

Food Standards Australia New Zealand

Health and Ageing Portfolio Agency

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Section 1: Overview

Food Standards Australia New Zealand (FSANZ) is an independent statutory agency established by 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 collaborative arrangements with its government partners and with primary producers and processors, manufacturers, retailers, consumer organisations, public health bodies and other stakeholder groups.

FSANZ 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 to maintain a safe food supply and inform consumers. In addition, the agency develops Australia-only food standards that address 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.

Table 1.1: Agency Outcomes and Output Groups

Outcome	Output Group
A safe food supply and well-informed consumers.	Output Group 1 – Regulatory activity.
	Output Group 2 – Services to the Minister and Parliament.

Section 2: Resources for 2006-07

2.1: APPROPRIATIONS AND OTHER RESOURCES

Table 2.1 shows the total resources from all origins for 2006-07, including appropriations. The table summarises how revenue will be applied by outcome, administered and outputs (departmental outputs).

Table 2.1: Appropriations and other resources 2006-07

	Appropriations				Total approp \$'000	Receipts (b) \$'000	Total \$'000
	Bill No. 1	Bill No. 2		Special			
	\$'000	SPP \$'000	Other (a) \$'000	approp \$'000			
Food Standards Australia and New Zealand (FSANZ)							
Administered	-	-	-	-	-	-	-
Departmental	15,039	-	-	-	15,039	1,863	16,902
Total resources	15,039	-	-	-	15,039	1,863	16,902

(a) Includes new administered expenses and administered assets and liabilities

(b) Departmental and administered receipts from independent sources that are available to be spent.

2.2: 2006-07 BUDGET MEASURES

Budget measures relating to FSANZ as explained in Budget Paper No.2 are summarised in Table 2.2. The table also identifies the relevant outcomes, administered programs and outputs associated with each measure.

Table 2.2: FSANZ measures

	2006-07 \$'000	2007-08 \$'000	2008-09 \$'000	2009-10 \$'000
Food Regulation - streamlining processes				
Departmental	1,149	721	-	-
Administered	-	-	-	-
Subtotal	1,149	721	-	-

2.3: OTHER REVENUE AVAILABLE TO BE USED

Table 2.3 provides details of revenue obtained by FSANZ for provision of goods or services. This revenue is approved for use by FSANZ.

Table 2.3: Other revenue available to be used

	Estimated revenue 2005-06 \$'000	Budget estimate 2006-07 \$'000
Departmental other revenues		
Sale of goods and services to the New Zealand Government	1,300	1,300
Other sales of goods and services	1,954	563
Total departmental other revenues available to be used	3,254	1,863

2.4: MOVEMENTS OF ADMINISTERED FUNDS FROM 2005-06 TO 2006-07

2.5: SPECIAL APPROPRIATIONS

2.6: SPECIAL ACCOUNTS

2.7: ADMINISTERED CAPITAL AND DEPARTMENTAL EQUITY INJECTIONS AND LOANS

Sections 2.4 to 2.7 are not applicable to FSANZ.

Section 3: Outcomes

General Government Sector (GGS) agencies are required to plan, budget and report under an outcomes structure. GGS agencies produce outputs (departmental outputs) and also administer activities and programs on behalf of the Government (administered programs). This section explains how the resources identified in Section 2 will be used to deliver outputs and administered programs to contribute to the outcome for FSANZ.

3.1: SUMMARY OF OUTCOMES AND CONTRIBUTION TO OUTCOMES

The relationship between activities of FSANZ and the outcomes is summarised in Figure 4.

Figure 4: Contributions to Outcomes

Food Standards Australia New Zealand	
Chief Executive Officer – Mr Graham Peachey	
Outcome – A safe food supply and well-informed consumers.	
Total price of outputs	\$16.902m
Total departmental outcomes and appropriations	\$15.039m
Total administered expenses	\$0
Output group 1	Total price of outputs \$16.430m
Regulatory activity.	
Output group 2	Total price of outputs \$0.472m
Services to the Minister and Parliament.	

3.2: OUTCOMES – DEPARTMENTAL AND ADMINISTERED

Departmental Appropriations by Outcome

FSANZ has total departmental appropriations of \$15.039 million in 2006-07.

