

**PORTFOLIO ADDITIONAL
ESTIMATES STATEMENTS
2002-03**

**TRANSPORT AND REGIONAL
SERVICES PORTFOLIO**

EXPLANATION OF ADDITIONAL ESTIMATES 2002-03

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The Hon John Anderson MP
Deputy Prime Minister
Minister for Transport and Regional Services
Leader National Party of Australia

Senator the Hon Paul Calvert
President of the Senate
Parliament House
CANBERRA ACT 2600

The Hon Neil Andrew MP
Speaker of the House of Representatives
Parliament House
CANBERRA ACT 2600

Dear Mr President
Dear Mr Speaker

As part of my responsibility to Parliament, and through it, the public, I am pleased to forward the Portfolio Additional Estimates Statements in support of the 2002-03 Additional Estimates for the Transport and Regional Services Portfolio.

For the information of Senators and Members, and to assist in meeting the responsibilities of the Government for public accountability, these statements present information on resource requirements for the delivery of outputs and administered programmes by agencies in my portfolio.

Yours sincerely

JOHN ANDERSON

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PART A

USER GUIDE

PURPOSE OF PORTFOLIO ADDITIONAL ESTIMATES STATEMENTS

Portfolio Additional Estimates Statements (PAES) provide Senators and Members with information on the basis for the proposed additional estimates for the Transport and Regional Services Portfolio. The PAES outlines changes to the outputs and administered programmes that the Portfolio's agencies will deliver to assist the Government to achieve the outcomes it seeks for the community, and the indicators that will be used to measure performance in 2002-03.

The format of the PAES is consistent with Department of Finance and Administration guidelines. However, additional information has been included to better assist Senators and Members understand how Additional Estimates funding contributes to the achievement of the desired Portfolio outcomes. In this context, the agencies of the Portfolio welcome comments, suggestions or general feedback on the 2002-03 PAES.

STRUCTURE OF PORTFOLIO ADDITIONAL ESTIMATES STATEMENTS

Information in the PAES is presented in four parts.

Part A: User Guide

Explains the purpose of the PAES as well as information in relation to the styles and conventions used.

Part B: Portfolio Overview

Provides an overview of the Portfolio, including its structure, a summary of the Portfolio's responsibilities and purpose.

Parts C and D: Agency Additional Estimates Statements

There are additional estimates statements provided for:

- the Department of Transport and Regional Services (Part C); and
- the Civil Aviation Safety Authority (Part D).

Each statement contains the following sections.

Section 1: Agency Overview

This section provides an overview of the agency including its structure, appropriations, new measures and budgeted financial performance.

Section 2: Outcome and Outputs Information

This section details planned agency outputs and administered items which contribute to the achievement of the Portfolio outcomes.

Section 3: Budgeted Financial Statements

This section contains the budgeted financials for *departmental* financial items and notes of *administered* financial items covering the 2002-03 fiscal year. The statements include the

actual 2001-02 Budget outcome and 2002-03 Budget estimate for comparative purposes and Budget estimates for each of the forward years from 2003-04 to 2005-06.

ROUNDING CONVENTION

Unless otherwise stated the convention used in this document is to round amounts to the nearest million dollars. All “totals” are the rounded additions of unrounded figures and, therefore, may not be the strict sums of the figures presented in the text or tables.

ACCESS TO THE PORTFOLIO ADDITIONAL ESTIMATES STATEMENTS

Electronic access to the PAES is available through the Department’s internet site at:
<http://www.dotars.gov.au/dept/budget>

ENQUIRIES

The contact officer for enquiries regarding the PAES is:

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PART B

PORTFOLIO OVERVIEW

PORTFOLIO OVERVIEW

The Transport and Regional Services Portfolio comprises five General Government Sector agencies that deliver a range of transport and regional services to assist the Minister for Transport and Regional Services and the Minister for Regional Services, Territories and Local Government to pursue outcomes for the benefit of the Australian community. These agencies are:

- the Department of Transport and Regional Services;
- the Civil Aviation Safety Authority;
- the Australian Maritime Safety Authority;
- the National Capital Authority; and
- the Stevedoring Industry Finance Committee.

An overview of the structure of the Portfolio is provided in the chart on the following page.

The strategic priorities of the Portfolio and the roles of the Portfolio agencies remain unchanged from those specified in the 2002-03 Portfolio Budget Statements.

STRUCTURE OF THE PORTFOLIO

Minister for Transport and Regional Services
The Hon John Anderson MP

Minister for Regional Services, Territories and Local Government
The Hon Wilson Tuckey MP

Parliamentary Secretary to the Minister for Transport and Regional Services
Senator The Hon Ron Boswell

Department of Transport and Regional Services
Secretary: Ken Matthews
Outcome 1: A better transport system for Australia
Outcome 2: Greater recognition and development opportunities for local, regional and territory communities

Civil Aviation Safety Authority
Chairman: Edward Anson AM
Director of Aviation Safety: Mick Toller
Outcome 1: A better transport system for Australia

Australian Maritime Safety Authority
Chairman: Dr Ken Moss
Chief Executive Officer: Clive Davidson
Outcome 1: A better transport system for Australia

National Capital Authority
Chairman: David Evans
Chief Executive Officer: Annabelle Pegrum
Outcome 2: Greater recognition and development opportunities for local, regional and territory communities

Stevedoring Industry Finance Committee
Chairman: Len Early
Chief Executive Officer: Loretta Petroff

ADDITIONAL ESTIMATES AND VARIATIONS - PORTFOLIO LEVEL

Additional appropriations are being sought for the Department of Transport and Regional Services. Funding for the Civil Aviation Safety Authority has decreased from the 2002-03 Budget. Funding for the Australian Maritime Safety Authority, the National Capital Authority and the Stevedoring Industry Finance Committee remain unchanged from the 2002-03 Budget.

The Department of Transport and Regional Services is seeking additional appropriation of \$88.9m, comprising \$14.4m for departmental outputs, \$68.7m for administered programmes and \$5.8m administered capital. The increase in funding is mostly attributable to measures announced since the 2002-03 Budget and revised programme estimates (details of variations are provided at Part C, Department of Transport and Regional Services, Table 1.3: Variations to Appropriations).

The Civil Aviation Safety Authority appropriations will decrease by \$4.8m. The decrease in funding is mostly attributable to recent changes in the aviation industry (details of variations are provided at Part D, Civil Aviation Safety Authority, Table 1.2: Variations to Appropriations).

PORTFOLIO RESOURCES

The appropriation from Government to each Portfolio agency in 2002-03 to enable the delivery of outputs and administered programmes is outlined in the table below. Funding for the Australian Maritime Safety Authority, the National Capital Authority and the Stevedoring Industry Finance Committee remain unchanged from the 2002-03 Budget. Details of revenue and expenses are provided at Section 3 in Parts C and D for the relevant agency.

Appropriation	DOTARS ^(b)			CASA ^(c)			AMSA ^(d)	NCA	SIFC	Portfolio Total		
	Budget (\$'000)	Additional Estimates (\$'000)	Total (\$'000)	Budget (\$'000)	Additional Estimates (\$'000)	Total (\$'000)	Budget (\$'000)	Budget (\$'000)	Budget (\$'000)	Budget (\$'000)	Additional Estimates (\$'000)	Total (\$'000)
Output Appropriations^(a)												
Outcome 1	83,123	2,181	85,304	107,964	-4,818	103,146	71,074	0	200	262,361	-2,637	259,724
Outcome 2	150,899	13,715	164,614	0	0	0	0	18,103	0	169,002	13,715	182,717
Total	234,022	15,896	249,918	107,964	-4,818	103,146	71,074	18,103	200	431,363	11,078	442,441
Administered Appropriations												
Outcome 1	1,471,827	26,008	1,497,835	0	0	0	3,900	0	0	1,475,727	26,008	1,501,735
Outcome 2	1,736,849	42,680	1,779,529	0	0	0	0	8,369	0	1,745,218	42,680	1,787,898
Total	3,208,676	68,688	3,277,364	0	0	0	3,900	8,369	0	3,220,945	68,688	3,289,633
Total Outcome 1	1,554,950	28,189	1,583,139	107,964	-4,818	103,146	74,974	0	200	1,738,088	23,371	1,761,459
Total Outcome 2	1,887,748	56,395	1,944,143	0	0	0	0	26,472	0	1,914,220	56,395	1,970,615
Total	3,442,698	84,584	3,527,282	107,964	-4,818	103,146	74,974	26,472	200	3,652,308	79,766	3,732,074
Departmental Equity Injections and Loans^(e)	94,900	-5,200	89,700	0	0	0	0	0	20,000	114,900	-5,200	109,700
Administered Capital	116,000	5,800	121,800	0	0	0	0	0	0	116,000	5,800	121,800
Agency Total	3,653,598	85,184	3,738,782	107,964	-4,818	103,146	74,974	26,472	20,200	3,883,208	80,366	3,963,574

Notes:

(a) Includes receipts from Independent Sources.

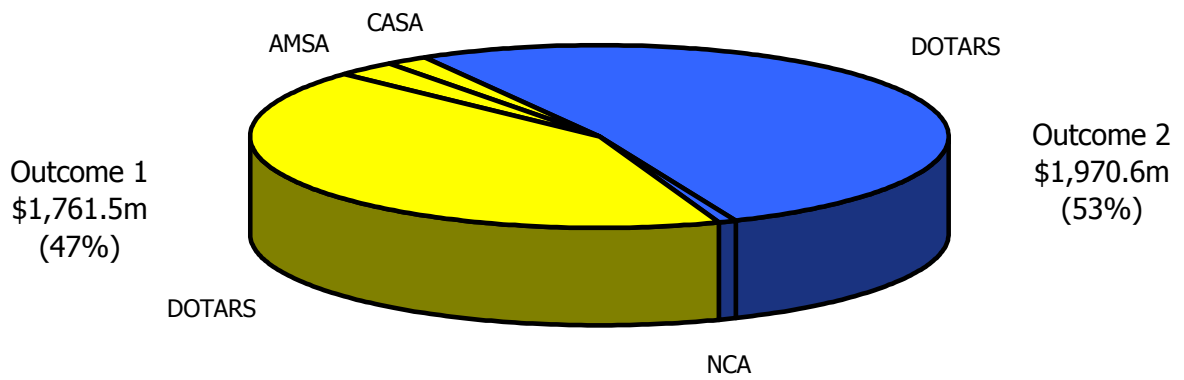
(b) Administered Appropriations includes Special Appropriations. Details of Special Appropriations are provided at Part C, Department of Transport and Regional Services, Appendix 2.

(c) Output Appropriations includes Special Appropriations in relation to industry levies. Details of Special Appropriations are provided at Part D, Civil Aviation Safety Authority, Appendix 1: Estimates of Departmental Revenues from Special Appropriations.

(d) Output Appropriations includes Special Appropriations in relation to industry levies.

(e) Reduced estimate for the Department of Transport and Regional Services reflects savings identified in 2002-03.

The contribution of Portfolio agency budget appropriations to each of the Portfolio outcomes is illustrated in the following graph.



PART C

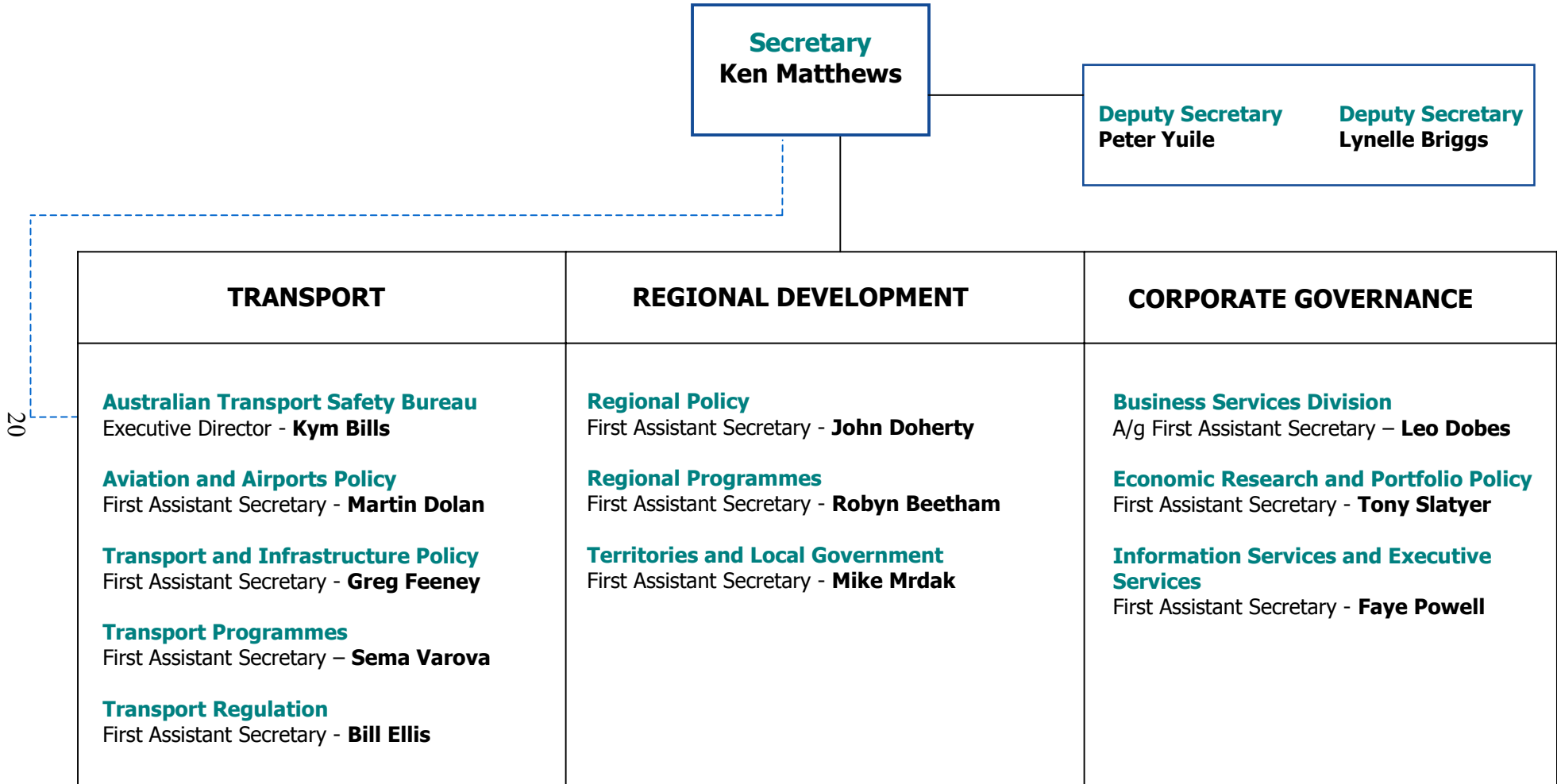
AGENCY ADDITIONAL ESTIMATES STATEMENTS

**Department of
Transport and
Regional Services**

SECTION 1: AGENCY OVERVIEW

The role of the Department remains unchanged from that specified in the 2002-03 Portfolio Budget Statements.

ORGANISATIONAL STRUCTURE



Note: The Bureau of Transport and Regional Economics operates within the Economic Research and Portfolio Policy Division

APPROPRIATIONS

The total appropriation to be received by the Department in 2002-03 is \$3,738.8m, comprising \$3,277.4m for administered programmes, \$239m for departmental outputs, \$10.9m revenue from independent sources, \$121.8m for administered capital and \$89.7m for departmental capital. Details of annual appropriations are provided at Tables 1.1 and 1.2 on the following page.

The Department’s administered and departmental appropriations in 2002-03 have increased by \$85.2m since Budget, primarily as a result of measures announced since the 2002-03 Budget, the movement of appropriations between years for administered programmes, and revised programme estimates. Details of variations to appropriations are provided at Table 1.3 and details of measures are provided at Table 1.4.

The Department’s appropriation for 2002-03 for each Portfolio outcome, and the allocation between departmental and administered is reflected in the following charts.

