

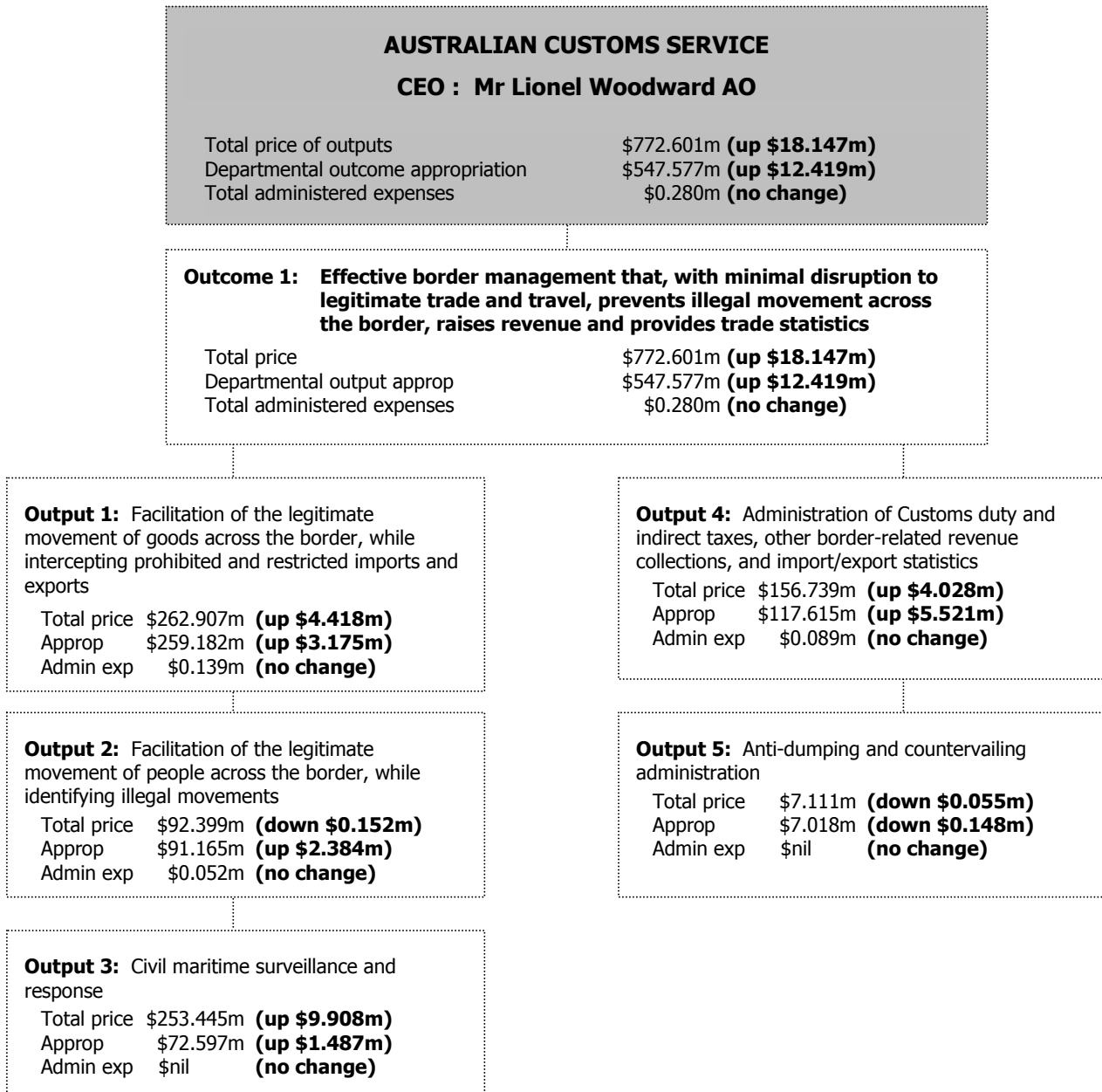
AUSTRALIAN
CUSTOMS SERVICE

Section 1: Overview, variations and measures

OVERVIEW

There are no changes to Australian Customs Service’s role/mission or its outcomes/outputs structures as a result of Additional Estimates.

