

100 years of service 1901-2001

Financial statements

Overview of financial statements

Agency Statements

The Statement of Financial Performance for Customs in 2000-01 reports a net operating surplus of \$9.7 million (\$14.9 million in 1999-2000).

Revenue for 2000-01 was \$627.2 million, \$46.3 million more than 1999-2000. This was mainly due to additional Section 31 revenue.

Expenditure for 2000-01 was \$611.3 million which was \$45.3 million more than 1999-2000. This was mainly due to increased employee costs and increased depreciation expenses arising from an increase in the gross value of assets.

The Statement of Financial Position for Customs in 2000-01 remained relatively constant at \$112.5 million (in Equity) compared with \$116.0 million for 1999-2000, with increases in non-financial assets offset by increased employee provisions and interest bearing leases.

Administered Statements

The Schedule of Administered Revenues and Expenses displays an increase in the net contribution to budget outcome from \$4.494 billion (1999-2000) to \$5.143 billion (2000-01). This increase is due to the increase in the value of exports resulting from the lower value of the Australian dollar.

The Schedule of Administered Assets and Liabilities displays a significant increase in Administered assets from \$79.9 million (1999-2000) to \$97.5 million (2000-01). This is due to increased collection of Customs Duty. Equity is also affected by a decrease in Liabilities from \$19.7 million (1999-2000) to \$18.7 million (2000-01) which resulted from a decrease in outstanding claims.

Audited financial statements

This section includes a copy of the audited financial statements of Customs and the Auditor-General's report.



INDEPENDENT AUDIT REPORT

To the Minister for Justice and Customs

Scope

I have audited the financial statements of the Australian Customs Service for the year ended 30 June 2001. The financial statements comprise:

- Statement by the Chief Executive Officer and Chief Financial Officer;
- Statements of Financial Performance, Financial Position and Cash Flows;
- Schedules of Contingencies and Commitments;
- Schedules of Administered Revenues and Expenses, Assets and Liabilities, Cash Flows, Contingencies and Commitments; and
- Notes to and forming part of the Financial Statements.

The Chief Executive is responsible for the preparation and presentation of the financial statements and the information they contain. I have conducted an independent audit of the financial statements in order to express an opinion on them to you.

The audit has been conducted in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards, to provide reasonable assurance as to whether the financial statements are free of material misstatement. Audit procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial statements, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial statements are presented fairly in accordance with Australian Accounting Standards, other mandatory professional reporting requirements and statutory requirements in Australia so as to present a view of the Agency which is consistent with my understanding of its financial position, its operations and its cash flows.

The audit opinion expressed in this report has been formed on the above basis.

Audit Opinion

In my opinion,

- (i) the financial statements have been prepared in accordance with Schedule 1 of the Financial Management and Accountability (Financial Statements 2000-2001) Orders;
- (ii) the financial statements give a true and fair view, in accordance with applicable Accounting Standards, other mandatory professional reporting requirements and Schedule 1 of the Financial Management and Accountability (Financial Statements 2000-2001) Orders, of:
 - the financial position of the Australian Customs Service as at 30 June 2001 and the results of its operations and its cash flows for the year then ended; and
 - the Commonwealth assets and liabilities as at 30 June 2001 and the revenue, expenses and cash flows of the Commonwealth for the year then ended, which have been administered by the Agency.

Australian National Audit Office



Allan M Thompson
Executive Director

Delegate of the Auditor-General
Canberra

28 August 2001

AUSTRALIAN CUSTOMS SERVICE

Financial Statements for the Year Ended 30 June 2001

AUSTRALIAN CUSTOMS SERVICE
Statement by the Chief Executive Officer and
Chief Financial Officer

In our opinion, the attached financial statements give a true and fair view of the matters required by Schedule 1 of the *Financial Management and Accountability (Financial Statements 2000-01) orders made under section 63 of the Financial Management and Accountability Act 1997*.

Signed  Signed 

(L. B. WOODWARD)
Chief Executive Officer

(Alistair H. Cochrane)
Chief Financial Officer

24 August 2001

24 August 2001

AUSTRALIAN CUSTOMS SERVICE
AGENCY STATEMENT OF FINANCIAL PERFORMANCE
for the period ended 30 June 2001

| | Notes | 2000-01 \$'000 | 1999-00 \$'000 |
|---|-------|-------------------|-------------------|
| Revenues from ordinary activities | | | |
| Revenues from government | 3A | 557,042 | 558,591 |
| Sales of goods and services | 3B | 64,606 | 20,464 |
| Proceeds from disposals of assets | 3C | 1,158 | 177 |
| Other | | 4,370 | 1,694 |
| Total revenues from ordinary activities | | 627,176 | 580,926 |
| Expenses from ordinary activities | | | |
| Employees | 4A | 252,636 | 234,507 |
| Suppliers | 4B | 337,798 | 313,544 |
| Depreciation and amortisation | 4C | 17,137 | 14,088 |
| Disposal of assets | 3C | 3,655 | 2,227 |
| Write down of assets | 4D | 62 | 3 |
| Other cost of providing goods and services | | 31 | 1,624 |
| Total expenses from ordinary activities | | 611,319 | 565,993 |
| Borrowing costs expenses | 5 | 6,135 | 4 |
| Net operating surplus (deficit) from ordinary activities | | 9,722 | 14,929 |
| Net surplus (deficit) | | 9,722 | 14,929 |
| Equity interests | | | |
| Net surplus (deficit) attributable to the Commonwealth | | 9,722 | 14,929 |
| Net credit (debit) to asset revaluation reserve | | 1,863 | (124) |
| Total revenues, expenses and valuation adjustments recognised directly in equity | | 1,863 | (124) |
| Total changes in equity other than those resulting from transactions with owners as owners | | 11,585 | 14,805 |

The above statement should be read in conjunction with the accompanying notes.

AUSTRALIAN CUSTOMS SERVICE
AGENCY STATEMENT OF FINANCIAL POSITION
as at 30 June 2001

| | Notes | 2000-01 \$'000 | 1999-00 \$'000 |
|-------------------------------------|-------|-------------------|-------------------|
| ASSETS | | | |
| Financial assets | | | |
| Cash | | 66,213 | 62,594 |
| Receivables | 6A | 9,087 | 23,398 |
| Total financial assets | | 75,300 | 85,992 |
| Non-financial assets | | | |
| Land and buildings | 7A,C | 13,635 | 11,742 |
| Infrastructure, plant and equipment | 7B,C | 75,875 | 60,594 |
| Inventories | 7D | 1,824 | 1,918 |
| Intangibles | 7E | 10,132 | 13,749 |
| Other | 7F | 53,792 | 42,033 |
| Total non-financial assets | | 155,258 | 130,036 |
| Total assets | | 230,558 | 216,028 |
| LIABILITIES | | | |
| Interest bearing liabilities | | | |
| Leases | 8A | 21,590 | 20 |
| Total debt | | 21,590 | 20 |
| Provisions | | | |
| Employees | 9A | 82,070 | 75,647 |
| Total provisions | | 82,070 | 75,647 |
| Payables | | | |
| Suppliers | 10A | 10,640 | 24,009 |
| Other | 10B | 3,717 | 401 |
| Total payables | | 14,357 | 24,410 |
| Total liabilities | | 118,017 | 100,077 |
| EQUITY | | | |
| Parent entity interest | | | |
| Capital | | 66,210 | 68,517 |
| Reserves | | 22,523 | 20,725 |
| Accumulated surpluses (deficits) | | 23,808 | 26,709 |
| Total parent entity interest | 11A | 112,541 | 115,951 |
| Total equity | | 112,541 | 115,951 |
| Current liabilities | | 39,143 | 37,672 |
| Non-current liabilities | | 78,874 | 62,405 |
| Current assets | | 130,916 | 129,943 |
| Non-current assets | | 99,642 | 86,085 |

The above statement should be read in conjunction with the accompanying notes.

AUSTRALIAN CUSTOMS SERVICE
AGENCY STATEMENT OF CASH FLOWS
for the period ended 30 June 2001

| | Notes | 2000-01 \$'000 | 1999-00 \$'000 |
|---|-------|---------------------------------|-------------------|
| OPERATING ACTIVITIES | | | |
| Cash received | | | |
| Appropriations for outputs | | 422,207 | 459,506 |
| Sales of goods and services | | 72,919 | 14,592 |
| GST refunds | | 7,725 | - |
| Total cash received | | 502,851 | 474,098 |
| Cash used | | | |
| Employees | | 242,015 | 222,996 |
| Suppliers | | 226,157 | 180,733 |
| Borrowing costs | | - | 4 |
| Other | | - | 1,608 |
| Total cash used | | 468,172 | 405,341 |
| Net cash from (used by) operating activities | 12 | 34,679 | 68,757 |
| INVESTING ACTIVITIES | | | |
| Cash received | | | |
| Proceeds from sales of property, plant and equipment | | 1,158 | 177 |
| Total cash received | | 1,158 | 177 |
| Cash used | | | |
| Purchase of property, plant and equipment | | 26,314 | 25,840 |
| Purchase of Intangibles | | 52 | - |
| Total cash used | | 26,366 | 25,840 |
| Net cash from (used by) investing activities | | (25,208) | (25,663) |
| FINANCING ACTIVITIES | | | |
| Cash received | | | |
| Proceeds from equity injections | | 7,037 | 23,768 |
| Total cash received | | 7,037 | 23,768 |
| Cash used | | | |
| Repayment of debt | | - | - |
| Capital use paid | | 12,889 | 4,891 |
| Total cash used | | 12,889 | 4,891 |
| Net cash from (used by) financing activities | | (5,852) | 18,877 |
| Net increase (decrease) in cash held | | 3,619 | 61,971 |
| Cash at the beginning of the reporting period | | 62,594 | 623 |
| Cash at end of reporting period | | 66,213 | 62,594 |

The above statement should be read in conjunction with the accompanying notes.

