

## **AUSTRALIAN TRANSACTION REPORTS AND ANALYSIS CENTRE**

### **Section 1: Overview, appropriations and budget measures summary**

#### **OVERVIEW**

The mission of the Australian Transaction Reports and Analysis Centre (AUSTRAC) is to make a valued contribution towards a financial environment hostile to money laundering, major crime and tax evasion.

AUSTRAC administers the *Financial Transaction Reports Act 1988* (FTR Act) which authorises the collection, analysis and dissemination of certain financial information as a deterrence to money laundering, major crime and tax evasion.

AUSTRAC works with its law enforcement, revenue and national security agency partners to provide useful financial intelligence in relation to matters involving money laundering, major crime and tax evasion.

#### **APPROPRIATIONS AND RESOURCING**

The total appropriations for AUSTRAC in the 2003–04 Budget is \$19.943m. Table 1.1 shows appropriations (2003–04) and other revenue by outcome.

#### **ADMINISTERED CAPITAL AND DEPARTMENTAL EQUITY INJECTIONS AND LOANS**

AUSTRAC does not have an appropriation for an equity injection or loan or an appropriation for administered capital.

## Australian Transaction Reports and Analysis Centre — Appropriations 2003–04

**Table 1.1: Appropriations and other revenue ('000)**

Outcome	Departmental (price of outputs)					Administered				Total Appropriations
	Revenue from Government (Appropriations)			Revenue from other sources	Price of outputs	Annual Appropriations		Special Appropriations	Total Administered Appropriations	
	Bill No. 1 (A)	Special approps (B)	Total (C = A+B)	(D)	(E = C+D)	Bill No. 1 (F)	Bill No. 2 (SPPs & NAOs) (G)	(H)	(I = F+G+H)	
A financial environment hostile to money laundering, major crime and tax evasion	17,357	-	17,357 99.8%	30	17,387	-	-	-	-	17,357
<b>Total</b>	<b>17,357</b>	<b>-</b>	<b>17,357</b>	<b>30</b>	<b>17,387</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>17,357</b>
Departmental capital (equity injections and loans) and previous year's outputs									<b>2,586</b>	
Administered capital									-	
<b>Total Appropriations</b>									<b>19,943</b>	

- Columns C, D, E and I refer to information provided in Table 2.1.
- Under the Appropriation structure, Bill 2 includes Specific Purpose Payments (SPPs), New Agency Outcomes (NAOs), administered capital and departmental capital via departmental injections and loans.
- Refer to Budgeted Departmental Statement of Financial Performance for application of agency revenue.
- Revenue from other sources includes other revenue from government (eg resources free of charge) and revenue from other sources (eg sales of goods and services). Non-appropriated departmental and administered revenues are detailed in Table 1.3. Resources received free of charge are \$0.015m.
- 99.8% in column C indicates the percentage contribution of revenue from government (Departmental Appropriations) to the total price of outputs, by outcome.
- Summary of measures disclosed in the 2003–04 Budget are detailed in Table 1.2.

## MEASURES — DEPARTMENT SUMMARY

**Table 1.2: Summary of measures disclosed in the 2003–04 Budget**

Measure	Outcome	Outputs affected	Appropriations Budget 2003–04 (\$'000)			Appropriations Forward Estimate 2004–05 (\$'000)			Appropriations Forward Estimate 2005–06 (\$'000)			Appropriations Forward Estimate 2006–07 (\$'000)		
			Admin expenses	Dept outputs	Total	Admin expenses	Dept outputs	Total	Admin expenses	Dept outputs	Total	Admin expenses	Dept outputs	Total
A Safer Australia – additional funding for financial monitoring by AUSTRAC *	1	1, 2 & 4	-	3,393	3,393	-	-	-	-	-	-	-	-	-
National Illicit Drug Strategy – enhanced financial intelligence to target illicit drug trafficking and related activities	1	1 & 2	-	2,325	2,325	-	-	-	-	-	-	-	-	-
National Illicit Drug Strategy – funding to AUSTRAC for the high cash dealer strategy	1	1 & 2	-	-	-	-	-	-	-	-	-	-	-	-
National Illicit Drug Strategy - financial intelligence intensive training and support for AUSTRAC	1	2	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>			-	<b>5,718</b>	<b>5,718</b>	-	-	-	-	-	-	-	-	-

\* The figures in the table for this measure include funding for depreciation.

