

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

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

#### **OVERVIEW**

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

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

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

#### **APPROPRIATIONS AND RESOURCING**

The total appropriations for AUSTRAC in the 2004–05 Budget is \$20.805m. Table 1.1 shows appropriations (2004–05) and other revenue by outcome.

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

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

## AGENCY/DEPARTMENT — APPROPRIATIONS 2004–05

Table 1.1: Appropriations and other revenue (\$'000)

Outcome	Departmental (price of outputs)					Administered				Total appropriations
	Revenue from Government (Appropriations)			Revenue from other sources	Price of outputs	Annual appropriations		Special appropriations	Total administered appropriations	
	Bill No 1 (A)	Special approps (B)	Total (C = A+B)	(D)	(E = C+D)	Bill No 1 (F)	Bill No 2 (SPPs & NAOs) (G)	(H)	(I = F+G+H)	(J=C+I)
<b>Outcome 1–</b> A financial environment hostile to money laundering, major crime and tax evasion	20,805	-	20,805 97.7%	488	21,293	-	-	-	-	20,805
<b>Total</b>	<b>20,805</b>	<b>-</b>	<b>20,805</b>	<b>488</b>	<b>21,293</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>20,805</b>
<b>Departmental capital (equity injections, loans and previous years' outputs)</b>										<b>-</b>
<b>Administered assets and liabilities</b>										<b>-</b>
<b>Total appropriations</b>										<b>20,805</b>

- Columns C, E and I refer to information provided in Total Resources for Outcome tables.
- Under the appropriation structure, Bill No 2 includes Specific Purpose Payments (SPPs), New Agency Outcomes (NAOs), administered capital and departmental capital via departmental injections and loans.
- Refer to Budgeted Statement of Financial Performance for application of agency revenue.
- Revenue from other sources includes sales of goods and services. Non-appropriated departmental and administered revenues detailed in Table 1.3.

## MEASURES — DEPARTMENT SUMMARY

Table 1.2.: Summary of measures disclosed in the 2004–05 Budget

Measure	Outcome	Outputs affected	Appropriations Budget 2004–05 (\$'000)			Appropriations Forward Estimate 2005–06 (\$'000)			Appropriations Forward Estimate 2006–07 (\$'000)			Appropriations Forward Estimate 2007–08 (\$'000)		
			Admin expenses	Dept outputs	Total	Admin expenses	Dept outputs	Total	Admin expenses	Dept outputs	Total	Admin expenses	Dept outputs	Total
Investing In Australia's Security – Australian Transaction Reports and Analysis Centre additional funding	1	1, 2 & 4	-	8,700	8,700	-	8,900	8,900	-	9,105	9,105	-	9,314	9,314
Investing In Australia's Security – strengthening regional financial intelligence units	1	4	-	2,500	2,500	-	2,400	2,400	-	2,500	2,500	-	2,600	2,600
<b>Total</b>			-	<b>11,200</b>	<b>11,200</b>	-	<b>11,300</b>	<b>11,300</b>	-	<b>11,605</b>	<b>11,605</b>	-	<b>11,914</b>	<b>11,914</b>

## REVENUE FROM INDEPENDANT SOURCES

Table 1.3: Revenue from independent sources

	Estimated Revenue 2003–04 \$'000	Estimated Revenue 2004–05 \$'000
<b>DEPARTMENTAL REVENUE</b>		
Resources received free of charge	15	15
Section 31 (FMA Act) receipts	4	-
Other	356	473
<b>Total estimated revenue</b>	<b>375</b>	<b>488</b>

## Section 2: Outcomes and outputs information

### OUTCOMES AND OUTPUT GROUPS

AUSTRAC works to achieve the outcome specified by Government. The following section provides a departmental overview, and then the outcome is discussed. The map on the following page shows the relationship between the outcome and outputs.

