	49,565	40,022
Trade Training Centres in Schools program - extension and rephasing	1.10	-	9,084	(48,141)	(115,758)
<b>Related revenue</b>					
Asia Pacific Financial Forum	1.1	250	-	-	-
Women on Boards Accelerator Program	1.1	-	-	-	-

Note: Details of these measures, except for those denoted (b) and (d), are in the *Mid-Year Economic and Fiscal Outlook 2012-13*.

(a) The Treasury is to receive \$0.3 million in 2012-13 that was recognised as revenue in 2011-12.

(b) This measure was included in Budget Paper No. 2, *Budget Measures 2012-13*.

(c) The Treasury is to receive \$2.0 million in 2012-13 that was recognised as revenue in 2011-12.

(d) This measure was agreed after the Mid-Year Economic and Fiscal Outlook.

## 1.4 ADDITIONAL ESTIMATES AND VARIATIONS

Table 1.3 details the additional estimates resulting from new measures since the 2012-13 Budget. Table 1.4 details the additional estimates resulting from other variations since the 2012-13 Budget.

**Table 1.3: Additional estimates and variations to outcomes from measures since 2012-13 Budget**

	Program impacted	2012-13 \$'000	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000
<b>Outcome 1</b>					
<b>Increase in estimates (departmental)</b>					
Energy Security	1.1	259	-	-	-
Lowy Institute for International Policy - establishment of a G20 Studies Centre	1.1	2,000	-	1,000	1,000
<b>Decrease in estimates (departmental)</b>					
Fire Service Levy - reduction	1.1	(14)	(15)	(15)	(15)
Targeted savings - public service efficiencies	1.1	(779)	(879)	(745)	(646)
<b>Net impact on estimates for Outcome 1 (departmental)</b>		<b>1,466</b>	<b>(894)</b>	<b>240</b>	<b>339</b>
<b>Outcome 1</b>					
<b>Increase in estimates (administered)</b>					
Official development assistance - support for low income countries through the Poverty Reduction and Growth Trust	1.2	13,928	-	-	-
Superannuation Consumer Centre - investment fund	1.3	1,000	2,000	7,000	-
<b>Net impact on estimates for Outcome 1 (administered)</b>		<b>14,928</b>	<b>2,000</b>	<b>7,000</b>	<b>-</b>

**Table 1.4: Additional estimates and variations to outcomes from other variations**

	Program impacted	2012-13 \$'000	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000
<b>Outcome 1</b>					
<b>Increase in estimates (departmental)</b>					
Australia to host the Group of 20 in 2014 - rephasing	1.1	1,878	(14,552)	12,674	-
Supplementation for fringe benefits tax changes to living-away-from-home allowances and benefits	1.1	322	663	1,194	1,230
<b>Net impact on estimates for Outcome 1 (departmental)</b>		<b>2,200</b>	<b>(13,889)</b>	<b>13,868</b>	<b>1,230</b>



## 1.5 BREAKDOWN OF ADDITIONAL ESTIMATES BY APPROPRIATION BILL

The following table details the additional estimates sought for the Treasury through Appropriation Bill No. 3. The Treasury is not seeking funding through Appropriation Bill No. 4.

**Table 1.5: Appropriation Bill (No. 3) 2012-13**

	2011-12 available \$'000	2012-13 budget \$'000	2012-13 revised \$'000	Additional estimates \$'000	Reduced estimates \$'000
<b>Outcome 1:</b> Informed decisions on the development and implementation of policies to improve the wellbeing of the Australian people, including by achieving strong, sustainable economic growth, through the provision of advice to government and the efficient administration of federal financial relations					
Departmental items	156,615	175,348	179,014	3,666	-
Administered items	14,987	5,175	20,103	14,928	-
<b>Total</b>	<b>171,602</b>	<b>180,523</b>	<b>199,117</b>	<b>18,594</b>	<b>-</b>

## Section 2: Revisions to agency outcomes and planned performance

### 2.1 RESOURCES AND PERFORMANCE INFORMATION

There has been no change to outcomes or the outcome strategy for the Treasury from that included in the *Portfolio Budget Statements 2012-13* (pages 24-25).