### Capital Measures

- \$1.382m in 2003–04 associated with additional funding for financial monitoring.
- \$1.116m in 2003–04 associated with financial intelligence capability to target illicit drug trafficking and related activities

## RECEIPTS FROM INDEPENDENT SOURCES

**Table 1.3: Receipts from independent sources**

	<b>Estimated Revenue 2002–03 \$'000</b>	<b>Estimated revenue 2003–04 \$'000</b>
Resources received free of charge	15	15
Section 31 (FMA Act) receipts	5	15
Interest	30	-
Other	236	-
<b>Total estimated revenue</b>	<b>286</b>	<b>30</b>

## Section 2: Outcomes and outputs information

### OUTCOMES AND OUTPUT GROUPS

The Australian Transaction Reports and Analysis Centre works to achieve the outcome specified by Government. The following section provides a departmental overview, and then the outcome is discussed. Map 2 shows the relationship between the outcome and outputs.

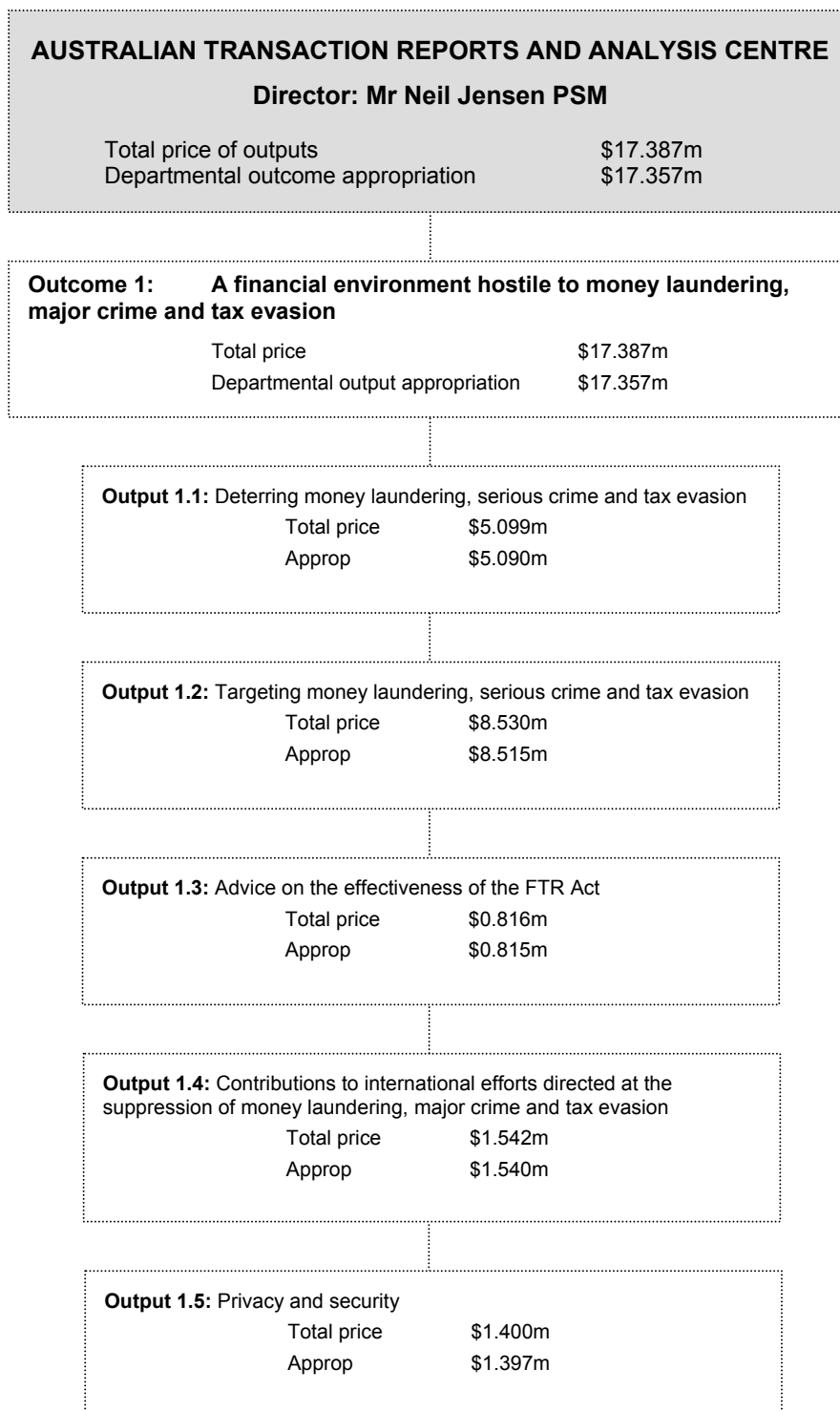
### CHANGES TO OUTCOMES AND OUTPUTS

There have been no changes to the outcome and outputs structure for AUSTRAC.