Map 1: Outcome and output groups



ADDITIONAL ESTIMATES AND VARIATIONS TO OUTCOMES

Additional appropriations have been allocated for estimates variations through Additional Estimates. Details of these additional appropriations and their impact on the achievement of the agency's outcomes and outputs are explained below.

Additional Estimates and Variations to Outcomes – Departmental

	Budget Estimate 2002–03 (\$'000)	Budget Estimate 2003–04 (\$'000)	Budget Estimate 2004–05 (\$'000)	Budget Estimate 2005–06 (\$'000)
Outcome 1				
Increase in departmental appropriations				
Supplementation for an increase in cost recovery targets	10,599	10,599	10,599	10,599
Capital Use Charge adjustments	1,114	-	-	-
Parameter adjustments	706	2,150	2,971	4,580
Total	12,419	12,749	13,570	15,179

Additional Estimates and Variations to Outcomes – Administered

	Budget Estimate 2002–03 (\$'000)	Budget Estimate 2003–04 (\$'000)	Budget Estimate 2004–05 (\$'000)	Budget Estimate 2005–06 (\$'000)
Outcome 1				
Decrease to Customs Duty				
Tariff-free access for the world's poorest countries	-	(2,500)	(2,500)	(2,500)
Total	-	(2,500)	(2,500)	(2,500)

Explanation of measures

Fraudulent travel document detection systems

The Government will provide additional funding of \$15.0m over four years for the ongoing operational costs associated with the purchase and installation of travel document detection readers at entry and outward control points at all international airports in Australia. The additional funding comprises \$7.3m over three years from 2003–04 for expenses and \$7.0m in 2002–03 and \$0.7m in 2003–04 for capital.

The machines will assist in the detection of fraudulent documents and will be used to screen the passports of all international airplane passengers entering and leaving the country. This will increase the capacity to detect and intercept illegal activities. The measure is principally directed at terrorism, but is also helpful in the fight against other international criminal activities such as drug trafficking.

Funding for the measure affects the price of outputs 1 and 2.

Explanation of variations

Departmental

The total price of Customs' outputs increased by \$18.1m after the budget in 2002–03. This was made up of an increase in Revenue from Government of \$12.4m, an increase in Resources Received Free of Charge (RRFOC) of \$10.0m, a reduction in Sales of Goods and Services of \$2.3m and a reduction in interest revenue of \$2.0m.

The increase in Revenue from Government was made up of adjustments for supplementation for an increase in cost recovery target services (\$10.6m) affecting outputs 1, 2, 3 and 4; adjustment for Capital Use Charge funding from 2001–02 (\$1.1m) affecting outputs 1, 2, 3 and 4; and parameter adjustments (\$0.7m) affecting outputs 1, 2, 3 and 4.

Administered

From 1 July 2003, the Government will grant tariff and quota free access to goods originating in Least Developed Countries (LDCs), recognised as such by the United Nations Conference on Trade and Development, and in East Timor.

For over 25 years, Australia has provided preferential market access for the world's poorest countries. This initiative will remove the remaining tariffs and quotas on goods originating from these countries. East Timor, Bangladesh, Cambodia and many parts of Sub-Saharan Africa will benefit from this initiative.

