

FINANCIAL STATEMENTS

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Department of the Treasury Statement by the Departmental Secretary

In my opinion, the attached financial statements give a true and fair view of the matters required by Schedule 2 to the Finance Minister's Orders made under section 63 of the *Financial Management and Accountability Act 1997*.

Signed

E. A. Evans
Secretary to the Treasury
October 1999

Agency Revenues and Expenses
for the year ended 30 June 1999

| | Notes | 1998-99 \$'000 | 1997-98 \$'000 |
|---|-------|-------------------|-------------------|
| NET COST OF SERVICES | | | |
| <i>Expenses</i> | | | |
| Employees | 4A | 36,242 | 31,886 |
| Suppliers | 4B | 16,602 | 17,451 |
| Depreciation and amortisation | 4C | 1,949 | 1,643 |
| Loss on sale of assets | | 556 | — |
| Interest | | 10 | 13 |
| Expenses of business operations | 4D | 30,808 | 24,520 |
| Total expenses | | 86,167 | 75,513 |
| <i>Revenues from independent sources</i> | | | |
| Net gains from sale of assets | 7A | — | 2 |
| Other revenues from independent sources | 8 | 2,193 | 972 |
| Revenues of business operations | 7B | 30,930 | 25,312 |
| Total revenues from independent sources | | 33,123 | 26,286 |
| Net cost of services | | 53,044 | 49,227 |
| REVENUES FROM GOVERNMENT | | | |
| Appropriations used for: | | | |
| Ordinary annual services (net appropriations) | 9A,20 | 50,449 | 50,137 |
| Other services | | 350 | 113 |
| Resources received free of charge | 9B | 293 | 534 |
| Total revenues from government | | 51,092 | 50,784 |
| Operating surplus before extraordinary items | | (1,952) | 1,557 |
| Net revenues or expenses from extraordinary items: | | | |
| Restructuring | 6A | (499) | (62) |
| Company tax equivalent for business operations | 2.17 | (598) | — |
| Operating surplus | | (3,049) | 1,495 |
| Accumulated results at 1 July | | 8,340 | 6,845 |
| Capitalisation of assets | 6B | 7,652 | — |
| Capital injection (1998-99 carryover) | | 3,763 | — |
| Accumulated results at 30 June | 12A | 16,706 | 8,340 |

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

Administered Revenues and Expenses
for the year ended 30 June 1999

| | Notes | 1998-99 \$'000 | 1997-98 \$'000 |
|---|-------|---------------------|-------------------|
| REVENUES | | | |
| <i>Non taxation</i> | | | |
| Interest revenue | 7C | 1,880,638 | 1,692,913 |
| Dividend revenue | 2.21 | — | 2,729,654 |
| Net Foreign exchange gains | 2.19 | 586,196 | — |
| Revenue arising from securities other than trading securities | 7E | 281,139 | 246,267 |
| Other administered revenue | 7F | 9,337,712 | 9,136,515 |
| Total revenues | | 12,085,685 | 13,805,349 |
| EXPENSES | | | |
| Grants | 5 | 17,394,217 | 16,931,550 |
| Net foreign exchange losses | | — | 2,698,393 |
| Interest and other financing costs | 4F | 8,549,837 | 8,728,490 |
| Other administered expenses | 4G | 999,121 | 7,125,009 |
| Total expenses | | 26,943,175 | 35,483,442 |
| Net cost to government | | (14,857,490) | (21,678,093) |
| TRANSFERS | | | |
| Cash from the Official Commonwealth Public Account | | 101,178,986 | 106,369,105 |
| Special appropriations accrued | | 3,195,537 | — |
| Cash to the Official Commonwealth Public Account | | (79,330,137) | (76,016,938) |
| Net change in administered net assets before extraordinary items | | 10,186,896 | 8,674,074 |
| Net revenues from extraordinary items | | — | 95,910 |
| Net change in administered net assets | | 10,186,896 | 8,769,984 |
| Accumulated results at 1 July | | (92,453,310) | (127,687) |
| Change in accounting policy | | — | (101,095,607) |
| Accumulated results at 30 June | | (82,266,414) | (92,453,310) |