### Output cost attribution

AUSTRAC allocates all expenditure across its five output groups. Direct costs including salary and operational specific expenditure such as travel are attributed to the relevant output group in the first instance. Overheads which cannot be allocated directly to an output group, including corporate and IT efforts to support the five output groups, other IT expenditure and property operating expenses, are allocated to the five outputs using standard cost accounting methods.

**Map 2: Outcomes and output groups**



## **OUTCOME 1 — A FINANCIAL ENVIRONMENT HOSTILE TO MONEY LAUNDERING, MAJOR CRIME AND TAX EVASION**

AUSTRAC administers the FTR Act which authorises the collection, analysis and dissemination of certain financial information as a deterrence to money laundering, major crime and tax evasion. AUSTRAC works with its law enforcement, revenue and national security agency partners to provide useful financial intelligence in relation to matters involving money laundering, major crime and tax evasion.

### **Measures affecting Outcome 1**

The measures in the 2003–04 Budget for Outcome 1 are:

#### **A Safer Australia - additional funding for financial monitoring by the Australian Transaction Reports and Analysis Centre**

The Government will provide \$4.8m in 2003–04 to AUSTRAC (\$3.1m for expenses excluding depreciation, \$1.4m for capital and \$0.3m for depreciation) to fund additional staff to be employed across AUSTRAC's core business areas, including international work focusing on financing of terrorism, money laundering, and transnational organised crime.

AUSTRAC's workload has increased over the past three years due to increases in the number of government agencies requiring data and support, the number of reporting cash dealers and the volume of transaction reports.

AUSTRAC is implementing a cost recovery model to take effect before the 2004–05 Budget, enabling the continuation of increased levels of service.

#### **National Illicit Drug Strategy - enhanced financial intelligence to target illicit drug trafficking and related activities**

The Government will provide additional funding of \$3.4m in 2003–04 (\$2.3m for expenses and \$1.1m for capital) to enhance AUSTRAC's financial intelligence capability to identify illicit drug trafficking and related activities. This funding will assist AUSTRAC to further coordinate activities with the Australian Federal Police, the Australian Customs Service and the Australian Crime Commission in relation to drug-related money laundering as well as providing training and support for national law enforcement agencies in the analysis of financial transactions data.

AUSTRAC is implementing a cost recovery model to take effect before the 2004–05 Budget, enabling the continuation of increased levels of service.

#### **National Illicit Drug Strategy - funding to the Australian Transaction Reports and Analysis Centre for the High-Risk Cash Dealer Strategy**

The Government will continue to provide funding to AUSTRAC for the High-Risk Cash Dealer Strategy to ensure the ongoing provision of high quality financial

intelligence, targeting organised criminal networks involved in drug trafficking and other forms of major crime.

The High-Risk Cash Dealer Strategy consists of an audit and monitoring programme for the reporting of cash transactions over \$10,000 under the *Financial Transactions Reporting Act 1988*.

This measure will involve funding of \$1.8m in 2003-04, \$1.8m in 2004-05, \$1.8m in 2005-06 and \$1.9m in 2006-07. Provision for this funding has already been included in the forward estimates.

**National Illicit Drug Strategy - financial intelligence intensive training and support for the Australian Transaction Reports and Analysis Centre**

The Government will continue to provide funding to AUSTRAC to provide law enforcement agencies with intensive training and support to better integrate financial intelligence into major drug and money laundering investigations.

This measure will involve funding of \$0.5m per year. Provision for this funding has already been included in the forward estimates.

## OUTCOME 1 — RESOURCING

Table 2.1.1 shows how the 2003–04 appropriations translate to total resourcing for AUSTRAC for outcome 1: revenue from government (appropriations), revenue from other sources and the total price of the output.