MEASURES — AUSTRALIAN CUSTOMS SERVICE SUMMARY

Table 1.1: Summary of measures since the 2002–03 Budget

Measure	Outcome	Outputs affected	Appropriations 2002–03 (\$'000)			Appropriations 2003–04 (\$'000)			Appropriations 2004–05 (\$'000)			Appropriations 2005–06 (\$'000)		
			Admin expenses	Dept outputs	Total	Admin expenses	Dept outputs	Total	Admin expenses	Dept outputs	Total	Admin expenses	Dept outputs	Total
Fraudulent travel document detection systems	1	1 & 2	-	-	-	-	2,250	2,250	-	2,500	2,500	-	2,500	2,500
Total			-	-	-	-	2,250	2,250	-	2,500	2,500	-	2,500	2,500

* Capital funding of \$7.0m in 2002–03 and \$0.7m in 2003–04 will also be provided for this measure.

BREAKDOWN OF ADDITIONAL ESTIMATES BY APPROPRIATION BILL**Table 1.2: Appropriation Bill (No. 3) 2002–03**

	Actual 2001–02 \$'000	Budget 2002–03 \$'000	Revised 2002–03 \$'000	Additional Estimates \$'000	Reduced Estimates \$'000
ADMINISTERED ITEMS					
Outcome 1					
Effective border management that, with minimal disruption to legitimate trade and travel, prevents illegal movement across the border, raises revenue and provides trade statistics	273	280	280	-	-
DEPARTMENTAL OUTPUTS					
Outcome 1					
Effective border management that, with minimal disruption to legitimate trade and travel, prevents illegal movement across the border, raises revenue and provides trade statistics	510,155	535,158	547,577	12,419	-
Total Administered and Departmental	510,428	535,438	547,857	12,419	-

Table 1.3: Appropriation Bill (No. 4) 2002–03

	Actual 2001–02 \$'000	Budget 2002–03 \$'000	Revised 2002–03 \$'000	Additional Estimates \$'000	Reduced Estimates \$'000
SPECIFIC PAYMENTS TO THE STATES AND TERRITORIES					
Outcome 1					
Effective border management that, with minimal disruption to legitimate trade and travel, prevents illegal movement across the border, raises revenue and provides trade statistics	-	-	-	-	-
Total	-	-	-	-	-
OTHER ADMINISTERED EXPENSES					
Outcome 1					
Effective border management that, with minimal disruption to legitimate trade and travel, prevents illegal movement across the border, raises revenue and provides trade statistics	-	-	-	-	-
Total	-	-	-	-	-
EQUITY INJECTIONS AND LOANS					
Equity injections	-	12,121	19,071	6,950	-
Loans	-	-	-	-	-
Carryover from previous year	-	-	-	-	-
Administered capital	-	-	-	-	-
Total capital	-	12,121	19,071	6,950	-
Total	-	12,121	19,071	6,950	-

SUMMARY OF STAFFING CHANGES

Table 1.4: Average staffing level (ASL)

	Budget 2002–03	Revised 2002–03	Variation
Outcome 1			
Effective border management that, with minimal disruption to legitimate trade and travel, prevents illegal movement across the border, raises revenue and provides trade statistics	4,707	4,772	65
Total	4,707	4,772	65

Section 2: Revisions to outcomes and outputs

There are no changes to the outcome and output structure as a direct result of Additional Estimates.

Revised performance information and level of achievement — 2002–03

The performance information that the Australian Customs Service will use to assess the level of its achievement against Outcome 1: Effective border management during 2002–03 has been revised from that reported in the 2002–03 Portfolio Budget Statement as follows:

Table 2.1 Performance information for outcome 1

Effectiveness - Overall achievement of the outcome	
Minimum disruption to legitimate trade and travel	
Cargo Facilitation	Proportion of electronically lodged entries where an authority to deal is transmitted within 15 minutes of receipt of entry payment and finalisation of entry details Target: 97%
Passenger Facilitation	National proportion of arriving international passengers processed through the entry control point within 30 minutes of joining the queue Target: 95%
Prevent illegal movement across the border	
Trends in the number and weight of drug seizures	The number and weight of drug seizures, other detections of prohibited imports and exports and vessels cannot be estimated through any reliable statistical or other method but actual levels achieved will be reported in the Annual Report
Trends in number of detection's and/or seizures of other prohibited imports and exports	
Undetected vessels subsequently found to have breached the Australian border	No target is set but actual levels will be reported in the Annual Report
Raise revenue	
Significant revenues collected (Including Customs Duty, GST collected and Passenger Movement Charge)	Forecast: \$7.300m (net of GST deferred)

