

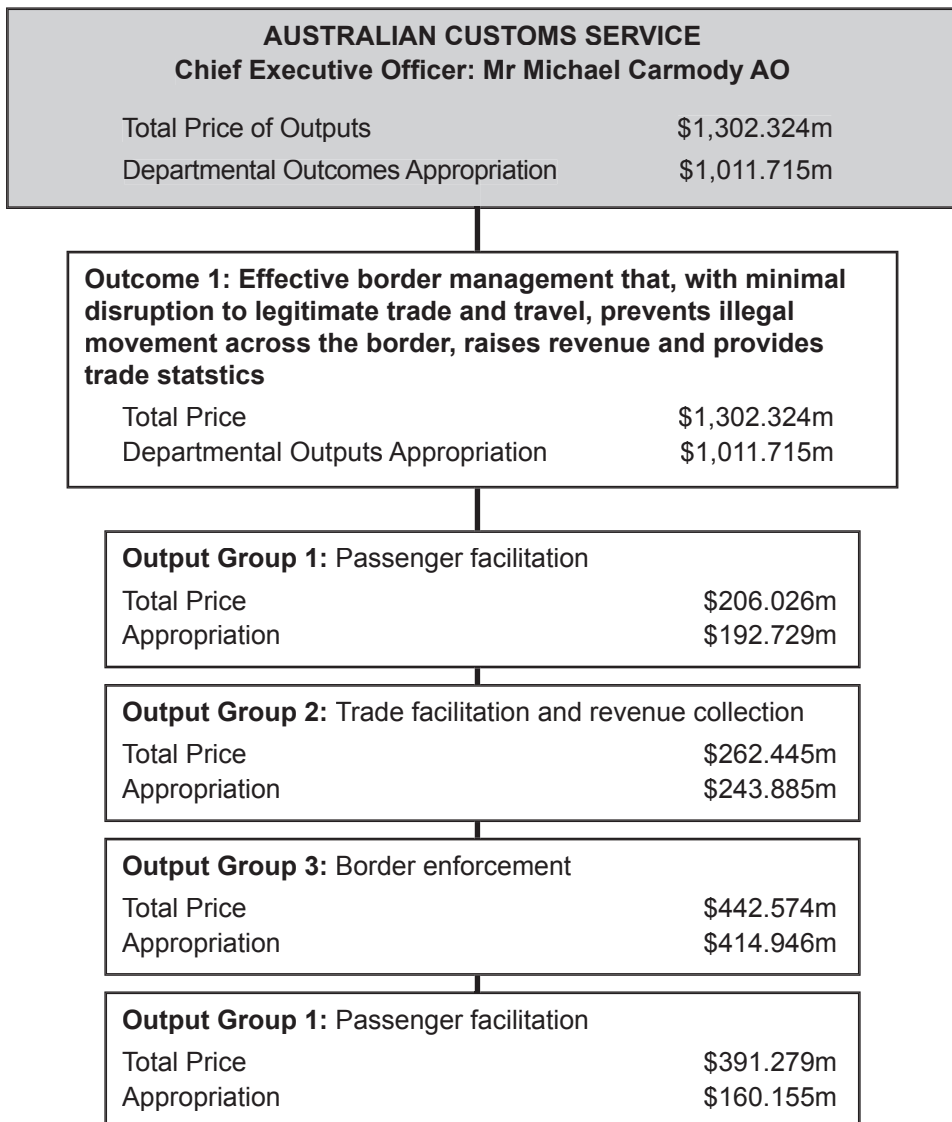
# AUSTRALIAN CUSTOMS SERVICE

## Section 1: Agency overview and resources; variations and measures

### OVERVIEW

There are no changes to the role, mission, or outcome and output structure of the Australian Customs Service (Customs) as a result of additional estimates.

**Figure 2: Outcome and output structure for Australian Customs Service**



## ADDITIONAL ESTIMATES AND VARIATIONS TO OUTCOMES

### Variations—measures

Additional funding of \$13.331m including depreciation has been provided in 2007–08 for three measures comprising \$1.271m for Southern Ocean Whaling Patrols, \$10.505m for an extension to the ACV Triton Charter, and \$1.555m for the International Trade Single Window Project. This additional funding is offset by the one-off 2% efficiency dividend, resulting in a net increase of \$9.901m.

### Variations—other adjustments

Additional funding of \$2.040m has also been provided in 2007–08 for the estimate adjustment items listed in Table 1.3.

