

# AUSTRALIAN CUSTOMS AND BORDER PROTECTION SERVICE

## Section 1: Agency overview and resources

### **1.1 STRATEGIC DIRECTION**

The strategic direction statement for the Australian Customs and Border Protection Service can be found in the 2009–10 Portfolio Budget Statements. There has been no change to Customs and Border Protection’s strategic direction as a result of additional estimates.

### **1.2 AGENCY RESOURCE STATEMENT**

The agency resource statement details the resourcing for Customs and Border Protection at Additional Estimates. Table 1.1 outlines the total resourcing available from all sources for the 2009–10 Budget year, including variations through Appropriation Bill No. 3, special appropriations and special accounts.

**Table 1.1: Agency resource statement—additional estimates for 2009–10 as at Additional Estimates, November 2009**

	Estimate as at Budget 2009–10 (\$'000)	+ Proposed Additional Estimates 2009–10 (\$'000)	=	Total estimate at Additional Estimates 2009–10 (\$'000)	Total available appropriation 2008–09 (\$'000)
<b>ORDINARY ANNUAL SERVICES<sup>1</sup></b>					
<b>Departmental appropriation</b>					
Prior year departmental appropriation	141,265	–		141,265	129,433
Departmental appropriation	1,020,490	1,315		1,021,805	1,008,697
Section 31 relevant agency receipts	64,059	719		64,778	65,024
<b>Total</b>	<b>1,225,814</b>	<b>2,034</b>		<b>1,227,848</b>	<b>1,203,154</b>
<b>Administered expenses</b>					
Outcome 1	831	–		831	–
<b>Total</b>	<b>831</b>	<b>–</b>		<b>831</b>	<b>–</b>
<b>Total ordinary annual services</b>	<b>A 1,226,645</b>	<b>2,034</b>		<b>1,228,679</b>	<b>1,203,154</b>
<b>OTHER SERVICES<sup>2</sup></b>					
<b>Departmental non-operating</b>					
Prior year equity injections	14,495	–		14,495	34,398
Equity injections	5,239	–		5,239	23,241
Previous years' outputs	–	–		–	1,375
<b>Total</b>	<b>19,734</b>	<b>–</b>		<b>19,734</b>	<b>59,014</b>
<b>Total other services</b>	<b>B 19,734</b>	<b>–</b>		<b>19,734</b>	<b>59,014</b>
<b>Total available annual appropriations</b>	<b>1,246,379</b>	<b>2,034</b>		<b>1,248,413</b>	<b>1,262,168</b>
<b>SPECIAL APPROPRIATIONS</b>					
<b>Special appropriations limited by criteria/entitlement</b>					
Customs duty and other repayments <sup>3</sup>	380,000	–		380,000	404,605
<b>Total special appropriations</b>	<b>C 380,000</b>	<b>–</b>		<b>380,000</b>	<b>404,605</b>
<b>Total appropriations excluding special accounts</b>	<b>1,626,379</b>	<b>2,034</b>		<b>1,628,413</b>	<b>1,666,773</b>
<b>SPECIAL ACCOUNTS</b>					
Opening balance	5,152	(211)		4,941	5,152
Non-appropriation receipts to special accounts	4,040	–		4,040	4,255
<b>Total special accounts</b>	<b>D 9,192</b>	<b>(211)</b>		<b>8,981</b>	<b>9,407</b>
<b>Total net resourcing for agency (A+B+C+D)</b>	<b>1,635,571</b>	<b>1,823</b>		<b>1,637,394</b>	<b>1,676,180</b>

All figures are GST exclusive.

1. Appropriation Bill (Nos 1 & 3) 2009–10.

2. Appropriation Bill (Nos 2 & 4) 2009–10.

3. *Financial Management and Accountability Act 1997*, section 28—repayments required or permitted by law.

### 1.3 AGENCY MEASURES SINCE BUDGET

Table 1.2 summarises new government measures taken since the 2009–10 Budget.

**Table 1.2: Agency measures since Budget**

	Program	2009–10 (\$'000)	2010–11 (\$'000)	2011–12 (\$'000)	2012–13 (\$'000)
<b>REVENUE MEASURES</b>					
<b>Excise and customs duty—maintain current taxation treatment for concessional spirits<sup>1</sup></b>	1.5				
Administered revenues		–	–	–	–
<b>Total revenue measures</b>		–	–	–	–

Prepared on a Government Finance Statistics (fiscal) basis.

1. The lead agency for this measure is the Australian Taxation Office. The full measure description appears in the Mid-Year Economic and Fiscal Outlook for the Treasury portfolio.

### 1.4 ADDITIONAL ESTIMATES AND VARIATIONS

The following tables detail the changes to the resourcing for Customs and Border Protection at Additional Estimates by outcome. Table 1.3 details the additional estimates and variations resulting from new measures since the 2009–10 Budget in Appropriation Bill No. 3. Table 1.4 details additional estimates and variations from other adjustments.

