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Section 1: Overview

The Australian and New Zealand Governments established the Food Standards Australia New Zealand (FSANZ) as an independent statutory agency under the Food Standards Australia New Zealand Act 1991. Working within an integrated food regulatory system involving the governments of Australia and the New Zealand Government, FSANZ sets food standards for the two countries.

FSANZ has a role in maintaining a safe food supply in Australia and New Zealand, in order to: assist in protecting public health and safety; ensure the provision of adequate information relating to food to enable informed consumer choice; and assist in preventing misleading and deceptive conduct.

FSANZ also has a responsibility to help stimulate and support growth and innovation in the food industry, and to ensure that food regulatory measures are consistent with international obligations.

To achieve broad community support for its work and public confidence in its regulatory decisions, FSANZ maintains strong collaborative arrangements with its government partners and with primary producers and processors, manufacturers, retailers, consumer organisations, public health bodies and other key stakeholder groups.

FSANZ, on behalf of the Australian Government, develops food standards, and joint codes of conduct with industry, covering the content and labelling of food sold in Australia and New Zealand. Food standards provide the minimum regulatory burden necessary for the maintenance of a safe food supply and to adequately inform consumers. In addition, the agency develops Australia-only food standards addressing food safety issues, including requirements for primary production and maximum residue limits for agricultural and veterinary drug residues.

FSANZ also undertakes a range of other functions in Australia, such as national coordination of food surveillance and food recall systems, providing food handling advice to consumers, conducting research, and supporting the Australian Quarantine and Inspection Service in the control of imported foods.

1.1: SUMMARY OF AGENCY OUTCOME AND OUTPUTS

The products and services delivered by FSANZ which contribute to the achievement of its outcome are summarised in Table 1.1.

Table 1.1: Agency Outcome and Output Groups

<table>
<thead>
<tr>
<th>Outcome</th>
<th>Output Groups</th>
</tr>
</thead>
<tbody>
<tr>
<td>A safe food supply and well-informed consumers</td>
<td>Output Group 1 – Regulatory Activity</td>
</tr>
<tr>
<td></td>
<td>Output Group 2 – Services to the Minister and Parliament</td>
</tr>
</tbody>
</table>
Section 2: Resources for 2007-08

2.1: APPROPRIATIONS AND OTHER RESOURCES

Table 2.1 shows the total resources from all origins for 2007-08, including appropriations. The table summarises how resources will be applied by outcome, administered and departmental classification.

The total resourcing for FSANZ in the 2007-08 Budget is $21.886 million. This includes capital funding of $0.630 million.

Table 2.1: Appropriations and Other Resources 2007-08 (’000)

<table>
<thead>
<tr>
<th>Appropriations</th>
<th>Receipts</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bill No. 1</td>
<td>Bill No. 2</td>
<td>Special</td>
</tr>
<tr>
<td>SPP</td>
<td>Other (a)</td>
<td>approp</td>
</tr>
<tr>
<td>Food Standards Australia and New Zealand (FSANZ)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Administered</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Departmental</td>
<td>18,093</td>
<td>-</td>
</tr>
<tr>
<td>Total FSANZ</td>
<td>18,093</td>
<td>-</td>
</tr>
<tr>
<td>Departmental capital (equity injections)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total resources</td>
<td>18,093</td>
<td>-</td>
</tr>
</tbody>
</table>

(a) Includes new administered expenses and administered assets and liabilities.
(b) Departmental and administered receipts from other sources that are available to be spent.

2.2: 2007-08 BUDGET MEASURES

Budget measures relating to FSANZ as explained in Budget Paper No.2, Budget Measures 2007-08\(^1\) are summarised in Table 2.2.

Table 2.2: FSANZ Measures

| Food Standards Australia New Zealand - continue and increase funding |
|----------------|----------------|----------------|----------------|
| | 2007-08 | 2008-09 | 2009-10 | 2010-11 |
| Departmental | 2,966 | 2,998 | 3,033 | 3,064 |
| Capital | 630 | - | - | - |
| Total | 3,596 | 2,998 | 3,033 | 3,064 |

2.3: OTHER REVENUE AVAILABLE TO BE USED

Table 2.3 provides details of resources obtained by FSANZ for the provision of goods or services. These resources are approved for use by FSANZ and are included in Table 2.1.