AUSTRALIAN CUSTOMS SERVICE
SCHEDULE OF COMMITMENTS
as at 30 June 2001

| | Notes | 2000-01 \$'000 | 1999-00 \$'000 |
|--|-------|-------------------|-------------------|
| BY TYPE | | | |
| CAPITAL COMMITMENTS | | | |
| Infrastructure, plant and equipment ¹ | | <u>27,269</u> | 28,213 |
| Total capital commitments | | <u>27,269</u> | 28,213 |
| OTHER COMMITMENTS | | | |
| Operating leases ² | | 147,688 | 332,151 |
| Other commitment | | <u>310,164</u> | 266,305 |
| Total other commitments | | <u>457,852</u> | 598,456 |
| COMMITMENTS RECEIVABLE | | <u>(22,597)</u> | - |
| Net commitments | | <u>462,524</u> | 626,669 |

BY MATURITY

All Net Commitments

| | | |
|------------------------|----------------|---------|
| One year or less | 166,675 | 139,381 |
| From one to five years | 279,223 | 476,076 |
| Over five years | <u>16,626</u> | 11,212 |
| Net commitments | <u>462,524</u> | 626,669 |

Operating Lease Commitments

| | | |
|------------------------|----------------|---------|
| One year or less | 62,690 | 78,059 |
| From one to five years | 66,571 | 243,327 |
| Over five years | <u>18,427</u> | 10,765 |
| Net Commitments | <u>147,688</u> | 332,151 |

NB: Commitments are GST inclusive where relevant.

¹ Plant and equipment commitments are primarily contracts for purchases of furniture and fittings for new buildings.

² Operating leases included are effectively non-cancellable and comprise:

| <i>Nature of Lease</i> | <i>General description of leasing arrangement</i> |
|---|--|
| Leases for office accommodation | Most, but not all, lease payments are subject to biennial adjustments to current market values. Some lease payments are subject to upward movements in line with the Consumer Price Index. The initial periods of office accommodation leases are still current and each may be renewed for up to 5 years at the agency's option. |
| Agreements for the provision of motor vehicles to senior executive officers | No contingent rentals exist. There are no renewals or purchase options available to the Agency. |
| A lease in relation to computer equipment held as at 28 March 1998 which was sold and leased back in 29 March 1998. | The lessor provides all computer equipment and software designated as necessary in the supply for 5 years plus for a further 2 years at the Agency's option on the same terms and conditions. The Agency may vary its originally designated requirement, subject to giving 3 months notice, at a potential pricing variation. |

The above schedule should be read in conjunction with the accompanying notes.

AUSTRALIAN CUSTOMS SERVICE
AGENCY SCHEDULE OF CONTINGENCIES

as at 30 June 2001

| | Notes | 2000-01 \$'000 | 1999-00 \$'000 |
|--------------------------------|-------|---------------------|---------------------|
| CONTINGENT LOSSES | | | |
| Claims for damages/costs | | <u>(320)</u> | <u>(460)</u> |
| Total contingent losses | | (320) | (460) |
| CONTINGENT GAINS | | | |
| Claims for damages/costs | | <u>152</u> | <u>110</u> |
| Net contingencies | | <u>(168)</u> | <u>(350)</u> |

SCHEDULE OF UNQUANTIFIABLE CONTINGENCIES

At 30 June 2001 Customs had a number of legal claims lodged against it for damages and costs. Customs has denied liability and is defending the claims. In addition, Customs has lodged a number of claims to recover damages and costs which are also being defended. It is not possible to estimate the amounts of any eventual payments or receipts in relation to these claims.

Further, Customs has an obligation to acquire equipment from EDS on termination or expiry of the IT outsourcing lease. It is not possible to estimate the amount of any eventual payment or receipt in relation to this obligation due to the uncertainty of the future market value of the leased equipment on hand.

The above schedule should be read in conjunction with the accompanying notes.

AUSTRALIAN CUSTOMS SERVICE
SCHEDULE OF ADMINISTERED REVENUES AND EXPENSES
for the year ended 30 June 2001

| | Notes | 2000-01 \$'000 | 1999-00 \$'000 |
|---|-------|-------------------|-------------------|
| Revenues from ordinary activities | | | |
| Taxation | | | |
| Customs duty | 18A | 4,609,465 | 3,966,595 |
| Fees | 18A | 242,317 | 226,196 |
| Total taxation | | 4,851,782 | 4,192,791 |
| Non-taxation | | | |
| Revenue from Government | 18B | 214,399 | 215,492 |
| Sales of goods and services | | 76,038 | 78,169 |
| Interest | 18C | - | 6 |
| Other sources of non-taxation revenues | 18D | 363 | 7,502 |
| Total non-taxation | | 290,800 | 301,169 |
| Total revenues from ordinary activities | | 5,142,582 | 4,493,960 |
| Expenses from ordinary activities | | | |
| Net write-down of assets | 19A | 4,403 | (3,100) |
| Other | 19B | 252 | 290 |
| Total operating expenses from ordinary activities | | 4,655 | (2,810) |
| Cash transferred to Official Public Account | | 5,119,292 | 4,467,952 |
| Net increase (decrease) in administered net assets | | 18,635 | 28,818 |

The above statement should be read in conjunction with the accompanying notes.

AUSTRALIAN CUSTOMS SERVICE
SCHEDULE OF ADMINISTERED ASSETS AND LIABILITIES

as at 30 June 2001

| | Notes | 2000-01 \$'000 | 1999-00 \$'000 |
|-----------------------------------|-------|----------------------|-------------------|
| ASSETS | | | |
| Financial assets | | | |
| Cash | | (912) | 465 |
| Receivables | 20A | <u>98,071</u> | <u>79,454</u> |
| Total financial assets | | <u>97,159</u> | <u>79,919</u> |
| Non-financial assets | | | |
| Inventories | 20B | <u>376</u> | <u>13</u> |
| Total non-financial assets | | <u>376</u> | <u>13</u> |
| Total assets | | <u>97,535</u> | <u>79,932</u> |
| LIABILITIES | | | |
| Payables | | | |
| Other | 21A | <u>18,702</u> | <u>19,734</u> |
| Total payables | | <u>18,702</u> | <u>19,734</u> |
| Total liabilities | | <u>18,702</u> | <u>19,734</u> |
| EQUITY | | | |
| Capital | | - | - |
| Accumulated Results | | 78,833 | 60,198 |
| Reserves | | - | - |
| Total equity | 22A | <u>78,833</u> | <u>60,198</u> |
| Current liabilities | | 18,702 | 19,734 |
| Non-current liabilities | | - | - |
| Current assets | | 96,833 | 71,513 |
| Non-current assets | | 702 | 8,419 |

The above statement should be read in conjunction with the accompanying notes.

AUSTRALIAN CUSTOMS SERVICE
STATEMENT OF ADMINISTERED CASH FLOWS

for the year ended 30 June 2001

| | Notes | 2000-01 \$'000 | 1999-00 \$'000 |
|--|-------|-------------------|-------------------|
| OPERATING ACTIVITIES | | | |
| Cash received | | | |
| Customs duty | | 4,587,412 | 3,939,460 |
| Fees and fines | | 238,808 | 223,581 |
| Sales of goods and services | | 75,121 | 79,464 |
| Cash from Official Public Account | | 213,317 | 215,492 |
| Other | | 3,509 | 8,413 |
| Total cash received | | 5,118,167 | 4,466,410 |
| Cash used | | | |
| Cash to Official Public Account | | 5,119,292 | 4,467,952 |
| Other | | 252 | 290 |
| Total cash used | | 5,119,544 | 4,468,242 |
| Net cash from operating activities | 23 | (1,377) | (1,832) |
| Net increase (decrease) in cash held | | | |
| Cash at beginning of the reporting period | | 465 | 2,297 |
| Cash at the end of the reporting period | | (912) | 465 |

The above statement should be read in conjunction with the accompanying notes.

AUSTRALIAN CUSTOMS SERVICE
SCHEDULE OF ADMINISTERED COMMITMENTS

as at 30 June 2001

| | 2000-01 | 1999-00 |
|--------------------------------|----------------|----------|
| | \$'000 | \$'000 |
| BY TYPE | | |
| CAPITAL COMMITMENTS | - | - |
| OTHER COMMITMENTS | | |
| Operating leases | - | - |
| Other commitments | - | - |
| Total other commitments | - | - |
| COMMITMENTS RECEIVABLE | - | - |
| Net commitments | - | - |
| BY MATURITY | | |
| All Net Commitments | | |
| One year or less | - | - |
| From one to five years | - | - |
| Over five years | - | - |
| Net commitments | - | - |

NB: All 2000-01 commitments are GST inclusive where relevant

The above schedule should be read in conjunction with the accompanying notes.

AUSTRALIAN CUSTOMS SERVICE
SCHEDULE OF ADMINISTERED CONTINGENCIES

as at 30 June 2001

| | Notes | 2000-01 \$'000 | 1999-00 \$'000 |
|--------------------------------|-------|---------------------|---------------------|
| CONTINGENT LOSSES | | | |
| Claims for damages/costs | | <u>(2,110)</u> | <u>(4,323)</u> |
| Total contingent losses | | (2,110) | (4,323) |
| CONTINGENT GAINS | | | |
| Claims for damages/costs | | <u>3,692</u> | <u>5,454</u> |
| Net contingencies | | <u>1,582</u> | <u>1,131</u> |

SCHEDULE OF UNQUANTIFIABLE CONTINGENCIES

At 30 June 2001 Customs had a number of legal claims lodged against it for damages and costs. Customs has denied liability and is defending the claims. In addition, Customs has lodged a number of claims to recover damages and costs which are also being defended. It is not possible to estimate the amounts of any eventual payments or receipts in relation to these claims.