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

Agency Assets and Liabilities as at 30 June 1999

| | Notes | 1998-99 \$'000 | 1997-98 \$'000 |
|--------------------------------------|--------|-------------------|-------------------|
| DEBT | | | |
| Leases | 10A | 1,501 | 22 |
| Total debt | | 1,501 | 22 |
| PROVISIONS AND PAYABLES | | | |
| Employees | 11A | 13,408 | 12,742 |
| Suppliers | 11B | 1,126 | 1,044 |
| Other | 11C | 4,965 | 1,147 |
| Total provisions and payables | | 19,499 | 14,933 |
| Total liabilities | | 21,000 | 14,955 |
| EQUITY | | | |
| Accumulated results | | 16,706 | 8,340 |
| Reserves | | 5,673 | 4,463 |
| Total equity | 12A | 22,379 | 12,803 |
| Total liabilities and equity | | 43,379 | 27,758 |
| FINANCIAL ASSETS | | | |
| Cash | 13A | 547 | 36 |
| Receivables | 13B | 4,732 | 5,246 |
| Investments | 13C | — | 1,368 |
| Total financial assets | | 5,279 | 6,650 |
| NON-FINANCIAL ASSETS | | | |
| Infrastructure, plant and equipment | 14A,B | 10,576 | 8,085 |
| Inventories | 14C | 13,193 | 5,962 |
| Intangibles | 14 A,B | 7,505 | 366 |
| Other | 14D | 6,826 | 6,695 |
| Total non-financial assets | | 38,100 | 21,108 |
| Total assets | | 43,379 | 27,758 |
| Current liabilities | | 9,999 | 5,341 |
| Non-current liabilities | | 11,001 | 9,614 |
| Current assets | | 22,091 | 16,174 |
| Non-current assets | | 21,288 | 11,584 |

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

Administered Assets and Liabilities
as at 30 June 1999

| | Notes | 1998-99 \$'000 | 1997-98 \$'000 |
|---|-------|---------------------|-------------------|
| DEBT | | | |
| Government securities | 10B | 89,053,504 | 97,746,374 |
| Loans | 10C | 4,346,721 | 3,523,963 |
| Total debt | | 93,400,225 | 101,270,337 |
| PROVISIONS AND PAYABLES | | | |
| Grants | 11D | 25,000 | 27,500 |
| Payables due to other financial institutions | 11E | 1,406,834 | 2,783,627 |
| Other | 11F | 3,905,407 | 4,323,022 |
| Total provisions and payables | | 5,337,241 | 7,134,149 |
| Total liabilities | | 98,737,466 | 108,404,486 |
| EQUITY | | | |
| Accumulated results | | (82,266,414) | (92,453,310) |
| Reserves | | 8,039,640 | 8,039,640 |
| Total equity | 12B | (74,226,774) | (84,413,670) |
| Total liabilities and equity | | 24,510,692 | 23,990,816 |
| FINANCIAL ASSETS | | | |
| Cash | 13D | 12,781 | 11,433 |
| Receivables due from other financial institutions | 13E | 148,367 | 89,019 |
| Loans and advances | 13F | 5,783,453 | 7,305,705 |
| Other receivables | 13G | 3,287,225 | 2,806,067 |
| Investments | 13H | 15,266,681 | 13,756,776 |
| Total financial assets | | 24,498,507 | 23,969,000 |
| NON-FINANCIAL ASSETS | | | |
| Other — deferred acquisition costs | | 12,185 | 21,816 |
| Total non-financial assets | | 12,185 | 21,816 |
| Total assets | | 24,510,692 | 23,990,816 |
| Current liabilities | | 23,023,759 | 23,197,539 |
| Non-current liabilities | | 75,713,707 | 85,206,947 |
| Current assets | | 4,108,546 | 3,052,509 |
| Non-current assets | | 20,402,146 | 20,938,307 |