### CHANGES TO OUTCOMES AND OUTPUTS

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

### Output cost attribution

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

**Outcomes and Output groups**

**AUSTRALIAN TRANSACTION REPORTS AND ANALYSIS CENTRE**

**Director: Mr Neil Jensen PSM**

Total price of outputs	\$21.293m
Departmental outcome appropriation	\$20.805m

**Outcome 1: A financial environment hostile to money laundering, major crime and tax evasion**

Total price	\$21.293m
Departmental output appropriation	\$20.805m

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

Total price	\$5.813m
Appropriation	\$5.803m

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

Total price	\$8.588m
Appropriation	\$8.475m

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

Total price	\$1.082m
Appropriation	\$1.080m

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

Total price	\$4.161m
Appropriation	\$3.800m

**Output 1.5: Privacy and security**

Total price	\$1.649m
Appropriation	\$1.647m

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

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

### **Measures affecting Outcome 1**

The measures in the 2004–05 Budget for Outcome 1 are:

#### **Investing in Australia's Security — Australian Transaction Reports and Analysis Centre additional funding**

The Government will provide an additional \$36m over four years to the Australian Transaction Reports and Analysis Centre (AUSTRAC).

AUSTRAC is Australia's sole financial intelligence and anti-money laundering agency. This funding will enhance AUSTRAC's ability to collect, analyse and disseminate financial intelligence to Australia's law enforcement, revenue and national security agencies.

#### **Investing in Australia's Security — strengthening regional financial intelligence units**

The Government will provide \$10.0m over four years to allow the Australian Transaction and Reports Analysis Centre (AUSTRAC) to work with counterpart financial intelligence units (FIUs) in Southeast Asia to enhance their counter-terrorism financing capabilities.

Funding of \$6.6m is being provided for AUSTRAC to help the FIUs build collective skills and knowledge of terrorist financing, detect patterns of financial transactions which may be forms of terrorist financing and assist in the development of broader Asia-Pacific counter-terrorist financing methodologies.

Funding of \$3.4m is being provided for AUSTRAC to assist FIUs to develop the information technology capability to capture, store and analyse financial information that may relate to terrorist financing.

#### **Other variations to Outcome 1**

The Government will provide an increase in funding of \$0.160m to supplement AUSTRAC's increased Comcover premium for 2004–05.

## OUTCOME 1 — RESOURCING

Table 2.1.1 shows how the 2004–05 budget appropriations translate to total resourcing for AUSTRAC for Outcome 1, including revenue from government (appropriations), revenue from other sources and the total price of outputs.

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

	<b>Estimated Actual</b>	<b>Budget Estimate</b>
	<b>2003–04</b>	<b>2004–05</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>DEPARTMENTAL APPROPRIATIONS</b>		
<b>Output 1.1 - Deterring money laundering</b>	5,574	5,803
<b>Output 1.2 - Targeting money laundering</b>	8,146	8,475
<b>Output 1.3 - Advice on effectiveness of FTR Act</b>	1,034	1,080
<b>Output 1.4 - Contributions to international efforts</b>	1,245	3,800
<b>Output 1.5 - Privacy and security</b>	1,583	1,647
<b>Total revenue from government (appropriations) contributing to price of departmental outputs</b>	<b>17,582</b>	<b>20,805</b>
<b>REVENUE FROM OTHER SOURCES</b>		
<b>Output 1.1 - Deterring money laundering</b>	10	10
<b>Output 1.2 - Targeting money laundering</b>	110	113
<b>Output 1.3 - Advice on effectiveness of FTR Act</b>	2	2
<b>Output 1.4 - Contributions to international efforts</b>	251	361
<b>Output 1.5 - Privacy and security</b>	2	2
<b>Total revenue from other sources</b>	<b>375</b>	<b>488</b>
<b>Total price from departmental outputs (Total revenue from government and from other sources)</b>	<b>17,957</b>	<b>21,293</b>
<b>Total estimated resourcing for Outcome 1 (Total price of outputs and administered appropriations)</b>	<b>17,957</b>	<b>21,293</b>
<b>Average Staffing Level (number)</b>	<b>90</b>	<b>103</b>

**Note**

AUSTRAC has no Special Accounts.

Outcome 1 – Contribution of outputs

AUSTRAC has one outcome:

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

There are five outputs for AUSTRAC’s outcome:

- Output 1.1: Detering money laundering, serious crime and tax evasion*
- Output 1.2: Targeting money laundering, serious crime and tax evasion*
- Output 1.3: Advice on the effectiveness of the FTR Act*
- Output 1.4: Contributions to international efforts directed at the suppression of money laundering, major crime and tax evasion*
- Output 1.5: Privacy and security*