The above schedule should be read in conjunction with the accompanying notes.

AUSTRALIAN CUSTOMS SERVICE
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2001

| Note | Description |
|-------------|---|
| 1. | Summary of Significant Accounting Policies |
| 2. | Events Occurring after the Balance Date |
| 3. | Operating Revenues |
| 4. | Operating Expenses |
| 5. | Borrowing Cost Expenses |
| 6. | Financial Assets |
| 7. | Non-Financial Assets |
| 8. | Interest Bearing Liabilities |
| 9. | Provisions |
| 10. | Payables |
| 11. | Equity |
| 12. | Cash Flow Reconciliation |
| 13. | Executive Remuneration |
| 14. | Remuneration of Auditors |
| 15. | Average Staff Levels |
| 16. | Act of Grace Payments and Waivers and Defective Administration Scheme |
| 17. | Financial Instruments |
| 18. | Administered Revenues |
| 19. | Administered Expenses |
| 20. | Administered Assets |
| 21. | Administered Liabilities |
| 22. | Administered Equity |
| 23. | Administered Cash Flow Reconciliation |
| 24. | Administered Financial Instruments |
| 25. | Appropriations |
| 26. | Reporting of Outcomes |

Notes to and forming part of the financial statements

Note 1: Summary of Significant Accounting Policies

1.1 Objective of Australian Customs Services

Customs is structured to meet one outcome:

Outcome : *Effective border management that with minimal disruption to legitimate trade and travel, prevents illegal movement across the border, raises revenue and provide trade statistics.*

Customs is an agency within the Attorney General's portfolio.

Customs activities contributing toward this outcome are classified as either departmental or administered. Departmental activities involve the use of assets, liabilities, revenues and expenses controlled or incurred by Customs in its own rights. Administered activities involve the management or oversight by Customs on behalf of the Government of items controlled or incurred by the Government.

1.2 Basis of Accounting

The financial statements are required by section 49 of the *Financial Management and Accountability (FMA) Act 1997* and are a general purpose financial report.

The financial statements have been prepared in accordance with:

- Schedule 1 to Orders made by the Finance Minister for the preparation of Financial Statements in relation to financial years ending on or after 30 June 2001;
- Australian Accounting Standards and Accounting Interpretations issued by the Australian Accounting Standards Boards;
- Other authoritative pronouncements of the Boards; and
- Consensus Views of the Urgent Issues Group.

The statements have been prepared having regard to:

- Statements of Accounting Concepts; and
- The Explanatory Notes to Schedule 1, and Guidance Notes issued by the Department of Finance and Administration.

The Statements of Financial Performance and Financial Position have been prepared on an accrual basis and are in accordance with historical cost convention, except for certain assets that, as noted, are at valuation. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position.

Assets and liabilities are recognised in the Agency Statement of Financial Position when and only when it is probable that future economic benefits will flow and the amounts of the assets or liabilities can be reliably measured. Assets and liabilities arising under agreements equally proportionately unperformed are however not recognised unless required by an Accounting

Standard. Liabilities and assets that are unrecognised are reported in the Schedule of Commitments and the Schedule of Contingencies.

Revenues and expenses are recognised in the Statement of Financial Performance when and only when the flow or consumption or loss of economic benefits has occurred and can be reliably measured.

The continued existence of Australian Customs Service in its present form, and with its present programs, is dependent on Government policy and on continuing appropriations by Parliament for its administration and programs.

The Schedules of Administered Revenues and Expenses, Assets and Liabilities, and Cash Flows are prepared on the same basis and using the same policies as for Agency items, except where otherwise stated at Note 1.20.

Administered items are distinguished from agency items in the financial statements by shading.

1.3 Changes in Accounting Policy

The accounting policies used in the preparation of these financial statements are consistent with those used in 1999-2000.

1.4 Revenue

The revenues described in this Note are revenues relating to the core operating activities of Customs.

(a) Revenues from Government - Agency appropriations

Appropriations for departmental outputs are recognised as revenue to the extent that the Finance Minister is prepared to release appropriations for use (that is, the full amount of the appropriation passed by Parliament less any savings offered up at Additional Estimates and not subsequently released).

(b) Resources Received Free of Charge

Services received free of charge are recognised as revenue when and only when a fair value can be reliably determined and the services would have been purchased if they had not been donated. Use of those resources is recognised as an expense.

Contributions of assets at no cost of acquisition or for nominal consideration are recognised at their fair value when the asset qualifies for recognition, unless received from another Government agency as a consequence of a restructuring of administrative arrangements (Refer to Note 1.5).

(c) Other Revenue

Revenue from the sale of goods is recognised upon the delivery of goods to customers.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Dividend revenue is recognised when the right to receive a dividend has been established.

Revenue from disposal of non-current assets is recognised when the control of the asset has passed to the buyer.

1.5 Transactions by the Government as Owner

Appropriations designated as 'Capital – equity injections' are recognised directly in equity to the extent drawn down as at the reporting date.

Net assets received under a restructuring of administrative arrangements are designated by the Finance Minister as contributions by the owners and adjusted directly against equity. Net assets relinquished are designated as distributions to owners. Net assets transferred are initially recognised at the amounts at which they are recognised by the transferring agency immediately prior to the transfer.

1.6 Employee Entitlements

(a) Leave

The liability for employee entitlements includes provision for annual leave and long service leave. No provision has been made for sick leave as all sick leave is non-vesting and the average sick leave taken in future years by employees of Customs is estimated to be less than the annual entitlement for sick leave.

The liability for annual leave reflects the value of total annual leave entitlements of all employees at 30 June 2001 and is recognised at the nominal amount.

The non-current portion of the liability for long service leave is recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at 30 June 2001. In determining the present value of the liability, Customs has taken into account attrition rates and pay increases through promotions.

(b) Separation and redundancy

Provision is made for separation and redundancy payments in circumstances where Customs has formally identified positions as excess to requirements and a reliable estimate of the amount of the payments can be determined.

(c) Superannuation

Staff of Customs contribute to the Commonwealth Superannuation Scheme and the Public Sector Superannuation Scheme. Employer contributions amounting to \$24,713,803 (1999-2000: \$22,781,686) in relation to these schemes have been expensed in these financial statements.

No liability for superannuation is recognised as at 30 June 2001 as the employer contributions fully extinguish the accruing liability, which is assumed by the Commonwealth.

Employer Superannuation Productivity Benefit contributions totalled \$5,286,972 (1999-2000: \$4,867,833).

1.7 Leases

A distinction is made between finance leases which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to ownership of leased non-current assets and operating leases under which the lessor effectively retains substantially all such risks and benefits.

Where a non-current asset is acquired by means of a finance lease, the asset is capitalised at the present value of minimum lease payments at the inception of the lease and a liability recognised for the same amount. Leased assets are amortised over the useful life of the asset. Lease payments are allocated between the principal component and the interest expense.

During the year, Australian Customs Service recognised as a finance lease the acquisition of eight vessels totalling \$42,353,793.

Operating lease payments are expensed on a basis, which is representative of the pattern of benefits derived from the leased assets. The net present value of future net outlays in respect of surplus space under the non-cancellable lease agreements is expensed in the period in which the space becomes a surplus.

Lease incentives taking the form of 'free' leasehold improvements and rent holidays are recognised as liabilities. Allocating lease payments between rental expense and reduction of the liability reduces these liabilities.

1.8 Borrowing Costs

All borrowing costs are expensed as incurred except to the extent that they are directly attributable to qualifying assets, in which case they are capitalised. The amount capitalised in a reporting period does not exceed the amounts of costs incurred in that period.

The borrowing cost recognised by Australian Customs Service relates to the leased vessels and photocopiers.

1.9 Cash

Cash means notes and coins held and deposits held at call with a bank or financial institution.

1.10 Financial instruments

Accounting policies for financial instruments are stated at Note 17 and 24.

1.11 Acquisition of Assets

Assets are recorded at cost on acquisition except as stated below. The cost of acquisition includes the fair value of assets transferred in exchange and liabilities undertaken.

Assets acquired at no cost, or for nominal consideration, are initially recognised as assets and revenues at their fair value at the date of acquisition, unless acquired as a consequence of restructuring administrative arrangements. In the latter case, assets are initially recognised at the amounts at which they were recognised in the transferor agency's accounts immediately prior to the restructuring.

1.12 Property, Plant and Equipment

Asset recognition threshold

Purchases of property, plant and equipment are recognised initially at cost in the Statement of Financial Position, except for purchases costing less than \$3,000, which are expensed in the year of acquisition (other than when they form part of a group of similar items which are significant in total).

Revaluations

Schedule 1 requires that buildings, property, plant and equipment be revalued progressively in accordance with the 'deprival' method of valuation in successive three year cycles. Land is to be valued annually on the basis of its highest and best use, unless disposal is restricted by legislation, zoning or Government policy. In the latter cases, the deprival basis should be used and the valuations at highest and best use shown in a note.

Customs is implementing the requirements of Schedule 1 as follows:

- Leasehold improvements have been revalued by Colliers Jardine Consultancy and Valuation Pty. Limited as at 28 February 1999.
- Plant and equipment assets whether at cost or under finance lease have been revalued by the Australian Valuation Office as at 30 June 1999.
- Buildings have been revalued by the Defence Housing Authority as at 30 June 2001.

Assets in each class acquired after the commencement of the progressive revaluation cycle are not captured by the progressive revaluation then in progress and will be reported at cost for the duration of the progressive revaluation then in progress.