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

Agency Revenues and Expenses by Program
for the year ended 30 June 1999

| | Treasury | | Royal Australian Mint | | Total | |
|--|-------------------|-------------------|--------------------------|-------------------|-------------------|-------------------|
| | 1998-99 \$'000 | 1997-98 \$'000 | 1998-99 \$'000 | 1997-98 \$'000 | 1998-99 \$'000 | 1997-98 \$'000 |
| NET COST OF SERVICES | | | | | | |
| <i>Expenses</i> | | | | | | |
| Employees | 36,242 | 31,886 | — | — | 36,242 | 31,886 |
| Suppliers | 16,602 | 17,451 | — | — | 16,602 | 17,451 |
| Depreciation and amortisation | 1,949 | 1,643 | — | — | 1,949 | 1,643 |
| Loss on sale of assets | 556 | — | — | — | 556 | — |
| Interest | 10 | 13 | — | — | 10 | 13 |
| Expenses of business operations | — | — | 30,808 | 24,520 | 30,808 | 24,520 |
| Total expenses | 55,359 | 50,993 | 30,808 | 24,520 | 86,167 | 75,513 |
| <i>Revenues from independent sources</i> | | | | | | |
| Net gains from sales of assets | — | 2 | — | — | — | 2 |
| Other revenues from independent sources | 653 | 972 | 1,540 | — | 2,193 | 972 |
| Revenues of business operations | — | — | 30,930 | 25,312 | 30,930 | 25,312 |
| Total revenues from independent sources | 653 | 974 | 32,470 | 25,312 | 33,123 | 26,286 |
| Net cost of services | 54,706 | 50,019 | (1,662) | (792) | 53,044 | 49,227 |
| REVENUES FROM GOVERNMENT | | | | | | |
| Appropriations used for: | | | | | | |
| Ordinary annual services (net appropriations) | 50,449 | 50,137 | — | — | 50,449 | 50,137 |
| Other services | 350 | 113 | — | — | 350 | 113 |
| Resources received free of charge | 293 | 534 | — | — | 293 | 534 |
| Total revenues from government | 51,092 | 50,784 | — | — | 51,092 | 50,784 |
| Operating result before extraordinary items | | | | | | |
| Restructuring | (499) | (62) | — | — | (499) | (62) |
| Company tax equivalent | — | — | (598) | — | (598) | — |
| Operating surplus/(deficit) | (4,113) | 703 | 1,064 | 792 | (3,049) | 1,495 |

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

Administered Revenues and Expenses by Program
for the year ended 30 June 1999

| | Treasury | | Royal Australian Mint | | Total | |
|---|---------------------|-------------------|-----------------------|-------------------|---------------------|-------------------|
| | 1998-99 \$'000 | 1997-98 \$'000 | 1998-99 \$'000 | 1997-98 \$'000 | 1998-99 \$'000 | 1997-98 \$'000 |
| REVENUES | | | | | | |
| Non taxation | | | | | | |
| Interest revenue | 1,880,638 | 1,692,913 | — | — | 1,880,638 | 1,692,913 |
| Dividend revenue | — | 2,729,654 | — | — | — | 2,729,654 |
| Foreign exchange gains | 586,196 | — | — | — | 586,196 | — |
| Revenue from securities other than trading securities | 281,139 | 246,267 | — | — | 281,139 | 246,267 |
| Other | 9,337,712 | 9,136,515 | — | — | 9,337,712 | 9,136,515 |
| Total revenues | 12,085,685 | 13,805,349 | — | — | 12,085,685 | 13,805,349 |
| EXPENSES | | | | | | |
| Grants | 17,394,217 | 16,931,550 | — | — | 17,394,217 | 16,931,550 |
| Net foreign exchange losses | — | 2,698,393 | — | — | — | 2,698,393 |
| Interest and other financing costs | 8,549,837 | 8,728,490 | — | — | 8,549,837 | 8,728,490 |
| Other | 999,121 | 7,125,009 | — | — | 999,121 | 7,125,009 |
| Total expenses | 26,943,175 | 35,483,442 | — | — | 26,943,175 | 35,483,442 |
| Net cost to govt | (14,857,490) | (21,678,093) | — | — | (14,857,490) | (21,678,093) |
| TRANSFERS | | | | | | |
| Cash from the Official Commonwealth Public Account | 101,178,986 | 106,369,105 | — | — | 101,178,986 | 106,369,105 |
| Special appropriations accrued | 3,195,537 | — | — | — | 3,195,537 | — |
| Cash to the Official Commonwealth Public Account | (79,330,137) | (76,016,938) | — | — | (79,330,137) | (76,016,938) |
| Net change in administered net assets before extraordinary items | 10,186,896 | 8,674,074 | — | — | 10,186,896 | 8,674,074 |
| Net revenue from extraordinary items | — | 95,910 | — | — | — | 95,910 |
| Net change in administered net assets | 10,186,896 | 8,769,984 | — | — | 10,186,896 | 8,769,984 |
| Accumulated results at 1 July | (92,453,310) | (127,687) | — | — | (92,453,310) | (127,687) |
| Change in accounting policy | — | (101,095,607) | — | — | — | (101,095,607) |
| Accumulated results at 30 June | (82,266,414) | (92,453,310) | — | — | (82,266,414) | (92,453,310) |