Wage cost indices are used to adjust most Commonwealth expense items. The adjustments at additional estimates incorporate changes that have occurred in the indices since May 2007.

**Table 1.2: Additional estimates and variations to outcomes—measures**

	2007–08 (\$'000)	2008–09 (\$'000)	2009–10 (\$'000)	2010–11 (\$'000)
<b>Outcome 1</b>				
<b>Increase in estimates (departmental)</b>				
International Trade Single Window Project <sup>1</sup>	1,555	–	–	–
Extension to the ACV Triton Charter	10,505	24,394	–	–
Southern Ocean Whaling Patrols	1,271	–	–	–
<b>Decrease in estimates (departmental)</b>				
Election commitment savings: 2% efficiency dividend	(3,430)	(14,907)	(14,763)	(14,773)
Efficiency dividend: increase in rate from 1% to 1.25% per annum	–	(1,935)	(1,856)	(1,855)
Revision to measure—Australia–Japan Free Trade Agreement—commencement of negotiations	–	(216)	–	–
<b>Total changes in departmental appropriation</b>	<b>9,901</b>	<b>7,336</b>	<b>(16,619)</b>	<b>(16,628)</b>

Note:

1. International Trade Single Window Project was published as Standard Business Reporting in the Mid-Year Economic and Fiscal Outlook (MYEFO).

**Table 1.3: Additional estimates and variations to outcomes—other variations**

	2007–08 (\$'000)	2008–09 (\$'000)	2009–10 (\$'000)	2010–11 (\$'000)
<b>Outcome 1</b>				
<b>Variations (departmental)</b>				
Passenger Workload Growth Funding	1,880	4,048	6,719	8,466
Wage cost index adjustment	–	1,841	1,797	1,808
Removal of efficiency dividend from Increased Coastal Surveillance Measure	160	292	429	–
<b>Total variations in departmental appropriation</b>	<b>2,040</b>	<b>6,181</b>	<b>8,945</b>	<b>10,274</b>

**MEASURES—AGENCY SUMMARY**

**Table 1.4: Summary of measures since the 2007–08 Budget**

Measure	Outcome	Output groups affected	Appropriations 2007–08 (\$'000)			Appropriations 2008–09 (\$'000)			Appropriations 2009–10 (\$'000)			Appropriations 2010–11 (\$'000)		
			Admin items	Dept outputs	Total	Admin items	Dept outputs	Total	Admin items	Dept outputs	Total	Admin items	Dept outputs	Total
<b>EXPENSE MEASURES</b>														
International Trade Single Window Project	1	2	–	1,555	1,555	–	–	–	–	–	–	–	–	–
Extension to the ACV Triton Charter	1	3	–	10,505	10,505	–	24,394	24,394	–	–	–	–	–	–
Southern Ocean Whaling Patrols	1	3	–	1,271	1,271	–	–	–	–	–	–	–	–	–
Election commitment savings: 2% efficiency dividend	1	all	–	(3,430)	(3,430)	–	(14,907)	(14,907)	–	(14,763)	(14,763)	–	(14,773)	(14,773)
Efficiency dividend: increase in rate from 1% to 1.25% per annum	1	all	–	–	–	–	(1,935)	(1,935)	–	(1,856)	(1,856)	–	(1,855)	(1,855)
Revision to measure—Australia—Japan Free Trade Agreement—commencement of negotiations	1	3	–	–	–	–	(216)	(216)	–	–	–	–	–	–
<b>Total expense measures</b>			–	<b>9,901</b>	<b>9,901</b>	–	<b>7,336</b>	<b>7,336</b>	–	<b>(16,619)</b>	<b>(16,619)</b>	–	<b>(16,628)</b>	<b>(16,628)</b>
<b>CAPITAL MEASURES</b>														
Extension to the ACV Triton Charter	1	3	–	931	931	–	133	133	–	–	–	–	–	–
<b>Total capital measures</b>			–	<b>931</b>	<b>931</b>	–	<b>133</b>	<b>133</b>	–	–	–	–	–	–
<b>Total of all measures</b>			–	<b>10,832</b>	<b>10,832</b>	–	<b>7,469</b>	<b>7,469</b>	–	<b>(16,619)</b>	<b>(16,619)</b>	–	<b>(16,628)</b>	<b>(16,628)</b>