The financial effect of the move to progressive revaluations is that the carrying amounts of assets will reflect current values and that depreciation charges will reflect the current cost of the service potential consumed in each period.

The application of the deprival method values land at its current market buying price and other assets at their depreciated replacement cost.

Any assets that will not be replaced or are surplus to requirements are valued at net realisable value. Customs had no assets in this situation as at 30 June 2001.

During 1998-1999 internally developed software was valued for the first time using current replacement cost under the deprival method at 30 June 1999 and brought in as an adjustment to accumulated results. The Australian Valuation Office undertook the valuation.

All valuations are performed by independent parties.

Recoverable amount test

Schedule 1 requires the application of the recoverable amount test to agency non-current assets in accordance with AAS 10 *Accounting for the Revaluation of Non Current Assets*. The carrying amounts of these non-current assets have been reviewed to determine whether they are in excess of their recoverable amounts. In assessing recoverable amounts, the relevant cash flows have been discounted to their present value.

Depreciation and Amortisation

Depreciable property plant and equipment assets are written-off to their estimated residual values over their estimated useful lives to Customs using, in all cases, the straight-line method of depreciation. Leasehold improvements are amortised on a straight-line basis over the lesser of the estimated useful life of the improvements or the unexpired period of the lease. Land, as it is an asset with an unlimited useful life is not depreciated. In accordance with the Australian Accounting Standard AAS17 and given that ownership of the vessels is intended to occur at the end of the lease term, the leased vessels are amortised over the vessels useful life rather than the lease term.

Depreciation/amortisation rates (useful lives) and methods are reviewed at each balance date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate. Residual values are re-estimated for a change in prices only when assets are revalued.

Depreciation and amortisation rates applying to each class of depreciable asset are based on the following useful lives:

| | 2000-01 | 1999-00 |
|----------------------------|--|--|
| Buildings on freehold land | 40 years | 40 years |
| Leasehold improvements | lesser of fitout cost or lease term | lesser of fitout cost or lease term |
| Plant and equipment | 4 to 5 years | 5 years |
| Intangibles | 3 to 5 years | 5 years |
| Customs Vessels | 12 years | 12 years |
| Operational Equipment | 5 years | 5 years |
| X-Ray equipment | 7 years | 7 years |
| Historical & antique items | 50 years | 50 years |

The aggregate amount of depreciation allocated for each class of asset during the reporting period is disclosed in Note 4C.

1.13 Inventories

Inventories held for resale are valued at the lower of cost and net realisable value. Inventories of seized and surrendered goods are brought to account at estimated net proceeds from sale.

Inventories not held for resale are valued at cost, unless they are no longer required, in which case they are valued at net realisable value.

1.14 Taxation

Customs is exempt from all forms of taxation except fringe benefits tax and the goods and services tax.

1.15 Capital Usage Charge

A capital usage charge of 12% is imposed by the Commonwealth on the net agency assets of Customs. The charge is adjusted to take account of asset gifts and revaluation increments during the financial year.

1.16 Foreign Currency

Transactions denominated in a foreign currency are converted at the exchange rate at the date of the transaction. Foreign currency receivables and payables are translated at the exchange rates current as at balance date. Associated currency gains and losses are not material.

1.17 Insurance

Customs has insured for risks through the Government's insurable risk managed fund, called 'Comcover'. Workers compensation is insured through Comcare Australia.

1.18 Comparative figures

Comparative figures have been adjusted to conform to changes in presentation in these financial statements where required.

1.19 Rounding

Amounts have been rounded to the nearest \$1,000 except in relation to the following items:

- Transactions of the Special Accounts;
- Act of grace payments and waivers;
- Remuneration of executives;
- Remuneration of auditors; and
- Appropriations.

1.20 Administered Revenue

All revenues described in this note are revenues relating to the core operating activities performed by Customs on behalf of the Commonwealth.

Revenue from Government – Administered Appropriations

Appropriations for administered expenses may be unlimited or limited as to amount. Where appropriation is an annual appropriation and limited as to amount, revenue is recognised to the extent of the lesser of:

- the amount appropriated by the Parliament, and
- an amount determined by the Finance Minister – this amount is determined having regard to the expenses incurred for the reporting period.

Where unlimited, revenue is recognised to the extent that expenses have been incurred. Similarly, appropriations credited to administered special accounts are recognised as revenue to the extent that expenses have been incurred.

Other Revenue

Fees are charged to individuals leaving Australia, and are intended to cover the costs of government services provided at international airports and seaports. Administered fee revenue is recognised in the period the charge is incurred.

Administered fines are recognised in the period in which the breach occurs.

1.21 Administered Capital

Appropriations of Administered capital are recognised in Administered Equity as amounts appropriated by Parliament are drawn down.

Note 2: Events Occurring after the Balance Date

There are no events occurring after balance date.

Note 3: Operating Revenues

| <u>Note 3A- Revenues from Government</u> | 2000-01 | 1999-00 |
|--|----------------|---------|
| | \$'000 | \$'000 |
| Appropriations for outputs | 422,207 | 424,101 |
| Resources received free of charge | 134,835 | 134,490 |
| Total | 557,042 | 558,591 |

| <u>Note 3B - Sales of Goods and Services</u> | 2000-01 | 1999-00 |
|--|----------------|---------------|
| | \$'000 | \$'000 |
| Goods and Services | 64,606 | 20,464 |
| Total | 64,606 | 20,464 |

Note 3C – Proceeds and Expenses from Sale of Assets

Non-financial assets – Property, plant and equipment:

| | | |
|------------------------------|--------------|-------|
| Revenue (proceeds) from sale | (579) | (177) |
| Expense from sale | 3,022 | 2227 |
| Total | 2,443 | 2,050 |

Non-financial assets – Land and Buildings:

| | | |
|------------------------------|--------------|---|
| Revenue (proceeds) from sale | (579) | - |
| Expense from sale | 633 | - |
| Total | 54 | - |

Note 4: Operating Expenses

Note 4A - Employee Expenses

| | | |
|--------------------------------------|----------------|---------|
| Remuneration (for services provided) | 244,899 | 226,989 |
| Separation and redundancy | 2,117 | 5,397 |
| Total remuneration | 247,016 | 232,386 |
| Other employee expenses | 5,620 | 2,121 |
| Total | 252,636 | 234,507 |

Note 4B - Supplier Expenses

| | | |
|------------------------------|----------------|---------|
| Supply of goods and services | 305,742 | 288,206 |
| Operating lease rentals | 32,056 | 25,338 |
| Total | 337,798 | 313,544 |

Note 4C - Depreciation and Amortisation

| | | |
|---|---------------|--------|
| Depreciation of property, plant and equipment | 10,104 | 10,471 |
| Amortisation of leased assets | 3,241 | 16 |
| Amortisation of intangibles | 3,563 | 3,392 |
| Depreciation of buildings | 229 | 209 |
| Total | 17,137 | 14,088 |

| <u>Note 4D – Write down of assets</u> | 2000-01 | 1999-00 |
|--|----------------|----------|
| | \$'000 | \$'000 |
| Financial Assets | | |
| Receivables | 17 | 3 |
| Non-Financial Assets | | |
| Land & Buildings – revaluation decrement | 45 | - |
| Total | <u>62</u> | <u>3</u> |

Note 5: Borrowing Cost Expenses

| | | |
|-------|--------------|----------|
| Lease | <u>6,135</u> | <u>4</u> |
| Total | <u>6,135</u> | <u>4</u> |

Note 6: Financial Assets

Note 6A – Receivables

| | | |
|--|--------------|---------------|
| Appropriations – Other Services | <u>-</u> | <u>9,344</u> |
| | - | 9,344 |
| Goods and services | 5,684 | 7,777 |
| GST receivable | <u>3,428</u> | <u>-</u> |
| | 9,112 | 7,777 |
| Less: Provision for doubtful debts | <u>(25)</u> | <u>-</u> |
| | 9,087 | 7,777 |
| Other | - | 6,285 |
| Less: Provision for doubtful debts | <u>-</u> | <u>(8)</u> |
| | - | 6,277 |
| Total | <u>9,087</u> | <u>23,398</u> |
| Receivables (gross) are aged as follows: | | |
| Not Overdue | 8,506 | 23,194 |
| Overdue by: | | |
| Less than 30 days | 18 | 26 |
| 30 to 60 days | 56 | 26 |
| 60 to 90 days | 11 | 50 |
| More than 90 days | <u>521</u> | <u>102</u> |
| Total | <u>9,112</u> | <u>23,398</u> |

| Note 7: Non-Financial Assets | 2000-01 | 1999-00 |
|--|----------------------|----------------------|
| | \$'000 | \$'000 |
| <u>Note 7A - Land and Buildings</u> | | |
| Land - at valuation | <u>4,354</u> | <u>4,078</u> |
| Total land – at valuation | <u>4,354</u> | <u>4,078</u> |
| Buildings – at cost | 301 | 207 |
| Accumulated depreciation | <u>(17)</u> | <u>(6)</u> |
| Total buildings - at cost | <u>284</u> | <u>201</u> |
| Buildings – at valuation | 8,997 | 7,904 |
| Accumulated depreciation | <u>0</u> | <u>(441)</u> |
| Total buildings - at valuation | <u>8,997</u> | <u>7,463</u> |
| Total Land and Buildings | <u><u>13,635</u></u> | <u><u>11,742</u></u> |
| <u>Note 7B – Property, Plant and Equipment</u> | | |
| Property, plant and equipment - at cost | 61,884 | 29,965 |
| Accumulated depreciation | <u>(15,341)</u> | <u>(1,996)</u> |
| Total plant and equipment - at cost | <u>46,543</u> | <u>27,969</u> |
| Property, plant and equipment - at valuation | 42,858 | 42,858 |
| Accumulated depreciation | <u>(13,526)</u> | <u>(10,233)</u> |
| Total plant and equipment - at valuation | <u>29,332</u> | <u>32,625</u> |
| Total Property, Plant and Equipment | <u><u>75,875</u></u> | <u><u>60,594</u></u> |