Table 2.3: Other Revenue Available to be Used

<table>
<thead>
<tr>
<th>Estimated Revenue</th>
<th>Budget Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006-07 $'000</td>
<td>2007-08 $'000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Departmental other revenues</th>
<th>Estimated $'000</th>
<th>Budget $'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sale of goods and services to the New Zealand Government</td>
<td>1,711</td>
<td>1,700</td>
</tr>
<tr>
<td>Other sales of goods and services</td>
<td>1,902</td>
<td>1,463</td>
</tr>
<tr>
<td>Total departmental other revenues available to be used</td>
<td>3,613</td>
<td>3,163</td>
</tr>
</tbody>
</table>

2.4: MOVEMENTS OF ADMINISTERED FUNDS

2.5: SPECIAL APPROPRIATIONS

2.6: MOVEMENTS IN SPECIAL ACCOUNTS

Sections 2.4 to 2.6 are not applicable to FSANZ.
Section 3: Outcome Objectives

General Government Sector agencies are required to plan, budget and report under an outcome structure. General Government Sector agencies produce outputs (departmental outputs) and also administer activities and programs on behalf of the government (administered programs).

This section summarises how the resources identified in Section 2 will be used to contribute to the outcome for FSANZ. Emphasis is placed on estimating the contribution to the outcome through outputs delivered by FSANZ. Key performance measures and performance evaluation activities are specified for the outcome. More detailed information on the outputs attributes is maintained by FSANZ for internal management purposes.

3.1: SUMMARY OF OUTCOME AND CONTRIBUTION TO OUTCOME

The relationship between activities of FSANZ and its outcome is summarised in Figure 1.

Figure 1: Contributions to Outcome

| Food Standards Australia New Zealand |
| Acting Chief Executive Officer – Mr Dean Stockwell |

| Outcome – A safe food supply and well-informed consumers |
| Total price of outputs $21.256m |
| Total departmental appropriations $18.093m |
| Total administered appropriations $0 |

| Output Group 1 |
| Regulatory Activity |
| Total price of outputs $20.580m |

| Output Group 2 |
| Services to the Minister and Parliament |
| Total price of outputs $0.676m |

3.2: OUTCOME – DEPARTMENTAL AND ADMINISTERED APPROPRIATIONS

Departmental Appropriations by Outcome

FSANZ has total departmental appropriations of $18.093 million in 2007-08, plus capital appropriations of $0.630 million, bringing the overall total to $18.723 million.
Administered Appropriations by Outcome

FSANZ does not receive any administered appropriation.

3.3: OUTCOME SUMMARY

The Australian Government is committed to ensuring a safe food supply and well-informed consumers in Australia. This is primarily achieved through the development of world class food standards supported by maintaining collaborative arrangements with stakeholders such as primary producers and processors, manufacturers, retailers, consumer organisations and public health bodies.

The Year Ahead

In 2007-08, the Australian Government will continue funding FSANZ to work with government partners and stakeholders to ensure consumers have confidence in the safety of food in Australia.

This will be achieved by continuing to develop food standards that achieve high levels of protection and information for the community, while minimising the burden on industry whenever possible.

Key Strategic Directions for 2007-08

During 2007-08, FSANZ will:

- continue to develop and maintain effective food standards;
- further enhance the evidence base for standard setting;
- strengthen and evaluate levels of engagement with consumers and other stakeholders;
- collaborate with regulatory partners in producing a seamless food regulatory system; and
- strengthen its capacity to identify and respond to emerging scientific issues related to food.

Major Activities

Effective Food Standards

The Australian Government is committed to ensuring effective standards for the food that Australians consume. In 2007-08, the Government will provide FSANZ with additional funding to enable it to develop new standards to respond to new technologies, support food industry innovation, and improve its scientific evidence base. During the year, FSANZ will finalise a number of standards with advice from the Australia and New Zealand Food Regulation Ministerial Council and in compliance with sound regulatory practice. These include a system for allowing manufacturers to make nutrition, health and related claims, and primary production and processing standards for poultry meat, and for eggs and egg products.
In addition, FSANZ will progress the consideration of mandatory fortification of certain foods with folic acid and iodine, and primary production and processing requirements for raw milk and raw milk cheeses, plants and plant products, and meat. FSANZ will also commence reviews of labelling provisions and nutrient reference values in the Food Standards Code.

**Evidence Based Standards**

All standards setting undertaken by FSANZ is underpinned by the *FSANZ Act 1991*. This ensures that standards developed as part of the food regulatory system are consistent with the best available scientific evidence. In continuing this approach in 2007-08, FSANZ will further enhance interaction with the World Health Organization, the Codex Alimentarius Commission and the Food and Agriculture Organization, as well as strengthen the nation’s public health nutrition and economic capacities on behalf of the Australian Government.