## BREAKDOWN OF ADDITIONAL ESTIMATES BY APPROPRIATION BILL

**Table 1.5: Appropriation Bill (No. 3) 2007–08**

	2006–07 Available (\$'000)	2007–08 Budget (\$'000)	2007–08 Revised (\$'000)	Additional estimates (\$'000)
<b>DEPARTMENTAL OUTPUTS</b>				
<b>Outcome 1</b>				
Effective border management that, with minimal disruption to legitimate trade and travel, prevents illegal movement across the border, raises revenue and provides trade statistics	923,087	999,774	1,011,715	11,941
<b>Total Australian Customs Service</b>	<b>923,087</b>	<b>999,774</b>	<b>1,011,715</b>	<b>11,941</b>

**Table 1.6: Appropriation Bill (No. 4) 2007–08**

	2006–07 Available (\$'000)	2007–08 Budget (\$'000)	2007–08 Revised (\$'000)	Additional estimates (\$'000)
<b>Non-operating</b>				
Equity injections	38,144	36,609	37,540	931
<b>Total Australian Customs Service</b>	<b>38,144</b>	<b>36,609</b>	<b>37,540</b>	<b>931</b>

## SUMMARY OF STAFFING CHANGES

**Table 1.7: Average staffing level**

	2007–08 Budget	2007–08 Revised	Variation
<b>Outcome 1</b>			
Effective border management that, with minimal disruption to legitimate trade and travel, prevents illegal movement across the border, raises revenue and provides trade statistics	5,394	5,525	131
<b>Total</b>	<b>5,394</b>	<b>5,525</b>	<b>131</b>

## ESTIMATES OF EXPENSES FROM SPECIAL APPROPRIATIONS

**Table 1.9: Estimates of expenses from special appropriations**

	Outcome no.	Budget estimate 2007–08 (\$'000)	Revised estimate 2007–08 (\$'000)
<b>Estimated expenses</b>			
Compensation for Acquisition of Property— s. 4AB <i>Customs Act 1901</i> (A)	1	–	–
Investment of Public Money—s. 39(9) <i>Financial Management and Accountability Act 1997</i> (A)	1	89	130
Refund of Customs Duty and GST on Importations —s. 28 <i>Financial Management and Accountability Act 1997</i> (A)	1	387,994	387,994
<b>Total estimated expenses</b>		<b>388,083</b>	<b>388,124</b>

A = Administered.

## ESTIMATES OF SPECIAL ACCOUNT FLOWS

**Table 1.10: Estimates of special account flows**

	Outcome no.	Opening balance 2007–08 <sup>1</sup> 2006–07 <sup>1</sup> (\$'000)	Receipts 2007–08 2006–07 (\$'000)	Payments 2007–08 2006–07 (\$'000)	Closing balance 2007–08 2006–07 (\$'000)
Other Trust Moneys Reserve (Australian Customs Service)— FMA Act s. 20 (A)	1	460	40	40	460
		1,357	38	935	460
Security Deposits Reserve (Australian Customs Service)—FMA Act s. 20 (A)	1	5,475	2,228	3,330	4,373
		5,915	1,028	1,468	5,475
Industry Related Systems (Australian Customs Service)—FMA Act s 20 (A)	1	3,257	130	3,387	–
		3,078	179	–	3,257
Service for Other Government and Non-Government Bodies (Australian Customs Service)—FMA Act s 20 (A)	1	–	–	–	–
		–	–	–	–
<b>Total special accounts</b>		<b>9,192</b>	<b>2,398</b>	<b>6,757</b>	<b>4,833</b>
		<b>10,350</b>	<b>1,245</b>	<b>2,403</b>	<b>9,192</b>

A = Administered.

Acts glossary: FMA Act = *Financial Management and Accountability Act 1997*.

Note:

1. The revised opening balance for 2007–08 is the same as the final closing balance for 2006–07. This balance has changed from that shown in the *Portfolio Budget Statements 2007–08* as the actual for 2006–07 has been updated to reflect the final budget outcome for that year.

## Section 2: Revisions to agency outcomes

### **OUTCOMES, ADMINISTERED ITEMS AND OUTPUTS**

Figure 2 displays the outcome statements and output groups for Customs.

There are no changes to the outcome and output structure as a result of additional estimates.

The performance information has been amended to reflect the price changes outlined in Figure 2. Table 2.1 also provides the details of any amendments to performance information since the preparation of the Budget. The notes to that table provide the reasons for any amendments.

### **Outcome 1**

#### **Revised performance information—2007–08**

The performance information that Customs will use to assess the level of its achievement against Outcome 1 has been revised from that reported in the *Portfolio Budget Statements 2007–08* as set out in Table 2.1.

