

PORTFOLIO BUDGET STATEMENTS 2012-13

DEPARTMENT OF THE HOUSE OF REPRESENTATIVES

**BUDGET INITIATIVES AND EXPLANATIONS OF
APPROPRIATIONS SPECIFIED BY OUTCOMES
AND PROGRAMS BY AGENCY**

BUDGET RELATED PAPER NO. 1.20A

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**PARLIAMENT HOUSE
CANBERRA 2600**

SPEAKER OF THE HOUSE OF REPRESENTATIVES

Honourable Members

I hereby submit Portfolio Budget Statements in support of the 2012-13 Budget for the Department of the House of Representatives.

These statements have been developed, and are submitted to the House of Representatives, to inform members of the allocation of resources to the outcome for the department.

I present these statements to provide accountability to the House and, through it, the public.

Yours sincerely

Hon. Peter Slipper MP
Speaker

8 May 2012

Abbreviations and conventions

The following notation may be used:

NEC/nec	not elsewhere classified
..	nil
na	not zero, but rounded to zero
nfp	not applicable (unless otherwise specified)
\$m	not for publication
\$b	\$ million
	\$ billion

Figures in tables and in the text may be rounded. Figures in text are generally rounded to one decimal place, whereas figures in tables are generally rounded to the nearest thousand. Discrepancies in tables between totals and sums of components are due to rounding.

Enquiries

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A copy of this document can be located on the Australian Parliament House website at www.aph.gov.au/house/PBS2012-13 and also on the Australian Government Budget website at: <http://www.budget.gov.au>.

**USER GUIDE
TO THE
PORTFOLIO BUDGET STATEMENTS**

USER GUIDE

The purpose of the 2012-13 Portfolio Budget Statements (PB Statements) is to inform Members of Parliament of the proposed allocation of resources to the outcome of the Department. The Department receives resources from the annual appropriation acts, (including standing appropriations and special accounts), and revenue from other sources.

A key role of the PB Statements is to facilitate the understanding of proposed annual appropriations in the Appropriation (Parliamentary Departments) Bill No. 1 2012-13. In this sense the PB Statements are Budget related papers and are declared by the Appropriation Acts to be 'relevant documents' to the interpretation of the Acts according to section 15AB of the *Acts Interpretation Act 1901*.

The PB Statements provide information, explanation and justification to enable Parliament to understand the purpose of each outcome proposed in the Bills.

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DEPARTMENTAL OVERVIEW

THE DEPARTMENT OF THE HOUSE OF REPRESENTATIVES OVERVIEW

Departmental responsibilities

The Department is one of four parliamentary departments supporting the Australian Parliament.

The Department's purpose, as set out in its Corporate Plan, is:

To support the House of Representatives, and the wider Parliament, in the role of a representative and legislative body by providing advice and services of a high standard.

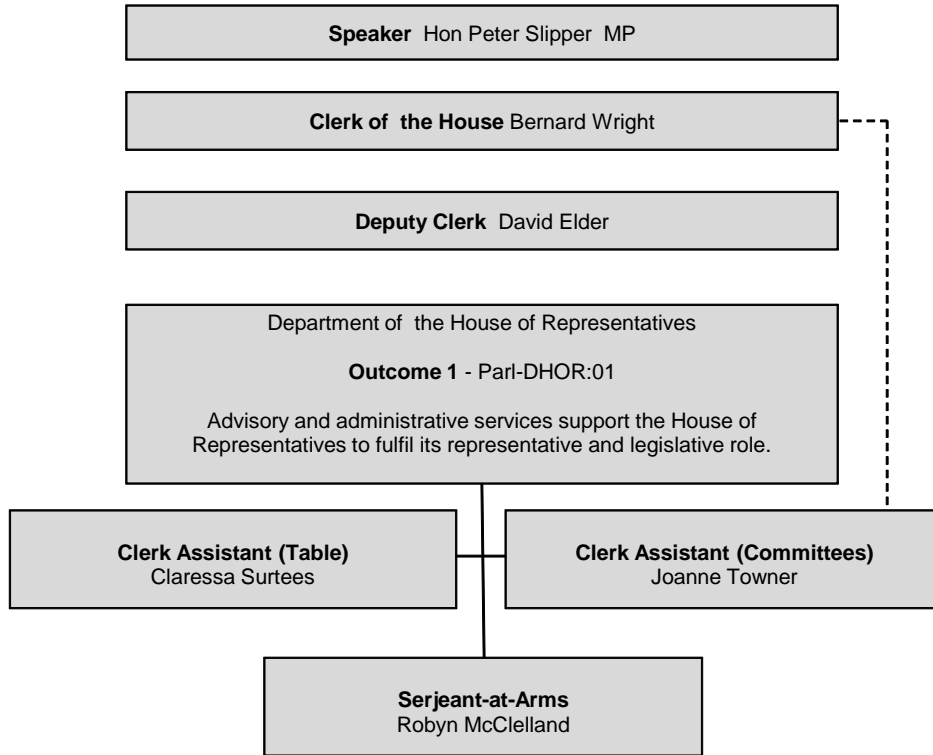
The Department provides facilities, support, advice and information to ensure that:

- the Chamber and Federation Chamber operate effectively;
- parliamentary committees operate effectively;
- Members receive appropriate services to fulfil their parliamentary duties;
- international and regional relationships with other parliaments, parliamentary bodies and organisations are maintained;
- the community understands, and interacts with, the work of the House of Representatives and the Australian Parliament; and
- the corporate offices fulfil their responsibilities for the management of people, finances, information technology and other office services.