FSANZ will also implement the next phase of the Science Strategy 2006-09 to enable the systematic collection of nutrient and economic data. FSANZ will collaborate with other organisations to obtain and share data and methodology.

**Consumers and Other Stakeholders**

FSANZ considers stakeholder engagement warrants greater attention in response to the increased awareness of food regulatory issues. FSANZ also plans to review the efficacy of the Consumer Liaison Committee, and advisory and expert committees.

**Collaborating Effectively with Regulatory Partners**

The food regulatory system is complex in terms of bi-national, government, state, territory and local government relationships. FSANZ fosters strong relationships with jurisdictions to support industry and community confidence in a robust food regulatory system. In progressing this, FSANZ undertakes to review the terms of reference for, and efficacy of, the Jurisdictional Forum and enhance the discussion platform of the Science Network Forum.

**Identification and Response to Emerging Scientific Issues**

FSANZ utilises information from a broad range of sources such as the International Food Chemical Safety Licensing Group. The group includes representation from other food regulatory agencies in order to keep pace with emerging food issues in both the domestic and international arenas. Emerging public health and safety issues are raised both internally and with the Science Network Forum. To ensure information is current, FSANZ will make the best use of information technology to access scientific data and support the evidence base for our scientific assessments.

FSANZ will provide stakeholders with regular media releases on its position regarding emerging issues, and new scientific initiatives addressing food-related issues. FSANZ will continue discussions with stakeholders in the area of trans-fat content in food and implications for the food supply.
FSANZ Resourcing

Table 3.1 shows how the 2007-08 Budget appropriations translate to total resourcing for FSANZ, including revenue from government (appropriation), revenue from other sources, and the total price of outputs.

Table 3.1: Total Resources for FSANZ

<table>
<thead>
<tr>
<th>Estimated actual</th>
<th>Budget estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006-07</td>
<td>2007-08</td>
</tr>
<tr>
<td>$'000</td>
<td>$'000</td>
</tr>
</tbody>
</table>

**Departmental revenue**
- Total revenue from government (appropriations) contributing to price of departmental outputs: 15,039
- Total revenue from other sources: 3,613
- Total price of departmental outputs: 18,652

**Departmental revenue by output group**
- Output Group 1 - Regulatory Activity: 18,180
- Output Group 2 - Services to the Minister and Parliament: 472
- Total price of departmental outputs: 18,652

**Total estimated resourcing for FSANZ**
- Total price of outputs and administered appropriations: 18,652

**Average Staffing Level (number)**
- 2006-07: 127
- 2007-08: 132

Contribution of Administered Programs

There are no administered programs for FSANZ in 2007-08.

Contribution of Departmental Outputs

Output Group 1 – Regulatory Activity

Includes:
- effective and appropriate food standards and regulatory measures;
- informed stakeholders who engage in and contribute to the standards setting process;
- enhanced organisational capability and capacity to support the timeliness and rigour of FSANZ’s standards setting processes; and
- best practice corporate governance arrangements.
Output Group 2 – **Services to the Minister and Parliament**

Includes:
- ministerial and Parliamentary briefings and reports; and
- provision of an annual report to Parliament on FSANZ’s operation under the *FSANZ Act 1991*.

**Performance Information for FSANZ**

Performance information for individual outputs and output groups relating to FSANZ are summarised in Table 3.2.

**Table 3.2: Key Performance Information for FSANZ**

<table>
<thead>
<tr>
<th>Performance Information for Departmental Outputs</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Indicator</strong></td>
</tr>
<tr>
<td><strong>Output Group 1 – Regulatory Activity</strong></td>
</tr>
<tr>
<td>Effective and appropriate food standards and regulatory measures.</td>
</tr>
<tr>
<td>Informed stakeholders who engage in and contribute to the standards setting process.</td>
</tr>
<tr>
<td>Enhanced organisational capability and capacity to support the timeliness and rigour of FSANZ’s standard setting processes.</td>
</tr>
<tr>
<td>Best practice corporate governance arrangements.</td>
</tr>
</tbody>
</table>

**Price:** $20.580m
Output Group 2 – Services to the Minister and Parliament

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Measured by</th>
<th>Reference Point or Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Timely, accurate and relevant ministerial and parliamentary briefings.</td>
<td>Parliamentary Secretary to provide an assessment of FSANZ’s performance.</td>
<td>Satisfaction of Parliamentary Secretary with the quality and timeliness of advice provided.</td>
</tr>
</tbody>
</table>

Price: $0.676m

Evaluations
FSANZ does not plan to undertake any evaluations in 2007-08.

Major Reviews
FSANZ does not plan to undertake any major reviews in 2007-08.