**Table 1.3: Additional estimates and variations to outcomes from measures since 2009–10 Budget**

	Program impacted	2009–10 (\$'000)	2010–11 (\$'000)	2011–12 (\$'000)	2012–13 (\$'000)
<b>OUTCOME 1</b>					
<b>Increase in estimates (administered)</b>					
Excise and customs duty—maintain current taxation treatment for concessional spirits	1.5	–	–	–	–
<b>Net impact on estimates for Outcome 1 (administered)</b>		–	–	–	–

**Table 1.4: Additional estimates and variations to outcomes from other adjustments**

	Program impacted	2009–10 (\$'000)	2010–11 (\$'000)	2011–12 (\$'000)	2012–13 (\$'000)
<b>OUTCOME 1</b>					
<b>Increase in estimates (departmental)</b>					
Passenger workload growth funding	1.1	1,315	2,201	2,582	2,786
<b>Decrease in estimates (departmental)</b>					
Changes in wage and price indices	All	–	(815)	(3,878)	(4,705)
<b>Net impact on estimates for Outcome 1 (departmental)</b>		<b>1,315</b>	<b>1,386</b>	<b>(1,296)</b>	<b>(1,919)</b>

## 1.5 BREAKDOWN OF ADDITIONAL ESTIMATES BY APPROPRIATION BILL

Table 1.5 details the Additional Estimates sought for Customs and Border Protection through Appropriation Bill No. 3. Customs and Border Protection has no additional estimates through Appropriation Bill No. 4.

**Table 1.5: Appropriation Bill (No. 3) 2009–10**

	2008–09 Available (\$'000) <sup>1</sup>	2009–10 Budget (\$'000)	2009–10 Revised (\$'000)	Additional Estimates (\$'000)	Reduced Estimates (\$'000)
<b>DEPARTMENTAL PROGRAMS</b>					
<b>Outcome 1</b>					
The protection of the safety, security and commercial interests of Australians through border protection designed to support legitimate trade and travel and ensure collection of border revenue and trade statistics	1,008,697	1,020,490	1,021,805	1,315	–
<b>Total</b>	<b>1,008,697</b>	<b>1,020,490</b>	<b>1,021,805</b>	<b>1,315</b>	<b>–</b>
<b>Total administered and departmental</b>	<b>1,008,697</b>	<b>1,020,490</b>	<b>1,021,805</b>	<b>1,315</b>	<b>–</b>

1. Available appropriation for 2008–09 is included to allow a comparison of this year's appropriation with what was made available for use in the previous year.

## Section 2: Revisions to agency resources and planned performance

### **2.1 OUTCOMES AND PERFORMANCE INFORMATION**

There are no changes to Customs and Border Protection's outcome information as reported in the 2009-10 Portfolio Budget Statements.

#### **Outcome 1**

##### **Outcome 1 strategy**

There are no changes to the strategy or program objectives for Outcome 1 as reported in the 2009-10 Portfolio Budget Statements.

##### **Budgeted expenses and resources for Outcome 1**

The following tables summarise the changes in expenses and performance information for Outcome 1 by program. Since the 2009-10 Budget, Customs and Border Protection has refined its approach to resource allocation across the five programs.

**Table 2.1: Budgeted expenses and resources for Outcome 1**

<b>Outcome 1: The protection of the safety, security and commercial interests of Australians through border protection designed to support legitimate trade and travel and ensure collection of border revenue and trade statistics</b>	<b>2008–09 Actual expenses (\$'000)</b>	<b>2009–10 Revised estimated expenses (\$'000)</b>
<b>Program 1.1: Passenger facilitation</b>		
Departmental expenses		
Ordinary annual services (Appropriation Bill Nos 1 & 3)	233,055	224,519
Revenues from independent sources (section 31)	3,877	2,176
Expenses not requiring appropriation in the Budget year <sup>1</sup>	2,823	1,194
<b>Total for Program 1.1</b>	<b>239,755</b>	<b>227,889</b>
<b>Program 1.2: Trade facilitation</b>		
Departmental expenses		
Ordinary annual services (Appropriation Bill Nos 1 & 3)	239,804	231,074
Revenues from independent sources (section 31)	3,989	2,244
Expenses not requiring appropriation in the Budget year <sup>1</sup>	2,905	1,231
<b>Total for Program 1.2</b>	<b>246,698</b>	<b>234,549</b>
<b>Program 1.3: Border protection and enforcement</b>		
Departmental expenses		
Ordinary annual services (Appropriation Bill Nos 1 & 3)	260,805	271,666
Revenues from independent sources (section 31)	4,339	2,658
Expenses not requiring appropriation in the Budget year <sup>1</sup>	3,159	1,458
<b>Total for Program 1.3</b>	<b>268,303</b>	<b>275,782</b>
<b>Program 1.4: Civil maritime surveillance and response</b>		
Departmental expenses		
Ordinary annual services (Appropriation Bill Nos 1 & 3)	264,344	285,674
Revenues from independent sources (section 31)	4,397	2,835
Expenses not requiring appropriation in the Budget year <sup>1</sup>	3,202	1,556
<b>Total for Program 1.4</b>	<b>271,943</b>	<b>290,065</b>
<b>Program 1.5: Border related revenue collection</b>		
Departmental expenses		
Ordinary annual services (Appropriation Bill Nos 1 & 3)	10,690	8,872
Revenues from independent sources (section 31)	53,277	54,865
Expenses not requiring appropriation in the Budget year <sup>1</sup>	762	301
<b>Total for Program 1.5*</b>	<b>64,729</b>	<b>64,038</b>
<b>Outcome 1 totals by appropriation type</b>		
Departmental expenses		
Ordinary annual services (Appropriation Bill Nos 1 & 3)	1,008,698	1,021,805
Revenues from independent sources (section 31)	69,879	64,778
Expenses not requiring appropriation in the Budget year <sup>1</sup>	12,851	5,740
<b>Total expenses for Outcome 1*</b>	<b>1,091,428</b>	<b>1,092,323</b>
	<b>2008–09</b>	<b>2009–10</b>
<b>Average staffing level (number)</b>	5,679	5,500