Performance Information for Agency Outputs

Output Group	Quality/Quantity	Original Target/Forecast	Revised Target/Forecast
<p>Output 1</p> <p>Facilitation of the legitimate movement of goods across the border, while intercepting prohibited and restricted imports and exports.</p>	<p>Facilitate movement of goods</p> <p><i>Quality</i></p> <p>Proportion of electronically lodged entries where an authority to deal is transmitted within 15 minutes of receipt of entry payment and finalisation of entry details</p> <p>Electronic cargo systems – availability to Customs clients (availability against typical work day)</p> <p>Rates of appeal against decisions where the original decision by Customs is over-turned</p> <p><i>Quantity</i></p> <p>Number of imported air waybills reported</p> <p>Number of imported sea cargo manifest lines reported</p> <p>Number of export entries lodged</p> <p>Interception of prohibited/restricted goods</p> <p><i>Quality</i></p> <p>Weight and number of drug seizures by significance of offence</p> <p>Weight of drug seizures by mode of importation</p> <p>Number of detections and/or seizures of other prohibited imports</p> <p>Price \$262.907m</p>	<p>97%</p> <p>Air cargo automation 99.7% Sea cargo automation 99.7%</p> <p>*</p> <p>Forecast 4,180,000</p> <p>Forecast 1,465,000</p> <p>Forecast 1,500,000</p> <p>*</p> <p>*</p> <p>*</p>	<p>No change</p> <p>No change No change</p> <p>No change</p> <p>Forecast1,250,000</p> <p>No change</p> <p>No change</p> <p>No change</p>
<p>Output 2</p> <p>Facilitation of the legitimate movement of people across the border, while identifying illegal movements.</p>	<p>Facilitate legitimate movement of people</p> <p><i>Quality</i></p> <p>Proportion of arriving international air passengers processed through the Entry Control Point within 30 minutes</p> <p>Percentage of arriving passengers processed via advance passenger clearance processes</p> <p><i>Quantity</i></p> <p>Number of international passengers</p> <p>Number of international crew</p> <p>Prevent illegal movements across the border</p> <p><i>Quality</i></p> <p>Number of air passenger referrals to Immigration and Health</p> <p>Number of suspected unlawful non-citizens (SUNCs) intercepted by sea (including ships’ crew)</p> <p>Price \$92.399m</p>	<p>95%</p> <p>70%</p> <p>Arrivals 9,265,000 Departures 9,159,000</p> <p>Arrivals 834,200 Departures 850,300</p> <p>*</p> <p>*</p>	<p>No change</p> <p>No change</p> <p>No change No change</p> <p>No change No change</p> <p>No change</p> <p>No change</p>