Performance Improvement Initiatives

Streamlining and Prioritisation
FSANZ is currently developing criteria and a weighting system to enable it to prioritise work. This will greatly assist in the allocation of resources to projects and will provide greater transparency in the way FSANZ conducts its operations. The Workplan Prioritisation Tool will be especially useful when applied to proposals to amend the Food Standards Code raised by FSANZ itself.

In addition, FSANZ is re-evaluating its risk analysis processes as part of a review of the way that it handles applications, mainly from industry, to change the Code. The intention is to remove obstacles that inhibit progress and to ensure that internal systems are operating as efficiently as possible. Together with the prioritisation work, this review should lead to business systems that have the capacity to meet stakeholder expectations of timeliness and responsiveness.
Section 4: Other Reporting Requirements

4.1: PURCHASER-PROVIDER ARRANGEMENTS

FSANZ has no purchaser-provider arrangements to report in 2007-08.

4.2: COST RECOVERY ARRANGEMENTS

FSANZ recovers the cost of processing applications to amend the Food Standards Code, for which the applicant has an exclusive, capturable commercial benefit as defined in the FSANZ Act 1991. In addition, applicants can opt to pay the full cost of processing an application in order to have the work commence once the full fee has been paid.

FSANZ also collects royalties on publications. This and other minor cost recovered activities, and a number of one-off special projects on behalf of other government agencies, will provide a small amount of revenue.

Summary of Cost Recovery Impact Statement

As FSANZ is classified as a non-material agency under the Australian Government’s cost recovery policy, it is not required to produce a cost recovery impact statement.
Section 5: Budgeted Financial Statements

5.1: Analysis of Budgeted Financial Statements

An analysis of FSANZ’s budgeted financial statements is provided below.

Departmental

Income Statement

FSANZ has projected an operating loss of $2.647m in 2006-07. This is a result of the increased workload being experienced by the authority. FSANZ is a demand driven organisation that has legislative obligations to respond to external requests to develop or amend standards. FSANZ can meet this loss from its reserves. FSANZ will receive $12.691m over four years for the 2007-08 Budget measure: FSANZ – continue and increase funding.

Revenues

Appropriation revenues will reflect the allocation of funding for a more responsive food regulator measure with an increase for 2007-08 to 2010-11 compared to 2006-07.

Revenue from other sources of $3.163m in 2007-08 is expected to remain stable across the forward years. The revenue from other sources is received primarily from the New Zealand Government ($1.7m), cost recovery arrangements for the processing of paid applications to amend the food standards code ($0.6m), interest ($0.6m) and other ($0.263m).

Expenses

Total expenses in 2006-07 is anticipated to be $21.299m due to the higher workload being experienced by FSANZ.

Employee expenses will increase across the forward years to reflect increase staff numbers to meet workload and collectively agreed pay increases.

Supplier expenses will decrease from 2006-07 to 2007-08 and are expected to continue to decrease in the forward years.

Depreciation and amortisation expenses are expected to increase in the forward years in line with increased capital expenditure in 2007-08.

Balance Sheet

As a result of the operating loss in 2006-07 the cash balance is expected to decrease and then slightly increase over the forward years.

Property Plant and Equipment is expected to increase in 2007-08 in line with projected capital expenditure. A decrease is then anticipated across future years as the assets continue to provide service over their useful lives.

Employee provisions are expected to increase slightly over the forward years continuing the trend in recent years.
### 5.2: Budgeted Financial Statements Tables