The Speaker, the Hon. Peter Slipper, MP, has accountability obligations to the House of Representatives for the Department. The Clerk of the House of Representatives, Mr Bernard Wright, is responsible for leading the Department.

The Department works with the other Parliamentary Departments, the Office of the Governor-General and relevant government agencies to ensure the outcomes of parliamentary proceedings are processed and recorded accurately and on time.

Figure 1: Department structure and outcome



DEPARTMENTAL RESOURCES

Table 1 shows the total new resources provided to the department in the 2012-13 budget year.

Table 1: Departmental Resources 2012-13

	Appropriation			Receipts	Total
	Bill No. 1 \$m	Bill No. 2 \$m	Special \$m	\$m	\$m
Department of the House of Representatives					
Departmental appropriations	22.691		0.001	1.060	23.752
Total:					
Department total	22.691		0.001	1.060	23.752
Resources available within portfolio:					23.752

Department of the House of Representatives

Agency resources and planned performance

DEPARTMENT OF THE HOUSE OF REPRESENTATIVES

Section 1: Departmental overview and resources

1.1 STRATEGIC DIRECTION STATEMENT

The Department is committed to the delivery of high standards of service to the House of Representatives, its committees and Members; to the wider Parliament; and to the public in the face of a changing economic environment. Our priorities are to build on our capacity to serve our clients, to develop our people, to sustain our capability and to work collaboratively within the Department and with other key people and organisations. The Department must continue to innovate to keep pace with technological change to sustain the quality of our service delivery and to facilitate continuous improvement.

The Department's activity levels reflect the parliamentary cycle, with significant variations in activity over the three years of a parliament. The financial year 2012-13 is at the end of the current parliamentary cycle and traditionally activity levels across all areas of operations of the Department start to decline as committees finalise their inquiries and other activity levels decrease. However, early indications suggest that the activity levels could remain high for much of the 2012-13 year. In addition to these pressures, the 43rd Parliament, with the first minority government in the House of Representatives for nearly 70 years, has increased the pressure on advice and service delivery. The additional sitting hours for the House and Federation Chamber, additional committee activity including the extension of the Joint Select Parliamentary Committee on Cybersafety, the increase in referral of bills to committees for advisory reports, and significant legislative drafting activity for Private Members, have placed considerable strain on the department's resources. The Department has been successful in obtaining additional funding for the Joint Committee on Public Accounts and Audit to support its statutory role in the oversight of the new Parliamentary Budget Office. The 'one-off' increase in the efficiency dividend of 2.5 per cent for the Budget and following years will mean that expenditure reductions will be necessary to enable the Department to deliver on these increased service levels and still remain within budget. Following the recommendations of the external review into committee office staffing levels, the Department sought additional funding for the increased work load of the Committees; however this bid was not successful.

The longer term outlook shows the Department's budgetary position will become more difficult in the forward years. Consequently, the Department, as well as adopting a conservative approach to the use of resources through the final year of the 43rd Parliament, continually seeking to deliver its services as efficiently as possible, will likely need to make further expenditure reductions. Existing activities will be reviewed and consideration given to taking on any new services in light of the funding outlook. The Standing Committee on Appropriations and Administration has met six times

during 2011-12 and the members of the committee have been briefed on all matters in relation to departmental funding arrangements.

The Department will continue to support a common service arrangement providing payroll services for the Department of Parliamentary Services. Other common services will be examined to identify further opportunities for cooperation with the other parliamentary departments and to pursue savings. Within the budgetary parameters set for the Department, there will continue to be a focus on technological innovation as a means of enhancing our effectiveness in supporting the House of Representatives.

In conjunction with the other Parliamentary Departments, the department will contribute to planning and delivery of activities to celebrate the 25th anniversary of the opening of Parliament House in 2013.

1.2 DEPARTMENTAL RESOURCE STATEMENT

Table 1.1 shows the total resources from all sources.

Table 1.1: Department of the House of Representatives Resource Statement — Budget Estimates for 2012-13 as at Budget May 2012

	Estimate of prior year amounts + available in 2012-13 \$'000	Proposed at Budget = 2012-13 \$'000	Total estimate 2012-13 \$'000	Actual available appropriation 2011-12 \$'000
Ordinary annual services ¹				
Departmental appropriation				
Prior year departmental appropriation ²	13,737	-2,994	10,743	13,737
Departmental appropriation ³		22,691	22,691	23,253
s31 Relevant departmental receipts ⁴		1,060	1,060	1,060
Total	A 13,737	20,757	34,494	38,050
Special Accounts				
Opening balance ⁵	2,429	-	2,429	2,429
Appropriation receipts ⁶	-	141	141	141
Non-appropriation receipts to Special Accounts	-	1	1	-
Total Special Account	B 2,429	142	2,571	2,570
Total resourcing				
A+B	16,166	20,899	37,065	40,620
Less appropriations drawn from annual or special appropriations above	-	141	141	141
Total net resourcing for Department of the House of Representatives	16,166	20,758	36,924	40,479

¹ Appropriation (Parliamentary Departments) Bill (No. 1) 2012-13

² Estimated adjusted balance carried forward from previous year

³ Includes an amount of \$ 105m in 2012-13 for the Departmental Capital Budget (refer to table 3.2.5 for further details). For accounting purposes this amount has been designated as 'contributions by owners'.

⁴ s31 Relevant Departmental receipts - estimate

⁵ Estimated opening balance for special accounts (less 'Special Public Money' held in accounts like Other Trust Monies accounts (OTM), Services for other Government and Non-agency Bodies accounts (SOG), or Services for Other Entities and Trust Monies Special accounts (SOETM)). For further information on special accounts see Table 3.11

⁶ Appropriation receipts from departmental annual appropriation for 2011-12 included above

Reader note: All figures are GST exclusive.