There has been no change to the program objective, expenses, deliverables or key performance indicators for program 1.2 and programs 1.4 to 1.10 that affect Appropriation Bills No. 3 and No. 4.

Programs 1.4 to 1.10 relate to Australia's Federal Relations. Further details of Australia's Federal Relations are on pages 72 to 153 of the *Mid-Year Economic and Fiscal Outlook 2012-13*.

**Table 2.1: Budgeted expenses and resources for Outcome 1**

<b>Outcome 1:</b> Informed decisions on the development and implementation of policies to improve the wellbeing of the Australian people, including by achieving strong, sustainable economic growth, through the provision of advice to government and the efficient administration of federal financial relations	2011-12 Actual \$'000	2012-13 Revised estimated expenses \$'000
<b>Program 1.1: Department of the Treasury</b>		
Departmental expenses		
Departmental appropriations <sup>1</sup>	177,185	182,788
Special accounts	1,709	1,629
Expenses not requiring appropriation <sup>2</sup>	13,944	13,571
Administered expenses		
Other services (Appropriation Bills No. 1 and No. 3)	11,121	-
Expenses not requiring appropriation	964,705	108,025
<b>Total for Program 1.1</b>	<b>1,168,664</b>	<b>306,013</b>
<b>Program 1.3: Support for Markets and Business</b>		
Administered expenses		
Other services (Appropriation Bills No. 1 and No. 3)	2,717	22,895
<b>Total for Program 1.3</b>	<b>1,168,664</b>	<b>22,895</b>
	2011-12	2012-13
<b>Average staffing level (number)</b>	1,007	919

1 Departmental appropriations combine ordinary annual services (Appropriation Bills No. 1 and No. 3) and revenue from independent sources (section 31 receipts).

2 Expenses not requiring appropriation includes depreciation and amortisation expenses and resources received free of charge, such as audit fees.

### Program 1.1: Department of the Treasury

There has been no change to the program objective, deliverables or key performance indicators from that included in the *Portfolio Budget Statements 2012-13*.

**Table 2.2: Program expenses**

	2011-12	2012-13	2013-14	2014-15	2015-16
	Actuals	Revised budget	Forward year 1	Forward year 2	Forward year 3
	\$'000	\$'000	\$'000	\$'000	\$'000
Departmental expenses					
Departmental items	178,894	160,736	152,892	158,270	158,105
Australia to host the Group of 20 in 2014	-	5,298	20,192	17,196	799
Clean Energy Finance Corporation	-	18,383	18,102	18,228	-
Expenses not requiring appropriation	13,944	13,571	11,849	10,283	9,217
Total departmental expenses	192,838	197,988	203,035	203,977	168,121
Administered expenses					
Expenses not requiring appropriation	975,826	108,025	-	-	-
Total administered expenses	975,826	108,025	-	-	-
<b>Total program expenses</b>	<b>1,168,664</b>	<b>306,013</b>	<b>203,035</b>	<b>203,977</b>	<b>168,121</b>

Program expenses have changed to reflect Tables 1.3 and 1.4.

### Program 1.3: Support for Markets and Business

In addition to the program objective, deliverables and key performance indicators included in the *Portfolio Budget Statements 2012-13*, the following objectives, deliverables and key performance indicators are included for program 1.3.

#### Program objective

The Superannuation Consumer Centre (SCC) will be a non-profit organisation with a primary focus on superannuation policy research and related consumer advocacy. The Government will contribute \$10 million over three years to a non-government investment fund, the earnings of which will be used to fund the ongoing costs of the SCC. This contribution will be contingent upon matching funds being provided by industry.

To provide further financial assistance to four APRA regulated superannuation funds in accordance with the Minister's Determination of 2 September 2012.