#### Table 5.1: Budgeted Departmental Income Statement (for the period ended 30 June)

<table>
<thead>
<tr>
<th></th>
<th>Estimated actual</th>
<th>Budget estimate</th>
<th>Forward estimate</th>
<th>Forward estimate</th>
<th>Forward estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td><strong>Income</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Revenues from ordinary activities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Appropriation revenues</td>
<td>15,039</td>
<td>18,093</td>
<td>17,528</td>
<td>17,862</td>
<td>18,036</td>
</tr>
<tr>
<td>Other revenues from related entities</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Goods and services</td>
<td>1,312</td>
<td>863</td>
<td>863</td>
<td>663</td>
<td>663</td>
</tr>
<tr>
<td>Interest</td>
<td>590</td>
<td>600</td>
<td>600</td>
<td>600</td>
<td>600</td>
</tr>
<tr>
<td>Dividends</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Resources received free of charge</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Rents</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Royalties</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Correction of fundamental error</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other</td>
<td>1,711</td>
<td>1,700</td>
<td>1,700</td>
<td>1,700</td>
<td>1,700</td>
</tr>
<tr>
<td><strong>Revenues from ordinary activities</strong></td>
<td>18,652</td>
<td>21,256</td>
<td>20,691</td>
<td>20,825</td>
<td>20,999</td>
</tr>
<tr>
<td><strong>EXPENSE</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Expenses from ordinary activities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(excluding borrowing costs expense)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employees</td>
<td>12,664</td>
<td>13,585</td>
<td>14,042</td>
<td>14,518</td>
<td>15,013</td>
</tr>
<tr>
<td>Suppliers</td>
<td>8,414</td>
<td>7,421</td>
<td>6,279</td>
<td>5,937</td>
<td>5,616</td>
</tr>
<tr>
<td>Grants</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Subsidies</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Depreciation and amortisation</td>
<td>221</td>
<td>250</td>
<td>370</td>
<td>370</td>
<td>370</td>
</tr>
<tr>
<td>Correction of fundamental error</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Expenses from ordinary activities</strong></td>
<td>21,299</td>
<td>21,256</td>
<td>20,691</td>
<td>20,825</td>
<td>20,999</td>
</tr>
<tr>
<td>(excluding borrowing costs expense)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Operating surplus or (deficit) from ordinary activities</strong></td>
<td>(2,647)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Net credit or (debit) to asset revaluation reserve</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total changes in equity other than those resulting from transactions with owners as owners</strong></td>
<td>(2,647)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>
### Table 5.2: Budgeted Departmental Balance Sheet (as at 30 June)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash</td>
<td>3,924</td>
<td>3,521</td>
<td>3,853</td>
<td>4,071</td>
<td>4,284</td>
<td></td>
</tr>
<tr>
<td>Receivables</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td></td>
</tr>
<tr>
<td>Investments accounted for under the equity method</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Other investments</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Accrued revenues</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Other financial assets</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td><strong>Total financial assets</strong></td>
<td>4,024</td>
<td>3,621</td>
<td>3,953</td>
<td>4,171</td>
<td>4,384</td>
<td></td>
</tr>
<tr>
<td>Non-financial assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Land and buildings</td>
<td>257</td>
<td>762</td>
<td>636</td>
<td>510</td>
<td>384</td>
<td></td>
</tr>
<tr>
<td>Infrastructure, plant and equipment</td>
<td>466</td>
<td>417</td>
<td>370</td>
<td>330</td>
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<tr>
<td>Other non-financial assets</td>
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<td>34</td>
<td>34</td>
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<td>34</td>
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<tr>
<td><strong>Total non-financial assets</strong></td>
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<td>1,215</td>
<td>1,041</td>
<td>874</td>
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<td>4,836</td>
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<td>5,045</td>
<td>5,102</td>
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<td>Provisions</td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Employees</td>
<td>2,672</td>
<td>2,777</td>
<td>2,886</td>
<td>2,998</td>
<td>3,104</td>
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<tr>
<td>Other provisions</td>
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<td>-</td>
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<tr>
<td><strong>Total provisions</strong></td>
<td>2,672</td>
<td>2,777</td>
<td>2,886</td>
<td>2,998</td>
<td>3,104</td>
<td></td>
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<tr>
<td><strong>Payables</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Suppliers</td>
<td>1,834</td>
<td>1,150</td>
<td>1,199</td>
<td>1,137</td>
<td>1,089</td>
<td></td>
</tr>
<tr>
<td>Grants</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Dividends</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Borrowing costs</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Other payables</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td><strong>Total payables</strong></td>
<td>1,834</td>
<td>1,150</td>
<td>1,199</td>
<td>1,137</td>
<td>1,089</td>
<td></td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>4,506</td>
<td>3,927</td>
<td>4,085</td>
<td>4,136</td>
<td>4,193</td>
<td></td>
</tr>
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</table>
Table 5.2: Budgeted Departmental Balance Sheet (as at 30 June) (cont)

<table>
<thead>
<tr>
<th></th>
<th>Estimated actual</th>
<th>Budget estimate</th>
<th>Forward estimate</th>
<th>Forward estimate</th>
<th>Forward estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td><strong>2006-07</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>2007-08</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>2008-09</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>2009-10</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>2010-11</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