**Table 2.1.1: Total resources for Outcome 1 (\$'000)**

	<b>Estimated Actual 2002–03 \$'000</b>	<b>Budget Estimate 2003–04 \$'000</b>
<b>Departmental appropriations</b>		
Output 1.1: Detering money laundering	3,486	5,090
Output 1.2: Targeting money laundering	4,723	8,515
Output 1.3: Advice on effectiveness of FTR Act	787	815
Output 1.4: Contributions to international efforts	900	1,540
Output 1.5: Privacy and security	1,350	1,397
<b>Total revenue from government (appropriations) contributing to price of departmental outputs</b>	<b>11,246 97.5%</b>	<b>17,357 99.8%</b>
<b>Revenue from other sources</b>		
Output 1.1: Detering money laundering	16	9
Output 1.2: Targeting money laundering	257	15
Output 1.3: Advice on effectiveness of FTR Act	3	1
Output 1.4: Contributions to international efforts	4	2
Output 1.5: Privacy and security	6	3
<b>Total revenue from other sources</b>	<b>286</b>	<b>30</b>
<b>Total price from departmental outputs</b> (Total revenue from government and from other sources)	<b>11,532</b>	<b>17,387</b>
<b>Total estimated resourcing for Outcome 1</b> (Total price of outputs and administered appropriations)	<b>11,532</b>	<b>17,387</b>
<b>Average Staffing Level</b>	<b>59</b>	<b>89</b>

Note: AUSTRAC has a special account titled *Law Enforcement Projects*. This account has a zero balance and has been inactive for several years

In addition to outcome resourcing a Capital injection of \$2.498m has been provided in 2003–04 to fund the acquisition of plant and equipment to undertake measures as outlined in Table 1.2 – Summary of measures, at Section 1.

## **OUTCOME 1 — CONTRIBUTION OF OUTPUTS**

AUSTRAC has one outcome:

- A financial environment hostile to money laundering, major crime and tax evasion

There are five outputs for AUSTRAC's outcome:

*Output 1.1: Deterring money laundering, serious crime and tax evasion*

*Output 1.2: Targeting money laundering, serious crime and tax evasion*

*Output 1.3: Advice on the effectiveness of the FTR Act*

*Output 1.4: Contributions to international efforts directed at the suppression of money laundering, major crime and tax evasion*

*Output 1.5: Privacy and security*

## PERFORMANCE INFORMATION FOR OUTCOME 1

Table 2.2.1 provides information on the strategies chosen to deliver outcome 1, and shows the links between the outputs and the outcome.

**Table 2.2.1: Performance information for Outcome 1**

<b>Effectiveness — overall achievement of the outcome</b>	
<i>Effectiveness indicators</i>	<i>Measures</i>
Deterrence program including collection of FTR information and promotion and enforcement of compliance	The extent to which the deterrence program can be demonstrated to foster an environment hostile to money laundering, serious crime and tax evasion
Targeting program	The extent to which the targeting program can be demonstrated to retard and identify financial activity which facilitates money laundering, serious crime and tax evasion
Advice program	The extent to which the advice program can be demonstrated to maintain and increase the value of the overall program in fostering an environment hostile to money laundering, major crime and tax evasion
International program	The extent to which the international program can be demonstrated to maintain and increase the value of the overall program in fostering an environment hostile to money laundering, major crime and tax evasion
Privacy and security	The extent to which the FTR Information is seen to be maintained securely and with due regard to the privacy interests of stakeholders
<b>Performance information for departmental outputs</b>	
<i>Output description</i>	<i>Performance measure</i>
<b>Output 1.1:</b> Deterring money laundering, serious crime and tax evasion	<i>Price:</i> \$5.099m
Sub-output 1.1.1: Collection of FTR information	<i>Quality:</i> Integrity of the reports <i>Quantity:</i> The volume of the reports/support functions
Sub-output 1.1.2: Promotion of the FTR Act compliance	<i>Quality:</i> Feedback from cash dealers and the public <i>Quantity:</i> The number of support functions provided
Sub-output 1.1.3: Individual cash dealer compliance improvement	<i>Quality:</i> Effectiveness of the compliance improvement program <i>Quantity:</i> Number of evaluations and compliance issues identified
<b>Output 1.2:</b> Targeting money laundering, serious crime and tax evasion	<i>Price:</i> \$8.530m