Chart 1.1 Total 2002-03 Appropriation allocated by Outcome

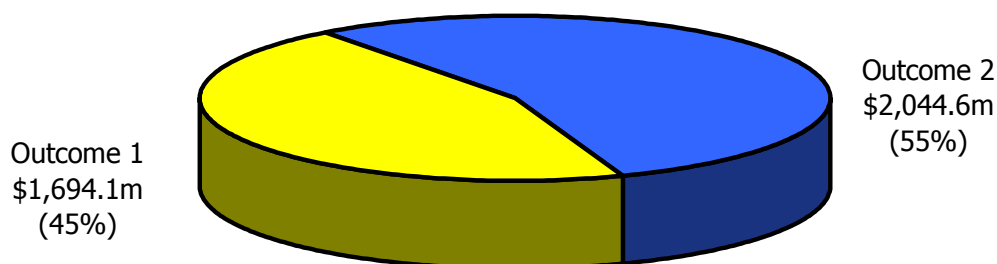


Chart 1.2 Total 2002-03 Appropriation allocated between departmental and administered

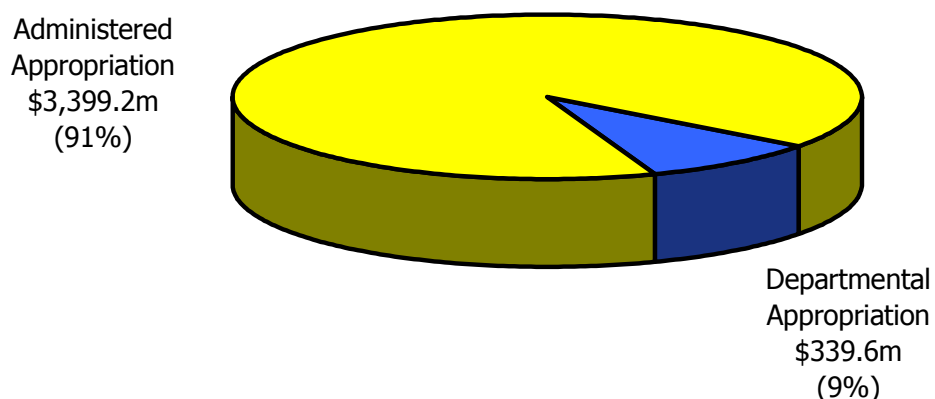


Table 1.1: Appropriation Bill (No 3) 2002-03

	2001-02 Available ^(a) \$'000	2002-03 Budget \$'000	2002-03 Revised \$'000	Additional Estimates \$'000	Reduced Estimates \$'000
ADMINISTERED PROGRAMMES					
Outcome 1					
A better transport system for Australia	317,547	167,880	187,928	20,048	0
Outcome 2					
Greater recognition and development opportunities for local, regional and territory communities	0	116,002	126,562	10,560	0
Total	317,547	283,882	314,490	30,608	0
DEPARTMENTAL OUTPUTS					
Outcome 1					
A better transport system for Australia	225,493	80,942	83,392	2,450	0
Outcome 2					
Greater recognition and development opportunities for local, regional and territory communities	0	143,678	155,642	11,964	0
Total	225,493	224,620	239,034	14,414	0
Total Administered and Departmental	543,040	508,502	553,524	45,022	0

Table 1.2: Appropriation Bill (No 4) 2002-03

	2001-02 Available ^(a) \$'000	2002-03 Budget \$'000	2002-03 Revised \$'000	Additional Estimates \$'000	Reduced Estimates \$'000
SPECIFIC PAYMENTS TO THE STATES AND TERRITORIES					
Outcome 1					
A better transport system for Australia	166,816	7,700	7,700	0	0
Outcome 2					
Greater recognition and development opportunities for local, regional and territory communities	0	173,346	184,371	11,025	0
Total	166,816	181,046	192,071	11,025	0
Non-Operating					
Outcome 1					
Equity injections ^(b)	3,800	94,900	89,700	0	5,200
Administered assets and liabilities	4,564	116,000	121,800	5,800	0
Total Capital	8,364	210,900	211,500	5,800	5,200
Total	175,180	391,946	403,571	16,825	5,200

Notes:

(a) Reflects actual appropriation that was available in 2001-02.

(b) Reduced estimate reflects savings identified for 2002-03.

Table 1.3: Variations to Appropriations

	2002-03 Additional Estimate \$'000	2003-04 Budget Impact \$'000	2004-05 Budget Impact \$'000	2005-06 Budget Impact \$'000
Appropriation Bill No.3				
ADMINISTERED PROGRAMMES				
Outcome 1				
<u>Movement of Administered funds between years</u>				
Ansett - Rapid Route Recovery Scheme	5,000	0	0	0
Australia's response to foot and mouth disease and other quarantine risks	3,340	0	0	0
Compensation payment to SACL for the sale of Sydney Airport land	2,000	0	0	0
Management of residual issues of former Australian National Railway Commission (AN)	200	0	0	0
Tamworth Australasian-Pacific Aeronautical College	132	0	0	0
Sydney West Airports - Land Acquisition and Works	60	0	0	0
Total	10,732	0	0	0
<u>Estimates Adjustments</u>				
Tasmanian Freight Equalisation Scheme	6,100	6,100	6,100	6,100
Sydney West Airports - Rental Properties	2,716	2,673	2,734	2,907
Compensation payment to SACL for the sale of Sydney Airport land	500	0	0	0
Total	9,316	8,773	8,834	9,007
<u>Parameter Adjustments</u>				
Remote Air Services Subsidy Scheme	0	6	3	3
Implementation of Noise Amelioration for Adelaide Airport	0	-21	0	0
Total	0	-15	3	3
Total Outcome 1	20,048	8,758	8,837	9,010
Outcome 2				
<u>New Measures</u>				
2002 - Year of the Outback ^(a)	300	0	0	0
Total	300	0	0	0
<u>Movement of Administered funds between years</u>				
Dairy Regional Assistance Programme	9,714	0	0	0
Special Structural Adjustment Package for the South West Forests region of WA	770	0	0	0
Sustainable Regions	0	1,085	0	0
Structural Adjustment Programme for the Wide Bay Burnett region of Qld	-224	0	0	0
Total	10,260	1,085	0	0
<u>Estimates Adjustments</u>				
2002 - Year of the Outback ^(a)	300	0	0	0
Foundation for Rural and Regional Renewal ^(a)	-300	0	0	0
Total	0	0	0	0
<u>Parameter Adjustments</u>				
Regional Assistance Programme	0	73	112	153
Total	0	73	112	153
Total Outcome 2	10,560	1,158	112	153
Total Administered Programmes	30,608	9,916	8,949	9,163
DEPARTMENTAL OUTPUTS				
Outcome 1				
<u>New Measures</u>				
War risk indemnities for the aviation industry	648	284	0	0
Total	648	284	0	0
<u>Estimates Adjustments</u>				
Development of AusLink	1,100	0	0	0
Sydney West Airports - Rental Properties	470	485	388	393
Other ^(a)	232	-166	-104	39
Total	1,802	319	284	432
Total Outcome 1	2,450	603	284	432
Outcome 2				
<u>Transfers between Departments</u>				
Transfers to the Department of Immigration and Multicultural and Indigenous Affairs	-213	-213	-213	-213
Transfers from the Department of Immigration and Multicultural and Indigenous Affairs	0	880	880	880
Total	-213	667	667	667
<u>Estimates Adjustments</u>				
Asia Pacific Space Centre	10,180	1,233	2,618	2,618
Immigration reception and processing centre on Christmas Island	1,628	1,628	1,628	1,628
Other ^(b)	439	-315	-197	74
Funds transferred to the Department of Health and Ageing	-70	0	0	0
Total	12,177	2,546	4,049	4,320
Total Outcome 2	11,964	3,213	4,716	4,987
Total Departmental Outputs	14,414	3,816	5,000	5,419

Notes: (a) The net result of these three adjustments is an increase in funds of \$0.6m for the 2002 - Year of the Outback programme offset by a reduction of \$0.3m for the Foundation for Rural and Regional Renewal programme.

(b) Includes adjustments for parameters, capital use charge and the agency banking incentive scheme

Table 1.3: Variations to Appropriations (continued)

	2002-03 Additional Estimate \$'000	2003-04 Budget Impact \$'000	2004-05 Budget Impact \$'000	2005-06 Budget Impact \$'000
Appropriation Bill No.4				
SPECIFIC PAYMENTS TO THE STATES AND TERRITORIES				
Outcome 2				
<u>New Measures</u>				
National Aerial Firefighting Strategy	5,500	0	0	0
Total	5,500	0	0	0
<u>Movement of Administered funds between years</u>				
Regional Flood Mitigation Programme	5,525	0	0	0
Total	5,525	0	0	0
<u>Parameter Adjustments</u>				
Payment to ACT - assistance for water and sewerage services	0	17	27	36
Payment to ACT - compensation for the effects of national capital influence on the costs of providing municipal services	0	43	66	90
Total	0	60	93	126
Total Outcome 2	11,025	60	93	126
Total Specific Payments to the States and Territories	11,025	60	93	126
DEPARTMENTAL EQUITY INJECTIONS				
<u>Transfers between Departments</u>				
Transfers to the Department of Immigration and Multicultural and Indigenous Affairs	-3,200	0	0	0
Transfers from the Department of Immigration and Multicultural and Indigenous Affairs	8,000	0	0	0
Total	4,800	0	0	0
<u>Estimates Adjustments</u>				
Asia Pacific Space Centre	-10,000	0	0	0
Total	-10,000	0	0	0
Total Departmental Equity Injections	-5,200	0	0	0
ADMINISTERED CAPITAL				
<u>New Measures</u>				
Loan to Norfolk Island Government - Norfolk Island Airport runway resurfacing	5,800	0	0	0
Total	5,800	0	0	0
Total Administered Capital	5,800	0	0	0
Special Appropriations				
Outcome 1				
<u>Estimates Adjustments</u>				
Payments to MIFCo	0	0	3,124	38,000
National Highway and Roads of National Importance	0	0	0	-25,000
Interstate Road Transport Fees	5,960	5,960	5,960	5,960
Total	5,960	5,960	9,084	18,960
<u>Parameter Adjustments</u>				
National Highway and Roads of National Importance	0	1,816	2,433	2,004
Total	0	1,816	2,433	2,004
Total Outcome 1	5,960	7,776	11,517	20,964
Outcome 2				
<u>Parameter Adjustments</u>				
Local Government Financial Assistance Grants	12,992	12,159	13,343	14,125
Total	12,992	12,159	13,343	14,125
<u>Accruals</u>				
Local Government Financial Assistance Grants	8,103	0	0	0
Total	8,103	0	0	0
Total Outcome 2	21,095	12,159	13,343	14,125
Total Special Appropriations	27,055	19,935	24,860	35,089
Special Accounts				
Outcome 1				
<u>Movement of Administered funds between years</u>				
Federation Fund Projects	-40,683	48,965	0	0
Total Outcome 1	-40,683	48,965	0	0
Outcome 2				
<u>Movement of Administered funds between years</u>				
Rural Transactions Centres	9,274	0	0	0
Total Outcome 2	9,274	0	0	0
Total Special Accounts	-31,409	48,965	0	0

Table 1.4: Summary of Measures disclosed since the 2002-03 Budget

Measure Title	Appropriations Budget 2002-03 (\$m)			Appropriations Estimate 2003-04 (\$m)			Appropriations Estimate 2004-05 (\$m)			Appropriations Estimate 2005-06 (\$m)		
	Admin Exp	Dept Outputs	Total	Admin Exp	Dept Outputs	Total	Admin Exp	Dept Outputs	Total	Admin Exp	Dept Outputs	Total
Post Budget Measures												
Expense Measures												
Outcome 1												
Development of AusLink	0.0	1.1	1.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
War risk indemnities for the aviation industry	0.0	0.6	0.6	0.0	0.3	0.3	0.0	0.0	0.0	0.0	0.0	0.0
Outcome 2												
Additional funding for Year of the Outback	0.3	0.0	0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
National Aerial Firefighting Strategy	5.5	0.0	5.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Expense Measures	5.8	1.7	7.5	0.0	0.3	0.3	0.0	0.0	0.0	0.0	0.0	0.0
Post MYEFO Measures												
Capital Measures												
Loan to Norfolk Island Government to facilitate the resurfacing of the Norfolk Island Airport's runway	5.8	0.0	5.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Capital Measures	5.8	0.0	5.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL MEASURES	11.6	1.7	13.3	0.0	0.3	0.3	0.0	0.0	0.0	0.0	0.0	0.0

DETAILS OF MEASURES DISCLOSED SINCE THE 2002-03 BUDGET**Expense Measures****Development of AusLink**

On 7 November 2002, the Government launched the AusLink Green Paper on land transport infrastructure reform. The Government has allocated \$1.1 million in 2002-03 to cover costs associated with the development of the AusLink Green Paper and subsequent formal policy statement (white paper). Funding will be used to meet the costs of consultation with stakeholders, to develop and publish the two papers, and for initial implementation activity.

War risk indemnities for the aviation industry

The Government will provide \$0.9 million over two years to the Department of Transport and Regional Services to administer the charging regime for the provision of third party war risk indemnities to the aviation industry.

The Government commenced charging for these indemnities on 30 August 2002 to encourage the aviation industry to take up commercial insurance as it becomes available.

Additional funding for Year of the Outback

The Government has contributed \$0.6 million in 2002-03 towards the cost of staging the Outback Central 2002 – Songlines from Alice event, held in Alice Springs in August 2002.

This ten-day event, a centrepiece for the celebration of the Year of the Outback, showcased regional Australia through conferences, meetings, exhibitions, sports and youth activities.

Funding of \$0.3 million was absorbed by existing regional programmes in the Transport and Regional Services Portfolio.

National Aerial Firefighting Strategy

The Government will provide \$5.5 million to meet half the direct costs of leasing and locating three helitankers for the 2002-03 peak fire season. Funding is being provided in expectation of above normal demands this fire season. Consistent with their responsibilities for natural disaster relief management, State Governments will be responsible for meeting the remaining direct costs and operating costs for these helitankers.

Capital Measures

Loan to Norfolk Island Government to facilitate the resurfacing of the Norfolk Island Airport's runway

The Commonwealth has provided for a loan of \$5.8 million to be negotiated with the Government of Norfolk Island to fund the resurfacing of the Norfolk Island Airport's runway. The runway will need to be resurfaced within the next 18 months to ensure the continued safety of aircraft takeoff and landings.

COMPETITIVE TENDERING AND CONTRACTING

In line with Government policy for Departments to market test all relevant activities, the Department has completed an extensive and rigorous market testing of its corporate services functions. The Department has decided to retain the Legal Services, Finance and Human Resources functions in-house, and to outsource the Property and Security, and Office Services functions.

In retaining the Legal Services, Finance and Human Resources functions in-house, the Department has restructured the functions to enhance service delivery.

The Department has completed negotiations for the provision of outsourced services and has signed contracts with United KFPW for the provision of Property and Security Services functions, and Pickfords for the provision of Office Services functions.

SECTION 2: OUTCOMES AND OUTPUTS INFORMATION

OUTCOMES FRAMEWORK

The Department contributes to the achievement of both Portfolio outcomes:

- *A better transport system for Australia;* and
- *Greater recognition and opportunities for local, regional and territory communities.*

In seeking to achieve the outcomes, the Department administers programmes on behalf of the Government and produces departmental outputs.