| **EQUITY**          |                  |                 |                 |                 |                 |
| **Parent entity interest** |         |                 |                 |                 |                 |
| Contributed equity  | 761              | 1,391           | 1,391           | 1,391           | 1,391           |
| Reserves            | 259              | 259             | 259             | 259             | 259             |
| Statutory funds     | -                | -               | -               | -               | -               |
| Retained surpluses or accumulated deficits | (741) | (741) | (741) | (741) | (741) |
| **Total parent entity interest** | 279 | 909 | 909 | 909 | 909 |
| **Outside equity interest** |         |                 |                 |                 |                 |
| Contributed equity  | -                | -               | -               | -               | -               |
| Reserves            | -                | -               | -               | -               | -               |
| Retained surpluses or accumulated deficits | - | - | - | - | - |
| **Total outside equity interest** | - | - | - | - | - |
| **Total equity**    | 279              | 909             | 909             | 909             | 909             |
| **Current assets**  | 3,589            | 3,627           | 3,746           | 3,784           | 3,827           |
| **Non-current assets** | 1,196 | 1,209 | 1,249 | 1,261 | 1,276 |
| **Current liabilities** | 2,794 | 2,435 | 2,533 | 2,564 | 2,600 |
| **Non-current liabilities** | 1,712 | 1,492 | 1,552 | 1,572 | 1,593 |
### Table 5.3: Budgeted Departmental Statement of Cash Flows (for the period ended 30 June)

<table>
<thead>
<tr>
<th></th>
<th>Estimated actual</th>
<th>Budget estimate</th>
<th>Forward estimate</th>
<th>Forward estimate</th>
<th>Forward estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2006-07</td>
<td>2007-08</td>
<td>2008-09</td>
<td>2009-10</td>
<td>2010-11</td>
</tr>
<tr>
<td></td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
</tr>
</tbody>
</table>

#### OPERATING ACTIVITIES

**Cash received**

<table>
<thead>
<tr>
<th>Description</th>
<th>2006-07</th>
<th>2007-08</th>
<th>2008-09</th>
<th>2009-10</th>
<th>2010-11</th>
</tr>
</thead>
<tbody>
<tr>
<td>Goods and services</td>
<td>1,312</td>
<td>863</td>
<td>863</td>
<td>663</td>
<td>663</td>
</tr>
<tr>
<td>Appropriations</td>
<td>15,039</td>
<td>18,093</td>
<td>17,528</td>
<td>17,862</td>
<td>18,036</td>
</tr>
<tr>
<td>Interest</td>
<td>590</td>
<td>600</td>
<td>600</td>
<td>600</td>
<td>600</td>
</tr>
<tr>
<td>Dividends</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other</td>
<td>1,711</td>
<td>1,700</td>
<td>1,700</td>
<td>1,700</td>
<td>1,700</td>
</tr>
<tr>
<td>Extraordinary items</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total cash received</strong></td>
<td>18,652</td>
<td>21,256</td>
<td>20,691</td>
<td>20,825</td>
<td>20,999</td>
</tr>
</tbody>
</table>

**Cash used**

<table>
<thead>
<tr>
<th>Description</th>
<th>2006-07</th>
<th>2007-08</th>
<th>2008-09</th>
<th>2009-10</th>
<th>2010-11</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employees</td>
<td>12,763</td>
<td>13,480</td>
<td>13,933</td>
<td>14,405</td>
<td>14,907</td>
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<tr>
<td>Suppliers</td>
<td>8,358</td>
<td>8,104</td>
<td>6,321</td>
<td>5,977</td>
<td>5,654</td>
</tr>
<tr>
<td>Grants</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Borrowing costs</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Extraordinary items</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total cash used</strong></td>
<td>21,121</td>
<td>21,584</td>
<td>20,254</td>
<td>20,382</td>
<td>20,561</td>
</tr>
</tbody>
</table>

**Net cash from or (used by) operating activities**

|                      | -2,469  | -328    | 437     | 443     | 438     |

#### INVESTING ACTIVITIES

**Cash received**

<table>
<thead>
<tr>
<th>Description</th>
<th>2006-07</th>
<th>2007-08</th>
<th>2008-09</th>
<th>2009-10</th>
<th>2010-11</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchase of property, plant, equipment and intangibles</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Proceeds from sales of financial instruments</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Bills of exchange and promissory notes</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Repayments of loans made</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Investments (s.39 FMA Act; s.18 CAC Act; s.19 CAC Act)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Extraordinary items</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total cash received</strong></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

**Cash used**

<table>
<thead>
<tr>
<th>Description</th>
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<th>2007-08</th>
<th>2008-09</th>
<th>2009-10</th>
<th>2010-11</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchase of property, plant, equipment and intangibles</td>
<td>342</td>
<td>705</td>
<td>105</td>
<td>225</td>
<td>225</td>
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<tr>
<td>Purchase of financial instruments</td>
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<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Bills of exchange and promissory notes</td>
<td>-</td>
<td>-</td>
<td>-</td>
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<tr>
<td>Loans made</td>
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<td>-</td>
<td>-</td>
<td>-</td>
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<tr>
<td>Other</td>
<td>-</td>
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<td>-</td>
</tr>
<tr>
<td>Extraordinary items</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total cash used</strong></td>
<td>342</td>
<td>705</td>
<td>105</td>
<td>225</td>
<td>225</td>
</tr>
</tbody>
</table>