Output Group	Quality/Quantity	Original Target/Forecast	Revised Target/Forecast
Output 3	<i>Quality</i>		
Civil maritime surveillance and response	Number of apprehensions of Suspect Illegal Entry Vessels (SIEVs)	*	No change
	Number of apprehensions of Foreign Fishing Vessels (FFVs)	*	No change
	<i>Quantity</i>		
	Aerial surveillance coverage Square nautical miles patrolled Coastwatch sorties flown	155,000,000 *	No change No change
	Aerial Surveillance Flying Hours RAAF P3 Orion hours	21,850 hours 250 hours	No change No change
	Marine surveillance coverage Number of Fremantle Class Patrol Boat days	1,800/annum	No change
	Number of vessel sea days for Customs ocean going vessels greater than 12 metres	2,400	No change
	Price \$253.445m		
Output 4	Collection of revenue		
Administration of Customs duty and indirect taxes, other border-related revenue collections, and import/export statistics	<i>Quality</i>		
	Electronic systems availability to Customs clients (availability as a proportion of prime time)	COMPILE, EDIFICE, EXIT and Tapin 99%	No change
	Number of external appeals against decisions; Granting of TCO	5-10	No change
	Eligibility for 4th Schedule By-Law	1-6	No change
	Average number of unacquitted export clearance numbers at the end of the month	3,000	No change
	<i>Quality</i>		
	Significant revenues collected (including Customs Duty, GST collected and Passenger Movement Charge)	Forecast \$7,160 million (net of GST deferred)	Forecast \$7,300 million (net of GST deferred)
	Number of customs import entries lodged	Forecast Electronic 2,900,000 Forecast Manual 17,000	No change No change
	Number of drawback applications	Forecast 10,000-12,000	No change
	Number of refund applications	Forecast 27,000	No change
	Number of export entries lodged	Forecast 1,500,000	Forecast 1,250,000
	Number of air cargo screened free consignments	Forecast 1,700,000	No change
	Major duty concessions:		
Tariff Concession Scheme	Forecast \$390-\$440m	Forecast \$420-\$470m	
Cheese and Curd	Forecast \$9.0m	Forecast \$9-\$11m	

Output Group	Quality/Quantity	Original Target/ Forecast	Revised Target/ Forecast
	<p>Revenue compliance verification</p> <p><i>Quality</i></p> <p>Revenue and compliance assurance activity:</p> <p>Imports – Total Customs value subject to compliance activity as a proportion of total Customs value reported.</p> <p>Exports – Total FOB subject to compliance activity as a proportion of total FOB reported</p> <p>Proportion of drawback and refunds delivered in accordance with standards</p> <p>Proportion of concessional arrangements for importers and exporters delivered in accordance with standards</p> <p>Average number of unacquitted export clearance numbers at the end of each month</p> <p>Number of fraud/evasion cases adopted for prosecution</p> <p><i>Quantity</i></p> <p>Revenue adjustments</p> <p>Recoveries</p> <p>Refunds</p> <p>Number of fraud/evasion cases adopted for investigation</p> <p>Price \$156.739m</p>	<p>10%</p> <p>10%</p> <p>Drawbacks 90% Refunds 100%</p> <p>100%</p> <p>3,000</p> <p>18-25</p> <p>*</p> <p>*</p> <p>85-110</p>	<p>No change</p> <p>No change</p> <p>No change No change</p> <p>No change</p> <p>No change</p> <p>15-20</p> <p>No change</p> <p>No change</p> <p>No change</p> <p>75-100</p>

Section 3: Budgeted Financial Statements

Table 3.1: Budgeted Departmental Statement of Financial Performance for the period ended 30 June

	Note	Actual 2001–02 \$'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						
Revenue from government	1	507,849	547,577	575,028	602,156	620,072
Sales of goods and services	2	70,523	70,523	71,035	72,426	73,843
Resources received free of charge		143,908	154,001	156,593	159,232	161,920
Other		5,356	-	-	-	-
Interest and dividends		3,785	500	-	-	-
Total revenues from ordinary activities		731,421	772,601	802,656	833,814	855,835
Expenses from ordinary activities (excluding borrowing costs expense)						
Employees	3	278,825	324,624	331,332	339,476	355,113
Suppliers	4	401,413	402,933	418,662	438,732	444,571
Depreciation and amortisation	5	22,572	31,172	34,452	36,041	36,437
Other		95	-	-	-	-
Write down of assets		3,755	-	-	-	-
Net losses from sales of assets		182	87	-	-	-
Total expenses from ordinary activities (excluding borrowing costs expense)		706,842	758,816	784,447	814,250	836,121
Borrowing cost expense		1,135	885	595	284	38
Net surplus or (deficit) from ordinary activities		23,444	12,900	17,614	19,280	19,676
Gain or loss on extraordinary items		-	-	-	-	-
Net surplus or (deficit)		23,444	12,900	17,614	19,280	19,676
Capital use charge and dividends		(15,087)	(16,800)	(17,614)	(19,280)	(19,676)
Net surplus or (deficit) after capital use charge		8,357	(3,900)	-	-	-