**PERFORMANCE INFORMATION FOR OUTCOME 1**

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

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

<b>Effectiveness — overall achievement of the outcome</b>	
<i>Effectiveness indicators</i>	<i>Measures</i>
Deterrence program including collection of FTR information and promotion and enforcement of compliance	The extent to which the deterrence program can be demonstrated to foster an environment hostile to money laundering, serious crime and tax evasion
Targeting program	The extent to which the targeting program can be demonstrated to retard and identify financial activity which facilitates money laundering, serious crime and tax evasion
Advice program	The extent to which the advice program can be demonstrated to maintain and increase the value of the overall program in fostering an environment hostile to money laundering, major crime and tax evasion
International program	The extent to which the international program can be demonstrated to maintain and increase the value of the overall program in fostering an environment hostile to money laundering, major crime and tax evasion
Privacy and security	The extent to which the FTR Information is seen to be maintained securely and with due regard to the privacy interests of stakeholders

<b>Performance information for departmental outputs</b>	
<i>Output description</i>	<i>Performance measure</i>
<p><b>Output 1.1:</b> Deterring money laundering, serious crime and tax evasion</p> <p>Sub-output 1.1.1: Collection of FTR information</p> <p>Sub-output 1.1.2: Promotion of the FTR Act compliance</p> <p>Sub-output 1.1.3: Individual cash dealer compliance improvement</p>	<p><i>Price:</i> \$5.813m</p> <p><i>Quality:</i> Integrity of the reports</p> <p><i>Quantity:</i> The volume of the reports/support functions</p> <p><i>Quality:</i> Feedback from cash dealers and the public</p> <p><i>Quantity:</i> The number of support functions provided</p> <p><i>Quality:</i> Effectiveness of the compliance improvement program</p> <p><i>Quantity:</i> Number of evaluations and compliance issues identified</p>
<p><b>Output 1.2:</b> Targeting money laundering, serious crime and tax evasion</p> <p>Sub-output 1.2.1: Dissemination of FTR information</p> <p>Sub-output 1.2.2: Value added FTR information through analysis</p> <p>Sub-output 1.2.3: Promotion of effective use of FTR information</p>	<p><i>Price:</i> \$8.588m</p> <p><i>Quality:</i> Level of system availability</p> <p><i>Quantity:</i> Number of access logons and disseminations</p> <p><i>Quality:</i> Feedback from partner agencies</p> <p><i>Quantity:</i> The number of matters value added and the number of matters taken up by partner agencies</p> <p><i>Quality:</i> Feedback from partner agencies</p> <p><i>Quantity:</i> Increase in the number of accessions to the system and the number of support functions provided</p>
<p><b>Output 1.3:</b> Advice on effectiveness of the FTR Act</p>	<p><i>Price:</i> \$1.082m</p> <p><i>Quality:</i> Significance of issues and response to issues advised upon</p> <p><i>Quantity:</i> Number of issues identified and advised</p>
<p><b>Output 1.4:</b> Contribution to international efforts directed at the suppression of money laundering, major crime and tax evasion</p>	<p><i>Price:</i> \$4.161m</p> <p><i>Quality:</i> Significance of issues and response to issues</p> <p><i>Quantity:</i> Number and extent of issues identified</p>
<p><b>Output 1.5:</b> Privacy and security</p>	<p><i>Price:</i> \$1.649m</p> <p><i>Quality:</i> Significance of risks identified; effectiveness of security safeguards; level of compliance with government guidelines; and extent to which Australian Transaction Reports and Analysis Centre adopts a security culture</p> <p><i>Quantity:</i> Number of significant issues and incidents identified and addressed</p>

## **EVALUATIONS**

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

## **Section 3: Budgeted financial statements**

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

An analysis of the Agency's budgeted financial statements, as reflected in the Agency's budgeted departmental financial statements and notes for 2004-05, is provided below.