**Program expenses**

**Table 2.2: Program 1.3 expenses**

	2011-12	2012-13	2013-14	2014-15	2015-16
	Actuals	Revised budget	Forward year 1	Forward year 2	Forward year 3
	\$'000	\$'000	\$'000	\$'000	\$'000
Administered expenses					
Annual appropriations					
Centre for International Finance and Regulation	2,573	4,500	4,000	1,000	-
Housing Loans Insurance Company Limited - payments in respect of insurance claims	675	675	675	675	675
Contribution to the Superannuation Consumer Centre	-	1,000	2,000	7,000	-
Special appropriations					
<i>Superannuation Industry (Supervision) Act 1993</i> - financial assistance grant to compensate fund members for the collapse of Trio	-	16,720	-	-	-
Total administered expenses	3,248	22,895	6,675	8,675	675
<b>Total program expenses</b>	<b>3,248</b>	<b>22,895</b>	<b>6,675</b>	<b>8,675</b>	<b>675</b>

**Program deliverables**

The contribution to the SCC has been made according to the agreed funding schedule.

Payments of further financial assistance to compensate members of four APRA regulated superannuation funds that invested in Trio have been made in accordance with the Minister's Determination of 2 September 2012

**Program key performance indicators**

The contribution to the SCC is made according to the agreed funding schedule.

Payments of further financial assistance to compensate members of four APRA regulated superannuation funds that invested in Trio are made in accordance with the Minister's Determination of 2 September 2012.

## Section 3: Explanatory tables and budgeted financial statements

### 3.1 EXPLANATORY TABLES

#### Estimates of special account flows

Special accounts provide a means to set aside and record amounts used for specific purposes. Table 3.1.1 shows the expected additions (receipts) and reductions (payments) for each account used by the Treasury.

**Table 3.1.1: Estimates of special account cash flows and balances**

	Outcome	Opening	Receipts		Payments	Closing
		balance	Non-Appropriated	Appropriated		balance
		2012-13	2012-13	2012-13	2012-13	2012-13
		2011-12	2011-12	2011-12	2011-12	2011-12
		\$'000	\$'000	\$'000	\$'000	\$'000
Actuarial Services Special Account(D)	1	2,282	1,629	-	(1,629)	2,282
		2,149	1,842	-	(1,709)	2,282
COAG Reform Fund Special Account(A)	1	-	10,599,412	-	(10,599,412)	-
		-	21,474,820	-	(21,474,820)	-
Financial System Stability Special Account(A)	1	-	-	-	-	-
		-	-	-	-	-
Services for Other Entities and Trust Moneys Special Account - Department of the Treasury(A/D)	1	-	-	-	-	-
		-	-	-	-	-
<b>Total special accounts</b>						
<b>2012-13 Budget estimate</b>		<b>2,282</b>	<b>10,601,041</b>	<b>-</b>	<b>(10,601,041)</b>	<b>2,282</b>
Total special accounts						
2011-12 actual		2,149	21,476,662	-	(21,476,529)	2,282

(A) Administered.  
(D) Departmental.

### 3.2 BUDGETED FINANCIAL STATEMENTS

#### 3.2.1 Analysis of budgeted financial statements

The Department of the Treasury is budgeting for a departmental breakeven operating result for 2012-13.

The Department of the Treasury has a sound financial position and currently has sufficient cash reserves to fund provisions and payables, and asset replacement, as they fall due.