\* Totals may not add due to rounding.

1. Includes resources received free of charge from external bodies and the Australian National Audit Office.

### Program 1.1 expenses

	2008–09 Actuals	2009–10 Revised budget	2010–11 Forward year 1	2011–12 Forward year 2	2012–13 Forward year 3
<b>(\$'000)</b>					
Annual departmental expenses					
Departmental item	233,055	224,519	221,039	220,177	227,138
Revenue from other sources	3,877	2,176	2,126	2,205	2,281
Expenses not requiring appropriation in the Budget year	2,823	1,194	1,194	1,194	1,194
<b>Total program expenses</b>	<b>239,755</b>	<b>227,889</b>	<b>224,359</b>	<b>223,576</b>	<b>230,613</b>

### Program 1.1 deliverables

Deliverables	2008–09 Actuals	2009–10 Revised budget	2010–11 Forward year 1	2011–12 Forward year 2	2012–13 Forward year 3
Processing of international passengers (air and sea)					
Arrivals	12.325m	12.736m	13.164m	13.680m	14.255m
Departures	12.008m	12.342m	12.759m	13.259m	13.816m

Note: There has been an increase in air passenger numbers in the first quarter of 2009–10 compared to 2008–09 despite wide predictions that the global financial crisis would reduce international air travel.

### Program 1.1 key performance indicators

There are no changes to the key performance indicators for Program 1.1.

### Program 1.2 expenses

	2008–09 Actuals	2009–10 Revised budget	2010–11 Forward year 1	2011–12 Forward year 2	2012–13 Forward year 3
<b>(\$'000)</b>					
Annual departmental expenses					
Departmental item	239,804	231,074	224,764	223,789	229,226
Revenue from other sources	3,989	2,244	2,192	2,270	2,349
Expenses not requiring appropriation in the Budget year	2,905	1,231	1,231	1,231	1,231
<b>Total program expenses</b>	<b>246,698</b>	<b>234,549</b>	<b>228,187</b>	<b>227,290</b>	<b>232,806</b>

### Program 1.2 deliverables

Deliverables	2008–09 Actuals	2009–10 Revised budget	2010–11 Forward year 1	2011–12 Forward year 2	2012–13 Forward year 3
Number of import declaration lines assessed <sup>1</sup>	na	6,000	6,000	6,000	6,000

1. This measure appears in both Program 1.2 and Program 1.5 as a minimum of 6,000 lines are assessed concurrently for both revenue and control errors.

### Program 1.2 key performance indicators

Key performance indicators	2008–09 Actuals	2009–10 Revised budget target	2010–11 Forward year 1	2011–12 Forward year 2	2012–13 Forward year 3
Proportion of electronically lodged cargo documents where a response message is transmitted within five minutes <sup>1</sup>	na	98%	98%	98%	98%
Proportion of depot licence applications processed in accordance with client service standards <sup>2</sup>	na	100%	100%	100%	100%
Import declaration lines assessed—percentage of lines where significant control errors were found	na	*	*	*	*

\* Performance cannot be reliably forecast. Actual results will be included in the annual report.

1. The revised indicator will measure the time the Customs Connect Facility/Integrated Cargo System takes to process a message. The new measure will provide a better indication of the system's performance.
2. This indicator has been revised to remove the word 'broker' as it refers to a measure that does not yet exist.

### Program 1.3 expenses

(\$'000)	2008–09 Actuals	2009–10 Revised budget	2010–11 Forward year 1	2011–12 Forward year 2	2012–13 Forward year 3
Annual departmental expenses					
Departmental item	260,805	271,666	273,394	268,452	271,866
Revenue from other sources	4,339	2,658	2,595	2,689	2,783
Expenses not requiring appropriation in the Budget year	3,159	1,458	1,458	1,458	1,458
<b>Total program expenses</b>	<b>268,303</b>	<b>275,782</b>	<b>277,447</b>	<b>272,599</b>	<b>276,107</b>

### Program 1.3 deliverables

There are no changes to the deliverables for Program 1.3.

### Program 1.3 key performance indicators

There are no changes to the key performance indicators for Program 1.3.

