

## **SECTION 3: BUDGETED FINANCIAL STATEMENTS**

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2019–20 budget year, including the impact of budget measures and resourcing on financial statements.

### **3.1 Budgeted financial statements**

#### **3.1.1 Differences between entity resourcing and financial statements**

The PBO does not have any material differences between entity resourcing and financial statements.

#### **3.1.2 Explanatory notes and analysis of budgeted financial statements**

The PBO is budgeting for a break-even operating result in 2019–20 and across the forward estimates, after non-appropriated expenses such as depreciation are removed.

When compared with estimates disclosed in the 2018–19 PB Statements, revenue from Government has increased in 2019–20 and across the forward estimates. This increase relates to the Budget measure in Table 1.2. The additional funding is to maintain sufficient depth of capacity across the broad range of policy areas to which policy costing requests relate, and to preserve the PBO’s special appropriation balance to respond flexibly to changes in demand throughout the election cycle.

The PBO has sufficient cash reserves to fund provisions and payables as they fall due across the forward estimates period.

### 3.2. Budgeted financial statements tables

**Table 3.1: Comprehensive income statement (showing net cost of services) for the period ended 30 June**

	2018–19 Estimated actual \$'000	2019–20 Budget \$'000	2020–21 Forw ard estimate \$'000	2021–22 Forw ard estimate \$'000	2022–23 Forw ard estimate \$'000
<b>EXPENSES</b>					
Employee benefits	6,523	7,067	7,190	7,234	7,306
Suppliers	1,906	1,537	1,710	2,455	1,915
Depreciation	86	86	86	86	86
<b>Total expenses</b>	<b>8,515</b>	<b>8,690</b>	<b>8,986</b>	<b>9,775</b>	<b>9,307</b>
<b>LESS:</b>					
<b>OWN-SOURCE INCOME</b>					
Other revenue	346	346	346	346	346
<b>Total own-source income</b>	<b>346</b>	<b>346</b>	<b>346</b>	<b>346</b>	<b>346</b>
<b>Net (cost of)/contribution by services</b>	<b>(8,169)</b>	<b>(8,344)</b>	<b>(8,640)</b>	<b>(9,429)</b>	<b>(8,961)</b>
Revenue from Government	8,083	8,258	8,554	9,343	8,875
<b>Surplus/(deficit) attributable to the Australian Government</b>	<b>(86)</b>	<b>(86)</b>	<b>(86)</b>	<b>(86)</b>	<b>(86)</b>
<b>Total comprehensive income/(loss) attributable to the Australian Government</b>	<b>(86)</b>	<b>(86)</b>	<b>(86)</b>	<b>(86)</b>	<b>(86)</b>

**Note: Impact of net cash appropriation arrangements**

	2018–19 \$'000	2019–20 \$'000	2020–21 \$'000	2021–22 \$'000	2022–23 \$'000
<b>Total comprehensive income/(loss) excluding depreciation/amortisation expenses previously funded through revenue appropriations</b>	-	-	-	-	-
less depreciation expenses previously funded through revenue appropriations	86	86	86	86	86
<b>Total comprehensive income/(loss) - as per the statement of comprehensive income</b>	<b>(86)</b>	<b>(86)</b>	<b>(86)</b>	<b>(86)</b>	<b>(86)</b>

Prepared on Australian Accounting Standards basis.