Table 3.2: Budgeted Departmental Statement of Financial Position as at 30 June

	Note	Actual 2001–02 \$'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		18,718	30,890	37,134	48,179	58,683
Receivables		41,591	12,976	12,970	12,970	12,970
Investments		-	-	-	-	-
Other		-	-	-	-	-
Total financial assets		60,309	43,866	50,104	61,149	71,653
Non-financial assets						
Land and buildings	6	32,825	42,173	42,800	42,750	42,489
Infrastructure, plant and equipment	7	68,463	98,781	92,724	86,209	76,009
Inventories		1,194	1,194	1,194	1,194	1,194
Intangibles	8	9,028	33,553	33,819	33,819	33,819
Other	9	73,411	57,875	79,253	79,253	79,253
Total non-financial assets		184,921	233,576	249,790	243,225	232,764
Total assets		245,230	277,442	299,894	304,374	304,417
LIABILITIES						
Debt						
Leases		17,323	12,770	7,928	2,775	-
Other		-	-	-	-	-
Total debt		17,323	12,770	7,928	2,775	-
Provisions and payables						
Employees		89,976	97,224	104,603	106,398	106,398
Suppliers		14,897	14,924	14,917	14,917	14,917
Other		4,588	529	529	529	529
Total provisions and payables		109,461	112,677	120,049	121,844	121,844
Total liabilities		126,784	125,447	127,977	124,619	121,844
EQUITY						
Capital	10	66,210	103,659	123,581	131,419	134,236
Reserves		19,702	19,193	18,850	18,850	18,850
Accumulated surpluses or (deficits)		32,534	29,143	29,486	29,486	29,486
Total equity		118,446	151,995	171,917	179,755	182,573
Liabilities and equity		245,230	277,442	299,894	304,374	304,417
Current liability		52,105	51,433	52,471	51,094	49,956
Non-current liability		74,679	74,014	75,506	73,525	71,888
Current assets		134,915	152,593	164,942	167,406	167,429
Non-current assets		110,315	124,849	134,952	136,968	136,988

Table 3.3: Budgeted Departmental Statement of Cash Flows for the period ended 30 June

	Actual 2001–02 \$'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					
Appropriations for outputs	485,454	547,577	575,028	602,156	620,072
Sales of goods and services	67,602	63,471	63,932	65,183	66,459
Interest	3,785	500	-	-	-
Other	1,134	-	-	-	-
GST receipts	16,070	7,052	7,104	7,243	7,384
Total cash received	574,045	618,600	646,063	674,582	693,915
Cash used					
Employees	271,354	317,376	323,953	337,681	355,113
Suppliers	295,970	200,834	238,558	253,807	256,917
GST Payments	-	22,630	23,824	25,409	25,696
Interest	1,135	885	595	284	38
Total cash used	568,459	541,725	586,931	617,182	637,764
Net cash from operating activities	5,586	76,875	59,132	57,400	56,151
INVESTING ACTIVITIES					
Cash received					
Proceeds from sale of property, plant and equipment	1,593	-	-	-	-
Total cash received	1,593	-	-	-	-
Cash used					
Purchase of property, plant and equipment	34,434	80,799	49,759	29,476	25,976
Purchase of intangibles	-	-	-	-	-
Total cash used	34,434	80,799	49,759	29,476	25,976
Net cash from investing activities	(32,841)	(80,799)	(49,759)	(29,476)	(25,976)
FINANCING ACTIVITIES					
Cash received					
Cash from capital injections	-	37,449	19,992	7,838	2,817
Total cash received	-	37,449	19,992	7,838	2,817
Cash used					
Finance lease payments	4,267	4,553	5,437	5,437	2,813
Capital use charge paid	15,973	16,800	17,614	19,280	19,675
Total cash used	20,240	21,353	23,051	24,717	22,488
Net cash from financing activities	(20,240)	16,096	(3,129)	(16,879)	(19,671)
Net increase in cash held	(47,495)	12,172	6,244	11,045	10,504
Cash at the beginning of the reporting period	66,213	18,718	30,890	37,134	48,179
Cash at the end of the reporting period	18,718	30,890	37,134	48,179	58,683