Department of the House of Representatives Budget Statements

Third Party Payments from and on behalf of other agencies

	2012-13 \$'000	2011-12 \$'000
Payments made on behalf of the Department of Finance and Deregulation (disclosed in the respective Agency Resource Statement)	6,592	4,706
Payments made on behalf of the Australian Public Service Commission (disclosed in the respective Agency Resource Statement)	37,785	30,877

1.3 BUDGET MEASURES

Budget measures relating to the Department are detailed in Budget Paper No. 2 and are summarised below.

Table 1.2: Expense measures since the 2011-12 MYEFO ^(a)

	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000
Expense measures					
Support for the Joint Committee of Public Accounts and Audit - Parliamentary Budget Office	-	0.120	0.122	0.122	0.123
Total	-	0.120	0.122	0.122	0.123

Prepared on a Government Finance Statistics (fiscal) basis

- Nil.

^(a) A minus sign before an estimate indicates a reduction in expenses, no sign before an estimate indicates increase expenses

The Government has agreed that \$0.487m should be provided over four years from 2012-13 to the department to the Joint Committee of Public Accounts and Audit to support its statutory oversight of the Parliamentary Budget Office.

1.4 DEPARTMENTAL PROGRAM FRAMEWORK

The Department has one program containing five components.

Figure 2: Program component table

2012-13 Budget year

Outcome 1: Advisory and administrative services support the House of Representatives to fulfil its representative and legislative role.

Program Component 1.1: Chamber & Federation Chamber
<p>Departmental Activities:</p> <p><i>Resources supporting the effective operation of the Chamber and Federation Chamber of the House of Representatives.</i></p>

Program Component 1.2: Community Relations & Awareness
<p>Departmental Activities:</p> <p><i>Resources supporting the provision of services to increase community understanding of, and interaction with the work of the House of Representatives and the Australian Parliament.</i></p> <p><i>Revenue from other sources (s31)</i></p>

Program Component 1.3: Committee Services
<p>Departmental Activities:</p> <p><i>Resources supporting the House of Representatives and some joint committees in fulfilling their role in the parliamentary consideration of policy and legislation and the scrutiny of government.</i></p>

Program Component 1.4: Inter - Parliamentary Relations
<p>Departmental Activities:</p> <p><i>Provision of advice and support to facilitate the conduct of the Parliament's international and regional affairs.</i></p> <p><i>Revenue from other sources (s31)</i></p>

Program Component 1.5: Members' Services & Corporate Support
<p>Departmental Activities:</p> <p><i>Provision of advice, services and support to Members in Parliament House.</i></p> <p><i>Payment of Members' salaries and allowances.</i></p> <p><i>Provision of advice, services and support to the department.</i></p> <p><i>Provision of information technology support, financial and human resource management and office services.</i></p> <p><i>Revenue from other sources (s31)</i></p>

Section 2: Outcomes and planned performance

2.1 OUTCOMES AND PERFORMANCE INFORMATION

Parliamentary outcomes are the intended results, impacts or consequences of actions by the Parliament for the Australian community. Parliamentary agencies deliver programs which are designed to support the delivery of the stated outcomes.

The Department's outcome is described below together with its related program, specifying the performance indicators and targets used to assess and monitor performance.

Outcome 1: Advisory and administrative services support the House of Representatives to fulfil its representative and legislative role.

Outcome 1 Strategy

The *Parliamentary Service Act 1999* sets out the legal framework for a non-partisan parliamentary service to serve the Australian Parliament and provides for the management, leadership and responsibilities of parliamentary service employees. The Act establishes this department, the Department of the Senate, the Department of Parliamentary Services and the Parliamentary Budget Office. The other three parliamentary departments report to the Parliament separately each year.

During 2012-13, the Department will continue its role as an advisory and service department for the Parliament, supporting the work of the House of Representatives, including its Members in their parliamentary duties, its committees, and some joint committees. The Department will continue its focus on assistance to the House and the Parliament in their relations within Australia and internationally, and on the provision of information about the work of the House to the community.

Outcome Expense Statement

Table 2.1 provides an overview of the total expenses for the Department's outcome and program.

Outcome 1: Advisory and administrative services support the House of Representatives to fulfil its representative and legislative role.	2011-12	2012-13
	Estimated actual expenses	Estimated expenses
	\$'000	\$'000
Program 1: Other Departmental DHOR		
Departmental expenses		
Departmental appropriation ¹	23,332	22,575
Special Accounts	141	141
Expenses not requiring appropriation in the Budget year ²	4,143	4,410
Total for Program 1.1	27,616	27,126
Outcome 1 Totals by appropriation type		
Departmental expenses		
Departmental appropriation ¹	23,332	22,575
Special Accounts	141	141
Expenses not requiring appropriation in the Budget year ²	4,143	4,410
Total expenses for Outcome 1	27,616	27,126
	2011-12	2012-13
Average Staffing Level (number)	155	156

¹ Departmental Appropriation combines "Ordinary annual services (Appropriation (Parliamentary Departments) Bill (No. 1))" and "Revenue from independent sources (s31)"

² Expenses not requiring appropriation in the Budget year is made up of Depreciation Expense, Amortisation Expense, Resources Received Free of Charge and Gains on Sale of Assets .