**Table 2.1: Performance information for outputs affected by additional estimates—Outcome 1**

Outcome/ output group	Performance information 2007–08 Budget		Performance information 2007–08 revised	
<b>Raise revenue</b>	Significant revenues collected (including Customs duty, GST collected and Passenger Movement Charge) <sup>1</sup>	Forecast: \$9,463m (excluding GST deferred)	Significant revenues collected (including Customs duty, GST collected and Passenger Movement Charge) <sup>1</sup>	Forecast: \$9,521m (excluding GST deferred)
<b>Output group 1</b> Passenger facilitation	Quantity: Collections of the Passenger Movement Charge	Estimate: \$412.0m	Quantity: Collections of the Passenger Movement Charge	Estimate : \$419.7m
	Quantity: Number of international passengers (air and sea)	Forecast: Arrivals 11,905,000 Forecast: Departures 11,660,000	Quantity: Number of international passengers (air and sea)	Forecast: Arrivals 12,119,400 Forecast: Departures 11,874,400
	Price:	\$205.232m	Price:	\$206.026m
<b>Output group 2</b> Trade facilitation and revenue collection				
	Price:	\$261.973m	Price:	\$262.445m
<b>Output group 3</b> Border enforcement	Quantity: Number of illegal foreign fishers who were apprehended and processed	Forecast: 1,600	Quantity: Number of illegal foreign fishers who were apprehended and processed	Forecast: 1,425
	Price:	\$431.992m	Price:	\$442.574m
<b>Output group 4</b> Civil maritime surveillance and response	Quality: Number of apprehensions of Foreign Fishing Vessels (FFVs) <sup>2</sup>	Forecast: 250	Quality: Number of apprehensions of Foreign Fishing Vessels (FFVs) <sup>2</sup>	Forecast: 150
	Price:	\$391.186m	Price:	\$391.279m

Notes:

1. Significant revenue and duty concessions with effect from 2006–07 are adjusted for the Automotive Competitiveness and Investment Scheme credits, which are treated by Customs as duty revenue and as an expense by the Department of Industry, Tourism and Resources as recommended by the Australian National Audit Office.

2. The revised figure reflects a sustained and significant reduction in foreign fishing vessel incursions into Australia's Exclusive Economic Zone. This reduction in incursions is a result of a comprehensive surveillance and enforcement program supported by highly effective on-shore processing facilities.

## Section 3: Budgeted financial statements

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

#### **Departmental**

##### **Budgeted department income statement**

Total revenue is now estimated to be \$1.302b in 2007–08, an increase of \$11.941m from the 2007–08 Budget. The increase is due to three measures in 2007–08 totalling \$13.331m, and estimate adjustments totalling \$2.040m that are partially offset by savings of \$3.430m.

Total expenses have increased by \$11.941m in line with this revenue impact.

##### **Budgeted department balance sheet**

The difference between the previously published estimates and the revised estimates is a result of the inclusion of the 2006–07 actual results.

Funding for the extension to the ACV Triton Charter measure of a capital nature has resulted in a small increase in equity of \$0.931m from the 2007–08 Budget.

##### **Budgeted department statement of cash flows**

Changes to the statement of cash flows from the 2007–08 Budget are due to the new measures, adjustments, savings and the capital contribution approved as part of the additional estimates process.

##### **Budgeted department statement of changes in equity—summary of movement**

Changes to the equity statement from the 2007–08 Budget are due to adjustments for the extension to the ACV Triton Charter measure approved as part of the additional estimates process.

##### **Departmental property, plant, equipment and intangibles—summary of movement**

Non-financial assets held by Customs primarily relate to property, equipment and computer software.

Changes to purchases in the property, plant, equipment and intangibles movement table are primarily due to capital injections for the extension to the ACV Triton Charter.

## **Administered**

### **Schedule of budgeted income and expenses administered on behalf of Government**

Customs duty estimates for 2007-08 Additional Estimates are \$367.135m greater than the 2006-07 actual. This is primarily due to expected continuation of the strong import growth of passenger motor vehicles and excise equivalent goods in the current year plus moderate growth in duty collections on textile, clothing and footwear goods.

Customs' other revenue is now estimated to be \$564.372m, an increase of \$7.723m from the 2007-08 Budget. This increase is primarily due to the increase in departing passengers in the first half of 2007-08.

### **Schedule of budgeted assets and liabilities administered on behalf of Government**

There were no major adjustments to the budgeted assets and liabilities administered on behalf of Government.

### **Schedule of budgeted administered cash flows**

There were no major adjustments to the budgeted administered cash flows.