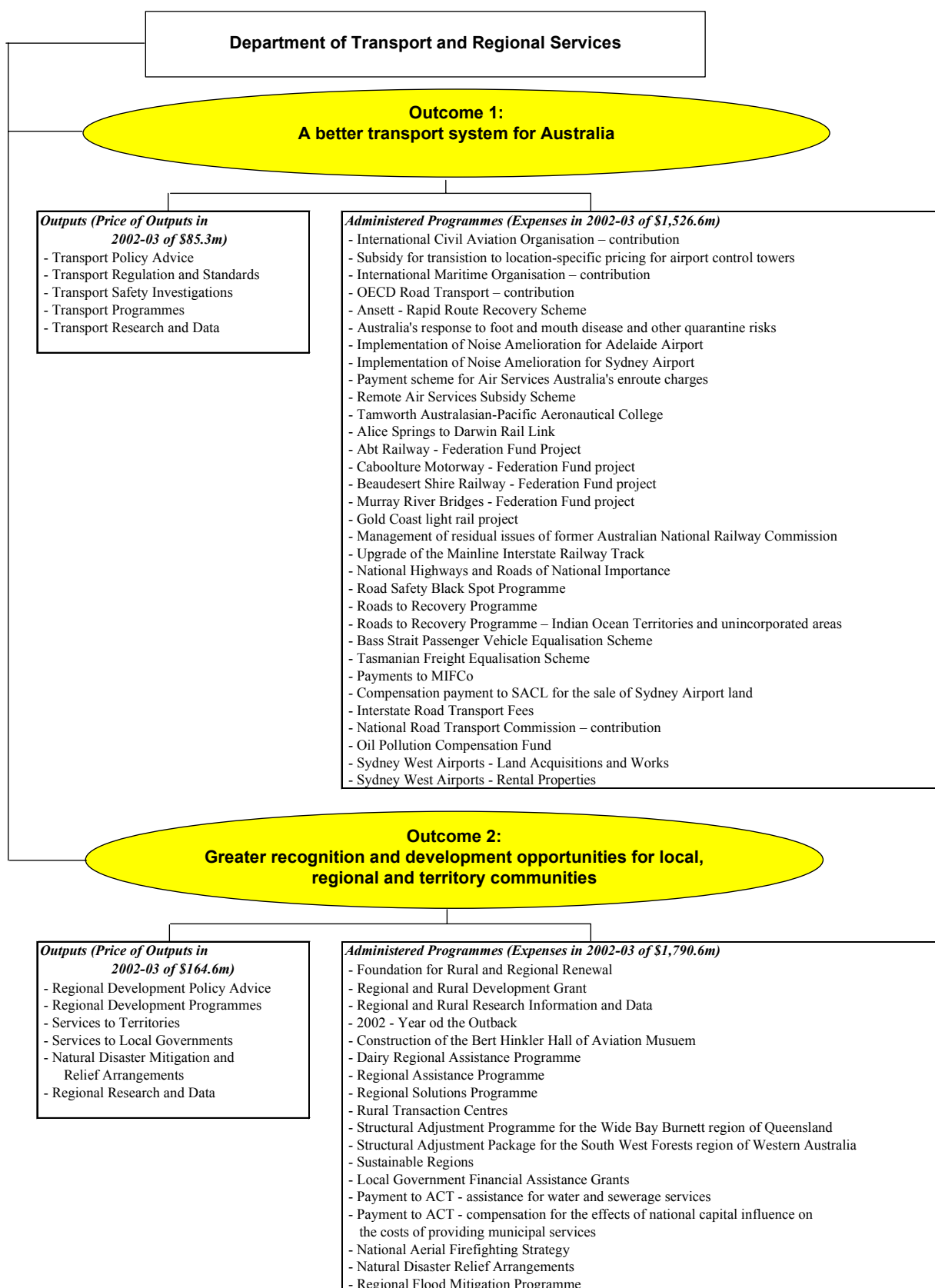
ADMINISTERED PROGRAMMES AND OUTPUTS

The Department administers a range of programmes on behalf of the Commonwealth aimed at fostering the social and economic capacity of communities as well as facilitating and maintaining their links with the rest of Australia. In addition, the Department also produces outputs in relation to policy advice, safety investigations, regulations and standards, research and data, and provides services to local governments and territories. Related administered programmes and departmental outputs that contribute to the achievement of its key results, and through them to the Portfolio Outcome, are grouped together.

The relationship between the two outcomes, and the administered programmes and outputs that contribute to them, is illustrated in Chart 2.1 – Outcomes and Outputs Framework on the following page.

The outcomes and outputs of the Department remain unchanged from those specified in the 2002-03 Portfolio Budget Statements.

Chart 2.1 – Outcomes and Outputs Framework



OUTCOME 1 – A BETTER TRANSPORT SYSTEM FOR AUSTRALIA

RESOURCES

Total resources for Outcome 1 in 2002-03 are estimated to be \$1,725.7m. Table 2.1 below details the total resources for the Department attributable to Outcome 1 for the period 2002-03 to 2005-06, including a break up of total resources for administered expenses, price of outputs and capital/equity injections. The table also includes the 2001-02 actuals and 2002-03 Budget estimates for comparative purposes.

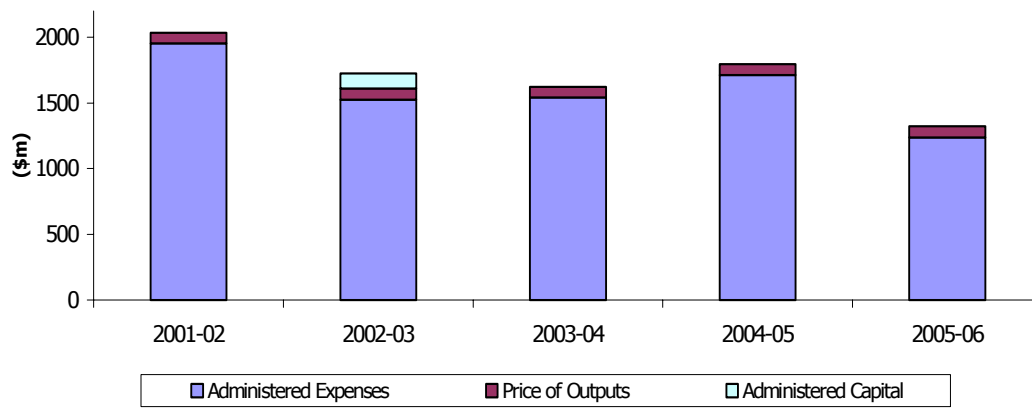
Table 2.1: Summary of operating expenses and capital resources

	2001-02	2002-03	2002-03	<i>Variance</i>	2003-04	2004-05	2005-06
	Actual	Budget	Revised	<i>from</i>	Estimate	Estimate	Estimate
	\$'000	\$'000	Budget	<i>Budget</i>	\$'000	\$'000	\$'000
			\$'000				
Operating Expenses							
Administered Programme Expense	1,953,458	1,508,827	1,526,569	1%	1,543,140	1,713,081	1,239,587
Price of Outputs ^(a)	80,872	83,123	85,304	3%	81,989	82,538	84,006
Total Operating Resources	2,034,330	1,591,950	1,611,873	1%	1,625,129	1,795,619	1,323,593
Capital Resources							
Administered Capital Injections	0	111,000	113,799	3%	0	0	0
Departmental Equity Injections	0	0	0	0%	0	0	0
Total Capital Resources	0	111,000	113,799	3%	0	0	0
Total Operating Expenses and Capital Resources	2,034,330	1,702,950	1,725,672	1%	1,625,129	1,795,619	1,323,593
Average Staffing Level (ASL)	532.7	555.3	567.3	2%			

Notes:

(a) Includes revenue from other sources. Estimates of Price of Outputs for 2003-04 and beyond are indicative only, based on expected activity in 2002-03. These figures are provided for comparative purposes only.

Chart 2.2 – Trends in resources for Outcome 1



SUMMARY OF MEASURES DISCLOSED SINCE THE 2002-03 BUDGET - OUTCOME 1

Note that detailed explanations of measures are provided at Section 1 – Departmental Overview, Details of Measures disclosed since the 2002-03 Budget.

Measure Title	Appropriations Budget 2002-03 (\$m)			Appropriations Estimate 2003-04 (\$m)			Appropriations Estimate 2004-05 (\$m)			Appropriations Estimate 2005-06 (\$m)		
	Admin Exp	Dept Outputs	Total	Admin Exp	Dept Outputs	Total	Admin Exp	Dept Outputs	Total	Admin Exp	Dept Outputs	Total

Post Budget Measures

Expense Measures												
Development of AusLink	0.0	1.1	1.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
War risk indemnities for the aviation industry	0.0	0.6	0.6	0.0	0.3	0.3	0.0	0.0	0.0	0.0	0.0	0.0
Total Expense Measures	0.0	1.7	1.7	0.0	0.3	0.3	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL MEASURES	0.0	1.7	1.7	0.0	0.3	0.3	0.0	0.0	0.0	0.0	0.0	0.0

Table 2.2 Operating expenses - Administered Programmes

	2001-02	2002-03	2002-03	Variance	2003-04	2004-05	2005-06
	Actual	Budget	Revised	from	Forward	Forward	Forward
	\$'000	\$'000	Budget	Budget	Estimate	Estimate	Estimate
			\$'000		\$'000	\$'000	\$'000
International Civil Aviation Organisation - contribution	1,990	1,595	1,595	0%	1,588	1,574	1,574
Subsidy for transition to location-specific pricing for airport control towers	7,000	7,000	7,000	0%	0	0	0
International Maritime Organisation - contribution	307	300	300	0%	300	300	300
OECD Road Transport - contribution	25	40	40	0%	40	40	40
Ansett - Rapid Route Recovery Scheme	11,277	0	5,000	N/A	0	0	0
Australia's response to foot and mouth disease and other quarantine risks	13,060	3,000	6,340	100%	0	0	0
Implementation of Noise Amelioration for Adelaide Airport	11,090	21,815	21,815	0%	21,555	0	0
Implementation of Noise Amelioration for Sydney Airport	24,894	9,000	9,000	0%	0	0	0
Payment Scheme for Airservices Australia's Enroute Charges	1,397	6,000	6,000	0%	6,000	6,100	0
Remote Air Services Subsidy Scheme	1,970	3,234	3,234	0%	3,281	1,680	1,491
Tamworth Australasian-Pacific Aeronautical College	1,318	942	1,074	14%	1,040	230	0
Alice Springs to Darwin Rail Link ^(a)	65,000	5,050	5,050	0%	8,850	0	6,250
Abt Railway - Federation Fund Project	780	0	50	N/A	0	0	0
Caboolture Motorway - Federation Fund Project	0	31,100	21,035	-32%	18,965	0	0
Beaudesert Shire Railway - Federation Fund Project	2,968	2,700	2,032	-25%	0	0	0
Murray River Bridges - Federation Fund Project	0	36,000	6,000	-83%	38,000	0	0
Gold Coast Light Rail Project	0	650	650	0%	0	0	0
Management of residual issues of former Australian National Railway Commission (AN)	4,776	1,000	1,200	20%	500	500	0
Upgrade of the Mainline Interstate Railway Track	0	15,000	15,000	0%	5,000	0	0
National Highway and Roads of National Importance ^(a)	1,093,435	980,747	980,747	0%	930,777	1,246,992	1,027,280
Road Safety Black Spot Programme ^(a)	49,217	44,500	44,500	0%	44,500	44,500	44,500
Roads to Recovery Programme ^(a)	416,339	200,000	200,000	0%	300,000	250,000	0
Roads to Recovery Programme - Indian Ocean Territories and unincorporated areas	2,158	2,158	2,158	0%	2,158	2,080	0
Bass Strait Passenger Vehicle Equalisation Scheme	17,054	26,550	26,550	0%	26,550	26,550	26,550
Tasmanian Freight Equalisation Scheme	71,860	71,000	77,100	9%	77,100	77,100	77,100
Payments to MIFCo ^(b)	196	200	32,617	100%	9,677	8,735	7,629
Compensation payment to SACL for the sale of Sydney Airport land	0	0	2,500	N/A	0	0	0
Interstate Road Transport Fees	33,941	32,100	38,060	19%	38,060	38,060	38,060
National Road Transport Commission	1,239	1,240	1,240	0%	620	0	0
Oil Pollution Compensation Fund	2,478	5,900	5,900	0%	5,900	5,900	5,900
Sydney West Airports - Land Acquisition and Works	40	0	60	N/A	0	0	0
Sydney West Airports - Rental Properties	124	0	1,260	N/A	1,217	1,278	1,451
Depreciation	11	6	1,462	100%	1,462	1,462	1,462
Net write down of assets	6,856	0	0	0%	0	0	0
Alice Springs to Darwin Rail Link - Federation Fund Project ^(a)	100,000	0	0	0%	0	0	0
Supermarket to Asia ^(a)	167	0	0	0%	0	0	0
Relief for Stranded Ansett Passengers	4,835	0	0	0%	0	0	0
Upgrade of Canberra Airport to international wide-bodied jet standard ^(a)	5,625	0	0	0%	0	0	0
Act of Grace Payment	31	0	0	0%	0	0	0
Total Administered Operating Expenses	1,953,458	1,508,827	1,526,569	1%	1,543,140	1,713,081	1,239,587

Notes:

(a) A new accounting arrangement has been agreed with the ANAO which is to expense all grant payments immediately. Accordingly, in 2001-02 all payments have been expensed, as well as prepayments relating to 2000-01. This has resulted in the reporting of larger than normal expenses for these programmes in 2001-02 than in 2002-03.

(b) The estimates represent expenses relating to the administration costs of the programme and interest charges associated with MIFCo's loan facility. Other expenses relating to the balance of actual Payments to MIFCo have been recognised in previous years, while the cash payments of around \$33m are recognised each year.

Table 2.3 Capital Resources

	2001-02	2002-03	2002-03 Revised Budget \$'000	Variance from Budget	2003-04 Forward Estimate \$'000	2004-05 Forward Estimate \$'000	2005-06 Forward Estimate \$'000
<u>Administered Capital</u>							
Australian Rail Track Corporation Equity Injection	0	111,000	111,000	0%	0	0	0
Sydney West Airports - Land Acquisition and Works	0	0	2,799	N/A	0	0	0
Total	0	111,000	113,799	3%	0	0	0
<u>Departmental Capital</u>							
	0	0	0	0%	0		0
Total Capital Resources	0	111,000	113,799	3%	0	0	0

Table 2.4 Operating Expenses - Price of Outputs

	2001-02	2002-03	2002-03 Revised Budget \$'000	Variance from Budget
	Actual \$'000	Budget \$'000		
1.1 Transport Policy Advice	25,013	19,990	19,990	0%
1.2 Transport Regulation and Standards	19,104	28,449	28,449	0%
1.3 Transport Safety Investigations	11,409	9,302	9,302	0%
1.4 Transport Programmes	14,018	13,444	15,624	16%
1.5 Transport Research and Data	11,328	11,939	11,939	0%
Price of Outputs	80,872	83,123	85,304	3%
Less: Receipts from Independent Sources	6,084	2,181	1,912	-12%
Price to Government (Appropriation) for Outputs	74,788	80,942	83,392	3%

Performance information for achievement of Outcome 1: A better transport system for Australia

The performance information relating to Key strategies, Administered Programmes and Departmental Outputs remains unchanged from those specified in the 2002-03 PBS.

Performance information provided below relates to those administered programmes affected by new measures announced since the 2002-03 Budget, the movement of administered funds from 2001-02 to 2002-03 for programmes that were due to lapse in 2001-02, and the establishment of programme budgets for the Sydney West Airport – rental properties programme following revised property management arrangements.

PERFORMANCE INFORMATION FOR ADMINISTERED PROGRAMMES	
Programme	Performance Indicators
Ansett – Rapid Route Recovery Scheme (Contributing Division: Transport Programmes)	<i>Effectiveness:</i> Continued air services to communities affected following the demise of the Ansett Group or an Ansett-related service. <i>Cost:</i> \$5m
MOVEMENT OF ADMINISTERED FUNDS BETWEEN YEARS.	<i>Location:</i> Throughout Australia
Federation Fund Projects: <ul style="list-style-type: none"> • Abt Railway (Tas) • Murray River Bridges (NSW/Vic) • Caboolture Motorway (Qld) • Beaudesert Shire Railway (Qld) (Contributing Division: Transport Programmes)	<i>Effectiveness:</i> Grants to Federation Fund projects will improve productivity of transport activities and enhance accessibility and economic prosperity and employment. <i>Cost:</i> <ul style="list-style-type: none"> • Abt Railway - \$0.1m • Murray River Bridges – \$6m • Caboolture Motorway – \$21m • Beaudesert Shire Railway – \$2m
MOVEMENT OF ADMINISTERED FUNDS BETWEEN YEARS.	<i>Location:</i> Tasmania, Queensland, Victoria and New South Wales.
Compensation payment to SACL for the sale of Sydney Airport land (Contributing Division: Transport Regulation)	<i>Effectiveness:</i> Compensation to SACL for land sold to NSW State Government to enable completion of the M5 motorway. <i>Cost:</i> \$2.5m
MOVEMENT OF ADMINISTERED FUNDS BETWEEN YEARS. PROGRAMME IS OFFSET BY PROCEEDS FROM THE SALE OF THE LAND.	