### 3.2.2 Budgeted financial statements

**Table 3.2.1: Budgeted departmental comprehensive income statement  
(for the period ended 30 June)**

	Actual 2011-12 \$'000	Revised budget 2012-13 \$'000	Forward estimate 2013-14 \$'000	Forward estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000
<b>EXPENSES</b>					
Employee benefits	135,386	123,617	121,361	122,517	113,490
Supplier	39,663	59,250	68,269	68,647	43,884
Grants	4,109	2,100	2,106	3,080	2,080
Depreciation and amortisation	13,418	13,021	11,299	9,733	8,667
Net write-down and impairment	245	-	-	-	-
Finance costs	17	-	-	-	-
<b>Total expenses</b>	<b>192,838</b>	<b>197,988</b>	<b>203,035</b>	<b>203,977</b>	<b>168,121</b>
<b>LESS:</b>					
<b>OWN-SOURCE INCOME</b>					
<b>Revenue</b>					
Sale of goods and rendering of services	8,333	11,868	11,868	11,868	11,868
Other revenue	868	1,012	768	742	742
<b>Total revenue</b>	<b>9,201</b>	<b>12,880</b>	<b>12,636</b>	<b>12,610</b>	<b>12,610</b>
<b>Gains</b>					
Other gains	530	550	550	550	550
<b>Total gains</b>	<b>530</b>	<b>550</b>	<b>550</b>	<b>550</b>	<b>550</b>
<b>Total own-source income</b>	<b>9,731</b>	<b>13,430</b>	<b>13,186</b>	<b>13,160</b>	<b>13,160</b>
<b>Net cost of (contribution by) services</b>	<b>183,107</b>	<b>184,558</b>	<b>189,849</b>	<b>190,817</b>	<b>154,961</b>
Appropriation revenue	158,119	171,537	178,550	181,084	146,294
<b>Surplus (deficit) attributable to the Australian Government</b>	<b>(24,988)</b>	<b>(13,021)</b>	<b>(11,299)</b>	<b>(9,733)</b>	<b>(8,667)</b>
<b>Note: Impact of Net Cash Appropriation Arrangements</b>					
	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000
<b>Total Comprehensive Income (loss) less depreciation/amortisation expenses previously funded through revenue appropriations</b>	<b>(11,570)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
plus depreciation/amortisation expenses previously funded through revenue appropriations	(13,418)	(13,021)	(11,299)	(9,733)	(8,667)
<b>Total Comprehensive Income (loss) - as per the Statement of Comprehensive Income</b>	<b>(24,988)</b>	<b>(13,021)</b>	<b>(11,299)</b>	<b>(9,733)</b>	<b>(8,667)</b>

Prepared on Australian Accounting Standards basis.

**Table 3.2.2: Budgeted departmental balance sheet  
(as at 30 June)**

	Actual 2011-12 \$'000	Revised budget 2012-13 \$'000	Forward estimate 2013-14 \$'000	Forward estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash and equivalents	1,108	1,108	1,108	1,108	1,108
Trade and other receivables	55,141	57,141	59,141	61,141	63,141
<b>Total financial assets</b>	<b>56,249</b>	<b>58,249</b>	<b>60,249</b>	<b>62,249</b>	<b>64,249</b>
<b>Non-financial assets</b>					
Land and buildings	7,028	6,029	5,053	4,313	3,726
Infrastructure, plant and equipment	12,927	10,644	8,642	7,166	6,038
Intangibles	25,711	23,029	20,557	19,065	18,180
Other	2,502	2,502	2,502	2,502	2,502
<b>Total non-financial assets</b>	<b>48,168</b>	<b>42,204</b>	<b>36,754</b>	<b>33,046</b>	<b>30,446</b>
<b>Total assets</b>	<b>104,417</b>	<b>100,453</b>	<b>97,003</b>	<b>95,295</b>	<b>94,695</b>
<b>LIABILITIES</b>					
<b>Provisions</b>					
Employees	44,600	46,600	48,600	50,600	52,600
<b>Total provisions</b>	<b>44,600</b>	<b>46,600</b>	<b>48,600</b>	<b>50,600</b>	<b>52,600</b>
<b>Payables</b>					
Suppliers	311	311	311	311	311
Other	4,554	4,554	4,554	4,554	4,554
<b>Total payables</b>	<b>4,865</b>	<b>4,865</b>	<b>4,865</b>	<b>4,865</b>	<b>4,865</b>
<b>Total liabilities</b>	<b>49,465</b>	<b>51,465</b>	<b>53,465</b>	<b>55,465</b>	<b>57,465</b>
<b>Net assets</b>	<b>54,952</b>	<b>48,988</b>	<b>43,538</b>	<b>39,830</b>	<b>37,230</b>
<b>EQUITY</b>					
<b>Parent entity interest</b>					
Contributed equity	47,959	55,016	60,865	66,890	72,957
Reserves	5,186	5,186	5,186	5,186	5,186
Retained surpluses or accumulated deficits	1,807	(11,214)	(22,513)	(32,246)	(40,913)
<b>Total equity</b>	<b>54,952</b>	<b>48,988</b>	<b>43,538</b>	<b>39,830</b>	<b>37,230</b>
<b>Current assets</b>	<b>58,751</b>	<b>60,751</b>	<b>62,751</b>	<b>64,751</b>	<b>66,751</b>
<b>Non-current assets</b>	<b>45,666</b>	<b>39,702</b>	<b>34,252</b>	<b>30,544</b>	<b>27,944</b>
<b>Current liabilities</b>	<b>45,508</b>	<b>47,348</b>	<b>49,188</b>	<b>51,028</b>	<b>52,868</b>
<b>Non-current liabilities</b>	<b>3,957</b>	<b>4,117</b>	<b>4,277</b>	<b>4,437</b>	<b>4,597</b>

Prepared on Australian Accounting Standards basis.