### Program 1.4 expenses

	2008–09 Actuals	2009–10 Revised budget	2010–11 Forward year 1	2011–12 Forward year 2	2012–13 Forward year 3
(\$'000)					
Annual departmental expenses					
Departmental item	264,344	285,674	306,923	268,227	265,094
Revenue from other sources	4,397	2,835	2,769	2,869	2,969
Expenses not requiring appropriation in the Budget year	3,202	1,556	1,556	1,556	1,556
<b>Total program expenses</b>	<b>271,943</b>	<b>290,065</b>	<b>311,248</b>	<b>272,652</b>	<b>269,619</b>

### Program 1.4 deliverables

There are no changes to the deliverables for Program 1.4.

### Program 1.4 key performance indicators

There are no changes to the key performance indicators for Program 1.4.

### Program 1.5 expenses

	2008–09 Actuals	2009–10 Revised budget	2010–11 Forward year 1	2011–12 Forward year 2	2012–13 Forward year 3
(\$'000)					
Annual departmental expenses					
Departmental item	10,690	8,872	10,379	8,421	8,274
Revenue from other sources	53,277	54,865	53,577	55,503	57,450
Expenses not requiring appropriation in the Budget year	762	301	301	301	301
<b>Total program expenses</b>	<b>64,729</b>	<b>64,038</b>	<b>64,257</b>	<b>64,225</b>	<b>66,025</b>

### Program 1.5 deliverables

Deliverables	2008–09 Actuals	2009–10 Revised budget	2010–11 Forward year 1	2011–12 Forward year 2	2012–13 Forward year 3
The collection of revenue associated with passenger movements	502.8m	533.5m	565.8m	596.5m	625.4m
Significant revenues collected (including duty and GST)	9,540.3m	9,112.7m	9,188.9m	9,704.5m	10,207.3m
Duty Concessions:		\$1,350m	\$1,482m	\$1,629m	\$1,769m
Tariff Concessions		to	to	to	to
System (range)	\$1,589m	\$1,500m	\$1,656m	\$1,813m	\$1,969m
Number of import declaration lines assessed <sup>1</sup>	n/a	6,000	6,000	6,000	6,000

1. This measure appears in both Program 1.2 and Program 1.5 as a minimum of 6,000 lines are assessed concurrently for both revenue and control errors.

**Program 1.5 key performance indicators**

Key performance indicators	2008–09 Actuals	2009–10 Revised budget target	2010–11 Forward year 1	2011–12 Forward year 2	2012–13 Forward year 3
Revenue and compliance assurance activity:					
Imports—percentage of revenue targeted audits where revenue was adjusted by \$1,000 or more	69%	55%	55%	55%	55%
Imports—company audit activity	277	218	218	218	218
Exports—company audit activity	34	26	26	26	26
Import declaration lines assessed—percentage of lines where significant revenue errors were found	na	*	*	*	*

\* Performance cannot be reliably forecast. Actual results will be included in the annual report.

## Section 3: Explanatory tables and budgeted financial statements

### 3.1 EXPLANATORY TABLES

#### 3.1.1 Estimates of special account flows

Special accounts provide a means to set aside and record amounts used for specified purposes. Table 3.1.1 shows the expected additions (receipts) and reductions (payments) for each account used by Customs and Border Protection. The corresponding table in the 2009–10 Portfolio Budget Statements is Table 3.1.2.

**Table 3.1.1: Estimates of special account flows**

	Outcome	Opening balance 2009–10 2008–09 (\$'000)	Receipts 2009–10 2008–09 (\$'000)	Payments 2009–10 2008–09 (\$'000)	Closing balance 2009–10 2008–09 (\$'000)
Other Trust Moneys—	1	361	40	40	361
FMA Act s 20 (A) <sup>1</sup>	1	359	7	5	361
Security Deposits—	1	4,580	4,000	4,000	4,580
FMA Act s 20 (A)	1	4,793	4,248	4,461	4,580
<b>Total special accounts 2009–10 Budget estimate</b>		<b>4,941</b>	<b>4,040</b>	<b>4,040</b>	<b>4,941</b>
<b>Total special accounts 2008–09 estimate actual</b>		<b>5,152</b>	<b>4,255</b>	<b>4,466</b>	<b>4,941</b>

(A) = Administered.

FMA Act = *Financial Management and Accountability Act 1997*.

1. The purpose of the Other Trust Moneys Account is for the expenditure of moneys temporarily held in trust for the benefit of a person other than the Australian Government. The account is for the recording of unidentified receipts pending investigation and transfer to the correct account or return to the payer.

## 3.2 BUDGETED FINANCIAL STATEMENTS

### 3.2.1 Analysis of budgeted financial statements

#### Departmental

##### *Income statement*

There has been an increase in total estimated expenses and revenue in 2009–10 of \$2.0m since the 2009–10 Portfolio Budget Statements due to revisions for passenger workload growth and section 31 revenue. Since the 2009–10 Budget, the movements in estimated expenses from 2010–11 and in the forward estimates are due to the impact of indexation adjustments. Customs and Border Protection is anticipating a balanced budget result in 2009–10.

Movements in total expenses in 2008–09 relate to actuarial revisions of the employee provisions, a decrease in supplier costs relating to consultants, contractors and domestic travel, and depreciation expenses for additional land, buildings, infrastructure, plant and equipment.