## BUDGETED FINANCIAL STATEMENTS

### Departmental financial statements

Table 3.1: Budgeted departmental income statement (for the period ended 30 June)

	Actual 2006–07 (\$'000)	Revised budget 2007–08 (\$'000)	Forward estimate 2008–09 (\$'000)	Forward estimate 2009–10 (\$'000)	Forward estimate 2010–11 (\$'000)
<b>INCOME</b>					
<b>Revenue</b>					
Revenue from Government	923,087	1,011,715	1,015,120	991,833	998,913
Goods and services	60,719	59,806	61,203	61,059	60,259
<b>Total revenue</b>	<b>983,806</b>	<b>1,071,521</b>	<b>1,076,323</b>	<b>1,052,892</b>	<b>1,059,172</b>
<b>Gains</b>					
Other	227,757	230,803	230,812	230,820	230,826
<b>Total gains</b>	<b>227,757</b>	<b>230,803</b>	<b>230,812</b>	<b>230,820</b>	<b>230,826</b>
<b>Total income</b>	<b>1,211,563</b>	<b>1,302,324</b>	<b>1,307,135</b>	<b>1,283,712</b>	<b>1,289,998</b>
<b>EXPENSES</b>					
Employees	456,633	435,877	425,681	430,515	435,215
Suppliers	692,511	790,482	794,820	770,693	772,266
Depreciation and amortisation	58,997	75,965	86,634	82,504	82,517
Finance costs	295	–	–	–	–
Write-down and impairment of assets	37	–	–	–	–
Net losses from sale of assets	4,326	–	–	–	–
Other	617	–	–	–	–
<b>Total expenses</b>	<b>1,213,416</b>	<b>1,302,324</b>	<b>1,307,135</b>	<b>1,283,712</b>	<b>1,289,998</b>
<b>Operating result from continuing operations</b>	<b>(1,853)</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Net surplus or (deficit) attributable to the Australian Government</b>	<b>(1,853)</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>

Table 3.2: Budgeted departmental balance sheet (as at 30 June)

	Actual 2006–07 (\$'000)	Revised budget 2007–08 (\$'000)	Forward estimate 2008–09 (\$'000)	Forward estimate 2009–10 (\$'000)	Forward estimate 2010–11 (\$'000)
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash and cash equivalents	9,317	8,517	8,517	8,517	8,517
Receivables	175,027	180,596	213,626	223,843	228,184
<b>Total financial assets</b>	<b>184,344</b>	<b>189,113</b>	<b>222,143</b>	<b>232,360</b>	<b>236,701</b>
<b>Non-financial assets</b>					
Land and buildings	80,875	95,650	93,149	92,959	92,959
Infrastructure, plant and equipment	89,366	95,732	86,764	84,883	83,474
Inventories	2,019	2,019	2,019	2,019	2,019
Intangibles	202,991	216,815	217,660	216,823	216,902
Other	3,412	3,412	3,412	3,412	3,412
<b>Total non-financial assets</b>	<b>378,663</b>	<b>413,628</b>	<b>403,004</b>	<b>400,096</b>	<b>398,766</b>
<b>Total assets</b>	<b>563,007</b>	<b>602,741</b>	<b>625,147</b>	<b>632,456</b>	<b>635,467</b>
<b>LIABILITIES</b>					
<b>Payables</b>					
Suppliers	78,233	77,064	77,063	77,064	77,064
Other payables	7,627	7,627	7,627	7,627	7,627
<b>Total payables</b>	<b>85,860</b>	<b>84,691</b>	<b>84,690</b>	<b>84,691</b>	<b>84,691</b>
<b>Provisions</b>					
Employees	125,093	128,457	130,888	133,757	136,689
Other provisions	5,563	5,563	5,563	5,563	5,563
<b>Total provisions</b>	<b>130,656</b>	<b>134,020</b>	<b>136,451</b>	<b>139,320</b>	<b>142,252</b>
<b>Total liabilities</b>	<b>216,516</b>	<b>218,711</b>	<b>221,141</b>	<b>224,011</b>	<b>226,943</b>
<b>EQUITY</b>					
<b>Parent equity interest</b>					
Contributed equity	266,878	304,418	324,393	328,832	328,911
Reserves	30,354	30,354	30,354	30,354	30,354
Retained surpluses or accumulated deficits	49,259	49,259	49,259	49,259	49,259
<b>Total parent entity interest</b>	<b>346,491</b>	<b>384,031</b>	<b>404,006</b>	<b>408,445</b>	<b>408,524</b>
<b>Total equity</b>	<b>346,491</b>	<b>384,031</b>	<b>404,006</b>	<b>408,445</b>	<b>408,524</b>
<b>Current assets</b>	<b>189,775</b>	<b>194,544</b>	<b>227,574</b>	<b>237,791</b>	<b>242,132</b>
<b>Non-current assets</b>	<b>373,232</b>	<b>408,197</b>	<b>397,573</b>	<b>394,665</b>	<b>393,335</b>
<b>Current Liabilities</b>	<b>190,164</b>	<b>192,092</b>	<b>194,226</b>	<b>196,747</b>	<b>199,322</b>
<b>Non-current liabilities</b>	<b>26,352</b>	<b>26,619</b>	<b>26,915</b>	<b>27,264</b>	<b>27,621</b>