Administered Appropriations by Outcome

FSANZ does not receive any administered appropriations.

3.3: OUTCOME SUMMARY – THE YEAR AHEAD

In 2006-07, FSANZ will continue to work with its government partners and stakeholders to ensure that consumers have confidence in the safety of food in Australia and New Zealand. This will be achieved through food standards that achieve high levels of protection and information for the community, while imposing the minimum impost on industry.

FSANZ will report its outcomes for the year through four key result areas:

- regulatory measures;
- the agency's stakeholders;
- the agency's people; and
- accountability.

Key Strategic Directions for 2006-07

During 2006-07, FSANZ will:

- develop and maintain effective food standards;
- enhance the evidence base for standard setting;
- improve the efficiency of organisational processes;
- strengthen engagement with consumers and other stakeholders; and
- collaborate more effectively with our regulatory partners to produce a seamless food regulatory system.

Major Activities

In 2006-07, FSANZ intends to meet the objectives of the Key Strategic Directions through the following activities:

Effective food standards

For food standards to be effective, they must conform to good regulatory practice and have broad support in the community. In developing food standards, FSANZ must have regard to policy advice provided by the Australia and New Zealand Food Regulation Ministerial Council, including consideration of food regulation to achieve national public health outcomes. Priority regulatory activities for the year are:

- nutrition and health claims;
- mandatory fortification of foods; and
- Primary Production and Processing Standards for the dairy industry.

Evidence base for standard setting

The FSANZ Act requires FSANZ to underpin food standards with the best available scientific evidence. Such a basis for standards promotes public confidence in objectivity of the food regulatory system and provides industry with a certainty of process. To enhance this evidence base, FSANZ will:

- maintain its contacts with, and contributions to, the Codex Alimentarius Commission, the Food and Agriculture Organization and the World Health Organization;
- enhance the evidence base of the agency by building our capability in the social sciences, public health and epidemiology; and
- strengthen the science network, with the jurisdictions, to enable the exchange of scientific information on food matters.

Efficiency of processes

A review by the Food Regulation Standing Committee (FRSC) has recommended administrative and legislative changes to enhance the efficiency of FSANZ's standard-setting operations, with particular attention on FSANZ's ability to progress applications to change the Food Standards Code (the Code) in a timely manner. FSANZ will:

- progressively roll out internal administrative improvements to its processes during the year; and
- collaborate with the Department of Health and Ageing to identify legislative changes necessary to implement the recommendations of the FRSC Review.

Consumers and other stakeholders

The FSANZ Board has placed a high priority on strengthening the agency's engagement with stakeholders during the standards-setting process. This is particularly important when public health initiatives are being considered, such as with mandatory fortification and nutrition and health claims. During 2006-07, FSANZ intends to:

- request the newly formed Consumer Liaison Committee to provide FSANZ with a user perspective on a wide range of food matters;
- upgrade FSANZ's information services, including the website and telephone advice line; and
- provide plain English guides to more complex applications and proposals to aid the consultation process.

Jurisdictional partners

There are two national governments, eight State and Territory governments and a host of municipal and shire governments involved in the food regulatory system. Each has its role in the creation of food regulation policy, the setting of standards and compliance, and enforcement activities. Public confidence in the system is best served when the system is perceived as seamless. FSANZ will:

- strengthen collaboration with Australian States and Territories and New Zealand through a Jurisdictional Forum;
- introduce a dedicated telephone advice line for environmental health officers to assist with enquiries about the Code; and
- issue early warning advisories to jurisdictions on applications received.

Resourcing

Table 3.1 shows how the 2006-07 Budget appropriations translate to total resourcing for FSANZ, including administered expenses, revenue from government (appropriation), revenue from other sources, and the total price of outputs.