Performance information for achievement of Outcome 1: A better transport system for Australia (continued)

<i>Programme</i>	<i>Performance Indicators</i>
Sydney West Airport – land acquisition and works (Contributing Division: Transport Regulation)	<i>Effectiveness:</i> Resolution of compensation claims related to the purchase of land at the possible Sydney West Airport site at Badgery's Creek. <i>Quantity:</i> Settlement of 3 properties. <i>Cost:</i> \$0.1m (plus \$2.8m equity injections).
MOVEMENT OF ADMINISTERED FUNDS BETWEEN YEARS.	
Sydney West Airport – rental properties (Contributing Division: Transport Regulation)	<i>Effectiveness:</i> Management of the rental properties at the Sydney West Airport site <i>Quantity:</i> Management of approximately 254 properties. <i>Cost:</i> \$1.3m.
ESTABLISHMENT OF PROGRAMME BUDGETS FOLLOWING REVISED PROPERTY MANAGEMENT ARRANGEMENTS FOR SYDNEY WEST AIRPORT.	

OUTCOME 2 – GREATER RECOGNITION AND DEVELOPMENT OPPORTUNITIES FOR LOCAL, REGIONAL AND TERRITORY COMMUNITIES

RESOURCES

Total resources for Outcome 2 in 2002-03 are estimated to be \$2,059.9m. Table 2.5 below details the total resources for the Department attributable to Outcome 2 for the period 2002-03 to 2005-06, including a break up of total resources for administered expenses, price of outputs and capital/equity injections. The table also includes the 2001-02 actuals and 2002-03 Budget estimates for comparative purposes.

Table 2.5: Summary of operating expenses and capital resources

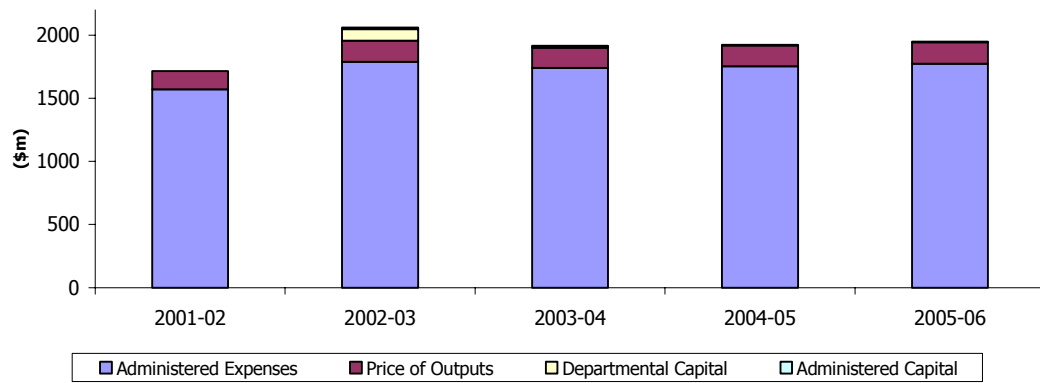
	2001-02 Actual \$'000	2002-03 Budget \$'000	2002-03 Revised Budget \$'000	Variance from Budget	2003-04 Estimate \$'000	2004-05 Estimate \$'000	2005-06 Estimate \$'000
Operating Expenses							
Administered Programme Expense	1,570,336	1,746,774	1,790,625	3%	1,740,500	1,752,545	1,775,055
Price of Outputs ^(a)	143,933	150,899	164,614	9%	160,375	165,665	168,392
Total Operating Resources	1,714,269	1,897,673	1,955,239	3%	1,900,875	1,918,210	1,943,447
Capital Resources							
Administered Capital Injections	341	5,000	11,147	100%	5,000	5,000	5,000
Departmental Equity Injections	0	94,900	93,500	-1%	11,200	0	0
Total Capital Resources	341	99,900	104,647	5%	16,200	5,000	5,000
Total Operating Expenses and Capital Resources	1,714,610	1,997,573	2,059,886	3%	1,917,075	1,923,210	1,948,447
Average Staffing Level (ASL) ^(b)	484.8	547.2	547.2	0%			

Notes:

(a) Includes revenue from other sources. Estimates of Price of Outputs for 2003-04 and beyond are indicative only, based on expected activity in 2002-03. These figures are provided for comparative purposes only

(b) ASL estimates include Indian Ocean Territories based staff of 120.9 in 2001-02 and 122.1 in 2002-03.

Chart 2.3 – Trends in resources for Outcome 2



SUMMARY OF MEASURES DISCLOSED SINCE THE 2002-03 BUDGET - OUTCOME 2

Note that detailed explanations of measures are provided at Section 1 – Departmental Overview, Details of Measures disclosed since the 2002-03 Budget.

Measure Title	Appropriations Budget 2002-03 (\$m)			Appropriations Estimate 2003-04 (\$m)			Appropriations Estimate 2004-05 (\$m)			Appropriations Estimate 2005-06 (\$m)		
	Admin Exp	Dept Outputs	Total	Admin Exp	Dept Outputs	Total	Admin Exp	Dept Outputs	Total	Admin Exp	Dept Outputs	Total

Post Budget Measures

Expense Measures												
Additional funding for Year of the Outback	0.3	0.0	0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
National Aerial Firefighting Strategy	5.5	0.0	5.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Expense Measures	5.8	0.0	5.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Post MYEFO Measures

Capital Measures												
Loan to Norfolk Island Government to facilitate the resurfacing of the Norfolk Island Airport's runway	5.8	0.0	5.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Capital Measures	5.8	0.0	5.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

TOTAL MEASURES	11.6	0.0	11.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
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Table 2.6 Operating expenses - Administered Programmes

	2001-02	2002-03	2002-03	Variance	2003-04	2004-05	2005-06
	Actual	Budget	Revised	from	Forward	Forward	Forward
	\$'000	\$'000	Budget	Budget	Estimate	Estimate	Estimate
			\$'000		\$'000	\$'000	\$'000
Foundation for Rural and Regional Renewal	19	650	350	-46%	650	260	315
Regional and Rural Development Grant ^(a)	269	160	160	0%	160	160	160
Regional and Rural Research Information and Data ^(a)	120	68	68	0%	68	68	68
2002 - Year of the Outback	1,800	0	600	N/A	0	0	0
Construction of the Bert Hinkler Hall of Aviation Museum	0	1,500	1,500	0%	0	0	0
Dairy Regional Assistance Programme	14,291	23,500	33,214	41%	0	0	0
Regional Assistance Programme	24,462	24,533	24,533	0%	37,193	38,159	39,146
Regional Solutions Programme ^(a)	25,608	20,600	20,600	0%	20,600	0	0
Rural Transactions Centres ^(a)	13,821	21,345	30,619	43%	8,354	0	0
Structural Adjustment Programme for the Wide Bay Burnett region of Queensland	1,654	2,570	2,346	-9%	0	0	0
Special Structural Adjustment Package for the South West Forests region of Western Australia	1,124	3,106	3,876	25%	0	0	0
Sustainable Regions	400	40,180	40,180	0%	29,677	25,116	0
Local Government Financial Assistance Grants	1,394,413	1,436,081	1,449,073	1%	1,500,083	1,554,386	1,609,875
Payment to ACT - assistance for water and sewerage services	8,477	8,675	8,675	0%	8,873	9,069	9,268
Payment to ACT - compensation for the effects of national capital influence on the costs of providing municipal services	21,086	21,571	21,571	0%	22,067	22,552	23,048
National Aerial Firefighting Strategy	0	0	5,500	N/A	0	0	0
Natural Disaster Relief Arrangements	36,098	132,000	132,000	0%	102,540	92,540	92,540
Regional Flood Mitigation Programme	7,005	9,600	15,125	58%	9,600	9,600	0
Depreciation	649	635	635	0%	635	635	635
Net write down of assets	1,200	0	0	0%	0	0	0
Understanding Rural Australia ^(a)	966	0	0	0%	0	0	0
Rural Domestic Violence ^(a)	15	0	0	0%	0	0	0
Ex-gratia Disaster Relief Package - Contribution to Christmas 2001 New South Wales Bushfire Relief Appeal	1,000	0	0	0%	0	0	0
Ex-gratia Disaster Relief Package - Sugar Industry Assistance	3,524	0	0	0%	0	0	0
Ex-gratia Disaster Relief Package - Transportation costs for the American Helitankers	685	0	0	0%	0	0	0
Flood Assistance Package - Small Business Grants	1,536	0	0	0%	0	0	0
Flood Recovery Fund	2,828	0	0	0%	0	0	0
Lismore Levee Programme	4,000	0	0	0%	0	0	0
Local Government Incentive Programme ^(a)	3,286	0	0	0%	0	0	0
Total Administered Operating Expenses	1,570,336	1,746,774	1,790,625	3%	1,740,500	1,752,545	1,775,055

Notes:

(a) A new accounting arrangement has been agreed with the ANAO which is to expense all grant payments immediately. Accordingly, in 2001-02 all payments have been expensed, as well as prepayments relating to 2000-01. This has resulted in the reporting of larger than normal expenses for these programmes in 2001-02 than in 2002-03.

Table 2.7 Capital Resources

	2001-02	2002-03	2002-03	Variance	2003-04	2004-05	2005-06
	Actual	Budget	Revised	from	Forward	Forward	Forward
	\$'000	\$'000	Budget	Budget	Estimate	Estimate	Estimate
			\$'000		\$'000	\$'000	\$'000
<u>Administered Capital</u>							
Loan to Norfolk Island Government - Cascade Cliff Safety Project	24	0	347	N/A	0	0	0
Loan to Norfolk Island Government - Norfolk Island Airport runway resurfacing	0	0	5,800	N/A	0	0	0
Natural Disaster Relief Arrangements (Loans)	317	5,000	5,000	0%	5,000	5,000	5,000
Total	341	5,000	11,147	100%	5,000	5,000	5,000
<u>Departmental Capital</u>							
Indian Ocean Territory Capital Program	0	94,900	93,500	-1%	11,200	0	0
Total	0	94,900	93,500	-1%	11,200	0	0
Total Capital Resources	341	99,900	104,647	5%	16,200	5,000	5,000

Table 2.8 Operating Expenses - Price of Outputs

	2001-02	2002-03	2002-03	Variance
	Actual	Budget	Revised	from
	\$'000	\$'000	Budget	Budget
			\$'000	
2.1 Regional Development Policy Advice	12,757	14,033	14,033	0%
2.2 Regional Development Programmes	36,896	22,842	22,772	0%
2.3 Services to Territories	91,881	108,531	122,315	13%
2.4 Services to Local Governments	1,240	1,788	1,788	0%
2.5 Natural Disaster Mitigation and Relief Arrangements	1,053	1,499	1,499	0%
2.6 Regional Research and Data	166	2,207	2,207	0%
Price of Outputs	143,993	150,899	164,614	9%
Less: Receipts from Independent Sources	11,282	7,221	8,972	24%
Price to Government (Appropriation) for Outputs	132,711	143,678	155,642	8%

Performance information for achievement of Outcome 2: Greater recognition and development opportunities for local, regional and territory communities

The performance information relating to key strategies, administered programmes and departmental outputs remains unchanged from those specified in the 2002-03 PBS.

Performance information provided below relates to those administered programmes affected by new measures announced since Budget.

PERFORMANCE INFORMATION FOR ADMINISTERED PROGRAMMES

<i>Programme</i>	<i>Performance Indicators</i>
2002- Year of the Outback (Contributing Division: Regional Policy) NEW MEASURE.	<i>Effectiveness:</i> Contribution to improved understanding of what the outback has meant to the nation's development and self image. <i>Cost:</i> \$0.6m <i>Location:</i> Regional, rural and remote Australia
National Aerial Firefighting Strategy (Contributing Division: Territories and Local Government) NEW MEASURE.	<i>Effectiveness:</i> Improved state and territory aerial firefighting capability. <i>Cost:</i> \$5.5m

SECTION 3 – BUDGETED FINANCIAL STATEMENTS

ANALYSIS OF BUDGETED FINANCIAL STATEMENTS

An analysis of the Department's budgeted financial statements, as reflected in the Department's budgeted departmental financial statements and administered notes for 2002-03, is provided below.

Departmental

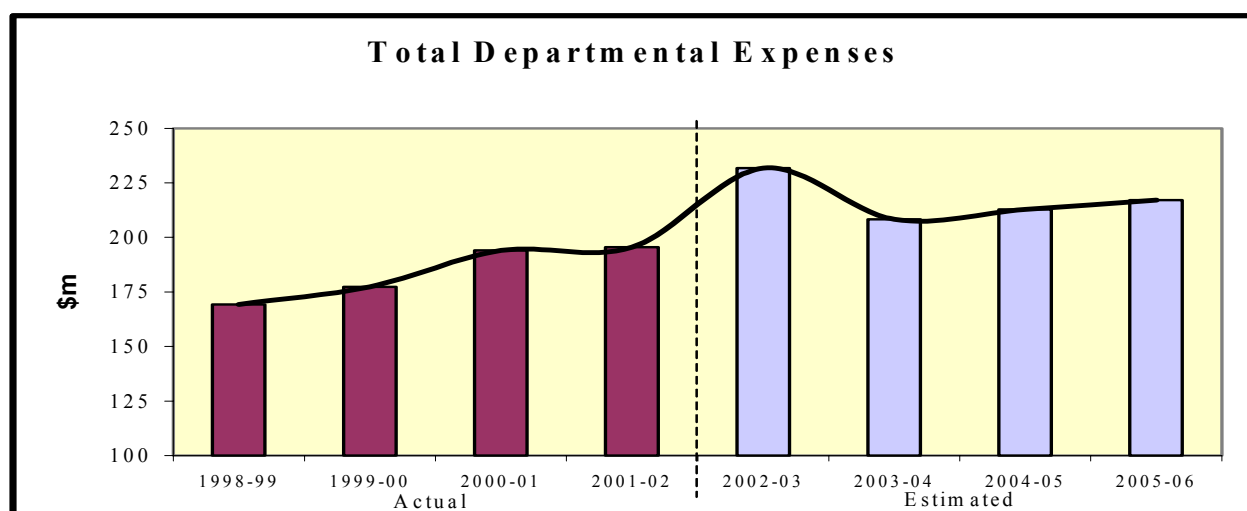
Statement of Financial Performance

The Department is budgeting for an operating loss of \$6.4m for 2002-03 after payment of the Capital Use Charge (CUC) of \$24.6m. The loss is attributable to expenses that will be incurred in 2002-03 in relation to the Stronger Regions Programme, but for which revenue was provided in 2001-02.

Total revenue is estimated to be \$249.9m, an increase of \$15.9m from Budget. The increase is primarily as a result of:

- increased funding for the Asia Pacific Space Centre project following the reclassification of capital funds (\$10m);
- an increase in independent revenue (\$1.8m);
- increased funding for operational costs associated with the Asia Pacific Space Centre and the construction of the Immigration Reception and Processing Centre on Christmas Island (\$1.6m);
- the funding impact of the new measure: Development of AusLink (\$1.1m);
- the funding impact of the new measure: War risk indemnities for the aviation industry (\$0.6m); and
- increased funding following revised property management arrangements for Sydney West Airport rental properties (\$0.5m).

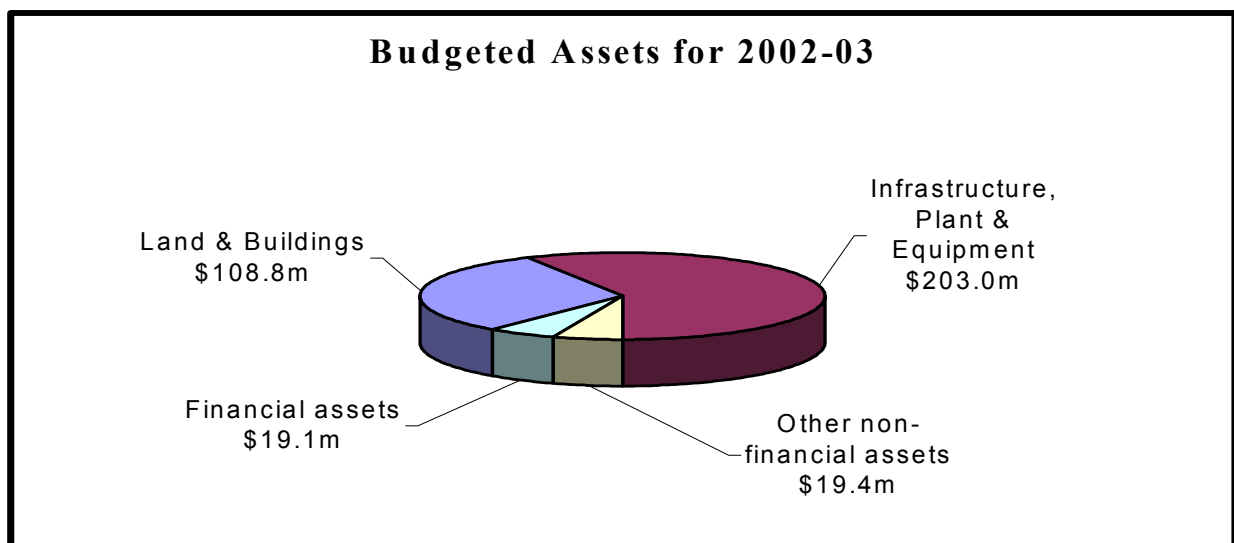
Total expenses are estimated to be \$231.7m, an increase of \$15.2m from Budget. The increase is primarily due to the impact of increases in revenue detailed above.