7C - Analysis of Property, Plant and Equipment and Intangibles

TABLE A - Movement summary 2000-01 for all assets irrespective of valuation basis

| | Land | Buildings | Total Land and Buildings | Plant and Equipment | Intangibles | Total |
|--|--------------|--------------|--------------------------|---------------------|---------------|----------------|
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Gross value at 1 July 2000 | 4,078 | 8,111 | 12,189 | 72,823 | 17,144 | 102,156 |
| Additions - Purchase of assets | 144 | 774 | 918 | 33,673 | 52 | 34,643 |
| Revaluations: write-ups/(write-downs) | 402 | 1461 | 1,863 | - | - | 1,863 |
| Assets transferred in/(out) | - | - | - | - | - | - |
| Write offs | (15) | (30) | (45) | - | - | (45) |
| Disposals | (255) | (385) | (640) | (5,642) | - | (6,282) |
| Other Movements ● | - | (633) | (633) | 3,888 | (96) | 3,159 |
| Gross value at 30 June 2001 | 4,354 | 9,298 | 13,652 | 104,742 | 17,100 | 135,494 |
| Accumulated Depreciation/Amortisation at 1 July 2000 | - | 447 | 447 | 12,229 | 3,395 | 16,071 |
| Disposals | - | (26) | (26) | (2,711) | - | (2,737) |
| Depreciation/amortisation charge for the year | - | 229 | 229 | 13,345 | 3,563 | 17,137 |
| Revaluations: write-ups/(write-downs) | - | - | - | - | - | - |
| Assets transferred in/(out) | - | - | - | - | - | - |
| Write-offs | - | - | - | - | - | - |
| Other movements ● | - | (633) | (633) | 6,003 | 10 | 5,380 |
| Accumulated depreciation/amortisation at 30 June 2000 | - | 17 | 17 | 28,867 | 6,968 | 35,851 |
| Net book value at 30 June 2001 | 4,354 | 9,281 | 13,635 | 75,875 | 10,132 | 99,643 |
| Net book value at 1 July 2000 | 4,078 | 7,664 | 11,742 | 60,594 | 13,749 | 86,085 |

Note 7C - Property, Plant, Equipment and Intangibles (cont.)
TABLE B - Summary of balances of assets at valuation as at 30 June 2001

| | Land \$'000 | Buildings \$'000 | Total Land and Buildings \$'000 | Plant and Equipment \$'000 | Intangibles \$'000 | Total \$'000 |
|--|----------------|---------------------|--|----------------------------------|-----------------------|-----------------|
| As at 30 June 2001 | | | | | | |
| Gross value | 4,354 | 8,997 | 13,351 | 42,858 | 16,261 | 72,470 |
| Accumulated Depreciation/Amortisation | - | - | - | (13,526) | (6,620) | (20,146) |
| Net book value | 4,354 | 8,997 | 13,351 | 29,332 | 9,641 | 52,324 |
| As at 30 June 2000 | | | | | | |
| Gross value | 4078 | 7904 | 11,982 | 42,858 | 16,261 | 71,101 |
| Accumulated Depreciation/Amortisation | - | (441) | (441) | (10,233) | (3,311) | (13,985) |
| Net book value | 4,078 | 7,463 | 11,541 | 32,625 | 12,950 | 57,116 |

• **Notes to Table A; Other movement details:**

“Buildings”: The adjustment refers to the accumulated depreciation balance being credited to the Buildings account prior to revaluing the class of assets “Buildings” in accordance with AAS 38 “Revaluation of Non-Current Assets”.

“Other Property, Plant and Equipment” and “Computer Software”: During the year, adjustments were made to reconcile the Fixed Asset Register to the General Ledger.

Note 7C - Property, Plant, Equipment and Intangibles (cont.)

TABLE C - Summary of balances of assets held under Finance Leases as at 30 June 2001

| | Land \$'000 | Buildings \$'000 | Total Land and buildings \$'000 | Plant and Equipment \$'000 | Intangibles \$'000 | Total \$'000 |
|---------------------------|----------------|---------------------|--|----------------------------------|-----------------------|-----------------|
| As at 30 June 2001 | | | | | | |
| Gross value | - | - | - | 42,433 | - | 42,433 |
| Accumulated amortisation | - | - | - | (3,244) | - | (3,244) |
| Net book value | - | - | - | 39,189 | - | 39,189 |
| As at 30 June 2000 | | | | | | |
| Gross value | - | - | - | 79 | - | 79 |
| Accumulated amortisation | - | - | - | (57) | - | (57) |
| Net book value | - | - | - | 22 | - | 22 |

| <u>Note 7D – Inventories</u> | 2000-01 \$'000 | 1999-00 \$'000 |
|--|---------------------------------|-------------------|
| Inventories not held for sale | <u>1,824</u> | <u>1,918</u> |
| <u>Note 7E - Intangibles</u> | | |
| Purchased software – at cost | 839 | 883 |
| Accumulated amortisation | <u>(348)</u> | <u>(84)</u> |
| | 491 | 799 |
| Internally developed software – at valuation | 16,261 | 16,261 |
| Accumulated amortisation | <u>(6,620)</u> | <u>(3,311)</u> |
| | 9,641 | 12,950 |
| Total Intangibles | <u>10,132</u> | <u>13,749</u> |
| <u>Note 7F- Other</u> | | |
| Prepayments | 4,803 | 2,314 |
| Work in progress | 48,989 | 39,719 |
| Other | <u>-</u> | <u>-</u> |
| Total | <u>53,792</u> | <u>42,033</u> |

Note 8: Interest Bearing Liabilities

Note 8A - Leases

| | | |
|---|-----------------------|------------|
| Finance Lease commitments | | |
| Not Later than one year | 5,402 | 22 |
| Later than one year and not later than five years | 19,013 | - |
| Later than five years | <u>-</u> | <u>-</u> |
| Minimum lease payments | 24,415 | 22 |
| Deduct: future finance charges | <u>(2,825)</u> | <u>(2)</u> |
| Lease Liability | <u>21,590</u> | <u>20</u> |
| Lease Liabilities represented by: | | |
| Current | 4,267 | 20 |
| Non-Current | <u>17,323</u> | <u>-</u> |
| Lease Liability | <u>21,590</u> | <u>20</u> |

| Note 9: Provisions | 2000-01 | 1999-00 |
|---|----------------|---------------|
| | \$'000 | \$'000 |
| <u>Note 9A – Employees Provisions</u> | | |
| Salaries and wages | 6,962 | 5,566 |
| Leave | 75,108 | 70,081 |
| Superannuation | - | - |
| Worker's Compensation | - | - |
| Separation and redundancies | - | - |
| Aggregate employee entitlements liability | 82,070 | 75,647 |
| Other | - | - |
| Total | 82,070 | 75,647 |
| Current | 20,519 | 13,242 |
| Non-Current | 61,551 | 62,405 |

Note 10: Payables

| | | |
|--------------------------------------|---------------|---------------|
| <u>Note 10A – Suppliers Payables</u> | | |
| Trade creditors | 10,640 | 24,009 |
| Total | 10,640 | 24,009 |
| <u>Note 10B – Other Payables</u> | | |
| Unearned Revenue | 2,841 | |
| Fringe Benefits Tax | 876 | 401 |
| Total | 3,717 | 401 |

Note 11: Equity
Note 11A - Equity - Agency

| Item | Accumulated Results | | Asset Revaluation | | Total Reserves | | Capital | | Total Equity | |
|--|---------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| | 2000-01 \$'000 | 1999-00 \$'000 | 2000-01 \$'000 | 1999-00 \$'000 | 2000-01 \$'000 | 1999-00 \$'000 | 2000-01 \$'000 | 1999-00 \$'000 | 2000-01 \$'000 | 1999-00 \$'000 |
| Balance at 1 July 2000 | 26,709 | 15,876 | 20,729 | 20,849 | 20,729 | 20,849 | 68,517 | 35,405 | 115,955 | 72,130 |
| Net surplus/(deficit) after extraordinary items | 9,722 | 14,929 | - | - | - | - | - | - | 9,722 | 14,929 |
| Equity injection: Appropriation | - | - | - | - | - | - | (2,307) | 33,112 | (2,307) | 33,112 |
| Restructuring transfers | - | - | - | - | - | - | - | - | - | - |
| Dividends | - | - | - | - | - | - | - | - | - | - |
| Capital Use Charge | (12,692) | (4,096) | - | - | - | - | - | - | (12,692) | (4,096) |
| Net Revaluation increments/decrements | 69 | - | 1,794 | (124) | 1,794 | (124) | - | - | 1,863 | (124) |
| Balance 30 June 2001 | 23,808 | 26,709 | 22,523 | 20,725 | 22,523 | 20,725 | 66,210 | 68,517 | 112,541 | 115,951 |