Contributions to Outcome

Program – Department of the House of Representatives

Program objectives

- The provision of advice and services of the highest standard to support the Chamber and Federation Chamber.
- The provision of resources to increase community understanding of, and interaction with, the work of the House of Representatives and the Australian Parliament.
- To support House of Representatives committees as well as some joint committees in fulfilling their role in the parliamentary consideration of policy and legislation and the scrutiny of government.
- To provide advice and support to facilitate the conduct of the Parliament's international and regional affairs.
- The provision of resources that support the on-going development and maintenance of staff knowledge and skills, systems and processes.
- To facilitate the payment of Members' salaries and allowances¹.
- To provide impartial and prompt advice and services to support Members in Parliament House.
- To ensure compliance with internal and external governance requirements.
- Provision of information technology support, financial and human resource management and office services.

¹ Linked to:

Department of Finance and Deregulation

- Program 1.2; Public Sector Superannuation Benefits
- Program 3.1; Ministerial and Parliamentary Services

Australian Public Service Commission

- Program 1.2; Parliamentarians' and Judicial Office Holders' Remuneration and Entitlements

Program expenses

- Departmental activity levels are tied to the parliamentary cycle and will continue to be high in the early part of the 2012-13 financial year. As the year draws to a close, the Department expects any overspends to be off-set by lower levels of expenditure as activity levels decrease. As a result, the Department expects that it will be able to maintain its essential services, although the budget will be tight and some expenditure reductions are likely to be necessary.
- The Department will continue working with the other parliamentary departments to identify areas of common corporate services that would provide opportunities to maximise efficiency and minimise expenditure.

Program Expenses

Table 2.2 provides an overview of the total expenses for the Department's outcome and program by program component.

	2011-12 Revised budget \$'000	2012-13 Budget \$'000	2013-14 Forward year 1 \$'000	2014-15 Forward year 2 \$'000	2015-16 Forward year 3 \$'000
<u>1.1 - Chamber & Federation Chamber</u>					
Departmental item - appropriation	3,533	3,975	3,873	3,916	3,969
Departmental item - s31	-	-	-	-	-
Total component expenses	3,533	3,975	3,873	3,916	3,969
<u>1.2 - Community Awareness</u>					
Departmental item - appropriation	195	460	460	460	460
Departmental item - s31	60	110	110	110	112
Total component expenses	255	570	570	570	572
<u>1.3 - Committee Services</u>					
Departmental item - appropriation	8,225	8,178	8,056	8,098	8,151
Departmental item - s31	-	-	-	-	-
Total component expenses	8,225	8,178	8,056	8,098	8,151
<u>1.4 - Inter - parliamentary Relations</u>					
Departmental item - appropriation	2,060	1,790	1,690	1,727	1,777
Departmental item - s31	239	200	100	-	-
Total component expenses	2,299	1,990	1,790	1,727	1,777
<u>1.5 - Members' Services & Corporate Support</u>					
Departmental item - appropriation	8,244	7,097	7,056	7,103	7,158
Departmental item - s31	776	765	775	795	820
Total component expenses	9,020	7,862	7,831	7,898	7,978
Special Account Expenses:					
<i>Inter-Parliamentary Relations Special Account</i>	141	141	141	141	141
<i>Services for Other Entities and Trust Moneys - Department of the House of Representatives</i>	-	-	-	-	-
Annual departmental expenses:					
Other Departmental DHOR	23,332	22,575	22,120	22,209	22,447
Expenses not requiring appropriation in the Budget year ¹	4,143	4,410	4,410	4,410	4,410
Total program expenses	27,616	27,126	26,671	26,760	26,998

¹ Expenses not requiring appropriation in the Budget year is made up of Depreciation Expense, Amortisation Expense, Resources Received Free of Charge, Gains on Sale of Assets .

Program Deliverables

- Services and advice to the Speaker, Members and others in accordance with legislation and administrative decisions.
- Advice and services to enable the Chamber and Federation Chamber to meet and address business as scheduled. This includes processing and drafting bills, creating and processing the records and documents of the House and the collection, analysis and publication of procedural and statistical information.
- Services to increase public knowledge and awareness of and interaction with, the work of the House of Representatives and the Australian Parliament. The Department's community outreach program includes a magazine, television program, website, email alert service, advertising, media liaison, seminars and other presentations. The Department will continue to support the Parliamentary Education Office, which is jointly funded by the Department and the Department of the Senate.
- Procedural, research, analytical and administrative support for the conduct of inquiries and other activities of committees.
- Advice and support to facilitate and maintain international and regional relationships with other Parliaments, parliamentary bodies and organisations. Assistance to developing Parliaments within the Asia/Pacific region through the education trust fund will continue.
- Advice and services relating to Members' salaries and allowances and certain other entitlements.
- Advice and services to Members in Parliament House relating to accommodation, computing and communication facilities and office services.
- Monitoring developments in parliamentary and public administration and applying as appropriate.
- Nurturing a flexible, integrated and cohesive department while recognising individual talents and responsibilities.
- Seek to obtain the resources needed to meet the requirements of the House, committees and the wider department into the future.

Program - Key Performance Indicators

- Member satisfaction with the quality and timeliness of Chamber support and advisory services (target: 99 percent satisfaction rate)
- Percentage of Chamber support service standards met for sittings of the House and meetings of the Federation Chamber, with no significant errors (target: 100 percent)
- Percentage of bills (proposed legislation) processed within deadlines and with no significant errors (target: 100 percent)
- Member satisfaction with the quality and availability of procedural and statistical publications and support in obtaining such information (target: 90 percent)
- Number of participants in community awareness programs such as seminars, school visits, subscribers to email alert service and magazine continues to increase over time.
- 90 percent satisfaction rate of committee members with advice and services provided.
- Rate of satisfaction of Presiding Officers, delegates and diplomatic representatives with arrangements for incoming and outgoing delegations. Levels of participation in parliamentary organisations and quality of policy advice. Rate of satisfaction of Parliaments in the Pacific region with the training and equipment purchases provided through the education trust fund.
- All variations to salary and allowances and salary increases are processed with an accuracy of at least 99 percent.
- Rate of satisfaction of Members and others with the provision of accommodation, computing and communication and office support services (target: 95 percent).
- Number of accommodation related services provided to Members.
- Performance indicators in the DPS Payroll service level agreement are met and service is delivered within budget.
- Effectiveness of the program is measured through surveys, trends over time and formal and informal feedback.