Statement of Financial Position

The Department's budgeted net asset position of \$310.6m represents an increase of \$87.1m from the 2001-02 actual. The increase is primarily attributable to increased expenditure in the Department's capital works programme in relation to the Asia Pacific Space Centre and construction of a Immigration Reception and Processing Centre (\$93.5m) on Christmas Island.

The Department's primary asset, 'Infrastructure, plant and equipment', is projected to increase by \$94.7m to \$203m due primarily to increased expenditure in the Department's capital works programme as outlined above.



The Department's primary liability continues to be accrued employee entitlements, as a result of accruing leave entitlements, of \$27.8m. The liability is expected to increase by \$1m.

Administered

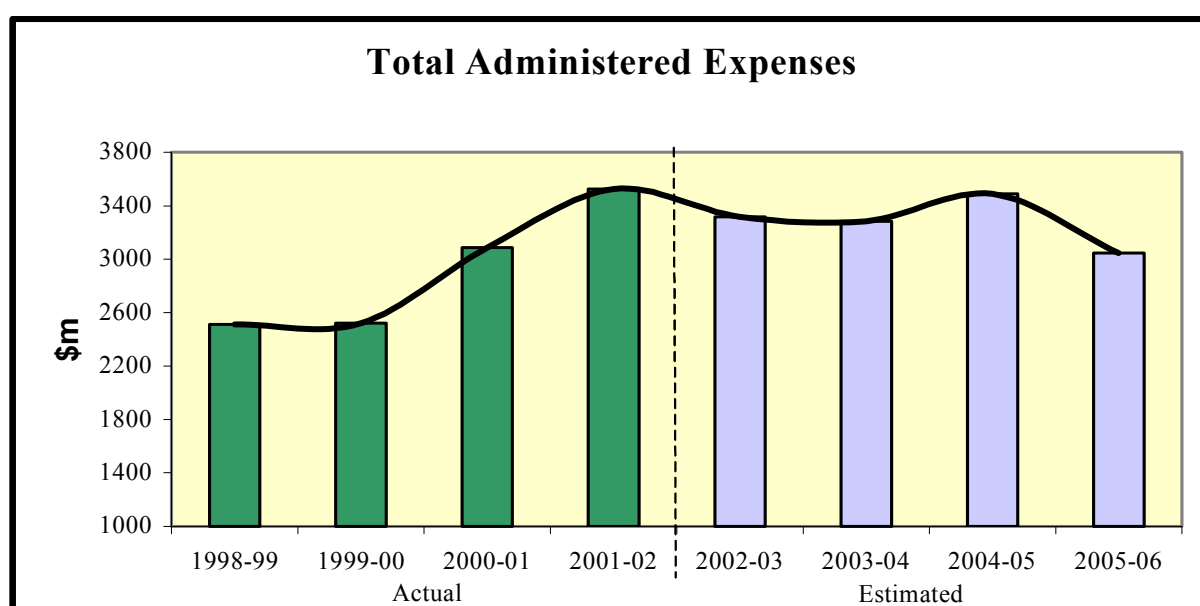
Budgeted Revenue and Expenses

The Department will administer the collection of taxes, fees and fines, other non-taxation revenue and interest and dividends estimated at \$423.1m, representing an increase of \$24.8m from Budget, primarily due to:

- an increased level of reimbursements from the Australian Dairy Corporation for costs associated with the Dairy Regional Assistance programme (\$9.7m);
- the introduction of charges for war risk indemnities provided to the aviation industry (\$7.2m); and
- an increased level of collection of Interstate Road Transport Fees (\$6m).

Administered expenses, such as for grants and subsidies programmes, are budgeted at \$3,317.2m, representing an increase of \$61.6m from Budget and will be incurred for the programmes set out in Tables 2.2 and 2.6. The increase is due to:

- the accrual recognition of expenses relating to the repayment of MIFCo borrowings (\$32.4m);
- revised estimates for demand driven programmes (\$15.3m);
- parameter adjustments for the Financial Assistance Grants programme (\$13m);
- the impact of the new measure: National Aerial Firefighting Strategy (\$5.5m);
- an offsetting reduction due to the movement of funds between years for programmes (\$4.9m); and
- the impact of the new measure: Additional funding for Year of the Outback (\$0.3m).



Budgeted Assets and Liabilities

Total assets are expected to increase by \$40.8m to \$1,115.6m from the 2001-02 actual. The increase primarily reflects a change in the level of investments due to an equity injection provided to the Australian Rail Track Corporation (\$111m) and an increase in receivables associated with a loan provided to the Norfolk Island Government (\$5.8m). This is partially offset by an equity repayment received from Airservices Australia (\$50m) and a reduction in receivables associated with the reduction in payables (\$27.1m).

Total liabilities are expected to decline by \$27.1m, from the 2001-02 actual to \$113.3m. The decrease primarily reflects a reduction in payables resulting from the flow on effects of the 2001-02 actuals.

BUDGETED FINANCIAL STATEMENTS

The budgeted financial statements comprise full financial statements for the Department and budgeted estimates in tabular form for administered items. Together, these show the revised planned financial performance for the 2002-03 Budget year and each of the forward years from 2003-04 to 2005-06. The statements also include the 2001-02 actuals and 2002-03 Budget estimates for comparative purposes.

The budgeted statements contain estimates prepared in accordance with the requirements of the Government's financial budgeting and reporting framework, including the principles of Australian Accounting Standards and Statements of Accounting Concepts, as well as specific guidelines issued by the Department of Finance and Administration.

Departmental Statements

Table 3.1 – Budgeted Departmental Statement of Financial Performance

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

Table 3.2 – Budgeted Departmental Statement of Financial Position

This statement shows the financial position of the Department. It enables decision-makers to track the management of the Department's assets and liabilities.

Table 3.3 – Budgeted Departmental Statement of Cash Flows

Budgeted cash flows provide important information on the extent and nature of cash flows by categorising them into expected cash flows from operating activities, investing activities and financing activities.

Table 3.4 – Departmental Capital Budget Statement

This statement shows all planned departmental capital expenditure on non-financial assets, whether funded through capital appropriations for additional equity or borrowings, or from internal sources.

Table 3.5 – Departmental Non-financial Assets – Summary of Movement

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

Administered Notes***Table 3.6 – Note of Budgeted Administered Revenues and Expenses***

This note identifies the main revenues and expenses administered on behalf of the Government.

Table 3.7 – Note of Budgeted Administered Assets and Liabilities

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

Table 3.8 – Note of Budgeted Administered Cash Flows

This note shows cash flows administered on behalf of the Government.

Table 3.9 – Note of Administered Capital Budget

This note shows details of planned administered capital expenditure.

Table 3.10 – Note of Administered Non-financial Assets – Summary of Movement

This note discloses details of movements in administered non-financial assets.

Notes to the Budgeted Financial Statements

TABLE 3.1: BUDGETED DEPARTMENTAL STATEMENT OF FINANCIAL PERFORMANCE								
for the period ended 30 June								
	Notes	2001-02 Actual \$'000	2002-03 Budget \$'000	2002-03 Revised Budget \$'000	<i>Variance from Budget</i>	2003-04 Forward Estimate \$'000	2004-05 Forward Estimate \$'000	2005-06 Forward Estimate \$'000
REVENUES								
Revenue from Independent Sources		17 366	9 402	10 884	16%	10 808	9 330	9 274
Appropriations (Price of Outputs)		213 008	224 620	239 034	6%	231 556	238 873	243 124
TOTAL REVENUE	3	230 374	234 022	249 918	7%	242 364	248 203	252 398
EXPENSES								
Employees	4	76 597	82 632	84 619	2%	82 957	81 690	80 688
Suppliers	5	93 153	118 880	133 461	12%	111 159	117 363	123 412
Depreciation & amortisation	6	11 231	15 058	13 660	-9%	14 082	13 752	12 900
Net loss from disposal of assets	7	378	0	0	0%	0	0	0
Write-down of assets		1 366	0	0	0%	0	0	0
Other		12 938	0	0	0%	0	0	0
TOTAL EXPENSES		195 663	216 570	231 740	7%	208 198	212 805	217 000
NET SURPLUS OR DEFICIT		34 711	17 452	18 178	4%	34 166	35 398	35 398
Capital Use Charge (CUC)	8	(24 614)	(23 860)	(24 586)	3%	(34 166)	(35 398)	(35 398)
NET SURPLUS OR DEFICIT AFTER CUC		10 097	(6 408)	(6 408)	0%	0	0	0
Accumulated funds at Beginning of Year		167 983	173 867	178 080	2%	171 672	171 672	171 672
ACCUMULATED FUNDS AT END OF YEAR		178 080	167 459	171 672	3%	171 672	171 672	171 672

TABLE 3.2: BUDGETED DEPARTMENTAL STATEMENT OF FINANCIAL POSITION								
for the period ended 30 June								
	2001-02	2002-03	2002-03	<i>Variance</i>	2003-04	2004-05	2005-06	
Notes	Actual	Budget	Revised Budget	<i>from Budget</i>	Forward Estimate	Forward Estimate	Forward Estimate	
	\$'000	\$'000	\$'000		\$'000	\$'000	\$'000	
ASSETS								
FINANCIAL ASSETS								
Cash	4 824	3 500	1 024	-71%	1 024	1 024	1 024	
Receivables	4 928	3 058	4 923	61%	4 923	4 923	4 923	
Investments	28 000	2 500	12 106	100%	1 990	6 789	15 586	
Accrued Revenues	1 049	2 980	1 049	-65%	1 049	1 049	1 049	
Total Financial Assets	9	38 801	12 038	19 102	59%	8 986	13 785	22 582
NON-FINANCIAL ASSETS								
Land & Buildings	102 058	118 336	108 822	-8%	112 969	113 329	110 815	
Infrastructure, Plant & Equipment	108 308	211 609	203 047	-4%	222 344	216 743	209 659	
Intangibles	10 338	6 328	15 046	100%	13 650	14 789	16 287	
Inventories	2 158	2 063	2 158	5%	2 158	2 158	2 158	
Other	2 176	2 414	2 176	-10%	2 176	2 176	2 176	
Total Non-Financial Assets	10	225 038	340 750	331 249	-3%	353 297	349 195	341 095
TOTAL ASSETS		263 839	352 788	350 351	-1%	362 283	362 980	363 677
LIABILITIES								
DEBT								
Other	2 255	1 974	1 952	-1%	1 649	1 346	1 043	
Total Debt	11	2 255	1 974	1 952	-1%	1 649	1 346	1 043
PROVISIONS & PAYABLES								
Employee	26 814	26 371	27 831	6%	28 866	29 866	30 866	
Suppliers	9 099	11 729	2 300	-80%	2 300	2 300	2 300	
Other	2 164	898	7 669	100%	7 669	7 669	7 669	
Total Provisions & Payables	12	38 077	38 998	37 800	-3%	38 835	39 835	40 835
Total Liabilities		40 332	40 972	39 752	-3%	40 484	41 181	41 878
EQUITY								
Total Accumulated Results	178 080	167 459	171 672	3%	171 672	171 672	171 672	
Total Reserves	12 433	12 287	12 433	1%	12 433	12 433	12 433	
Total Capital	32 994	132 070	126 494	-4%	137 694	137 694	137 694	
Total Equity		223 507	311 816	310 599	0%	321 799	321 799	321 799
TOTAL LIABILITIES & EQUITY		263 839	352 788	350 351	-1%	362 283	362 980	363 677
Current Liabilities		17 716	38 998	16 277		16 574	16 851	17 128
Non-current Liabilities		22 616	1 974	23 475		23 910	24 330	24 750
Current Assets		43 135	16 515	23 436		13 320	18 119	26 916
Non-current Assets		220 704	336 273	326 915		348 963	344 861	336 761

TABLE 3.3: BUDGETED DEPARTMENTAL STATEMENT OF CASH FLOWS							
for the period ended 30 June							
	2001-02	2002-03	2002-03	<i>Variance</i>	2003-04	2004-05	2005-06
	Actual	Budget	Revised	<i>from</i>	Forward	Forward	Forward
	\$'000	\$'000	Budget	<i>Budget</i>	Estimate	Estimate	Estimate
			\$'000		\$'000	\$'000	\$'000
OPERATING ACTIVITIES							
Cash received							
Revenue from Independent Sources	15 400	9 407	10 889	16%	10 808	9 330	9 274
Appropriation Receipts	212 793	224 620	239 034	6%	231 556	238 873	243 124
GST Input Credit Receipts	6 187	4 146	4 146	0%	4 183	4 326	4 326
GST Receipts from Customers	923	218	218	0%	200	200	200
Total Cash Received	235 303	238 391	254 287	7%	246 747	252 729	256 924
Cash used							
Payments to Employees	74 060	81 615	83 602	2%	81 922	80 690	79 688
Payments to Suppliers	95 518	118 885	133 443	12%	111 159	117 363	123 412
Other	12 778	303	303	0%	303	303	303
GST Payment to Suppliers	7 209	4 364	4 387	1%	4 383	4 526	4 526
Total Cash Used	189 565	205 167	221 735	8%	197 767	202 882	207 929
NET CASH FROM OPERATING ACTIVITIES	45 738	33 224	32 552	-2%	48 980	49 847	48 995
INVESTING ACTIVITIES							
Cash received							
Proceeds from the sale of PP&E and intangibles	3 354	0	0	0%	0	0	0
Equity Instruments	327 690	0	15 894	100%	10 116	0	0
Other Investing Activities	0	17 800	0	-100%	0	0	0
Total Cash Received	331 044	17 800	15 894	-11%	10 116	0	0
Cash used							
Purchase of PP&E and Intangibles	30 870	122 064	119 871	-2%	36 130	9 650	4 800
Purchase of equity instruments	322 690	0	0	0%	0	0	0
Total Cash Used for Investing Activities	353 560	122 064	119 871	-2%	36 130	9 650	4 800
NET CASH FROM INVESTING ACTIVITIES	(22 516)	(104 264)	(103 977)	0%	(26 014)	(9 650)	(4 800)
FINANCING ACTIVITIES							
Cash received							
Capital Injections	0	94 900	93 500	-1%	11 200	0	0
Other financing activities	355	0	0	0%	0	0	0
Total Cash Received from Financing Activities	355	94 900	93 500	-1%	11 200	0	0
Cash used							
Capital Use Charge	22 534	23 860	25 875	8%	34 166	35 398	35 398
Other financing activities	0	0	0	0%	0	4 799	8 797
Total Cash Used for Financing Activities	22 534	23 860	25 875	8%	34 166	40 197	44 195
NET CASH FROM FINANCING ACTIVITIES	(22 179)	71 040	67 625	-5%	(22 966)	(40 197)	(44 195)
NET (DECREASE) / INCREASE IN CASH HELD	1 043	0	(3 800)	<i>N/A</i>	0	0	0
Cash at beginning of year	3 781	3 500	4 824	38%	1 024	1 024	1 024
Cash at end of year	4 824	3 500	1 024	-71%	1 024	1 024	1 024