**Table 3.2.3: Budgeted departmental statement of cash flows  
(for the period ended 30 June)**

	Actual 2011-12 \$'000	Revised budget 2012-13 \$'000	Forward estimate 2013-14 \$'000	Forward estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Goods and services	12,195	11,868	11,868	11,868	11,868
Appropriations	174,445	169,537	176,550	179,084	144,294
Other	4,283	1,012	768	742	742
<b>Total cash received</b>	<b>190,923</b>	<b>182,417</b>	<b>189,186</b>	<b>191,694</b>	<b>156,904</b>
<b>Cash used</b>					
Employees	132,955	121,617	119,361	120,517	111,490
Suppliers	48,098	58,700	67,719	68,097	43,334
Grants	4,109	2,100	2,106	3,080	2,080
Borrowing costs	19	-	-	-	-
<b>Total cash used</b>	<b>185,181</b>	<b>182,417</b>	<b>189,186</b>	<b>191,694</b>	<b>156,904</b>
<b>Net cash from or (used by) operating activities</b>	<b>5,742</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash received</b>					
Proceeds from sales of property, plant and equipment	9	-	-	-	-
<b>Total cash received</b>	<b>9</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash used</b>					
Purchase of property, plant and equipment	12,786	7,057	5,849	6,025	6,067
<b>Total cash used</b>	<b>12,786</b>	<b>7,057</b>	<b>5,849</b>	<b>6,025</b>	<b>6,067</b>
<b>Net cash from or (used by) investing activities</b>	<b>(12,777)</b>	<b>(7,057)</b>	<b>(5,849)</b>	<b>(6,025)</b>	<b>(6,067)</b>
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Appropriations - equity injections	583	1,839	583	583	583
Appropriations - DCB	6,724	5,218	5,266	5,442	5,484
<b>Total cash received</b>	<b>7,307</b>	<b>7,057</b>	<b>5,849</b>	<b>6,025</b>	<b>6,067</b>
<b>Net cash from or (used by) financing activities</b>	<b>7,307</b>	<b>7,057</b>	<b>5,849</b>	<b>6,025</b>	<b>6,067</b>
<b>Net increase or (decrease) in cash held</b>	<b>272</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Cash at the beginning of the reporting period	836	1,108	1,108	1,108	1,108
<b>Cash at the end of the reporting period</b>	<b>1,108</b>	<b>1,108</b>	<b>1,108</b>	<b>1,108</b>	<b>1,108</b>

Prepared on Australian Accounting Standards basis.



**Table 3.2.4: Departmental statement of changes in equity — summary of movement (budget year 2012-13)**

	Retained surpluses \$'000	Asset revaluation reserve \$'000	Other reserves \$'000	Contributed equity/ capital \$'000	Total equity \$'000
<b>Opening balance as at 1 July 2012</b>					
Balance carried forward from previous period	1,807	5,186	-	47,959	54,952
<b>Adjusted opening balance</b>	1,807	5,186	-	47,959	54,952
<b>Comprehensive income</b>					
Surplus (deficit) for the period	(13,021)	-	-	-	(13,021)
<b>Total comprehensive income recognised directly in equity</b>	(13,021)	-	-	-	(13,021)
<b>Transactions with owners</b>					
<i>Contribution by owners</i>					
Appropriation (equity injection)	-	-	-	1,839	1,839
Appropriation (departmental capital budget)	-	-	-	5,218	5,218
<b>Total transactions with owners</b>	-	-	-	7,057	7,057
<b>Estimated closing balance as at 30 June 2013</b>	(11,214)	5,186	-	55,016	48,988

Prepared on Australian Accounting Standards basis.