##### *Balance sheet*

The differences between the 2009–10 Budget estimates and the revised estimates are a result of the inclusion of the 2008–09 actual results. The increase in equity is attributable to additional equity provided in 2008–09 and an increase in the asset revaluation reserve, offset by a lower than expected operating deficit.

*Statement of cash flows*

Changes to the statement of cash flows from the 2009–10 Budget are due to changes in the income statement and increased asset acquisitions in 2008–09.

*Statement of changes in equity*

Changes to the statement of changes in equity from the 2009–10 Budget are a result of the inclusion of the 2008–09 actual results.

*Capital budget statement*

Changes to the capital budget statement from the 2009–10 Budget are a result of the inclusion of the 2008–09 actual results.

*Statement of asset movements*

Changes to the statement of asset movements from the 2009–10 Budget are a result of the inclusion of the 2008–09 actual results. The movement was due to increased acquisitions in 2008–09 for land, buildings, infrastructure, plant and equipment.

**Administered**

*Schedule of budgeted expenses and income*

The revised customs duty estimates for 2009–10 are \$445.7m lower than the 2008–09 actual and \$60.2m greater than the 2009–10 Portfolio Budget Statements estimate. The decrease against 2008–09 is primarily due to the reduction in tariff rates that will commence on 1 January 2010 thereby reducing the collection of customs duty from specific import categories.

The increase in the revised Budget estimate from the 2009–10 Portfolio Budget Statements is primarily due to the continuation of the strong growth in collections from excise equivalent goods and passenger motor vehicles in the current year.

Other revenue collected by Customs and Border Protection as other taxes, fees and fines is now estimated to be \$681.2m, an increase of \$11.6m from the 2009–10 Budget estimate. This increase is primarily due to the increase in departing passengers in the first half of 2008–09.

*Schedule of budgeted assets and liabilities*

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

*Schedule of budgeted administered cash flows*

There were no major adjustments to the budgeted administered cash flows other than the impact of the changes made to Customs and Border Protection's revenue.

### 3.2.2 Budgeted financial statements tables

#### Departmental

**Table 3.2.1: Budgeted departmental comprehensive income statement (showing net cost of services) for the period ended 30 June**

	<b>Actual 2008–09 (\$'000)</b>	<b>Revised budget 2009–10 (\$'000)</b>	<b>Forward estimate 2010–11 (\$'000)</b>	<b>Forward estimate 2011–12 (\$'000)</b>	<b>Forward estimate 2012–13 (\$'000)</b>
<b>EXPENSES</b>					
Employee benefits	521,505	507,877	512,040	513,936	523,603
Suppliers	479,873	501,036	510,035	463,252	466,583
Depreciation and amortisation	82,897	83,410	83,423	83,154	84,984
Write-down and impairment of assets	5,713	–	–	–	–
Other	1,440	–	–	–	–
<b>Total expenses</b>	<b>1,091,428</b>	<b>1,092,323</b>	<b>1,105,498</b>	<b>1,060,342</b>	<b>1,075,170</b>
<b>LESS:</b>					
<b>OWN-SOURCE INCOME</b>					
<b>Revenue</b>					
Sale of goods and rendering of services	63,706	64,778	63,259	65,536	67,832
Other revenue	6,173	–	–	–	–
<b>Total revenue</b>	<b>69,879</b>	<b>64,778</b>	<b>63,259</b>	<b>65,536</b>	<b>67,832</b>
<b>Gains</b>					
Other gains	1,004	5,740	5,740	5,740	5,740
<b>Total gains</b>	<b>1,004</b>	<b>5,740</b>	<b>5,740</b>	<b>5,740</b>	<b>5,740</b>
<b>Total own-source income</b>	<b>70,883</b>	<b>70,518</b>	<b>68,999</b>	<b>71,276</b>	<b>73,572</b>
<b>Net cost of (contribution by) services</b>	<b>1,020,545</b>	<b>1,021,805</b>	<b>1,036,499</b>	<b>989,066</b>	<b>1,001,598</b>
Appropriation revenue	1,008,697	1,021,805	1,036,499	989,066	1,001,598
<b>Surplus (deficit)</b>	<b>(11,848)</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Surplus (deficit) attributable to the Australian Government</b>	<b>(11,848)</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>

Prepared on Australian Accounting Standards basis.

Table 3.2.2: Budgeted departmental balance sheet (as at 30 June)