	2001-02	2002-03	2002-03 Revised Budget	<i>Variance from Budget</i>	2003-04 Forward Estimate	2004-05 Forward Estimate	2005-06 Forward Estimate
	Actual \$'000	Budget \$'000	\$'000		\$'000	\$'000	\$'000
CAPITAL APPROPRIATION							
Total Equity Injections	0	94 900	89 700	-5%	11 200	0	0
Total Capital Appropriation	0	94 900	89 700	-5%	11 200	0	0
Represented by:							
Purchase of non-financial assets	0	94 900	89 700	-5%	11 200	0	0
Other items	0	0	0	0%	0	0	0
Total items	0	94 900	89 700	-5%	11 200	0	0
PURCHASE OF NON-FINANCIAL ASSETS							
Funded by Capital Appropriation	0	94 900	89 700	-5%	11 200	0	0
Funded Internally by Department resources	33 051	27 164	30 171	11%	24 930	9 650	4 800
Total amount funded	33 051	122 064	119 871	-2%	36 130	9 650	4 800

	Land	Buildings	Total Land & Buildings	Infrastructure, Plant & Equipment	Intangibles	TOTAL
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at start of year	4 301	97 757	102 058	108 308	10 338	220 704
Additions	0	9 330	9 330	103 431	7 110	119 871
Depreciation/amortisation expense	0	(2 566)	(2 566)	(8 692)	(2 402)	(13 660)
Carrying amount at end of year	4 301	104 521	108 822	203 047	15 046	326 915
Total additions	0	9 330	9 330	103 431	7 110	119 871
Self Funded	0	0	0	23 061	7 110	30 171
Appropriations	0	9 330	9 330	80 370	0	89 700
Total	0	9 330	9 330	103 431	7 110	119 871

TABLE 3.6: NOTE OF BUDGETED ADMINISTERED REVENUES AND EXPENSES								
<i>for the period ended 30 June</i>								
	Explanatory Information	2001-02 Actual \$'000	2002-03 Budget \$'000	2002-03 Revised Budget \$'000	Variance from Budget	2003-04 Forward Estimate \$'000	2004-05 Forward Estimate \$'000	2005-06 Forward Estimate \$'000
REVENUES								
TAXATION								
	Taxes, Fees & Fines	275 867	266 783	277 997	4%	272 645	138 419	141 923
	Taxation	275 867	266 783	277 997	4%	272 645	138 419	141 923
NON-TAXATION								
	Sale of Goods and Services	6 844	45 492	45 492	0%	47 039	48 357	49 420
	Interest and Dividends	46 545	50 030	50 383	1%	45 119	51 844	58 789
	Other Sources of Non-Taxation Revenue	22 346	35 981	49 179	37%	11 846	12 028	12 271
	Non-Taxation	75 735	131 503	145 054	10%	104 004	112 229	120 480
	TOTAL REVENUES ADMINISTERED ON BEHALF OF THE GOVERNMENT	351 602	398 286	423 051	6%	376 649	250 648	262 403
EXPENSES								
GOODS AND SERVICES ITEMS								
	Suppliers	52 714	84 248	40 875	-51%	25 172	4 440	4 075
	Net write down of assets	8 055	0	0	0%	0	0	0
	Depreciation and amortisation expenses	660	641	2 097	100%	2 097	2 097	2 097
	Other Goods & Services Expenses	4 123	6 100	8 600	41%	6 100	6 100	6 100
	Goods and Services	65 552	90 989	51 572	-43%	33 369	12 637	12 272
SUBSIDIES AND GRANTS								
	Subsidies	92 281	106 784	145 301	36%	122 408	119 965	112 570
	Grants	3 365 959	3 057 828	3 120 321	2%	3 128 483	3 354 864	2 921 240
	Subsidies and Grants	3 458 240	3 164 612	3 265 622	3%	3 250 891	3 474 829	3 033 810
	TOTAL EXPENSES ADMINISTERED ON BEHALF OF THE GOVERNMENT	3 523 792	3 255 601	3 317 194	2%	3 284 260	3 487 466	3 046 082

TABLE 3.7: NOTE OF BUDGETED ADMINISTERED ASSETS AND LIABILITIES								
<i>as at 30 June</i>								
	Explanatory Information	2001-02 Actual \$'000	2002-03 Budget \$'000	2002-03 Revised Budget \$'000	Variance from Budget	2003-04 Forward Estimate \$'000	2004-05 Forward Estimate \$'000	2005-06 Forward Estimate \$'000
ASSETS								
FINANCIAL ASSETS								
Cash		16	392	16	-96%	131	131	131
Receivables		369 891	275 134	346 128	26%	317 514	286 547	253 381
Investments		599 044	610 044	660 044	8%	640 044	620 044	600 044
Accrued Revenue		15 375	16 716	18 254	9%	15 375	15 375	15 375
Financial Assets	16	984 326	902 286	1 024 442	14%	973 064	922 097	868 931
NON-FINANCIAL ASSETS								
Land & Buildings		85 775	71 867	86 755	21%	84 936	83 117	81 298
Intangibles		4 670	4 402	4 392	0%	4 114	3 836	3 558
Non-Financial Assets		90 445	76 269	91 147	20%	89 050	86 953	84 856
TOTAL ASSETS ADMINISTERED ON BEHALF OF THE GOVERNMENT		1 074 771	978 555	1 115 589	14%	1 062 114	1 009 050	953 787
LIABILITIES								
PROVISIONS & PAYABLES								
Suppliers Payable		14 532	0	10 043	N/A	10 043	10 043	10 043
Subsidies Payable		103 348	67 987	100 383	48%	75 410	47 765	17 195
Grants Payable		19 661	0	0	0%	0	0	0
Other		2 836	1 731	2 836	64%	2 748	2 748	2 748
Provisions & Payables		140 377	69 718	113 262	62%	88 201	60 556	29 986
TOTAL LIABILITIES ADMINISTERED ON BEHALF OF THE GOVERNMENT		140 377	69 718	113 262	62%	88 201	60 556	29 986
Current Liabilities		22 626	34 360	24 973		27 645	0	0
Non-current Liabilities		117 751	35 358	88 289		60 556	60 556	29 986
Current Assets		29 289	59 269	48 630		51 098	53 297	711
Non-current Assets		1 045 482	919 286	1 066 959		1 011 016	955 753	953 076

TABLE 3.8: NOTE OF BUDGETED ADMINISTERED CASH FLOWS
for the period ended 30 June

	2001-02	2002-03	2002-03	Variance	2003-04	2004-05	2005-06
	Actual	Budget	Revised Budget	from Budget	Forward Estimate	Forward Estimate	Forward Estimate
	\$'000	\$'000	\$'000		\$'000	\$'000	\$'000
OPERATING ACTIVITIES							
Cash received							
Taxes Fees & Fines	205 734	260 783	269 118	3%	269 524	132 419	135 923
Interest & Dividends	46 389	50 030	50 383	1%	45 119	51 844	58 789
Cash from Official Public Account	3 259 856	3 299 090	3 342 212	1%	3 307 048	3 513 014	3 074 555
Other Non-Taxation Revenues	28 830	35 981	49 179	37%	11 846	12 028	12 271
GST Receipts	16 632	9 551	9 551	0%	9 440	8 765	7 985
Total Cash Received	3 557 441	3 655 435	3 720 443	2%	3 642 977	3 718 070	3 289 523
Cash used							
Payments to Suppliers	60 284	84 248	45 364	-46%	25 172	4 440	4 075
Subsidies	118 899	139 494	148 266	6%	147 381	147 610	143 140
Grants	3 082 896	3 069 248	3 139 982	2%	3 128 483	3 354 864	2 921 240
Cash to the OPA	276 701	346 794	388 680	12%	326 489	196 291	226 983
Other Cash Used	4 240	6 100	8 600	41%	6 100	6 100	6 100
GST Payments	16 712	9 551	9 551	0%	9 237	8 765	7 985
Total Cash Used	3 559 732	3 655 435	3 740 443	2%	3 642 862	3 718 070	3 309 523
NET CASH FROM OPERATING ACTIVITIES	(2 291)	0	(20 000)	N/A	115	0	(20 000)
INVESTING ACTIVITIES							
Cash received							
Equity repayments	0	50 000	50 000	0%	20 000	20 000	20 000
Repayment of Advances	9 737	9 602	9 892	3%	10 535	10 419	9 693
Proceeds from sales of land, PP&E and intangibles	0	0	0	0%	0	0	0
Total Cash Received	9 737	59 602	59 892	0%	30 535	30 419	29 693
Cash used							
Cash to Consolidated Revenue Fund	0	59 602	39 892	-33%	30 535	30 419	9 693
Purchase of Land, PP&E and intangibles	0	0	2 799	N/A	0	0	0
Advances made	9 692	5 000	11 147	123%	5 000	5 000	5 000
Other investing activities	0	111 000	111 000	0%	0	0	0
Total Cash Used	9 692	175 602	164 838	-6%	35 535	35 419	14 693
NET CASH FROM INVESTING ACTIVITIES	45	(116 000)	(104 946)	-10%	(5 000)	(5 000)	15 000
FINANCING ACTIVITIES							
Cash received							
Capital injections	341	116 000	124 946	8%	5 000	5 000	5 000
GST Appropriations	14 688	0	0	0%	0	0	0
Total Cash Received	15 029	116 000	124 946	8%	5 000	5 000	5 000
Cash used							
Return of GST Appropriations to OPA	13 296	0	0	0%	0	0	0
Total Cash Used	13 296	0	0	0%	0	0	0
NET CASH FROM FINANCING ACTIVITIES	1 733	116 000	124 946	8%	5 000	5 000	5 000
NET (DECREASE)/INCREASE IN CASH HELD	(513)	0	0	0%	115	0	0
Cash at beginning of year	529	392	16	-96%	16	131	131
Cash at end of year	16	392	16	-96%	131	131	131

TABLE 3.9: NOTE OF ADMINISTERED CAPITAL BUDGET							
	2001-02	2002-03	2002-03	<i>Variance</i>	2003-04	2004-05	2005-06
	Actual	Budget	Revised	<i>from</i>	Forward	Forward	Forward
	\$'000	\$'000	Budget	<i>Budget</i>	Estimate	Estimate	Estimate
			\$'000		\$'000	\$'000	\$'000
CAPITAL APPROPRIATION							
Administered Capital - Annual Appropriation	317	116 000	121 800	5%	5 000	5 000	5 000
Administered Capital - Other	0	0	0	0%	0	0	0
Total Capital Appropriation	317	116 000	121 800	5%	5 000	5 000	5 000
Represented by:							
Purchase of non-financial assets	0	0	0	0%	0	0	0
Other items	0	116 000	121 800	5%	5 000	5 000	5 000
Total items	0	116 000	121 800	5%	5 000	5 000	5 000
PURCHASE OF NON-FINANCIAL ASSETS							
Funded by Capital Appropriation	0	0	0	0%	0	0	0
Funded from past appropriations	0	0	2 799	<i>N/A</i>	0	0	0
Total amount funded	0	0	2 799	<i>N/A</i>	0	0	0

TABLE 3.10: NOTE OF ADMINISTERED NON-FINANCIAL ASSETS - SUMMARY OF MOVEMENT						
(Budget Year 2002-03)						
	Land	Buildings	Total Land & Buildings	Infrastructure, Plant & Equipment	Intangibles	TOTAL
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at start of year	58 305	27 470	85 775	0	4 670	90 445
Additions	2 799	0	2 799	0	0	2 799
Depreciation/amortisation expense	0	(1 819)	(1 819)	0	(278)	(2 097)
Carrying amount at end of year	61 104	25 651	86 755	0	4 392	91 147

Notes to the Budgeted Financial Statements

1. Accounting Policy

The budgeted financial statements have been prepared on an accrual accounting basis, having regard to Statements of Accounting Concepts, and in accordance with:

- the Finance Minister's Orders;
- Australian Accounting Standards;
- Other authoritative pronouncements of the Australian Accounting Standards Boards; and
- The Consensus Views of the Urgent Issues Group.

2. Departmental and Administered items

Agency assets, liabilities, revenues and expenses are those items that are controlled by the Department that are used by the Department in producing its outputs and include:

- computers, plant and equipment used in providing goods and services;
- liabilities for employee entitlements;
- revenue from appropriations or independent sources in payment for outputs; and
- employee, supplier and depreciation expenses incurred in providing agency outputs.

Administered items are those items incurred in providing programs that are controlled by the Government and managed, or oversighted, by the Department on behalf of the Government. These items include grant payments and levies, fees and fines.

3. Departmental Revenue

Revenue from Government represents the purchase of outputs from the Department by the Government and is recognised to the extent that it has been received into the Department's bank account.

Revenue from other sources, representing sales from goods and services, is recognised at the time that it is imposed on customers. Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

4. Departmental Expenses – Employees

Payments and net increases in entitlements to employees for services rendered in the financial year.

5. Departmental Expenses – Suppliers

Payments to suppliers for goods and services used in providing agency outputs

6. Departmental Expenses – Depreciation and Amortisation

Depreciable property plant and equipment, buildings and intangible assets are written-off to their estimated residual values over their estimated useful life to the Department, using straight-line calculation method.

7. Departmental Expenses – Net loss on the sale of assets

Reflects the difference between the book value of assets and sale proceeds.

8. Capital Use Charge

A charge for the use of capital levied on the Department at a rate of 11 per cent of net assets. Funding for this charge is included in the price of outputs.

9. Departmental Assets– Financial Assets

The primary financial asset relates to the Department's investments. Financial assets are used to fund the Department's capital program, employee entitlements, creditors and to provide working capital.

10. Departmental Assets–Non-Financial Assets

These items represent future economic benefits that the Department will consume in producing outputs. The reported value represents the purchase price paid less depreciation incurred to date in using the asset.

11. Departmental Liabilities –Debt

Property lease incentives that the Department has received. These incentives are written-off over the life of the lease.

12. Departmental Liabilities –Provisions and Payables

Provision has been made for the Department’s liability for employee entitlements arising from services rendered by employees. This liability includes unpaid annual leave and long service leave. No provision has been made for sick leave because the level of sick leave taken is less on average than the amount which employees are entitled to each year.

Provision has also been made for unpaid supplier expenses as at balance date.

13. Administered Revenue

Details of the range of taxation and non-taxation revenue collected by the department are provided in Appendix 1.

14. Administered Expenses – Goods and Services

Includes the Sydney and Adelaide Noise Amelioration programmes.

15. Administered Expenses – Subsidies and Grants

Reflects a majority of the departments administered programs, the most significant being: Local Government Financial Assistance Grants; National Highways and Roads of National Importance; Roads to Recovery Programme; and Federation Fund projects.

16. Administered Assets – Financial Assets

Comprise primarily investments in portfolio agencies and appropriation receivable.

APPENDIX 1: ADMINISTERED RECEIPTS (OTHER THAN APPROPRIATIONS)				
	2001-02	2002-03	2002-03	Variance
	Actual	Budget	Revised	from
	\$'000	\$'000	Budget	Budget
			\$'000	
Taxes, Fees & Fines				
Aircraft noise levy	41 094	45 144	45 144	0%
Air passenger ticket levy	112 605	138 000	138 000	0%
Airport land tax equivalents	7 963	8 000	6 000	-25%
International Oil Pollution Compensation Fund Levy	2 478	5 900	5 900	0%
Interstate Road Transport Act 1985 - Fines	50	100	60	-40%
Interstate Road Transport Act 1985 - Registration Charges	31 412	32 000	38 000	19%
Navigation Act 1912 - Coastal Trading	232	190	190	0%
Marine Navigation Levy*	40 460	0	0	0%
Protection of the Sea Levy*	3 810	0	0	0%
Part X of Trade Practices Act 1974	30	30	30	0%
Parking fines at leased Federal airports	1 929	1 900	1 900	0%
Stevedoring Levy (Collection) Act 1998	31 563	33 000	33 000	0%
War risk indemnities for the Aviation Industry	0	0	7 197	N/A
Miscellaneous	2 241	2 519	2 576	2%
Total	275 867	266 783	277 997	4%
Interest and Dividends				
Emerald Hill - Purchase of land	39	21	21	0%
Growth Centres - Municipal Works	111	85	85	0%
Natural disaster relief arrangements	547	565	565	0%
Northern Territory	4 900	4 785	4 785	0%
Provision for dividends from government business enterprises	33 510	37 629	37 977	1%
Railway Agreement (Western Australia)	353	335	335	0%
Railway Standardisation (New South Wales and Victoria) Agreement	97	88	93	6%
Sewerage Agreements pursuant to Urban and Regional Development (Financial Assistance) Act 1974 (All States)	6 988	6 522	6 522	0%
Total	46 545	50 030	50 383	1%
Sale of Goods and Services and Other Sources of Non-Taxation Revenue				
Sydney West Aiport - rental properties	1 545	1 271	2 570	100%
Cost recovery for Airport Building Controllers and Airport Environmental Officers at leased airports	2 101	2 477	2 162	-13%
Dairy Regional Assistance Programme reimbursements	14 291	25 000	34 714	39%
Marine Navigation Levy*	0	41 631	41 631	0%
Protection of the Sea Levy*	0	3 861	3 861	0%
Sale of forms for motor vehicle compliance plates	7 169	7 233	7 233	0%
Sale of Sydney Airport Land	0	0	2 500	N/A
Miscellaneous	4 084	0	0	0%
Total	29 190	81 473	94 671	16%
Loan Repayments				
Emerald Hill - Purchase of land	205	205	205	0%
Growth Centres - Municipal Works	251	276	276	0%
Natural disaster relief arrangements	1 674	2 389	2 389	0%
Northern Territory	2 461	2 536	2 536	0%
Railway Agreement (Western Australia)	377	378	378	0%
Railway Standardisation (New South Wales and Victoria) Agreement	192	192	192	0%
Sewerage Agreements pursuant to Urban and Regional Development (Financial Assistance) Act 1974 (All States)	2 384	2 626	2 626	0%
Other Loans and Receivables	332	1 000	1 290	29%
Total	7 876	9 602	9 892	3%
Equity Repayments				
Airservices Australia (AA)	0	50 000	50 000	0%
Total	0	50 000	50 000	0%
TOTAL	359 478	457 888	482 943	5%

* Note: The marine Navigation Levy and Protection of the Sea Levy have been reclassified.