**Table 3.2.5: Departmental capital budget statement**

	Actual 2011-12 \$'000	Revised budget 2012-13 \$'000	Forward estimate 2013-14 \$'000	Forward estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000
<b>NEW CAPITAL APPROPRIATIONS</b>					
Capital budget - Bill 1 - DCB	6,485	5,218	5,266	5,442	5,484
Total equity injections	583	1,839	583	583	583
<b>Total new capital appropriations</b>	7,068	7,057	5,849	6,025	6,067
<b>Provided for:</b>					
Purchase of non-financial assets	7,068	7,057	5,849	6,025	6,067
<b>Total Items</b>	7,068	7,057	5,849	6,025	6,067
<b>PURCHASE OF NON-FINANCIAL ASSETS</b>					
Funded by capital appropriations	583	1,839	583	583	583
Funded by capital appropriation - DCB	6,724	5,218	5,266	5,442	5,484
Funded internally by departmental resources	5,479	-	-	-	-
<b>TOTAL</b>	12,786	7,057	5,849	6,025	6,067
<b>RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE</b>					
Total purchases	12,786	7,057	5,849	6,025	6,067
<b>Total cash used to acquire assets</b>	12,786	7,057	5,849	6,025	6,067

Prepared on Australian Accounting Standards basis.

**Table 3.2.6: Statement of asset movements — Departmental (2012-13)**

	Buildings \$'000	Other infrastructure, plant and equipment \$'000	Intangibles \$'000	Total \$'000
<b>As at 1 July 2012</b>				
Gross book value	9,391	15,454	43,951	68,796
Accumulated depreciation/amortisation and impairment	2,363	2,527	18,240	23,130
<b>Opening net book balance</b>	<b>7,028</b>	<b>12,927</b>	<b>25,711</b>	<b>45,666</b>
<b>Capital asset additions</b>				
By purchase - appropriation equity	-	1,339	500	1,839
By purchase - appropriation DCB	1,102	316	3,800	5,218
<b>Total additions</b>	<b>1,102</b>	<b>1,655</b>	<b>4,300</b>	<b>7,057</b>
<b>Other movements</b>				
Depreciation/amortisation expense	2,101	3,938	6,982	13,021
<b>Total other movements</b>	<b>2,101</b>	<b>3,938</b>	<b>6,982</b>	<b>13,021</b>
<b>As at 30 June 2013</b>				
Gross book value	10,493	17,109	48,251	75,853
Accumulated depreciation/amortisation and impairment	4,464	6,465	25,222	36,151
<b>Closing net book balance</b>	<b>6,029</b>	<b>10,644</b>	<b>23,029</b>	<b>39,702</b>

Prepared on Australian Accounting Standards basis.

**Table 3.2.7: Schedule of budgeted income and expenses administered on behalf of Government (for the period ended 30 June)**

	Actual 2011-12 \$'000	Revised budget 2012-13 \$'000	Forward estimate 2013-14 \$'000	Forward estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000
<b>EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
Grants	85,881,099	79,728,293	84,618,154	85,931,320	90,886,368
Interest	11,289	4,997	4,204	4,238	4,289
Other	11,387	675	675	675	675
Fair value loss on NDRRA provision	964,706	108,025	-	-	-
<b>Total expenses administered on behalf of government</b>	<b>86,868,481</b>	<b>79,841,990</b>	<b>84,623,033</b>	<b>85,936,233</b>	<b>90,891,332</b>
<b>LESS:</b>					
<b>OWN-SOURCE INCOME</b>					
<b>Own-source revenue</b>					
<b>Non-taxation revenue</b>					
Goods and services	1,588,520	1,366,947	1,154,351	794,162	736,938
Interest	973	3,871	12,687	28,540	45,298
Dividends	403,066	1,222	1,267	1,278	1,293
Nation Building and COAG transfers	3,230,916	1,446,841	1,573,424	1,050,922	1,346,301
Other sources of non-taxation revenues	28,767	4,060	7,000	4,000	4,000
<b>Total non-taxation revenue</b>	<b>5,252,242</b>	<b>2,822,941</b>	<b>2,748,729</b>	<b>1,878,902</b>	<b>2,133,830</b>
<b>Total own-source revenues administered on behalf of Government</b>	<b>5,252,242</b>	<b>2,822,941</b>	<b>2,748,729</b>	<b>1,878,902</b>	<b>2,133,830</b>
<b>Gains</b>					
Foreign exchange	5,894	50,369	72,990	75,958	59,029
<b>Total gains administered on behalf of government</b>	<b>5,894</b>	<b>50,369</b>	<b>72,990</b>	<b>75,958</b>	<b>59,029</b>
<b>Total own-sourced income administered on behalf of Government</b>	<b>5,258,136</b>	<b>2,873,310</b>	<b>2,821,719</b>	<b>1,954,860</b>	<b>2,192,859</b>
<b>Net Cost of (contribution by) services</b>	<b>81,610,345</b>	<b>76,968,680</b>	<b>81,801,314</b>	<b>83,981,373</b>	<b>88,698,473</b>
<b>Surplus (Deficit)</b>	<b>(81,610,345)</b>	<b>(76,968,680)</b>	<b>(81,801,314)</b>	<b>(83,981,373)</b>	<b>(88,698,473)</b>