Note 12: Cash Flow Reconciliation

| | 2000-01 \$'000 | 1999-00 \$'000 |
|---|----------------------|----------------------|
| Reconciliation of Cash per Statement of Financial Position to Statement of Cash Flows | | |
| Cash at year end per Statement of Cash Flows | 66,213 | 62,594 |
| Statement of Financial Position items comprising above cash: 'Financial Asset – Cash' | 66,213 | 62,594 |
| Reconciliation of operating surplus to net cash provided by operating activities: | | |
| Net surplus (deficit) | 9,722 | 14,929 |
| Depreciation/amortisation | 17,137 | 14,088 |
| Write down of assets | 62 | 3 |
| Loss on sale or disposal of non-current assets | 2,497 | 2,050 |
| Add back borrowing costs | 6,135 | - |
| (Increase) decrease in receivables | 5,165 | 18,407 |
| Decrease (increase) in inventories | 94 | 88 |
| (Increase) decrease in other assets | (2,489) | (19,463) |
| (Decrease) increase in provisions | 6,423 | 11,511 |
| (Decrease) increase in creditors | (13,383) | 17,799 |
| Increase (decrease) in leases | - | (15) |
| (Decrease) increase in other payables | 3,316 | 16 |
| Recognition of equity injection carry over | - | 9,344 |
| Net cash provided (used) by operating activities | <u><u>34,679</u></u> | <u><u>68,757</u></u> |

Note 13: Executive Remuneration

The number of Executives who received or were due to receive total remuneration of \$100,000 or more:

| | 2000-01 | 1999-00 |
|-----------------------|----------------|---------|
| | Number | Number |
| \$100,000 - \$110,000 | 3 | - |
| \$110,001 - \$120,000 | 5 | - |
| \$120,001 - \$130,000 | 4 | 2 |
| \$130,001 - \$140,000 | 11 | 7 |
| \$140,001 - \$150,000 | 2 | 8 |
| \$150,001 - \$160,000 | 1 | 3 |
| \$160,001 - \$170,000 | - | 1 |
| \$170,001 - \$180,000 | - | 3 |
| \$180,001 - \$190,000 | - | 1 |
| \$190,001 - \$200,000 | 3 | 1 |
| \$210,001 - \$220,000 | 1 | - |
| \$220,001 - \$230,000 | - | 1 |
| \$260,001 - \$270,000 | - | 1 |
| \$300,001 - \$310,000 | 1 | 1 |

| | | |
|---|--------------------|-------------|
| The aggregate amount of total remuneration of Executives shown above. | \$4,424,522 | \$4,364,086 |
|---|--------------------|-------------|

The above amounts include any separation and redundancy payments made during the year.

Note 14: Remuneration of Auditors

Financial statement audit services are provided free of charge to Customs. The fair value of the audit services provided was:

| | 2000-01 | 1999-00 |
|-----------------------------------|-----------------------|----------------|
| | \$ | \$ |
| Audit of the financial statements | <u>540,000</u> | <u>540,000</u> |

No other services were provided by the Auditor-General.

Note 15: Average Staff Levels

| | 2000-01 | 1999-00 |
|---|--------------|--------------|
| The average staffing levels for Customs during the year were: | <u>4,171</u> | <u>3,921</u> |

Note 16: Act of Grace Payments and Waivers and Defective Administration Scheme

| | 2000-01 | 1999-00 |
|---|---------------|--------------|
| | \$ | \$ |
| Act of Grace payments were made during the year | <u>29,231</u> | <u>-</u> |
| No waivers of amounts owing to the Commonwealth were made pursuant to subsection 34(1) of the <i>Financial Management and Accountability Act 1997</i> . | - | - |
| One payment was made under the Defective Administration Scheme during the reporting period. | <u>5,914</u> | <u>7,096</u> |

Note 17: Financial Instruments

Note 17A - Terms, conditions and accounting policies

| Financial Instrument | Notes | Accounting Policies and Methods (including recognition criteria and measurement basis) | Nature of underlying instrument (including significant terms & conditions affecting the amount, timing and certainty of cash flows). |
|------------------------------------|-------|--|---|
| <i>Financial Assets</i> | | <i>Financial assets are recognised when control over future economic benefits is established and the amount of the benefit can be reliably measured.</i> | |
| Cash | | Deposits are recognised at their nominal amounts. Interest is credited to revenue as it accrues. | Customs invests funds with a commercial bank at call. Monies in Customs bank accounts are swept into the Official Public Account nightly and interest is earned on the daily balance at rates based on money market call rate. Rates have averaged 5.85% for the year (1999-2000: 7%). Interest is paid at month end. |
| Receivables for goods and Services | 6A | These receivables are recognised at the nominal amounts due less any provision for bad and doubtful debts. Collectability of debts is reviewed at balance date. Provisions are made when collection of the debt is judged to be less rather than more likely. | The majority of receivables are with entities external to the Commonwealth. Credit terms are net 30 days (1999-2000: 30 days). |
| <i>Financial liabilities</i> | | <i>Financial liabilities are recognised when a present obligation to another party is entered into and the amount of the liability can be reliably measured.</i> | |
| Finance lease liabilities | 8A | Liabilities are recognised at the present value of the minimum lease payments at the beginning of the lease. The discount rates used are estimates of the interest rates implicit in the leases. | At reporting date, Customs had finance leases with terms averaging 5 years and a maximum term of 5 years. The interest rate implicit in the leases is 6.4% (1999-2000: 13.05%) The lease liabilities are secured by the lease assets. |
| Trade creditors | 10A | Creditors and accruals are recognised at their nominal amounts, being the amounts at which the liabilities will be settled. Liabilities are recognised to the extent that the goods or services have been received (and irrespective of having been invoiced). | All creditors are entities that are not part of the Commonwealth legal entity. Settlement is usually made net 30 days. |

Note 17: Financial Instruments (cont.)

Note 17B - Interest Rate Risk - Agency

| Financial Instrument | Notes | Floating Interest Rate | Fixed Interest Rate | | | | | Non-Interest Bearing | Total | Weighted Average Effective Interest rate | | |
|---|-------|------------------------|---------------------|-----------------|-----------------|-----------------|-----------------|----------------------|-----------------|--|------------|-------|
| | | | 1 year or less | 1 to 2 years | 2 to 5 years | > 5 years | | | | | | |
| | | 00-01 \$'000 | 99-00 \$'000 | 00-01 \$'000 | 99-00 \$'000 | 00-01 \$'000 | 99-00 \$'000 | 00-01 \$'000 | 99-00 \$'000 | 00-01 % | 99-01 % | |
| Financial Assets | | | | | | | | | | | | |
| Cash at Bank | | - | - | 66,100 | 62,448 | - | - | 113 | 146 | 66,213 | 62,594 | 5.85 |
| Receivables | 6A | - | - | - | - | - | - | 9,087 | 23,398 | 9,087 | 23,398 | n/a |
| Total Financial Assets (Recognised) | | - | - | 66,100 | 62,448 | - | - | 9,200 | 24,544 | 75,300 | 85,992 | |
| Total Assets | | - | - | - | - | - | - | - | - | 230,558 | 216,028 | |
| Financial Liabilities | | | | | | | | | | | | |
| Trade Creditors and Accruals | 10A | - | - | - | - | - | - | 10,640 | 24,009 | 10,640 | 24,009 | n/a |
| Finance Lease Liabilities | 8A | - | 3 | 20 | 21,587 | - | - | - | - | 21,590 | 20 | 9.73 |
| Total Financial Liabilities (Recognised) | | - | - | 3 | 20 | 21,587 | - | 10,640 | 24,009 | 32,230 | 24,029 | 13.05 |
| Total Liabilities | | - | - | - | - | - | - | - | - | 118,017 | 100,077 | |

Note 17: Financial Instruments (cont.)

Note 17C - Net Fair Values of Financial Assets and Liabilities.

| AGENCY | | 2000-01 | | 1999-00 | |
|---|--|---------------------------------------|--|---------------------------------------|--|
| | | Total Carrying Amount \$'000 | Aggregate Net Fair Value \$'000 | Total Carrying Amount \$'000 | Aggregate Net fair Value \$'000 |
| Note | | | | | |
| Agency | | | | | |
| Financial Assets | | | | | |
| | | 66,213 | 66,213 | 62,594 | 62,594 |
| | | 9,087 | 9,087 | 23,398 | 23,398 |
| | | <u>75,300</u> | <u>75,300</u> | <u>85,992</u> | <u>85,992</u> |
| Financial Liabilities (recognised) | | | | | |
| | | 10,640 | 10,640 | 24,009 | 24,009 |
| | | 21,590 | 21,590 | 20 | 20 |
| | | <u>32,230</u> | <u>32,230</u> | <u>24,029</u> | <u>24,029</u> |

Financial assets

The net fair values of cash and non-interest bearing monetary financial assets approximate their carrying amounts.

Financial liabilities

The net fair values for trade creditors and other liabilities are approximated by their carrying amounts.

The net fair values of finance leases are based upon discounted cash flows using the interest rate implicit in the lease.

Note 17D - Credit Risk Exposures

Customs maximum exposure to credit risk at reporting date in relation to each class of recognised financial assets is the carrying amount of those assets as indicated in the Statement of Financial Position.

Customs has no significant exposures to any concentrations of credit risk.