<b>Performance information for departmental outputs</b>	
<i>Output description</i>	<i>Performance measure</i>
Sub-output 1.2.1: Dissemination of FTR information	<i>Quality:</i> Level of system availability <i>Quantity:</i> Number of access logons and disseminations
Sub-output 1.2.2: Value added FTR information through analysis	<i>Quality:</i> Feedback from partner agencies <i>Quantity:</i> The number of matters value added and the number of matters taken up by partner agencies
Sub-output 1.2.3: Promotion of effective use of FTR information	<i>Quality:</i> Feedback from partner agencies <i>Quantity:</i> Increase in the number of accessions to the system and the number of support functions provided
<b>Output 1.3:</b> Advice on effectiveness of the FTR Act	<i>Price:</i> \$0.816m <i>Quality:</i> Significance of issues and response to issues advised upon <i>Quantity:</i> Number of issues identified and advised
<b>Output 1.4:</b> Contribution to international efforts directed at the suppression of money laundering, major crime and tax evasion	<i>Price:</i> \$1.542m <i>Quality:</i> Significance of issues and response to issues <i>Quantity:</i> Number and extent of issues identified
<b>Output 1.5:</b> Privacy and security	<i>Price:</i> \$1.400m <i>Quality:</i> Significance of risks identified; effectiveness of security safeguards; level of compliance with government guidelines; and extent to which Australian Transaction Reports and Analysis Centre adopts a security culture <i>Quantity:</i> Number of significant issues and incidents identified and addressed

## EVALUATIONS

AUSTRAC seeks regular feedback from its cash dealers and partner agencies on the effectiveness of FTR information and its systems for collection and dissemination of FTR information. The agency seeks this information through a variety of feedback channels.

## COMPETITIVE TENDERING AND CONTRACTING

Since 1989 AUSTRAC has outsourced information technology management and operations, whilst retaining ownership of the information technology infrastructure.

Competitive tendering and contracting arrangements have been and will continue to be applied.

AUSTRAC currently outsources a number of other services including data entry, personnel security vetting, training, specialist human resource management and other specialist services. The agency also forms part of a travel cluster arrangement with other APS agencies in order to reduce overall travel costs.

## Section 3: Budgeted financial statements

### **ANALYSIS OF BUDGETED FINANCIAL STATEMENTS**

An analysis of the Agency's budgeted financial statements, as reflected in the Agency's budgeted departmental financial statements and notes for 2003-04, is provided below.

#### **Departmental**

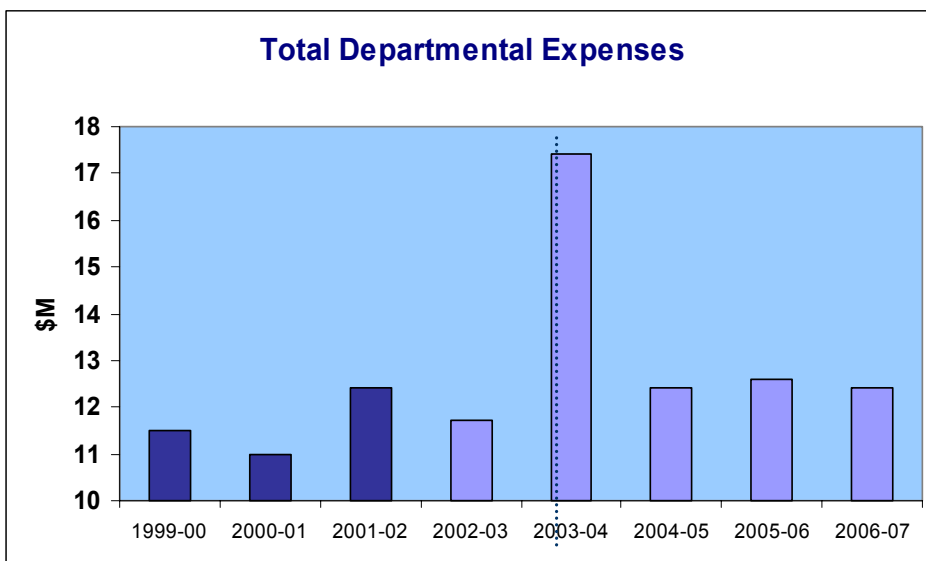
##### **Statement of Financial Performance**

The Agency is budgeting to break-even for 2003-04.