Table 3.1: Total resources for FSANZ

	Estimated actual 2005-06 \$'000	Budget estimate 2006-07 \$'000
Departmental revenue		
Total revenue from government (appropriations) contributing to price of departmental outputs	13,770	15,039
Total revenue from other sources	3,254	1,863
Total price of departmental outputs <i>(Total revenue from government and from other sources)</i>	17,024	16,902
Departmental revenue by output group		
Output Group 1 - Regulatory activity	16,574	16,430
Output Group 2 - Services to the Minister and Parliament	450	472
Total price of departmental outputs <i>(Total revenue from government and from other sources)</i>	17,024	16,902
Total estimated resourcing for FSANZ <i>(Total price of outputs and administered appropriations)</i>	17,024	16,902
Average staffing level (number)	2005-06 122	2006-07 127

Contribution of Administered Programs to FSANZ

There are no administered programs for FSANZ.

Contribution of Departmental Outputs to FSANZ

Output Group 1: Regulatory activity

- Development and evaluation of the Food Standards Code and other regulatory measures.
- Management and enhancement of the standards development process.
- Community involvement in food regulatory processes.
- Collaboration with international food agencies.
- Collaboration with the States and Territories on implementation of common regulatory approaches and evaluation strategies with other agencies.
- Information to stakeholders.
- Coordination of national food surveillance and recall system.
- Advice concerning imported foods.

- Development and maintenance of the effectiveness and efficiency of the organisation.

Output Group 2: Services to the Minister and Parliament

- Ministerial and Parliamentary briefings and reports.
- An annual report to Parliament on the operation of FSANZ under the *FSANZ Act 1991*.

Performance Information for FSANZ

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

Table 3.2: Key Performance Information for FSANZ

Performance Information for Departmental Outputs

Indicator	Measured by	Reference Point or Target
Output Group 1 – Regulatory Activity		
Effective and appropriate food standards and regulatory measures.	Rigorous evidence-based assessment for food regulatory measures. Evaluation of food standards.	100% of risk management decisions supported by evidence-based assessments. Effectiveness of key standards reviewed within 5 years of implementation.
Efficient systems and processes for the processing of applications and proposals to change the Food Standards Code.	Food Regulation Standing Committee (FRSC) review of FSANZ processes.	Implementation of recommendations of FRSC's review.
Better informed consumers.	Improved information services for consumers.	Development of effective food labelling and other sources of information.
Influence food regulatory matters in international forums.	Opportunity to participate in international forums.	Participation in international forums such as Codex and ad hoc committees.
Informed stakeholders capable of contributing effectively to the standards setting process.	Stakeholders contribute issues for consideration by the Consumer Liaison Committee and complete annual surveys.	Satisfaction levels of stakeholders with FSANZ performance through the Consumer Liaison Committee and annual surveys.
Price: \$16.430m		

Indicator	Measured by	Reference Point or Target
Output Group 2 – Services to the Minister and Parliament		
Timely, accurate and relevant ministerial and parliamentary briefings.	Parliamentary Secretary to provide an assessment of FSANZ's performance.	Satisfaction of Parliamentary Secretary with the quality and timeliness of advice provided.
Price: \$0.472m		

Evaluations

Safe handling for processed foods

Research into safe food handling for processed foods was conducted in 2001. A repeat survey will be conducted in 2006-07, in conjunction with the States and Territories, to assess the effectiveness of Chapter 3 (Food Safety Standards) of the Food Standards Code as part of the Implementation Sub-Committee's Coordinated Surveillance Plan.

Food labelling

FSANZ will continue with its labelling monitoring project in 2006-07, to assess the efficiency and effectiveness of labelling standards in meeting the Government's objectives of providing information to consumers to enable them to make an informed choice. An evaluation report will be published in 2007.

Consumer views

FSANZ will initiate a consumer tracking survey in 2006-07 to monitor changes in consumer attitudes and behaviour towards food standards issues over time. The first survey will be undertaken and reported in 2006.

Major Reviews

There are no major reviews planned to be undertaken by FSANZ in 2006-07.

Performance Improvement Initiatives

FSANZ will undertake two initiatives in 2006-07 designed to improve performance information. The first involves a review of the FSANZ Corporate Plan – a three-year summary of how FSANZ intends to achieve its goals and measure its performance. The second is to better align reporting in the Annual Report to the key performance indicators and measures outlined in the Portfolio Budget Statement.