#### **Departmental**

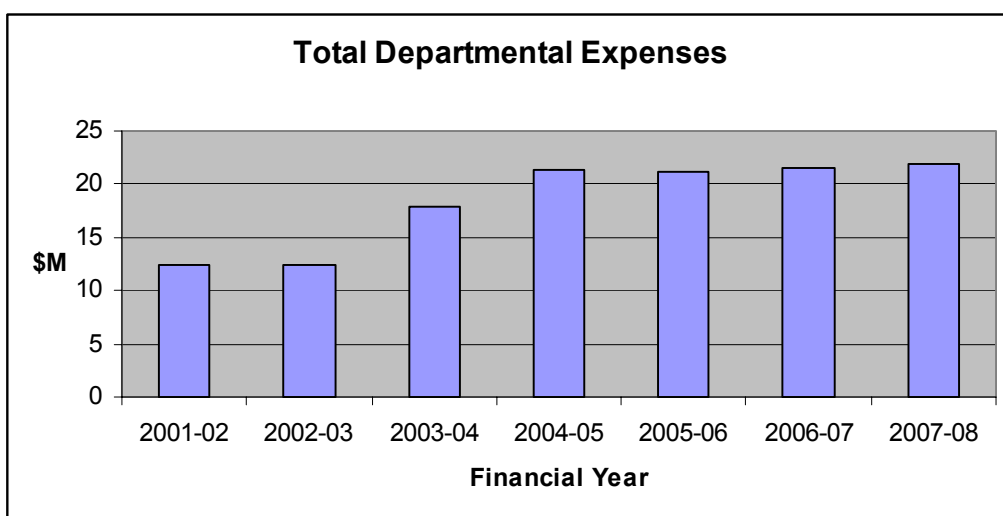
##### **Statement of Financial Performance**

The Agency is budgeting to break-even for 2004-05.

Total revenue is estimated to be \$21.300m, an increase of \$3.300m from the 2003-04 estimated actual. The increase is primarily as a result of:

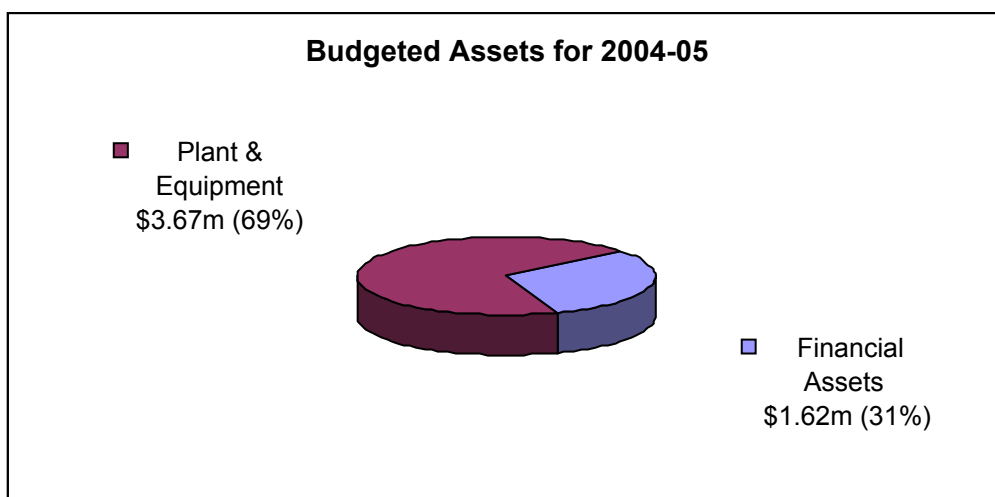
- the funding impact of new measures: Strengthening Regional Financial Intelligence Units (\$1.400m) and South East Asia Financial Intelligence Units IT Mentoring and Capability Development (\$1.100m)
- revised costings of previous years measures, and
- Comcover supplementation.

Total expenses are estimated to be \$21.300m, an increase of \$3.300m from the 2003-04 estimated actual. The increase is due to the impact of the variations detailed above. The following chart shows the total departmental expenses from ordinary activities from 2001-02.



### Statement of Financial Position

The Agency's budgeted total assets of \$5.290m represents an increase of \$0.036m from the 2003-04 estimated actual. The following chart shows details of budgeted assets for 2004-05.



The Agency's primary liability continues to be accrued employee entitlements, as a result of accruing leave entitlements, of \$1.114m. The liability is expected to increase by \$0.066m from the 2003-04 financial year.

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

	Estimated Actual 2003-04 \$'000	Budget Estimate 2004-05 \$'000	Forward Estimate 2005-06 \$'000	Forward Estimate 2006-07 \$'000	Forward Estimate 2007-08 \$'000
<b>REVENUE</b>					
<b>Revenues from ordinary activities</b>					
Revenues from government	17,582	20,805	20,907	21,292	21,722
Other	375	488	252	256	261
<b>Total</b>	<b>17,957</b>	<b>21,293</b>	<b>21,159</b>	<b>21,548</b>	<b>21,893</b>
<b>EXPENSE</b>					
<b>Expenses from ordinary activities (excluding borrowing costs expense)</b>					
Employees	7,209	8,344	8,568	8,799	9,037
Suppliers	9,393	11,511	11,123	11,321	11,516
Depreciation and amortisation	1,355	1,438	1,468	1,428	1,430
<b>Expenses from ordinary activities (excluding borrowing costs expense)</b>	<b>17,957</b>	<b>21,293</b>	<b>21,159</b>	<b>21,548</b>	<b>21,983</b>
Borrowing costs expense	-	-	-	-	-
<b>Operating surplus or deficit from ordinary activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Gain or loss on extraordinary items	-	-	-	-	-
<b>Net surplus or deficit</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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