Table 3.4: Departmental Capital Budget Statement

	Actual 2001–02 \$'000	Revised Budget 2002–03 \$'000	Forward Estimate 2003–04 \$'000	Forward Estimate 2004–05 \$'000	Forward Estimate 2005–06 \$'000
CAPITAL APPROPRIATIONS					
Total equity injections	11,778	19,071	19,922	7,838	2,817
Total loans	-	-	-	-	-
Appropriation of previous year's carryover	-	-	-	-	-
Represented by:					
Purchase of non-financial assets	7,392	14,950	16,050	4,200	-
Other	4,386	4,121	3,872	3,638	2,817
Total	11,778	19,071	19,922	7,838	2,817
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations	7,392	14,950	16,050	4,200	-
Funded internally by departmental resources	27,042	65,849	33,709	25,276	25,976
Total	34,434	80,799	49,759	29,476	25,976

Table 3.5: Departmental Non-financial Assets — Summary of Movement (Budget Year 2002–03)

	Land	Buildings	Total land and buildings	Other infrastructure plant and equipment	Total infrastructure plant and equipment	Intangibles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at the start of year	3,787	29,488	33,275	95,636	95,636	19,115	148,026
Additions	-	11,947	11,947	54,385	54,385	31,066	97,398
Disposals	-	-	-	7,359	7,359	-	7,359
Revaluation increments	-	-	-	-	-	-	-
Recoverable amount write-downs	-	-	-	-	-	-	-
Net transfers free of charge	-	-	-	-	-	-	-
Accumulated depreciation	-	450	450	27,173	27,173	10,087	37,710
Depreciation/amortisation expenses	-	2,599	2,599	22,032	22,032	6,541	31,172
Disposals for cash consideration	-	-	-	5,324	5,324	-	5,324
Write-off of assets	-	-	-	-	-	-	-
Carrying amount at the end of year	3,787	38,386	42,173	98,781	98,781	33,553	174,507
Total Additions							
Self funded	-	11,947	11,947	39,435	39,435	31,066	82,448
Appropriations	-	-	-	14,950	14,950	-	14,950
Total	-	11,947	11,947	54,385	54,385	31,066	97,398

Table 3.6: Note of Budgeted Administered Financial Performance for the period ended 30 June

	Actual 2001–02 \$'000	Revised Budget 2002–03 \$'000	Forward Estimate 2003–04 \$'000	Forward Estimate 2004–05 \$'000	Forward Estimate 2005–06 \$'000
REVENUES					
Customs Duty	4,579,217	4,760,000	5,110,000	5,090,000	5,240,000
Taxes, fees and fines	283,966	285,318	300,884	322,505	343,522
Sales of goods and services	97,538	96,571	98,696	100,768	102,885
Other	129	-	-	-	-
Total revenues administered on behalf of the Government	4,960,850	5,141,889	5,509,580	5,513,273	5,686,407
EXPENSES					
Suppliers	-	-	-	-	-
Subsidies	-	-	-	-	-
Goods and services expenses	273	280	280	280	280
Other	1,506	-	-	-	-
Total expenses administered on behalf of the Government	1,779	280	280	280	280

Table 3.7: Note of Budgeted Administered Financial Position for the period ended 30 June