APPENDIX 2: ESTIMATES OF ADMINISTERED EXPENSES FROM SPECIAL APPROPRIATIONS AND SPECIAL ACCOUNTS				
	2001-02	2002-03	2002-03	Variance
	Actual	Budget	Revised	from
	\$'000	\$'000	Budget	Budget
			\$'000	
Special Appropriations				
<i>Australian Land Transport Development Act 1988 *</i>	1 142 652	1 025 247	1 025 247	0%
<i>Interstate Road Transport Act 1985</i>	33 941	32 100	38 060	19%
<i>Local Government (Financial Assistance) Act 1995</i>	1 394 413	1 436 081	1 449 073	1%
<i>Protection of the Sea (Oil Pollution Compensation und) Act 1993</i>	2 478	5 900	5 900	0%
<i>Roads to Recovery Act 2000 *</i>	416 339	200 000	200 000	0%
<i>Stevedoring Levy Collection Act 1998</i>	196	200	32 617	100%
Total	<u>2 990 019</u>	<u>2 699 528</u>	<u>2 750 897</u>	2%
Special Accounts				
Federation Funds Reserve *	103 748	69 800	29 117	-58%
Rural Transaction Centres *	13 821	21 345	30 619	43%
Total	<u>117 569</u>	<u>91 145</u>	<u>59 736</u>	-34%
TOTAL	<u>3 107 588</u>	<u>2 790 673</u>	<u>2 810 633</u>	1%

Note:

* New accounting arrangements for grants accounting (agreed with the ANAO) apply from 2001-02 which is to expense all grant payments immediately. Accordingly, in 2001-02 all payments have been expensed, as well as prepayments relating to 2000-01. This has resulted in the reporting of larger than normal expenses for these programmes in 2001-02 than in 2002-03.

APPENDIX 3: INDIAN OCEAN TERRITORIES ESTIMATES FOR 2002-03

Overview

The Federal Government provides funding for the delivery of a wide range of services to the Indian Ocean Territories (IOTs), including public utilities, education, health, and transport. The funding for many of these services would be the responsibility of state government in most other areas of Australia.

In its 1999 report on the IOTs, the Commonwealth Grants Commission examined funding levels for the IOTs. It recommended both a base level of funding and annual mechanisms for determining operating funding levels, taking into account different categories of operating expenses. The Government accepted the Commission's recommendations as a way of ensuring future annual funding levels are determined in a transparent way within the budget context.

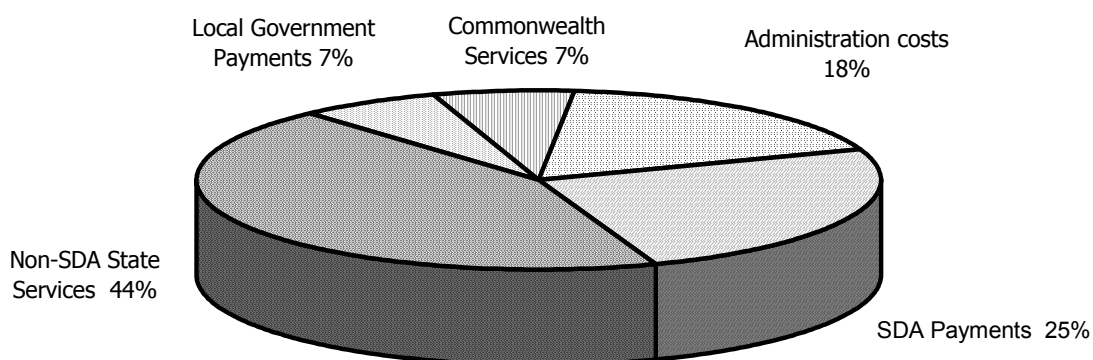
The proposed five-year capital expenditure programme of \$88.9m, recommended by the Commission to bring infrastructure up to mainland standards was also accepted by the Government. The programme is being implemented consistent with the priorities recommended by the Commission.

Most of the services to the IOTs are delivered through service delivery agreements (SDAs) with Western Australian State agencies. These SDAs are administered through the Department's Territories Office in Perth. The day to day activities associated with service delivery and the provision of public utilities (for example water, electricity and sewerage) is administered by the on-Island Administrations.

Budget

In 2002-03 the revised IOT operating expense budget is \$67m (including depreciation). Approximately three quarters of these funds will be expended directly on the provisions of services to IOT communities.

Indian Ocean Territories Expenses in 2002-03 by type (estimated)



It is estimated that the IOTs will raise \$7.4m in revenue in 2002-03 in relation to the sales of goods and services.

The revised IOTs capital expenditure program for 2002-03 is \$107.6m which includes infrastructure upgrading works and those in support of the construction of a purpose built permanent Immigration Reception and Processing Centre on Christmas Island.

PART D

AGENCY BUDGET STATEMENT

Civil Aviation Safety Authority

SECTION 1: AGENCY OVERVIEW

OVERVIEW

The role of the Civil Aviation Safety Authority (CASA) remains unchanged from that stated in the 2002-03 Portfolio Budget Statements.

APPROPRIATIONS

The total appropriation for CASA in the 2002-03 Additional Estimates is \$99.1m. This comprises \$44.8m in Appropriation Bill 3 and Special Appropriation funding of \$54.3m. Details of annual appropriations are provided at Table 1.1 on the following page. Details of Special Appropriations are provided at Appendix 1.

The Special Appropriation represents aviation fuel customs duty and excise, which is collected by the Australian Customs Service and paid to CASA through the *Aviation Fuel Revenues (Special Appropriation) Act 1988*. Special Appropriation has decreased by approximately 8% (\$4.7m) from original estimates, as a result of the recent changes to the Australian Aviation Industry, eg. collapse of Ansett Airlines, reduced domestic tourism following the events of September 11. As a result, CASA is now budgeting to incur an operating loss of \$3.4m in 2002-03. The Government will consider CASA's future funding in the context of the 2003-04 Budget. Details of variations to appropriations are provided at Table 1.2 on the following page.

Table 1.1: Appropriation Bill (No 3) 2002-03

	2001-02 Available ^(a) \$'000	2002-03 Budget \$'000	2002-03 Revised \$'000	Additional Estimates \$'000	Reduced Estimates \$'000
DEPARTMENTAL OUTPUTS					
Outcome 1					
A better transport system for Australia ^(b)	43,584	44,944	44,846	0	98
Total Departmental Outputs	43,584	44,944	44,846	0	98

Notes:

(a) Reflects actual appropriation that was available in 2001-02.

(b) Reduced estimate reflects savings identified for 2002-03.

Table 1.2: Variations to Appropriations

	2002-03 Additional Estimate \$'000	2003-04 Budget Impact \$'000	2004-05 Budget Impact \$'000	2005-06 Budget Impact \$'000
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Appropriation Bill No.3**DEPARTMENTAL OUTPUTS****Outcome 1**Estimates Adjustments

CUC Funding	-676	-1,257	-1,857	-2,194
Depreciation	578	578	578	578
Total	-98	-679	-1,279	-1,616

Parameter Adjustments

Revised economic parameters	0	67	106	124
Total	0	67	106	124
Total Departmental Outputs	-98	-612	-1,173	-1,492

Special Appropriations**Outcome 1**Estimates Adjustments

<i>Aviation Fuel Revenues (Special Appropriation) Act 1988</i>	-4,720	-4,720	-4,720	-4,720
Total Special Appropriations	-4,720	-4,720	-4,720	-4,720

EVALUATIONS

The Government, in the 2001-02 Budget, provided \$9.0m per annum over four years to fund re-engineering of CASA's business processes. This project was named the CASA Improvement Programme.

In 2001-02, a contract was entered into with Accenture for stage 1 'Discovery' Stage in which the full extent of potential change was outlined together with the resource and timings required to implement that level of change across the organisation.

On 24 July 2002, CASA entered into a contract with Accenture for a programme of work, the Foundation Stage of the CASA Improvement Programme. The key objective of the Foundation Stage is to establish the core entry control business systems and processes using new integrated technical platforms and infrastructure, thereby providing the elements that are central to CASA's regulatory role. The Foundation Stage of work is also critical to successful implementation of the Regulatory Reform Programme. The programme is fully costed, including CASA's internal costs, at \$34.5m.

COMPETITIVE TENDERING AND CONTRACTING

The Authority's competitive tendering and contracting strategies remain unchanged from that stated in the 2002-03 Portfolio Budget Statements.

SECTION 2: OUTCOME AND OUTPUTS INFORMATION

OUTCOME AND OUTPUTS

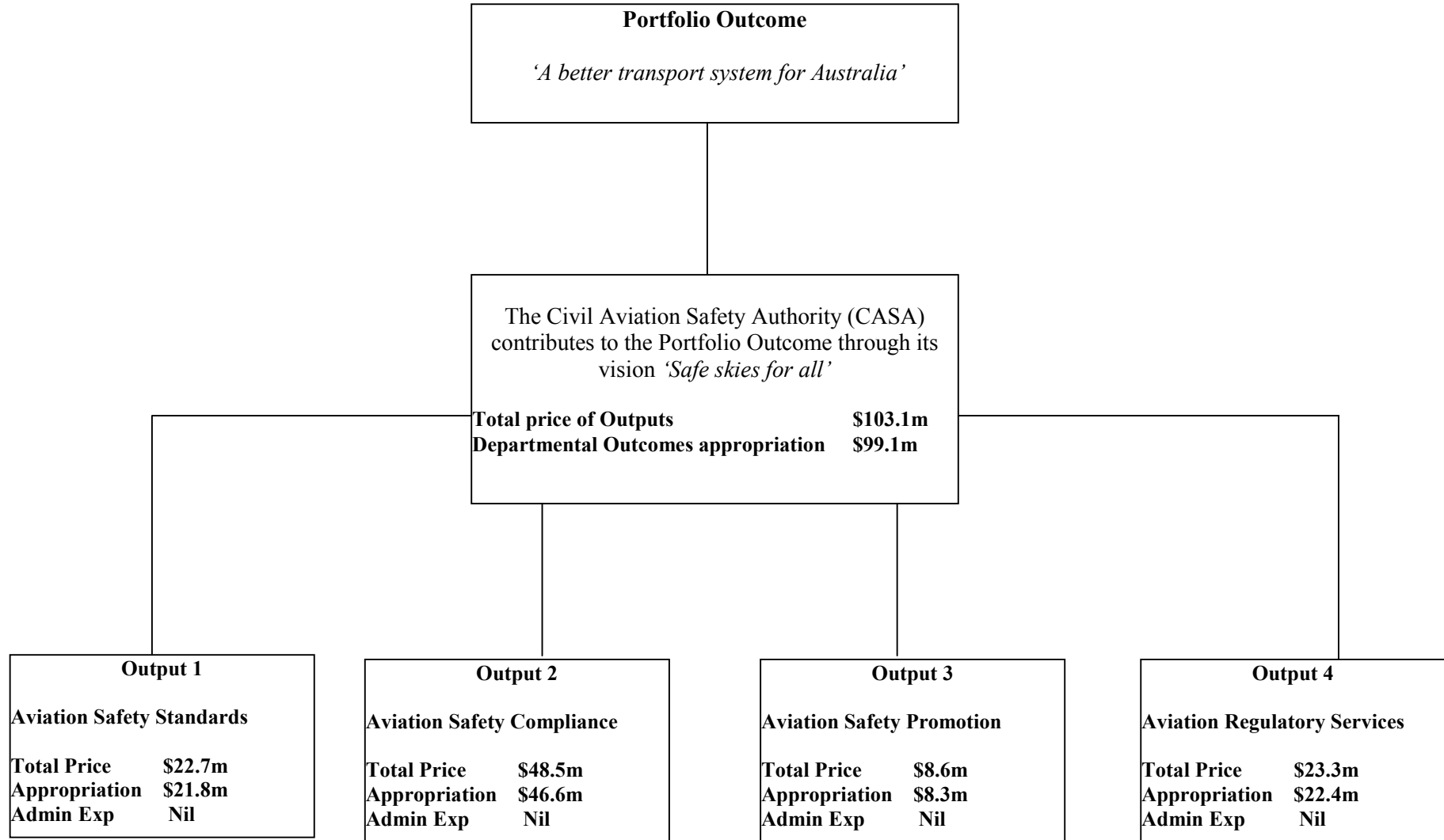
The relationship of CASA's Outputs to the Portfolio Outcome, '*A better transport system for Australia*', through CASA's vision '*Safe skies for all*' remains unchanged from that stated in the 2002-03 Portfolio Budget Statements.

Financial details for the Outcome by Outputs appear in Table 2.1 and 2.2.

CHANGES TO OUTCOMES AND OUTPUTS

There have been no changes to the Output structure for 2002-03.

Relationship between Portfolio Outcome and Contributing Outputs



RESOURCES FOR THE PORTFOLIO OUTCOME

Table 2.1

Summary Resources For Outcome
'A better transport system for Australia'

	Actual 2001-02 \$' 000	Budget 2002-03 \$' 000	Revised Budget 2002-03 \$' 000
<u>Operating Resources</u>			
Price of Outputs	104,633	107,964	103,146
<u>Capital Resources</u>			
Departmental Capital	-	-	-
Resources for Outcome	104,633	107,964	103,146
Staff Years (ASL)	673	680	680

Table 2.2 Price of Outputs

		Actual 2001-02 \$' 000	Budget 2002-03 \$' 000	Revised Budget 2002-03 \$' 000
Output Group 1	Aviation Safety Standards	23,053	23,787	22,725
Output Group 2	Aviation Safety Compliance	49,190	50,756	48,492
Output Group 3	Aviation Safety Promotion	8,725	9,003	8,601
Output Group 4	Aviation Regulatory Services	23,665	24,418	23,328
	Price of Outputs	104,633	107,964	103,146
	Less: Revenue from Independent Sources	5,523	4,020	4,020
	Price to Government (appropriation) for Outputs	99,110	103,944	99,126

CONTRIBUTIONS OF OUTPUTS TO PORTFOLIO OUTCOME

CASA contributes to the Portfolio Outcome through a particular focus on Aviation Safety.

Contribution to the achievement of the Portfolio Outcome is assessed through the achievement of the Outputs and performance measures. CASA's Outputs and performance measures remain unchanged from those stated in the 2002-03 Portfolio Budget Statements.

SECTION 3 – BUDGETED FINANCIAL STATEMENTS

Following are the budgeted departmental financial statements for CASA. The budgeted financial statements will form the basis of the financial statements that will appear in CASA's 2002-03 Annual Report, and form the basis for the input into the Whole of Government Accounts.

Budgeted Departmental Statement of Financial Performance

This statement at **Table 3.1** provides a picture of the expected financial results for CASA by identifying full accrual expenses and revenues, which highlights that CASA will be operating at a deficit. The deficit is mainly attributable to:

- (i) Government agreement for CASA to use its internal resources to partially fund the CASA Improvement Programme agreed to in the 2001-02 Budget; and
- (ii) a decrease in Special Appropriation by approximately 8% (\$4.7m) from original estimates, as a result of the recent changes to the Australian Aviation Industry, eg. collapse of Ansett Airlines, reduced domestic tourism following the events of September 11. The Government will consider CASA's future funding in the context of the 2003-04 Budget.