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

Agency Cash Flows
for the year ended 30 June 1999

| | Notes | 1998-99 \$'000 | 1997-98 \$'000 |
|--|-------|-------------------|-------------------|
| OPERATING ACTIVITIES | | | |
| <i>Cash received</i> | | | |
| Appropriations | | 54,642 | 49,740 |
| Sale of goods and services | | 33,613 | 24,651 |
| Total cash received | | 88,255 | 74,391 |
| <i>Cash used</i> | | | |
| Employees | | 35,576 | 38,105 |
| Suppliers | | 52,445 | 39,884 |
| Interest | | 10 | 17 |
| Total cash used | | 88,031 | 78,006 |
| Net cash from operating activities | 15A | 224 | (3,615) |
| INVESTING ACTIVITIES | | | |
| <i>Cash received</i> | | | |
| Proceeds from sales of infrastructure, plant and equipment | | 88 | 277 |
| Total cash received | | 88 | 277 |
| <i>Cash used</i> | | | |
| Purchase of infrastructure, plant and equipment | | 2,740 | 1,658 |
| Purchase of investments | | — | 750 |
| Total cash used | | 2,740 | 2,408 |
| Net cash used by investing activities | | (2,652) | (2,131) |
| FINANCING ACTIVITIES | | | |
| <i>Cash Received</i> | | | |
| Transfer from Trust Fund | | 3,503 | — |
| Total cash received | | 3,503 | — |
| <i>Cash used</i> | | | |
| Repayment of leases | | 564 | — |
| Trust fund surplus transferred | | — | 505 |
| Total cash used | | 564 | 505 |
| Net cash used by financing activities | | 2,939 | (505) |
| Net increase in cash held | | 511 | (6,251) |
| add cash at 1 July | | 36 | 6,287 |
| Cash at 30 June | | 547 | 36 |