Section 3: Explanatory tables and budgeted financial statements

Section 3 presents explanatory tables and budgeted financial statements which provide a comprehensive snapshot of agency finances for the 2012-13 budget year. It explains how budget plans are incorporated into the financial statements and provides further details of the reconciliation between appropriations and program expenses and special accounts.

3.1 EXPLANATORY TABLES

3.1.1 Special Accounts

Special Accounts provide a means to set aside and record amounts used for specified purposes. Special Accounts can be created by a Finance Minister's Determination under the FMA Act or under separate enabling legislation. Table 3.1.1 shows the expected additions (receipts) and reductions (payments) for each account used by the Department.

Table 3.1.1: Estimates of Special Account Flows and Balances

		Opening balance 2012-13 2011-12	Receipts 2012-13 2011-12	Payments 2012-13 2011-12	Adjustments 2012-13 2011-12	Closing balance 2012-13 2011-12
	Outcome	\$'000	\$'000	\$'000	\$'000	\$'000
Inter-Parliamentary Relations Special Account - FMA Act 1997 (D)	1	2,327	141	141	-	2,327
		2,327	141	141	-	2,327
<i>Services for Other Entities and Trust Moneys - Department of the House of Representatives (D)</i>	1	102	1	-	-	103
		135	-	9	24	102
Total Special Accounts						
2012-13 Budget estimate		2,429	142	141	-	2,430
<i>Total Special Accounts</i>						
<i>2011-12 estimate actual</i>		2,462	141	150	24	2,429

(D) = Departmental

3.2 BUDGETED FINANCIAL STATEMENTS

3.2.1 Analysis of budgeted financial statements

Comprehensive Income Statement (Net Cost of Services)

Due to the 'one-off' efficiency dividend and the resulting reduction in the department's appropriation in the budget year and forward years, expense levels as a percentage of appropriation continue to increase. The Department has very low levels of discretionary expenditure and decisions will need to be taken to reduce services, activities and functions in order to remain within budget.

In past years expense trends have reflected the stage of the parliamentary cycle, with employees and suppliers expenses reaching a peak in the middle year, as activity levels increase. In this Parliament, however, expense trends, at least for the first half of 2012-13, are expected to continue at the same level as in 2011-12.

The Department's own source income shows a small decrease across the forward years. This is attributed to the end of funding agreements under the Pacific Partnerships Linkages Program (funding provided by AusAID). Small increases to service fees charged for the provision of payroll services to the Department of Parliamentary Services are in-line with adjustments to the costs associated with providing these services. These fees are fully off-set by increased costs to the Department in the form of employee expenses for the additional staff required to undertake this function.

Additional funding as an expense measure for the Joint Committee on Public Accounts and Audit's oversight of the new Parliamentary Budget Office is reflected in the employee benefits expense.

The deficit attributable to the Australian Government is a direct result of a change in funding arrangements under Operation Sunlight. Depreciation and amortisation expenses are not funded as part of operating revenue. The Department receives funding for capital purchases separately.¹ Estimated actual expenditure for 2011-12 shows a loss of \$0.550m due to the projected decreasing bond rate used to calculate the value of leave balances.

Departmental Balance Sheet and Cash Flow Statement

The balance sheet reflects a strengthening of asset values commencing in the budget year and flowing through the forward years. Cash reserves (budgeted as appropriation equity) will be used to fund the acquisition of replacement furniture and fittings within Departmental Offices. Some of these items have been in use since 1987 and have exceeded their useful lives. A furniture replacement project was identified in the 2011-

¹ See page 27 – Departmental Capital Budget

12 budget. An external review was conducted with recommendations for the project to proceed and the House Standing Committee on Appropriation and Administration was briefed on matter. This project had been estimated to be completed by 2014-15; but will be reassessed in light of the changed funding outlook.

The Department, in conjunction with the Department of the Senate has entered into a contract for the redevelopment of the Table Office Production System. The project is due for completion in 2013-14 and is funded from the Departmental Capital Budget.

The Departmental Capital Budget has been reduced by 20 per cent as a result of a MYEFO decision which was applied to all entities (other than those with exemption). Other non-financial assets will be replaced, redeveloped or maintained via the normal asset replacement cycle for IT assets and other furniture items where necessary. Funding for these items will come from the Departmental Capital Budget and cash reserves where the capital budget is insufficient.

Liabilities consist mainly of provisions for employee entitlements. These amounts are forecast to increase in line with salary increases.