Note 18: Administered Revenues

| | 2000-01 \$,000 | 1999-00 \$,000 |
|---|-------------------|-------------------|
| <u>Note 18A – Customs Duty and Fees</u> | | |
| Customs Duty | 4,609,465 | 3,966,595 |
| Fees | 242,317 | 226,196 |
| Total | <u>4,851,782</u> | <u>4,192,791</u> |

The customs duty figure reflects an amount of \$88.672m in customs duty offsets. These offsets are associated with the Automotive Competitiveness and Investment Scheme (ACIS) credits redeemed to 30 June 2001. The ACIS scheme is administered by the Department of Industry, Science and Resources and the redemption of customs duty is made on their behalf.

| | | |
|---|----------------|----------------|
| <u>Note 18B – Revenue from Government</u> | | |
| Annual Appropriations | 252 | 252 |
| Special Appropriations | 214,147 | 215,240 |
| Total | <u>214,399</u> | <u>215,492</u> |

| | | |
|----------------------------|---|---|
| <u>Note 18C - Interest</u> | | |
| Interest from deposits | - | 6 |

| | | |
|--|------------|--------------|
| <u>Note 18D - Other Administered Revenue</u> | | |
| Resources Received Free of Charge | 363 | 13 |
| Other | - | 7,489 |
| Total | <u>363</u> | <u>7,502</u> |

Note 19: Administered Expenses

| | | |
|--|--------------|----------------|
| <u>Note 19A – Net Write Down of Assets</u> | | |
| Financial Assets | | |
| Receivables – provision for doubtful debt | 4,403 | (3,100) |
| Total | <u>4,403</u> | <u>(3,100)</u> |

| | | |
|---|------------|------------|
| <u>Note 19B - Other Administered Expenses</u> | | |
| Compensation and Legal | - | - |
| Other | 252 | 290 |
| Total | <u>252</u> | <u>290</u> |

Note 20: Administered Assets

| <u>Note 20A - Receivables - Administered</u> | 2000-01 | 1999-00 |
|---|----------------|---------|
| | \$,000 | \$,000 |
| Customs Duty | 60,908 | 39,887 |
| Fees and Fines | 37,737 | 34,228 |
| Goods and Services | 917 | - |
| Other | 6,618 | 9,045 |
| Less: Provision for doubtful debts | (8,109) | (3,706) |
| Total | 98,071 | 79,454 |
| Overdue Administered receivables as at 30 June 2001 were aged as follows: | | |
| Not Overdue | 65,864 | 61,177 |
| Overdue by: | | |
| Less than 30 days | 18,816 | 1,501 |
| 30 to 60 days | 1,007 | 1,916 |
| 60 to 90 days | 718 | 1,026 |
| More than 90 days | 19,775 | 13,834 |
| Total | 106,180 | 79,454 |

Note 20B – Inventories - Administered

| | | |
|---------------------------|------------|----|
| Inventories held for sale | 376 | 13 |
|---------------------------|------------|----|

Note 21: Administered Liabilities

Note 21A - Payables

| | | |
|-------------------------|---------------|--------|
| Refunds of Customs Duty | 18,702 | 19,721 |
| Other | - | 13 |
| Total | 18,702 | 19,734 |

Note 22: Administered Equity

Note 22A – Movements in Equity

| Item | Accumulated net change in administered net assets from operations | | Asset revaluation reserve | | Total reserves | | Capital | | Total Equity | |
|--|---|-------------------|------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| | 2000-01 \$'000 | 1999-00 \$'000 | 2000-01 \$'000 | 1999-00 \$'000 | 2000-01 \$'000 | 1999-00 \$'000 | 2000-01 \$'000 | 1999-00 \$'000 | 2000-01 \$'000 | 1999-00 \$'000 |
| Balance at 1 July 2000 | 60,198 | 31,380 | - | - | - | - | 60,198 | - | 60,198 | 31,880 |
| Net Change in Administered net assets from operations | 5,137,927 | 4,496,770 | - | - | - | - | - | - | 5,137,927 | 4,496,770 |
| Amount to Official Commonwealth Public Account | (5,119,292) | (4,467,952) | - | - | - | - | - | - | (5,119,292) | (4,467,952) |
| Restructuring Transfers | - | - | - | - | - | - | - | - | - | - |
| Capital Appropriations | - | - | - | - | - | - | - | - | - | - |
| Balance 30 June 2001 | 78,833 | 60,198 | - | - | - | - | - | - | 78,833 | 60,198 |

Note 23: Administered Cash Flow Reconciliation

| | 2000-01 \$,000 | 1999-00 \$,000 |
|---|-------------------|-------------------|
| Reconciliation of Cash per Statement of Financial Position to Statement of Cash Flows | | |
| Cash at year end per Statement of Cash Flows | (912) | 465 |
| Statement of Financial Position items comprising above cash: 'Financial asset – Cash' | (912) | 465 |
| Reconciliation of 'Net change in administered net assets' from Schedule of Administered Revenues and Expenses to net cash provided by operating activities: | | |
| Net increase (decrease) in administered net assets | 18,635 | 28,818 |
| Increase (decrease) in suppliers provisions and payables | (1,032) | (6,955) |
| Decrease (increase) in receivables | (18,617) | (23,901) |
| Decrease (increase) in inventories | (363) | 206 |
| Net Cash from Operating activities | (1,377) | (1,832) |

Note 24: Administered Financial Instruments

Note 24A - Terms, conditions and accounting policies

| Financial Instrument | Notes | Accounting Policies and Methods (including recognition criteria and measurement basis) | Nature of underlying instrument (including significant terms & conditions affecting the amount, timing and certainty of cash flows. |
|--|-------|---|---|
| <i>Financial Assets</i> | | <i>Financial assets are recognised when control over future economic benefits is established and the amount of the benefit can be reliably measured.</i> | |
| Cash | | Deposits are recognised at their nominal amounts. | The balance of the administered cash account is non interest bearing. |
| Receivables for customs duty and other | 20A | These receivables are recognised at the nominal amounts due less any provision for bad and doubtful debts. Collectability of debts is reviewed at balance date. Provisions are made when collection of the debt is judged to be less rather than more likely. | The majority of receivables are with entities external to the Commonwealth. Credit terms vary. |
| <i>Financial Liabilities</i> | | <i>Financial liabilities are recognised when a present obligation to another party is entered into and the amount of the liability can be reliably measured.</i> | |
| Other – refunds / rebates | 21A | Approved claims for refunds and rebates are recognised at nominal amounts. The liability for unapproved claims is based on a percentage of approved claims during the year. | All liabilities are with entities external to the Commonwealth. |

Note 24: Administered Financial Instruments (cont.)**Note 24B - Interest Rate Risk: Administered**

| Financial Instrument | Notes | Floating Interest Rate | Fixed Interest Rate | | | | | Non-Interest Bearing | Total | Weighted Average Effective Interest rate | |
|---|-------|------------------------|---------------------|-----------------|-----------------|-----------------|-----------------|----------------------|-----------------|--|-----------------|
| | | | 1 year or less | 1 to 2 years | 2 to 5 years | > 5 years | | | | | |
| | | 00-01 \$'000 | 99-00 \$'000 | 00-01 \$'000 | 99-00 \$'000 | 00-01 \$'000 | 99-00 \$'000 | 00-01 \$'000 | 99-00 \$'000 | 00-01 \$'000 | 99-00 \$'000 |
| Financial Assets | | | | | | | | | | | |
| Cash at Bank | | - | - | - | - | - | - | (912) | 465 | n/a | n/a |
| Receivables | 20A | - | - | - | - | - | - | 98,071 | 79,454 | 98,071 | 79,454 |
| Total Financial Assets (Recognised) | | - | - | - | - | - | - | 97,159 | 79,919 | 97,159 | 79,919 |
| Total Assets | | | | | | | | 97,535 | 79,932 | | |
| Financial Liabilities | | | | | | | | | | | |
| Refunds / Rebates | 21A | - | - | - | - | - | - | 18,702 | 19,734 | 18,702 | 19,734 |
| Total Financial Liabilities (Recognised) | | - | - | - | - | - | - | 18,702 | 19,734 | 18,702 | 19,734 |
| Total Liabilities | | | | | | | | 18,702 | 19,734 | 18,702 | 19,734 |

Note 24: Administered Financial Instruments (cont.)

Note 24C - Net Fair Values of Financial Assets and Liabilities.

| | Note | 2000-01 | | 1999-00 | |
|---|------|---------------------------------------|--|---------------------------------------|--|
| | | Total Carrying Amount \$'000 | Aggregate Net fair Value \$'000 | Total Carrying Amount \$'000 | Aggregate Net fair Value \$'000 |
| Administered Financial Assets | | | | | |
| Cash at Bank | | (912) | (912) | 465 | 465 |
| Receivables for customs duty and other | 20A | 98,071 | 98,071 | 79,454 | 79,454 |
| Total Financial Assets | | 97,159 | 97,159 | 79,919 | 79,919 |
| Financial Liabilities (recognised) | | | | | |
| Refunds / Rebates | 21A | 18,702 | 18,702 | 19,734 | 19,734 |
| Total Financial Liabilities (recognised) | | 18,702 | 18,702 | 19,734 | 19,734 |

Note 25: Appropriations**Note 25A - Agency appropriations**

| | 2000-01 | 1999-00 |
|--|--------------------|--------------------|
| | \$ | \$ |
| <u>Annual appropriations for Departmental items (outputs)</u> | | |
| Add: Appropriation Acts No 1 & 3 credits: | | |
| Section 7 - Act 1 - basic appropriations (budget) | 418,685,000 | 419,012,000 |
| Section 7 - Act 3 - basic appropriations | 3,522,000 | 4,948,000 |
| Section 10 - adjustments | - | - |
| Section 11 - Advance to the Finance Minister | - | - |
| Section 12 - Comcover receipts | - | - |
| Total Current Appropriations Act | 422,207,000 | 424,101,000 |
| Add: FMA Act | | |
| s30 appropriations | - | - |
| s30A appropriations (GST recoverables) | 33,779,800 | - |
| s31 appropriations | 64,605,674 | 20,377,427 |
| Total appropriated in the year | 422,207,000 | 444,478,427 |
| Balance brought forward from previous year | 66,179,427 | - |
| Total appropriations available for payments | 586,771,901 | 444,478,427 |
| Payments during the year | 468,172,000 | 378,158,000 |
| Balance of appropriations (unspent) at 30 June carried to next period | 118,599,901 | 66,179,427 |