**Net cash from or (used by) investing activities**

|                      | 342     | 705     | 105     | 225     | 225     |

334
Table 5.3: Budgeted Departmental Statement of Cash Flows (for the period ended 30 June) (cont)

<table>
<thead>
<tr>
<th></th>
<th>Estimated actual 2006-07</th>
<th>Budget estimate 2007-08</th>
<th>Forward estimate 2008-09</th>
<th>Forward estimate 2009-10</th>
<th>Forward estimate 2010-11</th>
</tr>
</thead>
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<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td><strong>FINANCING ACTIVITIES</strong></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash received</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Appropriations - contributed equity</td>
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<td>630</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Proceeds from issuing financial instruments</td>
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<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Proceeds from loans</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other</td>
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<td>Extraordinary items</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total cash received</strong></td>
<td>-</td>
<td>630</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Cash used</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Repayments of debt</td>
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<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
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<tr>
<td>Capital use charge paid</td>
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<td>Dividends paid</td>
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<tr>
<td>Other</td>
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<td>-</td>
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<tr>
<td>Extraordinary items</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total cash used</strong></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Net cash from/(used by) financing activities</strong></td>
<td>-</td>
<td>630</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Net increase or (decrease) in cash held</strong></td>
<td>(2,811)</td>
<td>(403)</td>
<td>332</td>
<td>218</td>
<td>213</td>
</tr>
<tr>
<td>Cash at the beginning of the reporting period</td>
<td>6,353</td>
<td>3,924</td>
<td>3,521</td>
<td>3,853</td>
<td>4,071</td>
</tr>
<tr>
<td>Effect of exchange rate movements on cash at the beginning of reporting period</td>
<td>382</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Cash at the end of the reporting period</td>
<td>3,924</td>
<td>3,521</td>
<td>3,853</td>
<td>4,071</td>
<td>4,284</td>
</tr>
</tbody>
</table>
### Table 5.4: Departmental Statement of Changes in Equity – Summary of Movement (Budget year 2007-08)

<table>
<thead>
<tr>
<th></th>
<th>Accumulated results $000</th>
<th>Asset revaluation reserve $000</th>
<th>Other reserves $000</th>
<th>Contributed equity/capital $000</th>
<th>Total equity $000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Opening balance as at 1 July 2007</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance carried forward from previous period</td>
<td>(741)</td>
<td>259</td>
<td>-</td>
<td>761</td>
<td>279</td>
</tr>
<tr>
<td>Adjustment for changes in accounting policies</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Adjusted opening balance</strong></td>
<td>(741)</td>
<td>259</td>
<td>-</td>
<td>761</td>
<td>279</td>
</tr>
<tr>
<td><strong>Income and expense</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Income and expenses recognised directly in equity:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gain/loss on revaluation of property</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Sub-total income and expense</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net operating result</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total income and expenses recognised directly in equity</strong></td>
<td>(741)</td>
<td>259</td>
<td>-</td>
<td>761</td>
<td>279</td>
</tr>
<tr>
<td><strong>Transactions with owners</strong></td>
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<td></td>
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</tr>
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<td>Distribution to owners</td>
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</tr>
<tr>
<td>Returns on capital</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Dividends</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Restructuring</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other</td>
<td>-</td>
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<tr>
<td><strong>Contribution by owners</strong></td>
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<tr>
<td>Appropriation (equity injection)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>630</td>
<td>630</td>
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<tr>
<td>Other:</td>
<td></td>
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<tr>
<td>Restructuring</td>
<td>-</td>
<td>-</td>
<td>-</td>
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<td>-</td>
</tr>
<tr>
<td><strong>Sub-total transactions with owners</strong></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>630</td>
<td>630</td>
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<tr>
<td>Transfers between equity components</td>
<td>-</td>
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<td>-</td>
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<tr>
<td><strong>Estimated closing balance as at 30 June 2008</strong></td>
<td>(741)</td>
<td>259</td>
<td>-</td>
<td>1,391</td>
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Table 5.5: Department Capital Budget Statement