3.2.2 Budgeted financial statements tables

**Table 3.2.1 Comprehensive Income Statement (Showing Net Cost of Services)
(for the period ended 30 June)**

	Estimated actual	Budget estimate	Forward estimate	Forward estimate	Forward estimate
	2011-12	2012-13	2013-14	2014-15	2015-16
	\$'000	\$'000	\$'000	\$'000	\$'000
EXPENSES					
Employee benefits	17,829	17,813	17,521	17,963	18,506
Suppliers	8,647	7,913	7,750	7,397	7,092
Depreciation and amortisation	1,140	1,400	1,400	1,400	1,400
Total expenses	27,616	27,126	26,671	26,760	26,998
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	860	860	870	870	897
Other	215	215	115	35	35
Total own-source revenue	1,075	1,075	985	905	932
Gains					
Sale of assets	3	10	10	10	10
Other	3,000	3,000	3,000	3,000	3,000
Total gains	3,003	3,010	3,010	3,010	3,010
Total own-source income	4,078	4,085	3,995	3,915	3,942
Net cost of (contribution by) services					
Revenue from Government	21,848	21,641	21,276	21,445	21,656
Surplus (Deficit) attributable to the Australian Government	(1,690)	(1,400)	(1,400)	(1,400)	(1,400)
OTHER COMPREHENSIVE INCOME					
Changes in asset revaluation surplus					
Total other comprehensive income					
Total comprehensive income (loss)	(1,690)	(1,400)	(1,400)	(1,400)	(1,400)
Total comprehensive income (loss) attributable to the Australian Government	(1,690)	(1,400)	(1,400)	(1,400)	(1,400)

Note: Impact of Net Cash Appropriation Arrangements

	2011-12	2012-13	2013-14	2014-15	2015-16
	\$'000	\$'000	\$'000	\$'000	\$'000
Total Comprehensive Income (loss) less depreciation/amortisation expenses previously funded through revenue appropriations.	(550)	-	-	-	-
plus depreciation/amortisation expenses previously funded through revenue appropriations ¹	1,140	1,400	1,400	1,400	1,400
Total Comprehensive Income (loss) - as per the Statement of Comprehensive Income	(1,690)	(1,400)	(1,400)	(1,400)	(1,400)

¹ From 2010-11, the Government introduced net cash appropriation arrangements where Bill 1 revenue appropriations for the depreciation/amortisation expenses of FMA Act agencies were replaced with a separate capital budget (the Departmental Capital Budget, or DCB) provided through Bill 1 equity appropriations. For information regarding DCBs, please refer to Table 3.2.5 Departmental Capital Budget Statement.

Prepared on Australian Accounting Standards basis.

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

	Estimated actual	Budget estimate	Forw ard estimate	Forw ard estimate	Forw ard estimate
	2011-12	2012-13	2013-14	2014-15	2015-16
	\$'000	\$'000	\$'000	\$'000	\$'000
ASSETS					
Financial assets					
Cash and cash equivalents	200	200	200	200	200
Trade and other receivables	16,193	13,199	9,338	8,255	8,255
Total financial assets	16,393	13,399	9,538	8,455	8,455
Non-financial assets					
Property, plant and equipment	4,309	8,294	11,001	11,657	14,242
Intangibles	798	1,652	2,385	2,408	2,032
Heritage and cultural assets	323	323	323	323	323
Other non-financial assets	86	86	86	86	86
Total non-financial assets	5,516	10,355	13,795	14,474	16,683
Assets held for sale					
Total assets	21,909	23,754	23,333	22,929	25,138
LIABILITIES					
Payables					
Suppliers	542	537	434	434	434
Other payables	188	188	188	188	188
Total payables	730	725	622	622	622
Provisions					
Employee provisions	5,475	5,401	5,423	5,343	5,129
Total provisions	5,475	5,401	5,423	5,343	5,129
Total liabilities	6,205	6,126	6,045	5,965	5,751
Net assets	15,704	17,628	17,288	16,964	19,387
EQUITY					
Parent entity interest					
Contributed equity	-13,428	-12,378	-11,318	-10,242	-9,155
Reserves	12,987	15,261	15,261	15,261	17,997
Retained surplus	16,145	14,745	13,345	11,945	10,545
Total Equity	15,704	17,628	17,288	16,964	19,387

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

Prepared on Australian Accounting Standards basis.

Table 3.2.3: Departmental statement of changes in equity — summary of movement (Budget year 2012-13)

	Retained earnings	Asset revaluation reserve	Other reserves	Contributed equity/capital	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance as at 1 July 2012					
Balance carried forward from previous period	16,145	12,987	-	-13,428	15,704
Adjusted opening balance	16,145	12,987	-	-13,428	15,704
Comprehensive income					
Other comprehensive income	-	-	-	-	-
Surplus (deficit) for the period	-1,400	-	-	-	-1,400
Total comprehensive income	-1,400	-	-	-	-1,400
of which:					
Attributable to the Australian Government	-1,400	-	-	-	-1,400
Transactions with owners					
Contributions by owners					
Departmental Capital Budget (DCBs)	-	-	-	1,050	1,050
Sub-total transactions with owners	-	-	-	1,050	1,050
Other movements	-	2,274	-	-	2,274
Estimated closing balance as at 30 June 2013	14,745	15,261	-	-12,378	17,628
Closing balance attributable to the Australian Government	14,745	15,261	-	-12,378	17,628

Prepared on Australian Accounting Standards basis.

**Table 3.2.4: Budgeted departmental statement of cash flows
(for the period ended 30 June)**

	Estimated actual	Budget estimate	Forw ard estimate	Forw ard estimate	Forw ard estimate
	2011-12	2012-13	2013-14	2014-15	2015-16
	\$'000	\$'000	\$'000	\$'000	\$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	21,848	21,641	21,276	21,445	21,656
Sale of goods and rendering of services	858	860	870	870	897
Other	705	725	630	530	525
Total cash received	23,411	23,226	22,776	22,845	23,078
Cash used					
Employees	17,672	17,912	17,529	17,479	18,730
Suppliers	5,642	5,314	5,246	5,366	4,582
Total cash used	23,314	23,226	22,775	22,845	23,312
Net cash from (used by) operating activities	97	-	1	-	-234
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of property, plant and equipment	35	100	100	100	100
Total cash received	35	100	100	100	100
Cash used					
Purchase of property, plant and equipment and intangibles	1,495	4,044	4,921	2,159	953
Total cash used	1,495	4,044	4,921	2,159	953
Net cash from (used by) investing activities	-1,460	-3,944	-4,821	-2,059	-853
FINANCING ACTIVITIES					
Cash received					
Capital Injections	1,405	1,050	1,060	1,076	1,087
Cash received from other fin activities	-	2,894	3,761	983	-
Total cash received	1,405	3,944	4,821	2,059	1,087
Net cash from (used by) financing activities	1,405	3,944	4,821	2,059	1,087
Net increase (decrease) in cash held	42	-	-	-	-
Cash and cash equivalents at the beginning of the reporting period	158	200	200	200	200
Cash and cash equivalents at the end of the reporting period	200	200	200	200	200

Prepared on Australian Accounting Standards basis.