Section 4: Other Reporting Requirements

4.1: PURCHASER-PROVIDER ARRANGEMENTS

There are no purchaser-provider arrangements reported by FSANZ.

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 work commence once the full fee has been paid. This and other minor cost recovered activities will provide a small amount of revenue (less than \$500,000).

Summary of Cost Recovery Impact Statement

As FSANZ is classified as a non-material agency under the Commonwealth'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

Departmental

Income Statement

FSANZ has projected an operating loss of \$2.426 million in 2005-06 and \$1.272 million in 2006-07. This is a result of the increased workloads 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 these losses from its reserves. FSANZ has funding for the Food Regulation – streamlining processes measure consisting of \$1.149 million in 2006-07 and \$0.721 million in 2007-08.

Revenues

Appropriation revenues will reflect the allocation of funding for the Food Regulation – streamlining processes measure with an increase for 2006-07 and 2007-08 compared to 2005-06.

Revenue from other sources of \$1.863 million in 2006-07 is expected to remain stable across the forward years. The revenue from other sources is primarily received from the New Zealand Government (\$1.300 million) and from cost recovery arrangements for the processing of paid applications to amend the Food Standards Code (\$0.563 million).

Expenses

Employee expenses fluctuate across the Budget and forward years to reflect the expenditure associated with the approved operating loss and the Food Regulation – streamlining processes measure in 2006-07 and 2007-08.

Supplier expenses fluctuate across the Budget and forward years to reflect the expenditure associated with the approved operating loss and the Food Regulation – streamlining processes measure.

Depreciation and amortisation expenses of \$0.122 million in 2005-06 are expected to remain stable across the Budget and forward years.

Balance Sheet

As a result of the expected operating loss in 2005-06 and 2006-07, the cash balances are expected to decrease by a similar amount and then remain stable across the Budget and the forward years.

Property Plant and Equipment is expected to decrease across the forward 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)

	Estimated actual 2005-06 \$'000	Budget estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000
Income					
Revenues from ordinary activities					
Appropriation revenues	13,770	15,039	14,988	14,407	14,691
Other revenues from related entities	-	-	-	-	-
Goods and services	1,354	498	498	498	498
Interest	600	65	65	65	65
Dividends	-	-	-	-	-
Resources received free of charge	-	-	-	-	-
Rents	-	-	-	-	-
Royalties	-	-	-	-	-
Correction of fundamental error	-	-	-	-	-
Other	1,300	1,300	1,300	1,300	1,300
Revenues from ordinary activities	17,024	16,902	16,851	16,270	16,554
EXPENSE					
Expenses from ordinary activities (excluding borrowing costs expense)					
Employees	11,712	12,916	12,045	11,686	11,970
Suppliers	7,616	5,136	4,684	4,463	4,463
Grants	-	-	-	-	-
Subsidies	-	-	-	-	-
Depreciation and amortisation	122	122	122	121	121
Correction of fundamental error	-	-	-	-	-
Other	-	-	-	-	-
Expenses from ordinary activities (excluding borrowing costs expense)	19,450	18,174	16,851	16,270	16,554
Operating surplus or (deficit) from ordinary activities	(2,426)	(1,272)	-	-	-
Net credit or (debit) to asset revaluation reserve	-	-	-	-	-
Total changes in equity other than those resulting from transactions with owners as owners	(2,426)	(1,272)	-	-	-

Table 5.2: Budgeted Departmental Balance Sheet (as at 30 June)