**Table 3.3: Budgeted departmental statement of cash flows (for the period ended 30 June)**

	Actual 2006–07 (\$'000)	Revised budget 2007–08 (\$'000)	Forward estimate 2008–09 (\$'000)	Forward estimate 2009–10 (\$'000)	Forward estimate 2010–11 (\$'000)
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Goods and services	63,703	59,334	61,203	61,059	60,259
Appropriations	894,227	1,006,618	982,090	981,616	994,572
Net GST received	58,080	43,869	43,869	43,869	43,869
Other cash received	2,121	–	–	–	–
<b>Total cash received</b>	<b>1,018,131</b>	<b>1,109,821</b>	<b>1,087,162</b>	<b>1,086,544</b>	<b>1,098,700</b>
<b>Cash used</b>					
Employees	440,823	453,578	446,296	433,597	432,283
Suppliers	490,225	539,783	540,790	533,921	541,440
Financing costs	295	–	–	–	–
Net GST paid	18,948	43,869	43,869	43,869	43,869
Other cash used	634	–	–	–	–
<b>Total cash used</b>	<b>950,925</b>	<b>1,037,230</b>	<b>1,030,955</b>	<b>1,011,387</b>	<b>1,017,592</b>
<b>Net cash from or (used by) operating activities</b>	<b>67,206</b>	<b>72,591</b>	<b>56,207</b>	<b>75,157</b>	<b>81,108</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash received</b>					
Proceeds from sales of property, plant and equipment	599	–	–	–	–
<b>Total cash received</b>	<b>599</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Cash used</b>					
Purchase of property, plant and equipment	102,062	110,930	76,184	79,596	81,187
<b>Total cash used</b>	<b>102,062</b>	<b>110,930</b>	<b>76,184</b>	<b>79,596</b>	<b>81,187</b>
<b>Net cash from or (used by) investing activities</b>	<b>(101,463)</b>	<b>(110,930)</b>	<b>(76,184)</b>	<b>(79,596)</b>	<b>(81,187)</b>
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Appropriations—contributed equity	34,236	37,540	19,977	4,439	79
<b>Total cash received</b>	<b>34,236</b>	<b>37,540</b>	<b>19,977</b>	<b>4,439</b>	<b>79</b>
<b>Cash used</b>					
Repayments of debt (including finance lease principal)	–	–	–	–	–
<b>Total cash used</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Net cash from or (used by) financing activities</b>	<b>34,236</b>	<b>37,540</b>	<b>19,977</b>	<b>4,439</b>	<b>79</b>
<b>Net increase or (decrease) in cash held</b>	<b>(21)</b>	<b>(800)</b>	<b>–</b>	<b>–</b>	<b>–</b>
Cash at the beginning of the reporting period	9,338	9,317	8,517	8,517	8,517
<b>Cash at the end of the reporting period</b>	<b>9,317</b>	<b>8,517</b>	<b>8,517</b>	<b>8,517</b>	<b>8,517</b>

**Table 3.4: Departmental statement of changes in equity—summary of movement (Budget year 2007–08)**

	Accumulated results (\$'000)	Asset revaluation reserve (\$'000)	Contributed equity/ capital (\$'000)	Total equity (\$'000)
<b>Opening balance as at 1 July 2007</b>				
Balance carried forward from previous period	49,259	30,354	266,878	346,491
<b>Income and expenses</b>				
Net operating result	–	–	–	–
<b>Total income and expenses</b>	–	–	–	–
<b>Transactions with owners</b>				
Appropriation (equity injection)	–	–	37,540	37,540
<b>Sub-total transactions with owners</b>	–	–	<b>37,540</b>	<b>37,540</b>
<b>Estimated closing balance as at 30 June 2008</b>				
	<b>49,259</b>	<b>30,354</b>	<b>304,418</b>	<b>384,031</b>