Prepared on Australian Accounting Standards basis.

**Table 3.2.8: Schedule of budgeted assets and liabilities administered on behalf of Government (as at 30 June)**

	Actual 2011-12 \$'000	Revised budget 2012-13 \$'000	Forward estimate 2013-14 \$'000	Forward estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000
<b>ASSETS ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
<b>Financial assets</b>					
Cash and cash equivalents	1,735	1,735	1,735	1,735	1,735
Advances and loans	676,234	853,655	1,037,688	1,214,806	1,148,091
Receivables	1,813,628	1,053,641	532,671	367,301	287,432
Investments	12,665,485	17,782,236	17,933,349	18,090,131	18,196,009
<b>Total financial assets</b>	<b>15,157,082</b>	<b>19,691,267</b>	<b>19,505,443</b>	<b>19,673,973</b>	<b>19,633,267</b>
<b>Non financial assets</b>					
Prepayments	88,259	59,849	59,849	59,849	59,849
<b>Total non financial assets</b>	<b>88,259</b>	<b>59,849</b>	<b>59,849</b>	<b>59,849</b>	<b>59,849</b>
<b>Total assets administered on behalf of government</b>	<b>15,245,341</b>	<b>19,751,116</b>	<b>19,565,292</b>	<b>19,733,822</b>	<b>19,693,116</b>
<b>LIABILITIES ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
<b>Interest bearing liabilities</b>					
Loans	3,259,958	6,671,401	6,182,424	6,201,914	6,175,500
Other	4,570,369	4,605,761	4,646,678	4,689,047	4,730,714
<b>Total interest bearing liabilities</b>	<b>7,830,327</b>	<b>11,277,162</b>	<b>10,829,102</b>	<b>10,890,961</b>	<b>10,906,214</b>
<b>Payables</b>					
Grants and subsidies	4,428,422	3,952,890	2,257,840	120,221	119,461
Other payables	1,331,122	756,346	336,563	242,982	203,330
<b>Total payables</b>	<b>5,759,544</b>	<b>4,709,236</b>	<b>2,594,403</b>	<b>363,203</b>	<b>322,791</b>
<b>Total liabilities administered on behalf of government</b>	<b>13,589,871</b>	<b>15,986,398</b>	<b>13,423,505</b>	<b>11,254,164</b>	<b>11,229,005</b>
<b>Net assets/(liabilities)</b>	<b>1,655,470</b>	<b>3,764,718</b>	<b>6,141,787</b>	<b>8,479,658</b>	<b>8,464,111</b>

Prepared on Australian Accounting Standards basis.