	Estimated actual 2005-06 \$'000	Budget estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000
ASSETS					
Financial assets					
Cash	5,250	3,993	4,151	4,313	4,519
Receivables	100	100	100	100	100
Investments accounted for under the equity method	-	-	-	-	-
Other investments	-	-	-	-	-
Accrued revenues	-	-	-	-	-
Other financial assets	-	-	-	-	-
Total financial assets	5,350	4,093	4,251	4,413	4,619
Non-financial assets					
Land and buildings	255	254	253	251	249
Infrastructure, plant and equipment	354	440	406	385	364
Investment properties	-	-	-	-	-
Heritage and cultural assets	-	-	-	-	-
Inventories	-	-	-	-	-
Intangibles	68	66	64	62	60
Other non-financial assets	34	34	34	34	34
Total non-financial assets	711	794	757	732	707
Total assets	6,061	4,887	5,008	5,145	5,326
LIABILITIES					
Interest bearing liabilities					
Loans	-	-	-	-	-
Leases	-	-	-	-	-
Overdraft	-	-	-	-	-
Total interest bearing liabilities	-	-	-	-	-
Provisions					
Employees	2,900	3,035	3,156	3,281	3,463
Other provisions	-	-	-	-	-
Total provisions	2,900	3,035	3,156	3,281	3,463
Payables					
Suppliers	1,181	1,144	1,144	1,144	1,143
Grants	-	-	-	-	-
Dividends	-	-	-	-	-
Borrowing costs	-	-	-	-	-
Other payables	-	-	-	-	-
Total payables	1,181	1,144	1,144	1,144	1,143
Total liabilities	4,081	4,179	4,300	4,425	4,606

Table 5.2: Budgeted Departmental Balance Sheet (as at 30 June) (cont)

	Estimated actual 2005-06 \$'000	Budget estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000
EQUITY					
Parent entity interest					
Contributed equity	761	761	761	773	773
Reserves	259	259	259	259	259
Statutory funds	-	-	-	-	-
Retained surpluses or accumulated deficits	960	(312)	(312)	(312)	(312)
Total parent entity interest	1,980	708	708	720	720
Outside equity interest					
Contributed equity	-	-	-	-	-
Reserves	-	-	-	-	-
Retained surpluses or accumulated deficits	-	-	-	-	-
Total outside equity interest	-	-	-	-	-
Total equity	1,980	708	708	720	720
Current assets	5,384	4,127	4,285	4,447	4,653
Non-current assets	677	760	723	698	673
Current liabilities	2,000	2,048	2,107	2,168	2,257
Non-current liabilities	2,081	2,131	2,193	2,257	2,349

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

	Estimated actual 2005-06 \$'000	Budget estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000
OPERATING ACTIVITIES					
Cash received					
Goods and services	1,354	498	498	498	498
Appropriations	13,770	15,039	14,988	14,407	14,691
Interest	600	65	65	65	65
Dividends	-	-	-	-	-
Other	1,354	1,300	1,300	1,300	1,300
Extraordinary items	-	-	-	-	-
Total cash received	17,078	16,902	16,851	16,270	16,554
Cash used					
Employees	11,583	12,781	11,924	11,560	11,788
Suppliers	7,653	5,173	4,684	4,463	4,463
Grants	-	-	-	-	-
Borrowing costs	-	-	-	-	-
Other	-	-	-	-	-
Extraordinary items	-	-	-	-	-
Total cash used	19,236	17,954	16,608	16,023	16,251
Net cash from or (used by) operating activities	(2,158)	(1,052)	243	247	303
INVESTING ACTIVITIES					
Cash received					
Purchase of property, plant, equipment and intangibles	-	-	-	-	-
Proceeds from sales of financial instruments	-	-	-	-	-
Bills of exchange and promissory notes	-	-	-	-	-
Repayments of loans made	-	-	-	-	-
Investments (s.39 FMA Act; s.18 CAC Act; s.19 CAC Act)	-	-	-	-	-
Other	-	-	-	-	-
Extraordinary items	-	-	-	-	-
Total cash received	-	-	-	-	-
Cash used					
Purchase of property, plant equipment and intangibles	205	205	85	97	97
Purchase of financial instruments	-	-	-	-	-
Bills of exchange and promissory notes	-	-	-	-	-
Loans made	-	-	-	-	-
Other	-	-	-	-	-
Extraordinary items	-	-	-	-	-
Total cash used	205	205	85	97	97
Net cash from or (used by) investing activities	(205)	(205)	(85)	(97)	(97)