	Actual 2001–02 \$'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	(528)	-	-	-	-
Receivables	91,013	90,485	90,485	90,485	90,485
Total financial assets	90,485	90,485	90,485	90,485	90,485
Non-financial assets					
Infrastructure, plant and equipment	-	-	-	-	-
Inventories	450	450	450	450	450
Total non-financial assets	450	450	450	450	450
Total assets administered on behalf of the Government	90,935	90,935	90,935	90,935	90,935
LIABILITIES					
Provisions and payables					
Other	26,078	26,078	26,078	26,078	26,078
Total provisions and payables	26,078	26,078	26,078	26,078	26,078
Total liabilities administered on behalf of the Government	26,078	26,078	26,078	26,078	26,078

Table 3.8: Note of Budgeted Administered Cash Flows as at 30 June

	Actual 2001–02 \$'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					
Customs Duty	4,595,913	4,760,528	5,107,500	5,087,500	5,237,500
Fees and fines	279,959	285,318	300,884	322,505	343,522
Sales of goods and services	92,008	96,571	98,696	100,768	102,885
Cash from Official Public Account	392,614	296,419	301,245	306,172	311,202
Other	5,826	-	-	-	-
Total cash received	5,366,320	5,438,836	5,808,325	5,816,945	5,995,109
Cash used					
Cash to Official Public Account	5,365,662	5,438,028	5,808,045	5,816,665	5,994,829
Other	274	280	280	280	280
Total cash used	5,365,936	5,438,308	5,808,325	5,816,945	5,995,109
Net cash from operating activities	384	528	-	-	-
Net increase/(decrease) in cash held	384	528	-	-	-
Cash at the beginning of the reporting period	(912)	(528)	-	-	-
Cash at the end of the reporting period	(528)	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

Basis of Accounting

The budgeted financial statements have been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Accounting Standards Board (Accounting Guidance Releases), and having regard to Statements of Accounting Concepts.

Departmental

1. The net increase to appropriations in 2002–03 is due to parameter adjustments (\$0.7m), adjustment to Capital Use Charge (\$1.1m) and additional operating revenue for an increase in cost recovery targets for trade related services (\$10.6m).
2. The decrease to Sales of Goods and Services is based on actual figures from 2001–02 Annual Report and the service level agreement with ATO and DIMIA.
3. Employee expenses increased in 2002–03 and increased across the forward year estimates due to parameter adjustments, and increased resourcing for Unauthorised Arrivals measures as part of 'Protecting our Borders' election commitment.
4. Supplier expenses increased in 2002–03 due to parameter adjustments, cost recovery and Defence resource functions.
5. Depreciation expenses increased as a result of a review of Customs non-financial asset holdings. Previous estimated depreciation was found to be low for the level of assets held. Refer to Table 3.2, Non-Financial Assets.
6. A review of the Asset Movement Schedule was conducted after the end of the 2001–02 financial year. Acquisitions and disposals of NFAs were revised which impacted the budget and forward year estimated balances.
7. Refer to note 6.
8. Refer to note 6.
9. The balance of 'Other' is mainly comprised of Work in Progress (WIP) accounts. Following a review of the Asset Movement Schedule, WIP was increased in the 2003–04 forward year.
10. Capital includes \$18.4m carryover from previous years and an increase of \$7.0m in 2002–03 and \$0.7 in 2003–04 due to the funding provided for Fraudulent Travel Document Detection Systems.

APPENDIX 1

Revenue From Independent Sources

	Budget Estimate 2002-03 \$'000	Revised Estimate 2002-03 \$'000
DEPARTMENTAL REVENUE		
Sales of goods and services	72,795	70,523
Interest	2,500	500
Resources received free of charge	144,001	154,001
Total Non-Appropriation Departmental Revenue	219,296	225,024
ADMINISTERED REVENUE		
Customs Duty	4,690,000	4,760,000
Taxes, fees and fines	285,318	285,318
Sales of goods and services	94,555	96,571
Total Non-Appropriation Administered Revenue	5,069,873	5,141,889