**Table 3.2.9: Schedule of budgeted administered cash flows  
(for the period ended 30 June)**

	Actual 2011-12 \$'000	Revised budget 2012-13 \$'000	Forward estimate 2013-14 \$'000	Forward estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Sales of goods and rendering of services	930,355	681,726	504,734	122,121	42,376
Interest	4,583	1,904	1,868	1,885	1,907
Dividends	-	675,000	75,000	75,000	75,000
Grants	11,584,679	9,621,728	10,403,427	10,592,366	11,650,780
Other	28,209	4,060	7,000	4,000	4,000
<b>Total cash received</b>	<b>12,547,826</b>	<b>10,984,418</b>	<b>10,992,029</b>	<b>10,795,372</b>	<b>11,774,063</b>
<b>Cash used</b>					
Grant payments	95,518,046	87,730,951	94,455,289	96,914,102	100,496,347
Interest paid	14,274	4,288	4,209	4,245	4,295
Other	15,978	33,395	6,675	8,675	675
<b>Total cash used</b>	<b>95,548,298</b>	<b>87,768,634</b>	<b>94,466,173</b>	<b>96,927,022</b>	<b>100,501,317</b>
<b>Net cash from or (used by) operating activities</b>	<b>(83,000,472)</b>	<b>(76,784,216)</b>	<b>(83,474,144)</b>	<b>(86,131,650)</b>	<b>(88,727,254)</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash received</b>					
Loans Advances and HECS	-	6,347	-	-	231,335
Other investing activities	58	-	-	-	-
<b>Total cash received</b>	<b>58</b>	<b>6,347</b>	<b>-</b>	<b>-</b>	<b>231,335</b>
<b>Cash used</b>					
Purchase of investments	333,400	1,624,667	532,102	25,094	37,623
Advances and loans	444,619	175,392	172,137	162,500	149,384
Other	-	-	-	-	-
<b>Total cash used</b>	<b>778,019</b>	<b>1,800,059</b>	<b>704,239</b>	<b>187,594</b>	<b>187,007</b>
<b>Net cash from or (used by) investing activities</b>	<b>(777,961)</b>	<b>(1,793,712)</b>	<b>(704,239)</b>	<b>(187,594)</b>	<b>44,328</b>
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Other	-	-	-	-	-
<b>Total cash received</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net cash from or (used by) financing activities</b>					
<b>Net increase or (decrease) in cash held</b>	<b>(83,778,433)</b>	<b>(78,577,928)</b>	<b>(84,178,383)</b>	<b>(86,319,244)</b>	<b>(88,682,926)</b>
Cash at beginning of reporting period	4,763	4,763	4,763	4,763	4,763
Cash from Official Public Account - appropriations	87,966,520	81,393,801	86,340,404	87,573,167	90,383,840
Cash to Official Public Account	4,191,115	2,815,873	2,162,021	1,253,923	1,700,914
<b>Cash at end of reporting period</b>	<b>4,763</b>	<b>4,763</b>	<b>4,763</b>	<b>4,763</b>	<b>4,763</b>

Prepared on Australian Accounting Standards basis.

**Table 3.2.10: Schedule of Administered Capital Budget**

	Actual 2011-12 \$'000	Revised budget 2012-13 \$'000	Forward estimate 2013-14 \$'000	Forward estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000
<b>NEW CAPITAL APPROPRIATIONS</b>					
Administered assets and liabilities	2,137	57,000	47,500	-	-
Special appropriations	764,597	1,750,059	654,239	157,444	187,007
<b>Total new capital appropriations</b>	<b>766,734</b>	<b>1,807,059</b>	<b>701,739</b>	<b>157,444</b>	<b>187,007</b>
<b>Provided for:</b>					
International Financial Institutions	764,597	1,750,059	654,239	157,444	187,007
Other	2,137	57,000	47,500	-	-
<b>Total Items</b>	<b>766,734</b>	<b>1,807,059</b>	<b>701,739</b>	<b>157,444</b>	<b>187,007</b>

Prepared on Australian Accounting Standards basis.

### Notes to the financial statements

The Treasury's budgeted statements are prepared on an accrual basis in accordance with:

- the Government's financial budgeting and reporting framework; and
- Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board.

Under the Government's accrual budgeting framework, and consistent with Australian Accounting Standards, transactions that departments control (departmental transactions) are separately budgeted for, and reported on, from transactions departments do not have control over (administered transactions). This ensures that departments are only held accountable for the transactions over which they have control.

Departmental assets, liabilities, revenues and expenses are controlled by the department. Departmental expenses include employee and supplier expenses and other administrative costs, which are incurred by the department in providing goods and services.

Administered items are revenues, expenses, assets or liabilities which are managed by the department on behalf of the Government according to set government directions. Administered expenses include subsidies, grants and personal benefit payments, and administered revenues include taxes, fines and excises.