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

Administered Cash Flows
for the year ended 30 June 1999

| | Notes | 1998-99 \$'000 | 1997-98 \$'000 |
|--|-------|--------------------|-------------------|
| OPERATING ACTIVITIES | | | |
| <i>Cash received</i> | | | |
| <i>Non taxation</i> | | | |
| Interest | | 1,851,497 | 1,991,220 |
| Dividends | | 2,725,983 | 1,706,728 |
| Cash from Official Commonwealth Public Account | | 26,666,714 | 31,841,379 |
| Other | | 763,454 | 1,070,270 |
| Total cash received | | 32,007,648 | 36,609,597 |
| <i>Cash used</i> | | | |
| Borrowing costs | | 8,857,424 | 9,467,110 |
| Grants | | 17,396,717 | 16,934,050 |
| Cash to Official Commonwealth Public Account | | 5,326,889 | 4,757,919 |
| Other | | 111,946 | 5,351,744 |
| Total cash used | | 31,692,976 | 36,510,823 |
| Net cash from operating activities | 15B | 314,672 | 98,774 |
| INVESTING ACTIVITIES | | | |
| <i>Cash received</i> | | | |
| Repayments of advances | | 1,671,837 | 158,119 |
| Cash from Official Commonwealth Public Account | | 4,145,813 | 2,165,211 |
| Other | | 3,599,074 | 2,101,654 |
| Total cash received | | 9,416,724 | 4,424,984 |
| <i>Cash used</i> | | | |
| Purchase of equity instruments | | 11,330 | 19,772 |
| Cash to Official Commonwealth Public Account | | 5,258,031 | 2,259,773 |
| Other | | 4,134,483 | 2,158,319 |
| Total cash used | | 9,403,844 | 4,437,864 |
| Net cash from investing activities | | 12,880 | (12,880) |
| FINANCING ACTIVITIES | | | |
| <i>Cash received</i> | | | |
| Proceeds from borrowing | | 61,077,791 | 60,038,086 |
| Cash from Commonwealth Public Account | | 70,366,459 | 72,362,515 |
| Other | | 8,606,106 | 10,166,867 |
| Total cash received | | 140,050,356 | 142,567,468 |
| <i>Cash used</i> | | | |
| Repayment of debt | | 71,350,234 | 75,487,035 |
| Cash to Commonwealth Public Account | | 68,745,218 | 68,999,246 |
| Other | | 281,108 | 460,812 |
| Total cash used | | 140,376,560 | 144,947,093 |
| Net cash from financing activities | | (326,204) | (2,379,625) |
| Net increase in cash held | | 1,348 | (2,293,731) |
| Add cash at 1 July | | 11,433 | 2,305,164 |
| Cash at 30 June | 13D | 12,781 | 11,433 |

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

Schedule of Commitments
as at 30 June 1999

| | Agency | | Administered | |
|------------------------------------|-------------------|-------------------|-------------------|-------------------|
| | 1998-99 \$'000 | 1997-98 \$'000 | 1998-99 \$'000 | 1997-98 \$'000 |
| OTHER COMMITMENTS | | | | |
| Operating leases | 4,709 | 6,213 | — | — |
| Other commitments | 74 | 557 | — | — |
| Total other commitments | 4,783 | 6,770 | — | — |
| COMMITMENTS RECEIVABLE | — | — | — | — |
| Net commitments | 4,783 | 6,770 | — | — |
| BY MATURITY | | | | |
| All net commitments | | | | |
| One year or less | 2,769 | 3,405 | — | — |
| From one to two years | 1,016 | 2,790 | — | — |
| From two to five years | 998 | 575 | — | — |
| Over five years | — | — | — | — |
| Net commitments | 4,783 | 6,770 | — | — |
| Operating lease commitments | | | | |
| One year or less | 2,717 | 3,092 | — | — |
| From one to two years | 994 | 2,546 | — | — |
| From two to five years | 998 | 575 | — | — |
| Over five years | — | — | — | — |
| Net commitments | 4,709 | 6,213 | — | — |

Schedule of Contingencies
as at 30 June 1999

| | Agency | | Administered | |
|--|-------------------|-------------------|-------------------|-------------------|
| | 1998-99 \$'000 | 1997-98 \$'000 | 1998-99 \$'000 | 1997-98 \$'000 |
| CONTINGENT LOSSES | | | | |
| Uncalled shares | — | — | 8,004,195 | 8,636,836 |
| Claims for damages/costs ^(Note 1) | 747 | 500 | — | — |
| Total contingent losses | 747 | 500 | 8,004,195 | 8,636,836 |
| CONTINGENT GAINS | | | | |
| Claims for damages | 10 | — | — | — |
| Total contingent gains | 10 | — | — | — |
| Net contingencies | 737 | 500 | 8,004,195 | 8,636,836 |

Note 1: This amount represents injury accident claims against Treasury. An amount of \$400,000 has been settled subsequent to balance date.

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