Total revenue is estimated to be \$17.387m, an increase of \$5.855m from the 2002-03 estimated actual. The increase is primarily as a result of:

- the funding impact of new measures: Underlying Budget resourcing (\$3.393m) and Financial intelligence capability to identify and reduce illicit drug trafficking (\$2.325m);
- increased funding for economic parameter adjustments.

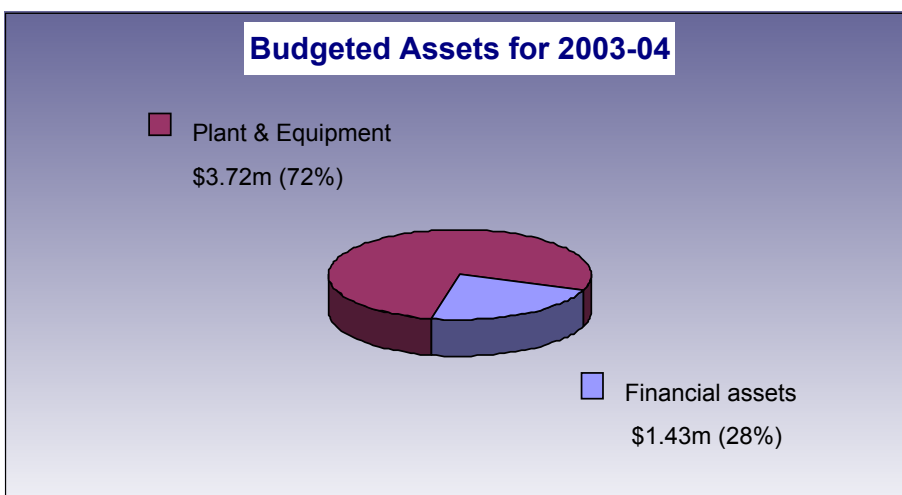
Total expenses are estimated to be \$17.387m, an increase of \$5.712m from the 2002-03 estimated actual. The increase is due to the impact of the new measures detailed above.



**Statement of Financial Position**

The Agency’s budgeted net asset position of \$5.158m represents an increase of \$2.527m from the 2002-03 estimated actual. The increase is primarily due to the impact of the new measures detailed above.

The Agency’s primary asset, ‘Plant and equipment’, is projected to increase by \$1.633m to \$3.724m due primarily to the impact of the new measures detailed above.



The Agency’s primary liability continues to be accrued employee entitlements, as a result of accruing leave entitlements, of \$0.900m. The liability is expected to decrease by \$0.065m from the 2002-03 financial year.

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

	Estimated Actual 2002-03 \$'000	Budget Estimate 2003-04 \$'000	Forward Estimate 2004-05 \$'000	Forward Estimate 2005-06 \$'000	Forward Estimate 2006-07 \$'000
<b>REVENUE</b>					
<b>Revenues from ordinary activities</b>					
Revenues from government	11,246	17,357	11,669	11,909	12,050
Other	286	30	30	30	30
<b>Revenues from ordinary activities</b>	<b>11,532</b>	<b>17,387</b>	<b>11,699</b>	<b>11,939</b>	<b>12,080</b>
<b>EXPENSE</b>					
<b>Expenses from ordinary activities (excluding borrowing costs expense)</b>					
Employees	4,310	7,387	4,383	4,479	4,561
Suppliers	6,535	8,544	6,506	6,650	6,709
Depreciation and amortisation	820	1,446	800	800	800
Other	10	10	10	10	10
<b>Expenses from ordinary activities (excluding borrowing costs expense)</b>	<b>11,675</b>	<b>17,387</b>	<b>11,699</b>	<b>11,699</b>	<b>12,080</b>
Borrowing costs expense	-	-	-	-	-
<b>Operating surplus or deficit from ordinary activities</b>	<b>(143)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Gain or loss on extraordinary items	-	-	-	-	-
<b>Net surplus or deficit</b>	<b>(143)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Capital use Charge Paid*	(207)	-	-	-	-
<b>Net surplus or (deficit) after CUC</b>	<b>(350)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

\* The Capital use Charge will be discontinued from 1 July 2003.