**Table 3.5: Departmental capital budget statement**

	Actual 2006–07 (\$'000)	Revised budget 2007–08 (\$'000)	Forward estimate 2008–09 (\$'000)	Forward estimate 2009–10 (\$'000)	Forward estimate 2010–11 (\$'000)
<b>CAPITAL APPROPRIATIONS</b>					
Total equity injections	38,144	37,539	19,977	4,439	79
<b>Total capital appropriations</b>	<b>38,144</b>	<b>37,539</b>	<b>19,977</b>	<b>4,439</b>	<b>79</b>
<b>Represented by</b>					
Purchase of non-financial assets	38,144	37,539	19,977	4,439	79
<b>Total represented by</b>	<b>38,144</b>	<b>37,539</b>	<b>19,977</b>	<b>4,439</b>	<b>79</b>
<b>PURCHASE OF NON-FINANCIAL ASSETS</b>					
Funded by capital appropriation	38,144	37,539	19,977	4,439	79
Funded internally by departmental resources	63,918	73,391	56,207	75,157	81,108
<b>Total</b>	<b>102,062</b>	<b>110,930</b>	<b>76,184</b>	<b>79,596</b>	<b>81,187</b>

**Table 3.6: Departmental property, plant, equipment and intangibles—  
summary of movement (Budget year 2007–08)**

	Land (\$'000)	Buildings (\$'000)	Other infrastructure, plant and equipment (\$'000)	Computer software (\$'000)	Total (\$'000)
<b>As at 1 July 2007</b>					
Gross book value	14,902	78,125	113,867	267,577	474,471
Accumulated depreciation	–	(12,152)	(24,501)	(64,586)	(101,239)
<b>Opening net book value</b>	<b>14,902</b>	<b>65,973</b>	<b>89,366</b>	<b>202,991</b>	<b>373,232</b>
Additions					
<i>By purchase</i>	–	21,036	50,252	39,642	110,930
Depreciation/amortisation expense	–	(6,261)	(43,886)	(25,818)	(75,965)
<b>As at 30 June 2008</b>					
Gross book value	14,902	99,161	164,119	307,219	585,401
Accumulated depreciation	–	(18,413)	(68,387)	(90,404)	(177,204)
<b>Estimated closing net book value</b>	<b>14,902</b>	<b>80,748</b>	<b>95,732</b>	<b>216,815</b>	<b>408,197</b>

## Schedule of administered activity

**Table 3.7: Schedule of budgeted income and expenses administered on behalf of Government (for the period ended 30 June)**

	Actual 2006–07 (\$'000)	Revised budget 2007–08 (\$'000)	Forward estimate 2008–09 (\$'000)	Forward estimate 2009–10 (\$'000)	Forward estimate 2010–11 (\$'000)
<b>INCOME ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
<b>Revenue</b>					
<b>Taxation</b>					
Customs duty	5,640,865	6,008,000	6,348,000	6,038,000	5,628,000
Other taxes	522,593	564,372	589,678	622,868	654,365
<b>Total taxation</b>	<b>6,163,458</b>	<b>6,572,372</b>	<b>6,937,678</b>	<b>6,660,868</b>	<b>6,282,365</b>
<b>Non-taxation</b>					
Goods and services	19,293	6,237	6,537	6,362	6,553
Other revenue	2,596	–	–	–	–
Interest	41	–	–	–	–
<b>Total non-taxation</b>	<b>21,930</b>	<b>6,237</b>	<b>6,537</b>	<b>6,362</b>	<b>6,553</b>
<b>Total revenue administered on behalf of Government</b>	<b>6,185,388</b>	<b>6,578,609</b>	<b>6,944,215</b>	<b>6,667,230</b>	<b>6,288,918</b>
<b>Total income administered on behalf of Government</b>	<b>6,185,388</b>	<b>6,578,609</b>	<b>6,944,215</b>	<b>6,667,230</b>	<b>6,288,918</b>
<b>EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
Suppliers	536	–	–	–	–
Write-down and impairment of assets	15,840	2,636	2,716	2,716	3,172
<b>Total expenses administered on behalf of Government</b>	<b>16,376</b>	<b>2,636</b>	<b>2,716</b>	<b>2,716</b>	<b>3,172</b>