	Estimated Actual 2003–04	Budget Estimate 2004–05	Forward Estimate 2005–06	Forward Estimate 2006–07	Forward Estimate 2007–08
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash	1,100	1,150	1,150	1,100	1,100
Receivables	150	130	128	170	170
Other	250	337	327	250	250
<b>Total financial assets</b>	<b>1,500</b>	<b>1,617</b>	<b>1,605</b>	<b>1,530</b>	<b>1,530</b>
<b>Non-financial assets</b>					
Infrastructure, plant and equipment	3,754	3,673	3,623	3,573	3,573
<b>Total non-financial assets</b>	<b>3,754</b>	<b>3,673</b>	<b>3,623</b>	<b>3,573</b>	<b>3,573</b>
<b>Total assets</b>	<b>5,254</b>	<b>5,290</b>	<b>5,228</b>	<b>5,103</b>	<b>5,103</b>
<b>LIABILITIES</b>					
<b>Provisions</b>					
Employees	1,048	1,114	1,170	1,204	1,204
<b>Total provisions</b>	<b>1,048</b>	<b>1,114</b>	<b>1,170</b>	<b>1,204</b>	<b>1,204</b>
<b>Payables</b>					
Suppliers	110	109	120	90	90
<b>Total Payables</b>	<b>110</b>	<b>109</b>	<b>120</b>	<b>90</b>	<b>90</b>
<b>Total liabilities</b>	<b>1,158</b>	<b>1,223</b>	<b>1,290</b>	<b>1,294</b>	<b>1,294</b>
<b>EQUITY</b>					
<b>Parent entity interest</b>					
Contributed equity	2,647	2,618	2,489	2,360	2,360
Reserves	41	41	41	41	41
Retained surpluses	1,408	1,408	1,408	1,408	1,408
<b>Total parent entity interest</b>	<b>4,096</b>	<b>4,067</b>	<b>3,938</b>	<b>3,809</b>	<b>3,809</b>
Outside equity interest	-	-	-	-	-
<b>Total equity</b>	<b>4,096</b>	<b>4,067</b>	<b>3,938</b>	<b>3,809</b>	<b>3,809</b>
<b>TOTAL ASSETS AND LIABILITIES BY MATURITY</b>					
<b>Current assets</b>	<b>1,500</b>	<b>1,617</b>	<b>1,605</b>	<b>1,530</b>	<b>1,530</b>
<b>Non-current assets</b>	<b>3,754</b>	<b>3,673</b>	<b>3,623</b>	<b>3,573</b>	<b>3,573</b>
<b>Current liabilities</b>	<b>608</b>	<b>650</b>	<b>600</b>	<b>650</b>	<b>650</b>
<b>Non-current liabilities</b>	<b>550</b>	<b>573</b>	<b>690</b>	<b>644</b>	<b>644</b>