	Actual 2008–09 (\$'000)	Revised budget 2009–10 (\$'000)	Forward estimate 2010–11 (\$'000)	Forward estimate 2011–12 (\$'000)	Forward estimate 2012–13 (\$'000)
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash and cash equivalents	7,826	7,826	7,826	7,826	7,826
Trade and other receivables	10,114	10,114	10,114	10,114	10,114
Appropriations receivable	142,276	153,399	158,646	159,283	160,778
<b>Total financial assets</b>	<b>160,216</b>	<b>171,339</b>	<b>176,586</b>	<b>177,223</b>	<b>178,718</b>
<b>Non-financial assets</b>					
Land and buildings	132,418	132,049	131,870	131,691	131,002
Infrastructure, plant and equipment	129,934	128,126	125,990	125,532	116,341
Inventories	1,983	1,983	1,983	1,983	1,983
Intangibles	193,456	192,619	192,698	192,698	201,083
Other	15,992	15,992	15,992	15,992	15,992
<b>Total non-financial assets</b>	<b>473,783</b>	<b>470,769</b>	<b>468,533</b>	<b>467,896</b>	<b>466,401</b>
<b>Total assets</b>	<b>633,999</b>	<b>642,108</b>	<b>645,119</b>	<b>645,119</b>	<b>645,119</b>
<b>LIABILITIES</b>					
<b>Provisions</b>					
Employees	152,437	155,306	158,238	158,238	158,238
Other	12,694	12,694	12,694	12,694	12,694
<b>Total provisions</b>	<b>165,131</b>	<b>168,000</b>	<b>170,932</b>	<b>170,932</b>	<b>170,932</b>
<b>Payables</b>					
Suppliers	61,219	61,220	61,220	61,220	61,220
Other	8,556	8,557	8,557	8,557	8,557
<b>Total payables</b>	<b>69,775</b>	<b>69,777</b>	<b>69,777</b>	<b>69,777</b>	<b>69,777</b>
<b>Total liabilities</b>	<b>234,906</b>	<b>237,777</b>	<b>240,709</b>	<b>240,709</b>	<b>240,709</b>
<b>Net assets<sup>1</sup></b>	<b>399,093</b>	<b>404,331</b>	<b>404,410</b>	<b>404,410</b>	<b>404,410</b>
<b>EQUITY</b>					
<b>Parent entity interest</b>					
Contributed equity	327,601	332,840	332,919	332,919	332,919
Reserves	47,594	47,594	47,594	47,594	47,594
Retained surpluses or accumulated deficits	23,897	23,897	23,897	23,897	23,897
<b>Total parent entity interest</b>	<b>399,092</b>	<b>404,331</b>	<b>404,410</b>	<b>404,410</b>	<b>404,410</b>
<b>Total equity</b>	<b>399,092</b>	<b>404,331</b>	<b>404,410</b>	<b>404,410</b>	<b>404,410</b>
<b>Current assets</b>	<b>178,190</b>	<b>189,314</b>	<b>194,561</b>	<b>195,198</b>	<b>196,693</b>
<b>Non-current assets</b>	<b>455,809</b>	<b>452,794</b>	<b>450,558</b>	<b>449,921</b>	<b>448,426</b>
<b>Current liabilities</b>	<b>197,304</b>	<b>199,715</b>	<b>202,177</b>	<b>202,177</b>	<b>202,177</b>
<b>Non-current liabilities</b>	<b>37,603</b>	<b>38,062</b>	<b>38,532</b>	<b>38,532</b>	<b>38,532</b>

Prepared on Australian Accounting Standards basis.

Note: 'Equity' is the residual interest in assets after deduction of liabilities.

1. Totals may not add due to rounding.

**Table 3.2.3: Budgeted departmental statement of cash flows (for the period ended 30 June)**

	Actual 2008–09 (\$'000)	Revised budget 2009–10 (\$'000)	Forward estimate 2010–11 (\$'000)	Forward estimate 2011–12 (\$'000)	Forward estimate 2012–13 (\$'000)
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Goods and services	62,049	64,778	63,259	65,536	67,832
Appropriations	995,175	1,010,682	1,031,252	988,429	1,000,103
Net GST received	53,067	43,869	43,869	43,869	43,869
Other	272	–	–	–	–
<b>Total cash received</b>	<b>1,110,563</b>	<b>1,119,329</b>	<b>1,138,380</b>	<b>1,097,834</b>	<b>1,111,804</b>
<b>Cash used</b>					
Employees	453,801	512,659	510,808	515,630	523,603
Suppliers	531,840	487,644	502,595	455,818	460,843
Net GST paid	54,268	43,869	43,869	43,869	43,869
Other	1,038	–	–	–	–
<b>Total cash used</b>	<b>1,040,947</b>	<b>1,044,172</b>	<b>1,057,272</b>	<b>1,015,317</b>	<b>1,028,315</b>
<b>Net cash from (used by) operating activities</b>	<b>69,616</b>	<b>75,157</b>	<b>81,108</b>	<b>82,517</b>	<b>83,489</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash received</b>					
Proceeds from sales of property, plant and equipment	298	–	–	–	–
<b>Total cash received</b>	<b>298</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Cash used</b>					
Purchase of property, plant and equipment	72,525	80,396	81,187	82,517	83,489
Purchase of intangibles	41,926	–	–	–	–
<b>Total cash used</b>	<b>114,451</b>	<b>80,396</b>	<b>81,187</b>	<b>82,517</b>	<b>83,489</b>
<b>Net cash from (used by) investing activities</b>	<b>(114,153)</b>	<b>(80,396)</b>	<b>(81,187)</b>	<b>(82,517)</b>	<b>(83,489)</b>
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Appropriations—contributed equity	43,144	5,239	79	–	–
<b>Total cash received</b>	<b>43,144</b>	<b>5,239</b>	<b>79</b>	<b>–</b>	<b>–</b>
<b>Net cash from (used by) financing activities</b>	<b>43,144</b>	<b>5,239</b>	<b>79</b>	<b>–</b>	<b>–</b>
<b>Net increase (decrease) in cash held</b>	<b>(1,393)</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Cash at the beginning of the reporting period	9,219	7,826	7,826	7,826	7,826
<b>Cash at the end of the reporting period</b>	<b>7,826</b>	<b>7,826</b>	<b>7,826</b>	<b>7,826</b>	<b>7,826</b>

Prepared on Australian Accounting Standards basis.