**Table 3.8: Schedule of budgeted assets and liabilities administered on behalf of Government (as at 30 June)**

	Actual 2006–07 (\$'000)	Revised budget 2007–08 (\$'000)	Forward estimate 2008–09 (\$'000)	Forward estimate 2009–10 (\$'000)	Forward estimate 2010–11 (\$'000)
<b>ASSETS ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
<b>Financial assets</b>					
Cash and cash equivalents	3,939	3,939	3,939	3,939	3,939
Receivables	78,498	88,468	103,605	118,942	125,770
Other receivables	30,935	28,299	25,583	22,867	22,867
<b>Total financial assets</b>	<b>113,372</b>	<b>120,706</b>	<b>133,127</b>	<b>145,748</b>	<b>152,576</b>
<b>Non-financial assets</b>					
Inventories	271	271	271	271	271
<b>Total non-financial assets</b>	<b>271</b>	<b>271</b>	<b>271</b>	<b>271</b>	<b>271</b>
<b>Total assets administered on behalf of Government</b>	<b>113,643</b>	<b>120,977</b>	<b>133,398</b>	<b>146,019</b>	<b>152,847</b>
<b>LIABILITIES ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
<b>Interest-bearing liabilities</b>					
Other	3,257	3,257	3,257	3,257	3,257
<b>Total interest-bearing liabilities</b>	<b>3,257</b>	<b>3,257</b>	<b>3,257</b>	<b>3,257</b>	<b>3,257</b>
<b>Payables</b>					
Other payables	9,625	9,625	9,625	9,625	9,625
<b>Total provisions</b>	<b>9,625</b>	<b>9,625</b>	<b>9,625</b>	<b>9,625</b>	<b>9,625</b>
<b>Total liabilities administered on behalf of Government</b>	<b>12,882</b>	<b>12,882</b>	<b>12,882</b>	<b>12,882</b>	<b>12,882</b>

**Table 3.9: Schedule of budgeted administered cash flows (for the period ended 30 June)**

	Actual 2006–07 (\$'000)	Revised budget 2007–08 (\$'000)	Forward estimate 2008–09 (\$'000)	Forward estimate 2009–10 (\$'000)	Forward estimate 2010–11 (\$'000)
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Other taxes, fees and fines	5,958,824	6,022,402	6,382,541	6,175,531	5,902,365
Sales of goods and services	–	6,237	6,537	6,362	6,553
Interest	41	–	–	–	–
Cash from Official Public Account	451,897	370,000	380,000	380,000	380,000
Other	6,017	–	–	–	–
<b>Total cash received</b>	<b>6,416,779</b>	<b>6,398,639</b>	<b>6,769,078</b>	<b>6,561,893</b>	<b>6,288,918</b>
<b>Cash used</b>					
Payment to suppliers	536	–	–	–	–
Cash to Official Public Account	5,971,684	6,398,639	6,769,078	6,561,893	6,288,918
Other	444,202	–	–	–	–
<b>Total cash used</b>	<b>6,416,422</b>	<b>6,398,639</b>	<b>6,769,078</b>	<b>6,561,893</b>	<b>6,288,918</b>
<b>Net cash from operating activities</b>	<b>357</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Net increase or (decrease) in cash held</b>	<b>357</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Cash at beginning of reporting period	3,582	3,939	3,939	3,939	3,939
<b>Cash at end of reporting period</b>	<b>3,939</b>	<b>3,939</b>	<b>3,939</b>	<b>3,939</b>	<b>3,939</b>

## NOTES TO THE FINANCIAL STATEMENTS

### Basis of accounting

The budgeted financial statements have been prepared on an accrual basis, in accordance with the Australian Accounting Standards, the Australian Equivalents to International Financial Reporting Standards and Accounting Guidance Releases, and having regard to Statements of Accounting Concepts.

### Revenue from Government

Amounts appropriated for Customs' outputs are recognised as revenue, except for certain amounts that relate to activities that are reciprocal in nature, in which case revenue is recognised only when it has been earned. Appropriations receivable are recognised at their nominal amounts.

## **Employee expenses**

Employee expenses consist of salaries, leave entitlements, superannuation and non-salary benefits.

## **Supplier expenses**

Supplier expenses consist of administrative costs, travel expenses, property operating expenses and other operational costs.

## **Cash**

Cash includes notes and coins held and any deposits held at call with a bank or other financial institution.

## **Assets**

Assets are made up of cash, receivables, leasehold improvements, and plant and equipment. All assets are held at fair value.

## **Liabilities**

Liabilities are made up of employee salary and leave entitlement, property lease make-good provisions and amounts owed to creditors.