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

	Estimated actual 2005-06 \$'000	Budget estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000
FINANCING ACTIVITIES					
Cash received					
Appropriations - contributed equity	10	-	-	12	-
Proceeds from issuing financial instruments	-	-	-	-	-
Proceeds from loans	-	-	-	-	-
Other	-	-	-	-	-
Extraordinary items	-	-	-	-	-
Total cash received	10	-	-	12	-
Cash used					
Repayments of debt	-	-	-	-	-
Capital use charge paid	-	-	-	-	-
Dividends paid	-	-	-	-	-
Other	-	-	-	-	-
Extraordinary items	-	-	-	-	-
Total cash used	-	-	-	-	-
Net cash from/(used by) financing activities	10	-	-	12	-
Net increase or (decrease) in cash held					
Cash at the beginning of the reporting period	7,603	5,250	3,993	4,151	4,313
Effect of exchange rate movements on cash at the beginning of reporting period	-	-	-	-	-
Cash at the end of the reporting period	5,250	3,993	4,151	4,313	4,519

Table 5.4: Departmental Statement of Changes in Equity – Summary of Movement (Budget year 2006-07)

	Accumulated results \$'000	Asset revaluation reserve \$'000	Other reserves \$'000	Contributed equity/ capital \$'000	Total equity \$'000
Opening balance as at 1 July 2006					
Balance carried forward from previous period	960	259	-	761	1,980
Adjustment for changes in accounting policies	-	-	-	-	-
Adjusted opening balance	960	259	-	761	1,980
Income and expense					
Income and expenses recognised directly in equity:					
Gain/loss on revaluation of property	-	-	-	-	-
Sub-total income and expense	-	-	-	-	-
Net operating result	(1,272)	-	-	-	(1,272)
Total income and expenses recognised directly in equity	(312)	259	-	761	708
Transactions with owners					
<i>Distribution to owners</i>					
Returns on capital					
Dividends	-	-	-	-	-
Restructuring	-	-	-	-	-
Other	-	-	-	-	-
<i>Contribution by owners</i>					
Appropriation (equity injection)	-	-	-	-	-
Other:					
Restructuring	-	-	-	-	-
Sub-total transactions with owners	-	-	-	-	-
Transfers between equity components	-	-	-	-	-
Estimated closing balance as at 30 June 2007	(312)	259	-	761	708

Table 5.5: Department Capital Budget Statement

	Estimated actual 2005-06 \$'000	Budget estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000
CAPITAL APPROPRIATIONS					
Total equity injections	10	-	-	12	-
Total loans	-	-	-	-	-
Total capital appropriations	10	-	-	12	-
Represented by:					
Purchase of non-financial assets	10	-	-	12	-
Other	-	-	-	-	-
Total represented by	10	-	-	12	-
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriation	10	-	-	12	-
Funded internally by					
Departmental resources	195	205	85	85	97
Total	205	205	85	97	97

Table 5.6: Departmental Property, Plant, Equipment and Intangibles — Summary of Movement (Budget year 2006-07)

	Land	Buildings	Other infrastructure plant and equipment	Computer software	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
As at 1 July 2006					
Gross book value	-	305	406	245	956
Accumulated depreciation	-	50	52	177	279
Opening net book value	-	255	354	68	677
Additions:					
by purchase	-	50	140	15	205
by finance lease	-	-	-	-	-
from acquisitions of entities or operations (including restructuring)	-	-	-	-	-
Net revaluation increment/decrement	-	-	-	-	-
Reclassifications	-	-	-	-	-
Depreciation/amortisation expense	-	51	54	17	122
Recoverable amount write-downs	-	-	-	-	-
Other movements	-	-	-	-	-
Disposals:					
from disposal of entities or operations (including restructuring)	-	-	-	-	-
other disposals	-	-	-	-	-
As at 30 June 2007					
Gross book value	-	355	546	260	1,161
Accumulated depreciation	-	101	106	194	401
Estimated closing net book value	-	254	440	66	760

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 the agency by identifying full accrual expenses and revenues. This highlights whether the agency is operating at a sustainable level.

Budgeted Departmental Balance Sheet (as at 30 June)

The statement shows the financial position of the agency. It enables decision-makers to track the management of the agency'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, provides 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 2006-07)

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 2006-07)

This table shows budgeted acquisitions and disposals of the agency's non financial assets during the budget year.