**Table 3.2: Budgeted departmental balance sheet (as at 30 June)**

	2018–19 Estimated actual \$'000	2019–20 Budget \$'000	2020–21 Forw ard estimate \$'000	2021–22 Forw ard estimate \$'000	2022–23 Forw ard estimate \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash and cash equivalents	32	32	32	32	32
Trade and other receivables	2,289	2,322	2,355	2,355	2,355
<b>Total financial assets</b>	<b>2,321</b>	<b>2,354</b>	<b>2,387</b>	<b>2,387</b>	<b>2,387</b>
<b>Non-financial assets</b>					
Property, plant and equipment	1,599	1,513	1,429	1,343	1,257
Other non-financial assets	65	65	65	65	65
<b>Total non-financial assets</b>	<b>1,664</b>	<b>1,578</b>	<b>1,494</b>	<b>1,408</b>	<b>1,322</b>
<b>Total assets</b>	<b>3,985</b>	<b>3,932</b>	<b>3,881</b>	<b>3,795</b>	<b>3,709</b>
<b>LIABILITIES</b>					
<b>Payables</b>					
Suppliers	130	130	130	130	130
Other payables	77	77	77	77	77
<b>Total payables</b>	<b>207</b>	<b>207</b>	<b>207</b>	<b>207</b>	<b>207</b>
<b>Provisions</b>					
Employee provisions	2,173	2,206	2,239	2,239	2,239
<b>Total provisions</b>	<b>2,173</b>	<b>2,206</b>	<b>2,239</b>	<b>2,239</b>	<b>2,239</b>
<b>Total liabilities</b>	<b>2,380</b>	<b>2,413</b>	<b>2,446</b>	<b>2,446</b>	<b>2,446</b>
<b>Net assets</b>	<b>1,605</b>	<b>1,519</b>	<b>1,435</b>	<b>1,349</b>	<b>1,263</b>
<b>EQUITY*</b>					
Reserves	30	30	30	30	30
Retained surplus	1,575	1,489	1,405	1,319	1,233
<b>Total equity</b>	<b>1,605</b>	<b>1,519</b>	<b>1,435</b>	<b>1,349</b>	<b>1,263</b>

Prepared on Australian Accounting Standards basis.

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

**Table 3.3: Departmental statement of changes in equity — summary of movement (Budget year 2019–20)**

	Retained earnings \$'000	Asset revaluation reserve \$'000	Total equity \$'000
<b>Opening balance as at 1 July 2019</b>			
Balance carried forward from previous period	1,575	30	1,605
<b>Comprehensive income</b>			
Surplus/(deficit) for the period	(86)	-	(86)
<b>Total comprehensive income</b>	<b>(86)</b>	<b>-</b>	<b>(86)</b>
of which:			
Attributable to the Australian Government	(86)	-	(86)
<b>Estimated closing balance as at 30 June 2020</b>	<b>1,489</b>	<b>30</b>	<b>1,519</b>
<b>Closing balance attributable to the Australian Government</b>	<b>1,489</b>	<b>30</b>	<b>1,519</b>

Prepared on Australian Accounting Standards basis.

**Table 3.4: Budgeted departmental statement of cash flows (for the period ended 30 June)**

	2018–19 Estimated actual \$'000	2019–20 Budget \$'000	2020–21 Forward estimate \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Appropriations	8,051	8,225	8,521	9,343	8,875
<b>Total cash received</b>	<b>8,051</b>	<b>8,225</b>	<b>8,521</b>	<b>9,343</b>	<b>8,875</b>
<b>Cash used</b>					
Employees	6,491	7,034	7,157	7,234	7,306
Suppliers	1,560	1,191	1,364	2,109	1,569
<b>Total cash used</b>	<b>8,051</b>	<b>8,225</b>	<b>8,521</b>	<b>9,343</b>	<b>8,875</b>
<b>Net cash from operating activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Cash and cash equivalents at the beginning of the reporting period	32	32	32	32	32
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>32</b>	<b>32</b>	<b>32</b>	<b>32</b>	<b>32</b>

Prepared on Australian Accounting Standards basis.

**Table 3.5: Departmental capital budget statement (for the period ended 30 June)**

The PBO does not have any planned capital expenditure over the forward estimates.

**Table 3.6: Statement of asset movements (Budget year 2019–20)**

	Other property, plant and equipment \$'000	Total \$'000
<b>As at 1 July 2019</b>		
Gross book value	2,076	2,076
Accumulated depreciation and impairment	(477)	(477)
<b>Opening net book balance</b>	<b>1,599</b>	<b>1,599</b>
Depreciation expense	(86)	(86)
<b>Total other movements</b>	<b>(86)</b>	<b>(86)</b>
<b>As at 30 June 2020</b>		
Gross book value	2,076	2,076
Accumulated depreciation and impairment	(563)	(563)
<b>Closing net book balance</b>	<b>1,513</b>	<b>1,513</b>

Prepared on Australian Accounting Standards basis.