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

	Estimated Actual 2002-03 \$'000	Budget Estimate 2003-04 \$'000	Forward Estimate 2004-05 \$'000	Forward Estimate 2005-06 \$'000	Forward Estimate 2006-07 \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash	222	1,055	1,068	1,052	1,017
Receivables	103	90	80	78	80
Other	215	289	337	327	250
<b>Total financial assets</b>	<b>540</b>	<b>1,434</b>	<b>1,485</b>	<b>1,457</b>	<b>1,347</b>
<b>Non-financial assets</b>					
Infrastructure, plant and equipment	2,091	3,724	3,673	3,623	3,573
<b>Total non-financial assets</b>	<b>2,091</b>	<b>3,724</b>	<b>3,673</b>	<b>3,623</b>	<b>3,573</b>
<b>Total assets</b>	<b>2,631</b>	<b>5,158</b>	<b>5,158</b>	<b>5,080</b>	<b>4,920</b>
<b>LIABILITIES</b>					
Employees	965	900	880	920	919
Suppliers	115	90	109	120	90
<b>Total liabilities</b>	<b>1,080</b>	<b>990</b>	<b>989</b>	<b>1,040</b>	<b>1,009</b>
<b>EQUITY</b>					
<b>Parent entity interest</b>					
Contributed equity	-	2,617	2,618	2,489	2,360
Reserves	41	41	41	41	41
Retained surpluses or accumulated deficits	1,510	1,510	1,510	1,510	1,510
<b>Total parent entity interest</b>	<b>1,551</b>	<b>4,168</b>	<b>4,169</b>	<b>4,040</b>	<b>3,911</b>
<b>Outside equity interest</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total equity</b>	<b>1,551</b>	<b>4,168</b>	<b>4,169</b>	<b>4,040</b>	<b>3,911</b>
<b>Total assets and liabilities by maturity</b>					
<b>Current assets</b>	<b>540</b>	<b>1,434</b>	<b>1,485</b>	<b>1,457</b>	<b>1,347</b>
<b>Non-current assets</b>	<b>2,091</b>	<b>3,724</b>	<b>3,673</b>	<b>3,623</b>	<b>3,573</b>
<b>Current liabilities</b>	<b>474</b>	<b>440</b>	<b>440</b>	<b>460</b>	<b>469</b>
<b>Non-current liabilities</b>	<b>606</b>	<b>550</b>	<b>549</b>	<b>580</b>	<b>540</b>

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

	Estimated Actual 2002-03 \$'000	Budget Estimate 2003-04 \$'000	Forward Estimate 2003-04 \$'000	Forward Estimate 2005-06 \$'000	Forward Estimate 2006-07 \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Appropriations for outputs	11,158	17,445	11,669	11,909	12,050
Interest	30	-	-	-	-
Other	309	15	15	15	15
<b>Total cash received</b>	<b>11,497</b>	<b>17,460</b>	<b>11,684</b>	<b>11,924</b>	<b>12,065</b>
<b>Cash used</b>					
Employees	4,280	7,419	4,390	4,449	4,500
Suppliers	6,480	8,528	6,481	6,691	6,800
<b>Total cash used</b>	<b>10,760</b>	<b>15,947</b>	<b>10,871</b>	<b>11,140</b>	<b>11,300</b>
<b>Net cash from operating activities</b>	<b>737</b>	<b>1,513</b>	<b>813</b>	<b>784</b>	<b>765</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash received</b>					
Proceeds from sales of property, plant and equipment	30	20	-	-	-
<b>Total cash received</b>	<b>30</b>	<b>20</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash used</b>					
Purchase of property, plant and equipment	968	3,198	800	800	800
<b>Total cash used</b>	<b>968</b>	<b>3,198</b>	<b>800</b>	<b>800</b>	<b>800</b>
<b>Net cash from investing activities</b>	<b>(938)</b>	<b>(3178)</b>	<b>(800)</b>	<b>(800)</b>	<b>(800)</b>
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Capital injections	-	2,498	-	-	-
<b>Total cash received</b>	<b>-</b>	<b>2,498</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash used</b>					
Capital use paid	207	-	-	-	-
<b>Total cash used</b>	<b>207</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net cash from financing activities</b>	<b>(207)</b>	<b>2,498</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net increase in cash held</b>	<b>(408)</b>	<b>833</b>	<b>13</b>	<b>(16)</b>	<b>(35)</b>
Cash at the beginning of the reporting period	630	222	1,055	1,068	1,052
<b>Cash at the end of the reporting period</b>	<b>222</b>	<b>1,055</b>	<b>1,068</b>	<b>1,052</b>	<b>1,017</b>