Table 3.2.5: Departmental Capital Budget Statement

	Estimated actual	Budget estimate	Forw ard estimate	Forw ard estimate	Forw ard estimate
	2011-12	2012-13	2013-14	2014-15	2015-16
	\$'000	\$'000	\$'000	\$'000	\$'000
NEW CAPITAL APPROPRIATIONS					
Capital budget - Bill 1 (DCB)	1,405	1,050	1,060	1,076	1,087
Total new capital appropriations	1,405	1,050	1,060	1,076	1,087
Provided for:					
Purchase of non-financial assets	1,405	1,050	1,060	1,076	1,087
Total Items	1,405	1,050	1,060	1,076	1,087
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations ¹	1,405	1,050	1,060	1,076	953
Funded internally from departmental resources ²	90	2,994	3,861	1,083	-
TOTAL	1,495	4,044	4,921	2,159	953
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	1,495	4,044	4,921	2,159	953
Total cash used to acquire assets	1,495	4,044	4,921	2,159	953

¹ Does not include annual finance lease costs. Include purchase from current and previous years' Departmental Capital Budgets (DCBs).

² Includes the following sources of funding:

- current and prior year Bill 1 appropriations (excluding amounts from the DCB).
- donations and contributions
- gifts
- internally developed assets
- s31 relevant departmental receipts
- proceeds from the sale of assets

Prepared on Australian Accounting Standards basis.

Table 3.2.6: Statement of Asset Movements (2012-13)

	Other property, plant and equipment \$'000	Heritage and cultural \$'000	Computer software and intangibles \$'000	Total \$'000
As at 1 July 2012				
Gross book value	5,853	323	2,755	8,931
Accumulated depreciation/amortisation and impairment	(1,544)	-	(1,957)	(3,501)
Opening net book balance	4,309	323	798	5,430
CAPITAL ASSET ADDITIONS				
Estimated expenditure on new or replacement assets				
By purchase - appropriation ordinary annual services ¹	1,050	-	-	1,050
By purchase - other	1,740	-	1,254	2,994
Total additions	2,790	-	1,254	4,044
Other movements				
Depreciation/amortisation expense	(1,000)	-	(400)	(1,400)
Disposals ²	(80)	-	-	(80)
Other	2,274	-	-	2,274
Total other movements	1,194	-	(400)	794
As at 30 June 2013				
Gross book value	8,294	323	4,009	15,169
Accumulated depreciation/amortisation and impairment	-	-	(2,357)	(2,357)
Closing net book balance	8,294	323	1,652	10,269

¹ "Appropriation ordinary annual services" refers to funding provided through the Appropriation (Parliamentary Departments) Bill (No.1) 2012-13 for depreciation / amortisation expenses, DCBs or other operational expenses.

² Net proceeds may be returned to the OPA.

3.2.3 Notes to the financial statements

The preceding budgeted financial statements tables represent estimates by the Department of results that will be reported in year-end annual financial statements for the current year, budget year and forward estimates years. The basis of accounting for the year-end reports is that required under the *Finance Minister's Orders (Reporting requirements)* issued under the *Financial Management and Accountability Act 1997* and the Australian Accounting Standards.

This basis of accounting has been applied in general terms to the estimates contained in the above budgeted financial statements tables.

GLOSSARY

Term	Meaning
Activities	The actions/functions performed by the department to deliver government policies.
Actual available appropriation	The total appropriations available to the department for 2011-12 as at the 2012-13 Budget. It includes all appropriations made available to the department in the year (+/- section 32 transfers, formal reductions, Advance to the Finance Minister and movement of funds). It is to be the same as the comparator figure included in the Appropriation Bills, and as such provides a comparison with the appropriation proposed for the budget year.
Agency	Generic term for Australian General Government Sector entities, including those governed by the FMA Act or CAC Act and the High Court of Australia.
Appropriation	An amount of public money parliament authorises for spending (i.e. funds to be withdrawn from the CRF). Parliament makes laws for appropriating money under the Annual Appropriation Acts and under Special Appropriations, with spending restricted to the purposes specified in the Appropriation Acts.
Budget Paper 1 (BP1)	Budget Strategy and Outlook. Provides information and analysis on whole of government expenditure and revenue.
Budget Paper 2 (BP2)	Budget Measures. Provides a description of each budget measure by portfolio.
Budget Paper 3 (BP3)	Australia's Federal Relations. Provides information and analysis on Federal funding provided to the States and Territories.
Budget Paper 4 (BP4)	Agency Resourcing. Details total resourcing available to agencies.
Central Budget Management System (CBMS)	CBMS is the Australian Government's central budget and financial management information system administration by the Department of Finance and Deregulation. It contains the Commonwealth's program list and produces the annual Appropriation Bills.