This statement indicates that CASA will have an operating deficit of \$3.4m before the Capital Use Charge, for the year ending 2002-03.

Budgeted Departmental Statement of Financial Position

This statement at **Table 3.2** shows CASA's projected financial position of the end of 2002-03 and across the forward estimates.

Budgeted Departmental Cash Flow Statement

The Budgeted cash flow statement at **Table 3.3** provides information on the extent and nature of cash flows by categorising them into expected cash flows from operating activities, investing activities and financing activities.

Departmental Non-financial Assets - Summary of Movements 2002-03

This statement at **Table 3.5** shows movements in non-financial assets, for the Budget year only.

Table 3.1

BUDGETED DEPARTMENTAL STATEMENT OF FINANCIAL PERFORMANCE

	Notes	Actual 2001-02 \$'000	Budget 2002-03 \$'000	Revised Budget 2002-03 \$'000	Forward Estimate 2003-04 \$'000	Forward Estimate 2004-05 \$'000	Forward Estimate 2005-06 \$'000
Revenues from ordinary activities							
Sales of goods & services		3,416	3,042	3,042	3,057	3,057	3,057
Appropriations (price of outputs)		99,110	103,944	99,126	102,473	103,908	100,006
Interest		1,466	978	978	363	98	104
Other		641	-	-	-	-	-
Total revenues from ordinary activities	1	104,633	107,964	103,146	105,893	107,063	103,167
Expenses from ordinary activities (excluding borrowing costs expense)							
Employees		65,238	62,859	62,859	65,182	67,502	66,426
Suppliers		38,570	32,773	33,284	34,363	36,258	31,764
Depreciation & amortisation		2,954	3,325	3,903	5,133	6,485	7,400
Write-down of assets		24	-	-	1,520	-	-
Other		33	6,450	6,450	7,305	5,190	1,891
Total expenses from ordinary activities (excluding borrowing costs expense)	2	106,819	105,407	106,496	113,503	115,435	107,481
Borrowing cost expense		106	92	92	47	25	100
Net surplus or deficit from ordinary activities	3	(2,292)	2,465	(3,442)	(7,657)	(8,397)	(4,414)
Capital Use Charge	4	2,060	2,811	2,213	1,591	646	-
Net surplus or deficit after Capital Use Charge		(4,352)	(346)	(5,655)	(9,248)	(9,043)	(4,414)

Table 3.2

BUDGETED DEPARTMENTAL STATEMENT OF FINANCIAL POSITION

	Notes	Actual 2001-02 \$'000	Budget 2002-03 \$'000	Revised Budget 2002-03 \$'000	Forward Estimate 2003-04 \$'000	Forward Estimate 2004-05 \$'000	Forward Estimate 2005-06 \$'000
ASSETS							
Financial assets							
Cash		25,859	29,520	18,825	7,398	(583)	265
Receivables		768	818	882	895	874	772
Accrued revenues		1,167	2,270	767	693	724	795
Other		731	-	-	-	-	-
Total financial Assets		28,525	32,608	20,474	8,986	1,015	1,832
Non-financial assets							
Land & buildings		2,179	2,097	2,101	2,023	1,945	1,867
Infrastructure, plant and equipment		10,028	5,684	8,293	6,570	4,848	3,125
Assets under finance lease		2,577	1,677	1,677	787	-	5,000
Intangibles		1,734	9,200	9,669	15,887	18,291	15,569
Other		535	543	535	535	535	535
Total non-financial assets		17,053	19,201	22,275	25,802	25,619	26,096
Total assets	6	45,578	51,809	42,749	34,788	26,634	27,928
LIABILITIES							
DEBT							
Leases		2,622	1,527	1,725	804	-	5,000
Other		-	198	-	-	-	-
Total debt		2,622	1,725	1,725	804	-	5,000
Provisions and payables							
Employees		17,101	20,227	20,557	21,983	23,446	24,779
Suppliers		5,655	4,097	5,927	6,051	6,281	5,656
Other		82	164	77	77	77	77
Total provisions and payables		22,838	24,488	26,561	28,111	29,804	30,512
Total liabilities	5	25,460	26,213	28,286	28,915	29,804	35,512
EQUITY							
Capital		2,030	2,030	2,030	2,030	2,030	2,030
Other reserves		1,138	1,138	1,138	1,796	1,796	1,796
Accumulated surpluses or deficits		16,950	22,428	11,295	2,047	(6,996)	(11,410)
Total equity		20,118	25,596	14,463	5,873	(3,170)	(7,584)
Current liabilities		17,091	17,596	18,988	19,410	20,007	19,839
Non-current liabilities		8,369	8,617	9,298	9,505	9,797	15,673
Current assets		29,059	33,032	27,255	22,180	16,981	17,806
Non-current assets		16,519	18,777	15,494	12,608	9,653	10,122

Table 3.3

BUDGETED DEPARTMENTAL CASH FLOW STATEMENT

	Actual 2001-02 \$'000	Budget 2002-03 \$'000	Revised Budget 2002-03 \$'000	Forward Estimate 2003-04 \$'000	Forward Estimate 2004-05 \$'000	Forward Estimate 2005-06 \$'000
OPERATING ACTIVITIES						
Cash received						
Appropriation for outputs	99,164	103,880	99,062	101,823	102,765	98,522
Sale of goods and services	4,634	3,040	3,040	3,055	3,057	3,057
Interest	943	982	1,406	513	143	109
Other	3,851	4,588	4,588	4,829	4,599	3,500
Total cash received	108,592	112,490	108,096	110,220	110,564	105,188
Cash used						
Employees	63,448	59,015	59,015	63,756	66,039	65,093
Suppliers	39,122	32,501	33,012	34,208	35,991	31,860
Other	4,046	4,835	4,835	4,975	4,713	3,467
Total cash	106,616	96,351	96,862	102,939	106,743	100,420
Net cash from operating activities	1,976	16,139	11,234	7,281	3,821	4,768
INVESTING ACTIVITIES						
Cash received						
Proceeds from sale of property, plant and equipment	183	-	-	-	-	-
Total cash received	183	-	-	-	-	-
Cash used						
Purchase of property, plant and equipment	3,536	16,786	16,786	17,117	11,156	3,920
Total cash Used	3,536	16,786	16,786	17,117	11,156	3,920
Net cash from investing activities	(3,353)	(16,786)	(16,786)	(17,117)	(11,156)	(3,920)
FINANCING ACTIVITIES						
Cash received						
Resource agreement - Dept of Finance & Administration	12,000	-	-	-	-	-
Capital use refunded	-	-	731	-	-	-
Total cash received	12,000	-	731	-	-	-
Cash used						
Capital use and dividends paid	2,950	2,811	2,213	1,591	646	-
Resource agreement - Dept of Finance & Administration	12,000	-	-	-	-	-
Total cash used	14,950	2,811	2,213	1,591	646	-
Net cash from financing activities	(2,950)	(2,811)	(1,482)	(1,591)	(646)	-
Net increase (decrease) in cash held	(4,327)	(3,458)	(7,034)	(11,427)	(7,981)	848
Cash at the beginning of the reporting period	30,186	32,978	25,859	18,825	7,398	(583)
Cash at the end of the reporting period	25,859	29,520	18,825	7,398	(583)	265

Table 3.4

BUDGETED DEPARTMENTAL CAPITAL BUDGET STATEMENT

	Actual 2001-02 \$'000	Budget 2002-03 \$'000	Revised Budget 2002-03 \$'000	Forward Estimate 2003-04 \$'000	Forward Estimate 2004-05 \$'000	Forward Estimate 2005-06 \$'000
CAPITAL APPROPRIATION						
Total equity injections	-	-	-	-	-	-
Total loans	-	-	-	-	-	-
Represented by						
Purchase of non-current assets	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total	-	-	-	-	-	-
PURCHASE OF NON CURRENT ASSETS						
Funded by capital appropriation	-	-	-	-	-	-
Funded internally by Departmental resources	3,536	16,786	16,786	17,117	11,156	3,920
Total amount funded	3,536	16,786	16,786	17,117	11,156	3,920

Table 3.5

Departmental Non-financial Assets - Summary of Movements 2002-03

Budget Year 2002-03	Land \$'000	Buildings \$'000	Total land and buildings \$'000	Infrastructure plant and equipment* \$'000	Intangibles \$'000	Total \$'000
Carrying amount at the start of year	-	2,179	2,179	12,605	1,734	16,518
Additions	-	-	-	-	15,882	15,882
Depreciation/amortisation expense	-	(78)	(78)	(2,635)	(1,190)	(3,903)
Other movements	-	-	-	-	(6,757)	-
Carrying amount at end of year	-	2,101	2,101	9,970	9,669	21,740
Total additions	-	-	-	-	15,882	15,882
Self funded	-	-	-	-	16,786	16,786
Appropriations	-	-	-	-	-	-
Total	-	-	-	-	16,786	16,786

* Infrastructure, plant and equipment includes assets under finance lease.

Notes to the Budgeted Financial Statements

1. Total revenues from ordinary activities

Appropriations of \$99.1m primarily relate to:

- Compliance and Regulatory Service resources; and
- Funds to assist CASA in the development and implementation of the CASA Improvement Programme.

2. Total expenses from ordinary activities

This category has remained constant from 2001-02 to 2002-03 and is attributable to:

- Employee expenses have increased due to building up CASA's staff to 680 in 2001-02 and maintaining those numbers through 2002-03; and
- Supplier expenses have increased in line with the approved new policy proposal of increasing compliance activities in Northern Australia, providing a single entry point to CASA for the Aviation Industry and re-engineering CASA's processes and procedures to undertake the Regulatory Reform Program.

3. Net deficit from ordinary activities

CASA has budgeted for a net deficit of \$3.4m, before the Capital Use Charge in 2002-03.

4. Capital Use Charge

This expense relates to the revised positive net asset position of CASA at 30 June 2003.

5. Total Liabilities

The increase in liabilities is related to the increase in accrued employee entitlements, as a result of increased staffing levels.

6. Total Assets

The increase in non-financial assets is largely related to purchases of intangibles and the establishment of the CASA Improvement Programme.

APPENDIX 1: ESTIMATES OF DEPARTMENTAL REVENUES FROM SPECIAL APPROPRIATIONS				
	2001-02	2002-03	2002-03	
	Actual	Budget	Revised	<i>Variance</i>
	\$'000	\$'000	Budget	<i>%</i>
			\$'000	
Special Appropriations				
<i>Aviation Fuel Revenues (Special Appropriation) Act 1988</i>	55 526	59 000	54 280	-8%
TOTAL	<u>55 526</u>	<u>59 000</u>	<u>54 280</u>	-8%

GLOSSARY

Accrual Accounting	System of accounting where items are brought to account and included in the financial statements as they are earned or incurred, rather than as they are received or paid.
Accumulated Depreciation	The aggregate depreciation recorded for a particular depreciating asset.
Administered Items	Expenses, revenues, assets or liabilities managed by agencies on behalf of the Commonwealth. Agencies do not control administered items, but administer them according to legislation or other directives of Government/Ministers. Administered expenses include grants, subsidies and benefits. Administered revenues include taxes and other levies collected by agencies on behalf of the Commonwealth but not available for use by those agencies.
Additional estimates	Where amounts appropriated at Budget time are insufficient, Parliament may appropriate more funds to portfolios through the Additional Estimates Acts. This is the Additional Estimates process.
Additional Estimates Bills or Acts	These are Appropriation Bills 3 and 4, and a separate Bill for the Parliamentary Departments (Appropriations (Parliamentary Departments) Bill (No 2). These Bills are introduced into Parliament after the Budget Bills. In 2001-2002, the Budget was introduced in May 2001, and the Additional Estimates Bills was introduced in February 2002.
Appropriation	An authorisation by Parliament to spend moneys from the Consolidated Revenue Fund.
Annual Appropriation	Two appropriation Bills are introduced into Parliament in May and comprise the Budget. Further Bills are introduced later in the financial year as part of the additional estimates. Parliamentary departments have their own appropriations.
Assets	Future economic benefits controlled by an entity as a result of past transactions or other past events.
Capital expenditure	Expenditure by an agency on capital projects, for example purchasing a building.
Capital Use Charge	The Capital Use Charge is a dividend requirement levied on Commonwealth General Government Sector agencies and authorities. The Capital Use Charge payment is based on those agencies and authorities Departmental net assets at financial year-end. Funding for the Capital-Use Charge is included in agencies and authorities Departmental price of outputs appropriation.
Departmental items	Assets, liabilities, revenues and expenses which are controlled by the agency in providing it's outputs. Departmental items would generally include computers, plant and equipment assets used by agencies in providing goods and services and most employee expenses, supplier costs and other administrative expenses incurred.
Depreciation	An expense recognised systematically for the purpose of allocating the depreciable amount of a depreciable asset over its useful life.
Deprival asset valuation	Values non-financial assets according to the current cost of their replacement. That is, non-financial assets are valued at the lowest cost of replacing the gross 'service potential' of those assets.
Equity or Net Assets	Residual interest in the assets of an entity after deduction of its liabilities.

GLOSSARY (continued)

Expense	Total value of all of the resources consumed in producing goods and services.
General Government Sector	In accordance with international Government Finance Statistics conventions, the Commonwealth general government sector includes all departments and other administrative units, statutory authorities and other entities that are predominantly funded, directly or indirectly, by the Commonwealth Government.
Historical cost	The original cost of acquisition of an asset, including any costs associated with acquisition. Under Australian Accounting Standard 10 'Acquisition of Non Current Assets' assets need to be reported initially at acquisition (historical cost). The Commonwealth's financial reporting requirements issued under the Finance Minister's Orders require the subsequent revaluation of non current assets to their deprival value within every three years.
Liabilities	Future sacrifices of economic benefits that an entity is presently obliged to make to other entities as a result of past transactions or other past events.
Location	An indicator of where the impact of a Government directed activity occurs is used where an output or administered item is provided to specific locations.
Measure	A decision by the Cabinet or Ministers that has been finalised since the 2001-02 Additional Estimates and has resulted in a change in expenditure in the years 2001-02 to 2005-06.
Net surplus or deficit	Equals revenue less expense.
New Works	The construction of new items (assets).
Outcomes	The results, impacts or consequences of actions by the Commonwealth on the Australian community.
Output Groups	The aggregation of outputs.
Outputs	The goods and services produced by agencies for the government, external organisations or individuals. Outputs include goods and services for other areas of government external to the agency.
Price	The amount the government or the community or other purchaser pays for the delivery of agreed outputs.
Quality	The characteristics by which customers or stakeholders judge the effectiveness of an output or administered programme.
Quantity	Provides an indication of the capacity of the agency to provide a given level of service. It measures the planned size, count or volume measures of an output or administered item – how many or how much.
Replacement	The construction or purchase of times in place of existing assets.
Restoration	The repair or maintenance of existing items (assets).
Revenue	Total value of resources earned or received to cover the production of goods and services.
Special Appropriations	Moneys appropriated by Parliament in an Act separate to an annual Appropriation Act, where the payment is for a specified amount. Special appropriations are not subject to Parliament's annual budget control, unlike the annual appropriations.

ABBREVIATIONS

AA	- Airservices Australia
ACT	- Australian Capital Territory
AMSA	- Australian Maritime Safety Authority
AN	- Australian National Railway Commission
ANAO	- Australian National Audit Office
ASL	- Average Staffing Level
ATSB	- Australian Transport Safety Bureau
CASA	- Civil Aviation Safety Authority
CUC	- Capital Use Charge
DOTARS	- Department of Transport and Regional Services
GST	- Goods and Services Tax
IOTs	- Indian Ocean Territories
MIFCo	- Maritime Industry Finance Company Limited
NCA	- National Capital Authority
NSW	- New South Wales
OECD	- Organisation for Economic Cooperation and Development
PAES	Portfolio Additional Estimates Statements
PBS	- Portfolio Budget Statements
QLD	- Queensland
SACL	Sydney Airport Corporation Limited
SDAs	- Service Delivery Agreements
SIFC	- Stevedoring Industry Finance Committee
TAS	- Tasmania
VIC	- Victoria

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