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

	Estimated Actual 2003–04 \$'000	Budget Estimate 2004–05 \$'000	Forward Estimate 2005–06 \$'000	Forward Estimate 2006–07 \$'000	Forward Estimate 2007–08 \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Appropriations for outputs	17,670	20,805	20,907	21,292	21,722
Other	360	473	237	241	246
<b>Total cash received</b>	<b>18,030</b>	<b>21,278</b>	<b>21,144</b>	<b>21,533</b>	<b>21,968</b>
<b>Cash used</b>					
Employees	7,460	8,310	8,575	8,815	9,027
Suppliers	9,830	11,518	1,109	11,338	11,521
<b>Total cash used</b>	<b>17,290</b>	<b>19,828</b>	<b>19,684</b>	<b>20,153</b>	<b>20,548</b>
<b>Net cash from operating activities</b>	<b>740</b>	<b>1,450</b>	<b>1,460</b>	<b>1,380</b>	<b>1,420</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash Received</b>					
Proceeds from sales of property, plant and equipment	20	-	-	-	-
<b>Total cash received</b>	<b>20</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash used</b>					
Purchase of property, plant and equipment	3,228	1,400	1,460	1,420	1,420
<b>Total cash used</b>	<b>3,228</b>	<b>1,400</b>	<b>1,460</b>	<b>1,420</b>	<b>1,420</b>
<b>Net cash from investing activities</b>	<b>(3,208)</b>	<b>(1,400)</b>	<b>(1,460)</b>	<b>(1,420)</b>	<b>(1,420)</b>
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Cash from capital injections	2,528	-	-	-	-
<b>Total cash received</b>	<b>2,528</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash used</b>					
Capital use and dividends paid	-	-	-	-	-
<b>Total cash used</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net cash from financing activities</b>	<b>2,528</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net increase (decrease) in cash held</b>	<b>60</b>	<b>50</b>	<b>-</b>	<b>(40)</b>	<b>-</b>
Cash at the beginning of the reporting period	1,040	1,100	1,150	1,150	1,110
<b>Cash at the end of the reporting period</b>	<b>1,100</b>	<b>1,150</b>	<b>1,150</b>	<b>1,110</b>	<b>1,110</b>

**Table 3.4: Departmental Capital Budget Statement for the period ended 30 June**

	Estimated Actual 2003-04 \$'000	Budget Estimate 2004-05 \$'000	Forward Estimate 2005-06 \$'000	Forward Estimate 2006-07 \$'000	Forward Estimate 2007-08 \$'000
<b>CAPITAL APPROPRIATIONS</b>					
Total equity injections	2,498	-	-	-	-
Appropriation of previous year accrued revenue	88	-	-	-	-
<b>Represented by:</b>					
Purchase of non-financial assets	2,498	-	-	-	-
Other	88	-	-	-	-
<b>Total</b>	<b>2,586</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>PURCHASE OF NON-FINANCIAL ASSETS</b>					
Funded by capital appropriations	2,498	-	-	-	-
Funded internally by departmental resources	730	1,400	1,460	1,420	1,420
<b>Total</b>	<b>3,228</b>	<b>1,400</b>	<b>1,460</b>	<b>1,420</b>	<b>1,420</b>

**Table 3.5: Departmental Non-financial Assets — Summary of Movement (Budget year 2004–05)**

	Land	Buildings	Specialist military equipment	Other infrastructure plant and equipment	Heritage and cultural assets	Computer software	Other intangibles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at the start of year	-	-	-	3,754	-	-	-	3,754
Additions	-	-	-	1,400	-	-	-	1,400
Disposals	-	-	-	(43)	-	-	-	(43)
Revaluation increments	-	-	-	-	-	-	-	-
Recoverable amount write-downs	-	-	-	-	-	-	-	-
Net transfers free of charge	-	-	-	-	-	-	-	-
Depreciation/amortisation expense	-	-	-	(1,438)	-	-	-	(1,438)
Write-off of assets	-	-	-	-	-	-	-	-
Carrying amount at the end of year	-	-	-	3,673	-	-	-	3,673
<b>Total additions</b>								
Self funded	-	-	-	-	-	-	-	-
Appropriations	-	-	-	1,400	-	-	-	1,400
<b>Total</b>	-	-	-	<b>1,400</b>	-	-	-	<b>1,400</b>

## **NOTES TO THE FINANCIAL STATEMENTS**

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

- Departmental items are those assets, liabilities, revenues and expenses in relation to an agency or authority that are controlled by the agency. Departmental expenses include employee and supplier expenses and other administrative costs, which are incurred by the agency in providing its goods and services.
- Administered items are revenues, expenses, assets and liabilities that are managed by an agency or authority on behalf of the Government according to set Government directions. Administered expenses include subsidies, grants and personal benefit payments and Administered revenues include taxes, fees, fines and excises. No administered items were controlled by the Agency on the Government's behalf during the reporting year.

### **Appropriations in the accrual budgeting framework**

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

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

### **Asset valuation**

From 1 July 2002 Commonwealth agencies and authorities are required to use either the cost basis or the fair value basis to measure Property, Plant and Equipment. The shift from the deprival method of valuation to fair value should occur gradually over a three-year period. Fair value essentially reflects the current market value of an asset.

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

### **COST RECOVERY ARRANGEMENTS**

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

For the 2004-05 financial year there are no cost recovery arrangements in place for AUSTRAC.