Glossary continued

Clear Read Principle	<p>Under the Outcomes arrangements there is an essential clear link between the Appropriation Bills, the PB Statements, the Portfolio Additional Estimates Statements (PAES), and annual reports of agencies. Information should be consistent across these and other budget documents, and where possible, duplication of reporting within the PB Statements should be avoided. This is called the “clear read” between the different documents.</p> <p>Under this Principle the planned performance in PB Statements is to be provided on the same basis as actual performance in the annual reports covering the same period, to permit a clear read across planning and actual performance reporting documents. Agencies should take this into the account in designing their performance reporting arrangements</p>
Commonwealth Program List	The official Australian Government list as contained in the Central Budget Management System. Agencies must report performance of these programs in their PB Statements.
Consolidated Revenue Fund (CRF)	The principal operating fund from which money is drawn to pay for the activities of the government. Section 81 of the Australian constitution provides that all revenue raised or monies received by the Executive Government forms one consolidated revenue fund from which appropriations are made for the purposes of the Australian Government
Contractor	A person engaged by an agency, usually on a temporary basis. Treated as an employee of the agency for the purposes of program performance reporting.
Departmental Item	The resources (assets, liabilities, revenues and expenses) that agency Chief Executive Officers control directly. This includes outsourced activities funded and controlled by the agency. Examples of departmental items include agency running costs, accrued employee entitlements and net appropriations. A departmental item is a component of a departmental program.
Estimated Actual Expenses	Details of the current year’s estimated final figures as included in the Budget documentation. As the Budget is released in May each year, but the financial year does not close off until 30 June, the current year numbers that are used for comparison with Budget amounts can only be estimates.

Glossary continued

Expenses not requiring appropriation in the Budget year	Expenses not involving a cash flow impact are not included within the calculation of an appropriation. An example of such an event is goods or services received free of charge that are then expensed: eg ANAO audit expenses – the ANAO does not charge for audit services however the expense must be recognised. Similarly, bad debts are recognised as an expense but are not recognised for the purpose of calculating appropriation amounts to be sought from Parliament.
Financial Management and Accountability Act 1997 (FMA Act)	The FMA Act sets out the financial management, accountability and audit obligations of agencies (including departments) that are financially part of the Commonwealth (and form part of the General Government Sector). A list of FMA Act agencies can be found at: finance.gov.au/financial-framework/fma-legislation/docs/FMA-Agencies-List.pdf
Forward Estimates Period	The three years following the budget year. For example if 2012-13 is the budget year, 2013-14 is forward year 1, 2014-15 is forward year 2 and 2015-16 is forward year 3. This period does not include the current or budget year.
General Government Sector (GGS)	A Government Finance Statistics' classification of all entities that are controlled and largely funded by the Commonwealth Government. The GGS provides public services that are mainly non-market in nature and for the collective consumption of the community, or involve the transfer or redistribution of income. These services are largely financed through taxes and other compulsory levies, user charging and external funding. This sector comprises all government departments, offices and some other bodies.
Government Finance Statistics (GFS)	A reporting framework that is a specialised statistical system designed to support economic analysis of the public sector. It allows for comprehensive assessments of the economic impact of government and is consistent with international statistical standards of the International Monetary Fund and the System of National Accounts.

Glossary continued

Intended Result	Intended result is a key part of an outcome statement and describes the goal or objective of an agency. The intended result is typically distilled from the Government's economic, social, health or environmental policy goals.
Materiality	Is government financial or other information that if omitted, misstated or not disclosed has the potential to adversely affect decisions about the allocation of resources made by users of the financial report, or the discharge of accountability by the management or governing body of an entity.
Measure	A new policy or savings decision of the government with financial impacts on the government's underlying cash balance; fiscal balance; operating balance; headline cash balance; net debt or net worth. Such proposals are normally made in the context of the annual Budget, and are typically published in Budget Paper No. 2, in the Mid-Year Economic and Fiscal Outlook (MYEFO) and in the Pre-election Economic and Fiscal Outlook (PEFO)
Official Public Account (OPA)	The OPA is the Australian Government's central bank account held within the Reserve Bank of Australia. The OPA reflects the operations of the Consolidated Revenue Fund.
Outcome	An outcome is the intended result, consequence or impact of Government actions on the Australian community.
Outcome Statement	<p>An outcome statement articulates the intended results, activities and target group of an Australian Government agency. An outcome statement serves three main purposes within the financial framework:</p> <ul style="list-style-type: none"> • to explain and control the purposes for which annual appropriations are approved by the Parliament for use by agencies; • to provide a basis for annual budgeting, including (financial) reporting against the use of appropriated funds; and • to measure and assess agency and program (non-financial) performance in contributing to Government policy objectives.

Glossary continued

Portfolio Budget Statements (PB Statements)	Budget related paper detailing budget initiatives and explanations of appropriations specified by outcome and program by each agency within a portfolio.
Portfolio Budget Submission (PB Submission)	A Cabinet Submission produced by every portfolio outlining Budget requests. This submission will include New Policy Proposals for agencies seeking funding and will be considered by the Expenditure Review Committee of Cabinet as part of the annual Budget process.
Program	Activity that delivers benefits, services or transfer payments to individuals, industry and/or the community as a whole, with the aim of achieving the intended result specified in an outcome statement.
Program Support	The departmental running costs allocated to the program. This is funded as part of the department's annual appropriation.
System of National Accounts (SNA)	The 1993 System of National Accounts (1993 SNA) is a comprehensive, consistent and flexible set of macroeconomic accounts to meet the needs of government and private sector analysts, policy-makers, and decision-takers. It was prepared jointly by the International Monetary Fund, the European Union, the Organisation for Economic Cooperation and Development, the United Nations, and the World Bank.