Note 25B - Annual Appropriations for Departmental Capital Items

| | Equity Injections | | Loans | | Carry Over | | Total | |
|--|-------------------|------------|---------|---------|------------|------------|------------|------------|
| | 2000-01 | 1999-00 | 2000-01 | 1999-00 | 2000-01 | 1999-00 | 2000-01 | 1999-00 |
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Appropriations Act No 2 & 4 | | | | | | | | |
| Section 10 – Act No 2 (Budget) | 2,369,000 | 26,629,000 | - | - | - | - | 2,369,000 | 26,629,000 |
| Section 10 – Act No 4 | 4,668,000 | 3,739,000 | - | - | - | - | 4,668,000 | 3,739,000 |
| Advance to the Finance Minister | - | - | - | - | - | - | - | - |
| Total Current Appropriations Acts | 7,037,000 | 30,368,000 | - | - | - | - | 7,037,000 | 30,368,000 |
| Add: FMA Act Appropriations | | | | | | | | |
| s30 appropriations | - | - | - | - | - | - | - | - |
| s30A appropriations (GST recoverables) | - | - | - | - | - | - | - | - |
| Total appropriated in the year | 7,037,000 | 30,368,000 | - | - | - | - | 7,037,000 | 30,368,000 |
| Balance available at 1 July brought forward from previous period | - | - | - | - | 20,602,000 | 35,437,000 | 20,602,000 | 35,437,000 |
| Total appropriations available for payments | 7,037,000 | 30,368,000 | - | - | 20,602,000 | 35,437,000 | 27,639,000 | 65,805,000 |
| Payments during the year | 5,764,000 | 22,477,000 | - | - | 20,602,000 | 35,437,000 | 26,366,000 | 57,914,000 |
| Balance of appropriations at 30 June carried to next period | 1,273,000 | 7,891,000 | - | - | - | - | 1,273,000 | 7,891,000 |

Note 25: Appropriations (cont.)**Note 25C - Administered appropriations**

Annual Appropriations for Administered expense items
Outcome 1 – Border Management

| | Administered Expenses Appropriation Act No 1 & 3 | | Other Administered Expenses Appropriation Act No 2 & 4 | | State Payment Items Appropriation Act No 2 & 4 | | Total Outcome 1 | |
|---|--|---------------|--|---------------|--|---------------|-----------------|---------------|
| | 2000-01 \$ | 1999-00 \$ | 2000-01 \$ | 1999-00 \$ | 2000-01 \$ | 1999-00 \$ | 2000-01 \$ | 1999-00 \$ |
| Appropriations Acts credits: | | | | | | | | |
| Act 1/ 2 - basic appropriations (budget) | 260,000 | 260,000 | - | - | - | - | 260,000 | 260,000 |
| Act 3/ 4 – basic appropriations | - | - | - | - | - | - | - | - |
| Section 11 – Advance to the Finance Minister | - | - | - | - | - | - | - | - |
| Section 12 – Comcover receipts | - | - | - | - | - | - | - | - |
| Total Current Appropriations Acts | 260,000 | 260,000 | - | - | - | - | 260,000 | 260,000 |
| Add: FMA Act appropriations | | | | | | | | |
| s30 appropriations | - | - | - | - | - | - | - | - |
| s30A appropriations (GST recoverables) | - | - | - | - | - | - | - | - |
| Total appropriated in the year | 260,000 | 260,000 | - | - | - | - | 260,000 | 260,000 |
| Less: amounts lapsed by Ministerial determination | - | 7,567 | - | - | - | - | - | 7,567 |
| Balance available at 1 July brought forward from previous period | - | - | - | - | - | - | - | - |
| Total appropriations available for payments | 260,000 | 252,433 | - | - | - | - | 260,000 | 252,433 |
| Payments during the year | 251,418 | 252,433 | - | - | - | - | 251,418 | 252,433 |
| Balance of appropriations at 30 June carried to next period | 8,582 | - | - | - | - | - | 8,582 | - |

Note 25: Appropriations (cont.)

Note 25D - Annual Appropriations for Administered Capital Items

| | 2000-01 \$ | 1999-00 \$ |
|--|---------------|---------------|
| Appropriations Act No 2 & 4 | - | - |
| Section 10 – Act No 2 (Budget) | - | - |
| Section 10 – Act No 4 | - | - |
| Advance to the Finance Minister | - | - |
| Total Current Appropriations Acts | - | - |
| Add: FMA Act appropriations | - | - |
| s30 appropriations | - | - |
| s30A appropriations (GST recoverables) | - | - |
| Total appropriated in the year | - | - |
| Balance available at 1 July brought forward from previous period | - | - |
| Total appropriations available for payments | - | - |
| Payments during the year | - | - |
| Balance of appropriations at 30 June carried to next period | - | - |

Note 25: Appropriations (cont.)**Note 25E - Special Appropriations (unlimited) for administered items**

| | Outcome 1 | | Total | |
|---|-------------|-------------|-------------|-------------|
| | 2000-01 | 1999-00 | 2000-01 | 1999-00 |
| | \$ | \$ | \$ | \$ |
| <i>Financial Management and Accountability Act, 1997; s20</i> | | | | |
| Budget estimate | 219,371,000 | - | 219,371,000 | - |
| Payments made | 214,147,000 | 215,232,000 | 214,147,000 | 215,232,000 |

Note 25: Appropriations (cont.)

Note 25F - Special Accounts

Other Trust Monies Reserve (Australian Customs Service)

Legal Authority: *Financial Management and Accountability Act, 1997; s20*

Purpose: For receipt of moneys temporarily held on trust or otherwise for the benefit of a person other than the Commonwealth.

| | 2000-01 \$ |
|--|------------------|
| Balance carried forward | 6,534,148 |
| Plus appropriations credited during the year | - |
| Plus other revenue credited during the year | 755,448 |
| Total available for expenditure | <u>7,289,596</u> |
| Less payments made during the year | <u>(888,093)</u> |
| Appropriation available at year end | <u>6,401,502</u> |

Tradegate Fees Reserve (Australian Customs Service)

Legal Authority: *Financial Management and Accountability Act, 1997; s20*

Purpose: For expenditure on payments to Tradegate Australia Ltd of fees collected by Customs for users of the Tradegate Network.

| | 2000-01 \$ |
|--|---------------------|
| Balance carried forward | 118,499 |
| Plus appropriations credited during the year | - |
| Plus other revenue credited during the year | 10,089,196 |
| Total available for expenditure | <u>10,207,695</u> |
| Less payments made during the year | <u>(10,040,844)</u> |
| Appropriation available at year end | <u>166,851</u> |

Security Deposits Reserve (Australians Customs Service)

Legal Authority: *Financial Management and Accountability Act, 1997; s20*

Purpose: For expenditure dealing with moneys required to be lodged under Section 42 and 162 of the *Customs Act 1901*

| | |
|--|---------------------|
| Balance carried forward | 8,023,424 |
| Plus appropriations credited during the year | - |
| Plus other revenue credited during the year | 9,285,481 |
| Total available for expenditure | <u>17,308,905</u> |
| Less payments made during the year | <u>(10,324,709)</u> |
| Appropriation available at year end | <u>6,984,196</u> |

Industry Related Systems Development FundLegal Authority: *Financial Management and Accountability Act, 1997; s20*

Purpose: For expenditure on industry related development of Customs Service.

| | |
|--|--------------------------------|
| | 2000-01 |
| | \$ |
| Balance carried forward | 1,716,807 |
| Plus appropriations credited during the year | - |
| Plus other revenue credited during the year | 459,567 |
| Total available for expenditure | <u>2,176,374</u> |
| Less payments made during the year | <u>(94,445)</u> |
| Appropriation available at year end | <u><u>2,081,929</u></u> |

ACS Air Express Courier Deposits ReserveLegal Authority: *Financial Management and Accountability Act, 1997; s20*

Purpose: For disbursement of money lodged as deposits in relation to future charges incurred by air express courier companies.

| | |
|--|--------------------------------|
| Balance carried forward | 675,966 |
| Plus appropriations credited during the year | - |
| Plus other revenue credited during the year | 6,332,460 |
| Total available for expenditure | <u>7,008,426</u> |
| Less payments made during the year | <u>(5,672,742)</u> |
| Appropriation available at year end | <u><u>1,335,684</u></u> |

Note 26 - Reporting of Outcome

Reporting by Outcomes (Clause 6 of Schedule 1 and AAS 29 12.7 & 12.9 refer)

| | Effective Border Management | |
|---|-----------------------------|------------------|
| | Budget \$'000 | Actual \$'000 |
| Total net administered expenses | 260 | 260 |
| Net cost of departmental outputs | 624,573 | 617,454 |
| Outcome before extraordinary items | 19,508 | 9,722 |
| Extraordinary items | (1,499) | - |
| Net Cost to Budget Outcome | 18,009 | 9,722 |
| Outcome – specific assets deployed as at 30/6/01 | 342,538 | 328,093 |
| Assets that are not outcome specific deployed as at 30/6/01 | | |

Note 26 - Reporting of Outcome (Cont.)

Major Administered Revenues and Expenses by outcome

| | Effective Border Management Budget \$'000 | Effective Border Management Actual \$'000 |
|---------------------------------|--|--|
| Operating Revenues | | |
| Taxation | | |
| Fees and Fines | 330,029 | 242,317 |
| Total Taxation | 330,029 | 242,317 |
| Non-Taxation | | |
| Revenues from Government | - | |
| Customs Duty | 4,544,930 | 4,609,465 |
| Sale of goods and services | 866 | 76,038 |
| Other | 260 | - |
| Total Non-Taxation | 4,546,056 | 4,685,503 |
| Operating Expenses | | |
| Other | 260 | 4,655 |
| Total Operating Expenses | 260 | 4,655 |