**Table 3.4: Departmental Capital Budget Statement**

	Estimated Actual 2002-03 \$'000	Budget Estimate 2003-04 \$'000	Forward Estimate 2003-04 \$'000	Forward Estimate 2005-06 \$'000	Forward Estimate 2006-07 \$'000
<b>CAPITAL APPROPRIATIONS</b>					
Total equity injections	-	2,498	-	-	-
Appropriation of previous year accrued revenue	-	88	-	-	-
<b>Represented by:</b>					
Purchase of non-financial assets	-	2,498	-	-	-
Other	-	88	-	-	-
<b>Total</b>	<b>-</b>	<b>2,586</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>PURCHASE OF NON-FINANCIAL ASSETS</b>					
Funded by capital appropriations	-	2,498	-	-	-
Funded internally by departmental resources	968	700	750	750	750
<b>Total</b>	<b>968</b>	<b>3,198</b>	<b>750</b>	<b>750</b>	<b>750</b>

**Table 3.5: Departmental Non-financial Assets — Summary of Movement (Budget year 2003–04)**

	Land \$'000	Buildings \$'000	Total land and buildings \$'000	Total infrastructure plant and equipment \$'000	Intangibles \$'000	Total \$'000
Carrying amount at the start of year	-	-	-	2,023	-	2,023
Additions	-	-	-	3,198	-	3,198
Disposals	-	-	-	(51)	-	(51)
Revaluation increments	-	-	-	-	-	-
Recoverable amount write-downs	-	-	-	-	-	-
Net transfers free of charge	-	-	-	-	-	-
Depreciation/amortisation expense	-	-	-	(1,446)	-	(1,446)
Write-off of assets	-	-	-	-	-	-
Carrying amount at the end of year	-	-	-	3,724	-	3,724
<b>Total additions</b>						
Self funded	-	-	-	2,498	-	2,498
Appropriations	-	-	-	700	-	700
<b>Total</b>	-	-	-	3,198	-	3,198

## NOTES TO THE FINANCIAL STATEMENTS

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

Departmental items are those assets, liabilities, revenues and expenses in relation to an agency or authority that are controlled by the agency. Departmental expenses include employee and supplier expenses and other administrative costs, which are incurred by the agency in providing its goods and services.

Administered items are revenues, expenses, assets and liabilities that are managed by an agency or authority on behalf of the Government according to set Government directions. Administered expenses include subsidies, grants and personal benefit payments and Administered revenues include taxes, fees, fines and excises. No administered items were controlled by the Agency on the Government's behalf during the reporting year.

### Appropriations in the accrual budgeting framework

Under the Commonwealth's accrual budgeting framework, separate annual appropriations are provided for:

- Departmental price of outputs appropriations: representing the Government's purchase of outputs from agencies,
- Departmental capital appropriations: for investments by the Government for either additional equity or loans in agencies,
- Administered expense appropriations: for the estimated Administered expenses relating to an existing outcome, a new outcome or a Specific Purpose Payment to the states; and
- Administered capital appropriations: for increases in Administered equity through funding non-expense Administered payments.

## Budgeted Statement of Financial Performance

### Revenues from Government

The 2003-04 appropriation revenue from Government of \$17.357m is an increase of \$5.663m from the previous 2003-04 forward year price of \$11.694m (see 2002-03 PBS). The increase is primarily represented by total new measures of \$8.216m in 2003-04 only, with \$5.718m being appropriated for departmental outputs and \$2.498m being appropriated as an equity injection for capital acquisition purposes (see Table 1.2 - Summary of measures, at Section 1).

### **Capital Use Charge**

The Capital Use Charge will be discontinued from 1 July 2003.

### **Budgeted Statement of Financial Position**

#### **Capital**

Capital equity injections are being received in 2003-04 for underlying budget resourcing (\$1.382m) and financial intelligence capability to identify and reduce illicit drug trafficking (\$1.116m). The aggregate of these departmental equity injections is \$2.498m (see Table 1.2 - summary of measures, at Section 1).

## **Section 4: Purchaser/Provider and Cost Recovery arrangements**

### **COST RECOVERY ARRANGEMENTS**

#### **SUMMARY OF COST RECOVERY IMPACT STATEMENT**

For the 2003-04 financial year there are no cost recovery arrangements in place for AUSTRAC.

Funding for new measures has been provided to AUSTRAC for one year only. Further funding is dependant upon the development of a cost recovery model for consideration in the 2004-05 budget process.