<table>
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<tr>
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<th>Forward estimate</th>
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<tr>
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<td>2006-07 $'000</td>
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<td>2008-09 $'000</td>
<td>2009-10 $'000</td>
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<td><strong>CAPITAL APPROPRIATIONS</strong></td>
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<tr>
<td>Total equity injections</td>
<td>- 630</td>
<td>12</td>
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<tr>
<td>Total loans</td>
<td>- 630</td>
<td>12</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total capital appropriations</strong></td>
<td>- 630</td>
<td>12</td>
<td>-</td>
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<tr>
<td><strong>Represented by:</strong></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Purchase of non-financial assets</td>
<td>- 630</td>
<td>12</td>
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<tr>
<td>Other</td>
<td>- 630</td>
<td>12</td>
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</tr>
<tr>
<td><strong>Total represented by</strong></td>
<td>- 630</td>
<td>12</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>PURCHASE OF NON-FINANCIAL ASSETS</strong></td>
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</tr>
<tr>
<td>Funded by capital appropriation</td>
<td>- 630</td>
<td>12</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Funded internally by</td>
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<td></td>
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<tr>
<td>Departmental resources</td>
<td>342</td>
<td>75</td>
<td>93</td>
<td>225</td>
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<tr>
<td><strong>Total</strong></td>
<td>342</td>
<td>705</td>
<td>105</td>
<td>225</td>
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<tr>
<td></td>
<td>Land</td>
<td>Buildings</td>
<td>Other infrastructure plant and equipment</td>
<td>Computer software</td>
</tr>
<tr>
<td>------------------------</td>
<td>-------</td>
<td>-----------</td>
<td>------------------------------------------</td>
<td>-------------------</td>
</tr>
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<td></td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
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<tr>
<td>As at 1 July 2007</td>
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<tr>
<td>Gross book value</td>
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<td>525</td>
<td>638</td>
<td>235</td>
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<tr>
<td>Accumulated depreciation</td>
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<td>269</td>
<td>172</td>
<td>231</td>
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<tr>
<td>Opening net book value</td>
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<td>256</td>
<td>466</td>
<td>4</td>
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<td>Additions:</td>
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<td></td>
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<tr>
<td>by purchase</td>
<td>-</td>
<td>630</td>
<td>75</td>
<td>-</td>
</tr>
<tr>
<td>by finance lease</td>
<td>-</td>
<td>-</td>
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<td>-</td>
</tr>
<tr>
<td>from acquisitions of entities or operations (including restructuring)</td>
<td>-</td>
<td>-</td>
<td>-</td>
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</tr>
<tr>
<td>Net revaluation increment/decrement</td>
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<td>Reclassifications</td>
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<td>Depreciation/amortisation expense</td>
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<td>124</td>
<td>124</td>
<td>2</td>
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<td>Recoverable amount write-downs</td>
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<td>Other movements</td>
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<td>Disposals:</td>
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<td></td>
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<tr>
<td>from disposal of entities or operations (including restructuring)</td>
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<tr>
<td>other disposals</td>
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<tr>
<td>As at 30 June 2008</td>
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<td></td>
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</tr>
<tr>
<td>Gross book value</td>
<td>-</td>
<td>1,155</td>
<td>713</td>
<td>235</td>
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<tr>
<td>Accumulated depreciation</td>
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<td>393</td>
<td>296</td>
<td>233</td>
</tr>
<tr>
<td>Estimated closing net book value</td>
<td>-</td>
<td>762</td>
<td>417</td>
<td>2</td>
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</tbody>
</table>
5.3: NOTES TO THE FINANCIAL STATEMENTS

The budgeted financial statements for FSANZ are prepared for the Budget year, previous year and three forward years.

Departmental Financial Statements

Budgeted Departmental Income Statement (for the period ended 30 June)

This statement provides a picture of the expected financial results for FSANZ by identifying full accrual expenses and revenues. This highlights whether the FSANZ is operating at a sustainable level.

Budgeted Departmental Balance Sheet (as at 30 June)

The statement shows the financial position of the FSANZ. It enables decision-makers to track the management of the FSANZ’s assets and liabilities.

Budgeted Departmental Statement of Cash Flows (for the period ended 30 June)

Budgeted cash flows as reflected in the statement of cash flows, provide important information on the extent and nature of cash flows by characterising them into expected cash flows from operating activities, investing activities and financing activities.

Departmental Statement of Changes in Equity – Summary of Movement (Budget year 2007-08)

This table shows the movements in equity during the Budget year.

Departmental Capital Budget Statement

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

Departmental Property, Plant, Equipment and Intangibles – Summary of Movement (Budget year 2007-08)

This table shows budgeted acquisitions and disposals of the FSANZ’s non financial assets during the Budget year.