**Table 3.2.4: Departmental statement of changes in equity—summary of movement (Budget year 2009–10)**

	Retained earnings (\$'000)	Asset revaluation reserve (\$'000)	Contributed equity/capital (\$'000)	Total equity (\$'000)
<b>Opening balance as at 1 July 2009</b>				
Balance carried forward from previous period	23,897	47,594	327,601	399,092
<b>Income and expenses</b>				
Surplus (deficit) for the period	–	–	–	–
<b>Total income and expenses</b>	–	–	–	–
<b>Transactions with owners</b>				
Contribution by owners				
Appropriation (equity injection)	–	–	5,239	5,239
<b>Sub-total transactions with owners</b>	–	–	<b>5,239</b>	<b>5,239</b>
<b>Estimated closing balance as at 30 June 2010</b>	<b>23,897</b>	<b>47,594</b>	<b>332,840</b>	<b>404,331</b>

Prepared on Australian Accounting Standards basis.

**Table 3.2.5: Departmental capital budget statement**

	Actual 2008–09 (\$'000)	Revised budget 2009–10 (\$'000)	Forward estimate 2010–11 (\$'000)	Forward estimate 2011–12 (\$'000)	Forward estimate 2012–13 (\$'000)
<b>CAPITAL APPROPRIATIONS</b>					
Total equity injections	23,241	5,239	79	–	–
Appropriation of previous years' outputs	1,375	–	–	–	–
<b>Total capital appropriations</b>	<b>24,616</b>	<b>5,239</b>	<b>79</b>	<b>–</b>	<b>–</b>
<b>Represented by</b>					
Purchase of non-financial assets	23,241	5,239	79	–	–
Other	1,375	–	–	–	–
<b>Total represented by</b>	<b>24,616</b>	<b>5,239</b>	<b>79</b>	<b>–</b>	<b>–</b>
<b>ACQUISITION OF NON-FINANCIAL ASSETS</b>					
Funded by capital appropriations	23,241	5,239	79	–	–
Funded internally from departmental resources <sup>1</sup>	91,210	75,157	81,108	82,517	83,489
<b>TOTAL</b>	<b>114,451</b>	<b>80,396</b>	<b>81,187</b>	<b>82,517</b>	<b>83,489</b>

1. Includes the following sources of funding:

- annual and prior year appropriations
- donations and contributions
- gifts
- finance leases
- internally developed assets
- section 31 relevant agency receipts
- proceeds from the sale of assets.

**Table 3.2.6: Statement of departmental asset movements (2009–10)**

	Land (\$'000)	Buildings (\$'000)	Other infrastructure, plant and equipment (\$'000)	Intangibles (\$'000)	Total (\$'000)
<b>As at 1 July 2009</b>					
Gross book value	25,400	113,702	132,940	331,352	603,394
Accumulated depreciation/ amortisation	–	(6,683)	(3,005)	(137,896)	(147,584)
<b>Opening net book balance</b>	<b>25,400</b>	<b>107,019</b>	<b>129,935</b>	<b>193,456</b>	<b>455,810</b>
<b>CAPITAL ASSET ADDITIONS</b>					
<b>Estimated expenditure on new or replacement assets</b>					
By purchase or internally developed	–	6,424	53,642	20,330	80,396
<b>Sub-total</b>	<b>–</b>	<b>6,424</b>	<b>53,642</b>	<b>20,330</b>	<b>80,396</b>
<b>Other movements</b>					
Depreciation/amortisation expense	–	(6,793)	(55,450)	(21,167)	(83,410)
<b>As at 30 June 2010</b>					
Gross book value	25,400	120,126	186,582	351,682	683,790
Accumulated depreciation/ amortisation	–	(13,476)	(58,455)	(159,063)	(230,994)
<b>Closing net book balance</b>	<b>25,400</b>	<b>106,650</b>	<b>128,127</b>	<b>192,619</b>	<b>452,796</b>

Prepared on Australian Accounting Standards basis.

Note: The numbers in this table are subject to review under the government's net cash framework as part of the operation sunlight review.

**Table 3.2.7: Capital budget statement—reconciliation of heritage and cultural asset funding**

This table is not applicable to Customs and Border Protection because it is not a designated collecting institution.

**Administered**
**Table 3.2.8: Schedule of budgeted income and expenses administered on behalf of government (for the period ended 30 June)**

	Actual 2008–09 (\$'000)	Revised budget 2009–10 (\$'000)	Forward estimate 2010–11 (\$'000)	Forward estimate 2011–12 (\$'000)	Forward estimate 2012–13 (\$'000)
<b>INCOME ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
<b>Revenue</b>					
<b>Taxation</b>					
Customs duty	6,274,354	5,828,700	5,608,700	5,938,700	6,258,700
Other taxes, fees and fines	631,830	681,174	717,174	752,159	784,927
<b>Total taxation</b>	<b>6,906,184</b>	<b>6,509,874</b>	<b>6,325,874</b>	<b>6,690,859</b>	<b>7,043,627</b>
<b>Non-taxation</b>					
Other sources of non-taxation revenue	14,641	6,362	6,553	8,000	7,000
<b>Total non-taxation</b>	<b>14,641</b>	<b>6,362</b>	<b>6,553</b>	<b>8,000</b>	<b>7,000</b>
<b>Total income administered on behalf of government</b>	<b>6,920,825</b>	<b>6,516,236</b>	<b>6,332,427</b>	<b>6,698,859</b>	<b>7,050,627</b>
<b>EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
Suppliers	–	831	877	899	921
Write-down and impairment of assets	14,183	2,716	3,172	7,000	5,000
<b>Total expenses administered on behalf of government</b>	<b>14,183</b>	<b>3,547</b>	<b>4,049</b>	<b>7,899</b>	<b>5,921</b>

Prepared on Australian Accounting Standards basis.

**Table 3.2.9: Schedule of budgeted assets and liabilities administered on behalf of government (as at 30 June)**

	Actual 2008–09 (\$'000)	Revised budget 2009–10 (\$'000)	Forward estimate 2010–11 (\$'000)	Forward estimate 2011–12 (\$'000)	Forward estimate 2012–13 (\$'000)
<b>ASSETS ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
<b>Financial assets</b>					
Cash and cash equivalents	1,155	1,155	1,155	1,155	1,155
Taxation receivables	113,692	129,729	137,257	148,957	157,657
Receivables	3,884	1,168	1,168	1,168	1,168
<b>Total financial assets</b>	<b>118,731</b>	<b>132,052</b>	<b>139,580</b>	<b>151,280</b>	<b>159,980</b>
<b>Non-financial assets</b>					
Inventories	24	24	24	24	24
<b>Total non-financial assets</b>	<b>24</b>	<b>24</b>	<b>24</b>	<b>24</b>	<b>24</b>
<b>Total assets administered on behalf of government</b>	<b>118,755</b>	<b>132,076</b>	<b>139,604</b>	<b>151,304</b>	<b>160,004</b>
<b>LIABILITIES ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
<b>Interest-bearing liabilities</b>					
Other	4,941	4,941	4,941	4,941	4,941
<b>Total interest-bearing liabilities</b>	<b>4,941</b>	<b>4,941</b>	<b>4,941</b>	<b>4,941</b>	<b>4,941</b>
<b>Payables</b>					
Other payables	3,184	3,184	3,184	3,184	3,184
<b>Total payables</b>	<b>3,184</b>	<b>3,184</b>	<b>3,184</b>	<b>3,184</b>	<b>3,184</b>
<b>Total liabilities administered on behalf of government</b>	<b>8,125</b>	<b>8,125</b>	<b>8,125</b>	<b>8,125</b>	<b>8,125</b>

Prepared on Australian Accounting Standards basis.

**Table 3.2.10: Schedule of budgeted administered cash flows (for the period ended 30 June)**

	Actual 2008–09 (\$'000)	Revised budget 2009–10 (\$'000)	Forward estimate 2010–11 (\$'000)	Forward estimate 2011–12 (\$'000)	Forward estimate 2012–13 (\$'000)
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Taxes	6,829,362	6,023,837	5,945,174	6,312,159	6,662,927
Interest	52	–	–	–	–
Sales of goods and rendering of services	–	6,362	6,553	4,000	4,000
Appropriation receipts	–	831	877	899	921
Cash from Official Public Account	479,668	380,000	380,000	380,000	380,000
Other	14,148	–	–	–	–
<b>Total cash received</b>	<b>7,323,230</b>	<b>6,411,030</b>	<b>6,332,604</b>	<b>6,697,058</b>	<b>7,047,848</b>
<b>Cash used</b>					
Suppliers	–	831	877	899	921
Cash to Official Public Account	6,843,173	6,410,199	6,331,727	6,696,159	7,046,927
Other	479,668	–	–	–	–
<b>Total cash used</b>	<b>7,322,841</b>	<b>6,411,030</b>	<b>6,332,604</b>	<b>6,697,058</b>	<b>7,047,848</b>
<b>Net cash from (used by) operating activities</b>	<b>389</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Net increase (decrease) in cash held</b>	<b>389</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Cash at the beginning of the reporting period	766	1,155	1,155	1,155	1,155
<b>Cash at the end of the reporting period</b>	<b>1,155</b>	<b>1,155</b>	<b>1,155</b>	<b>1,155</b>	<b>1,155</b>

Prepared on Australian Accounting Standards basis.

### 3.2.3 Notes to the financial statements

#### Basis of accounting

The budgeted financial statements have been prepared on an accrual basis, in accordance with historical cost convention and consistent with Australian Accounting Standards.

#### Revenue from government

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

#### Employee expenses

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

### **Supplier expenses**

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

### **Cash**

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

### **Assets**

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

### **Liabilities**

Liabilities are made up of employee salary and leave entitlements, property lease make-good provisions and unpaid creditors.