BUDGET

PORTFOLIO BUDGET STATEMENTS 2013–14
BUDGET RELATED PAPER NO. 1.2

ATTORNEY-GENERAL'S PORTFOLIO

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

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THE HON MARK DREYFUS QC MP
ATTORNEY-GENERAL
MINISTER FOR EMERGENCY MANAGEMENT

Senator the Hon John Hogg
President of the Senate
Australian Senate
Parliament House
Canberra ACT 2600

Ms Anna Burke MP
Speaker
House of Representatives
Parliament House
Canberra ACT 2600

Dear Mr President
Dear Ms Speaker

I hereby submit Portfolio Budget Statements in support of the 2013–14 Budget for the Attorney-General's portfolio.

These statements have been developed, and are submitted to the Parliament, as a statement on the outcomes for the portfolio.

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

Yours sincerely

MARK DREYFUS

ABBREVIATIONS AND CONVENTIONS

The following notation may be used:

–	nil
..	not zero, but rounded to zero
n/a	not applicable (unless otherwise specified)
nfp	not for publication
$m	$ million
$b	$ billion

Figures in tables and in the text may be rounded. Discrepancies in tables between totals and sums of components are due to rounding.

INQUIRIES

If you have any inquiries regarding this publication, please contact Trevor Kennedy, Assistant Secretary, Financial Management and Property Branch in the Attorney-General's Department on (02) 6141 3493.

A copy of this document can be found on the Australian Government Budget website at www.budget.gov.au.

USER GUIDE
TO THE
PORTFOLIO BUDGET STATEMENTS

USER GUIDE

The purpose of the 2013–14 Portfolio Budget Statements (PB Statements) is to inform Senators and Members of Parliament of the proposed allocation of resources to government outcomes by agencies within the portfolio. Agencies receive resources from the annual Appropriation Acts, special appropriations (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 Appropriation Bills No. 1 and No. 2 2013–14 (or Appropriation Bill [Parliamentary Departments] No. 1 2013–14 for the parliamentary departments). 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.

As required under section 12 of the *Charter of Budget Honesty Act 1998*, non-general government sector entities are not consolidated into the Commonwealth general government sector fiscal estimates and, accordingly, these entities are not reported in the PB Statements.

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PORTFOLIO OVERVIEW

ATTORNEY-GENERAL'S PORTFOLIO OVERVIEW

Ministers and portfolio responsibilities

The Attorney-General's portfolio provides expert advice and services on a range of law and justice, national security and emergency management issues to the Attorney-General and Minister for Emergency Management, the Hon Mark Dreyfus QC MP; the Minister for Home Affairs and Justice, the Hon Jason Clare MP; the Parliamentary Secretary to the Attorney-General, the Hon Shayne Neumann MP; and the Australian Government.

The portfolio comprises the Attorney-General's Department and 19 statutory and non-statutory bodies.

The portfolio's responsibilities are diverse. They include providing legal policy advice and legal services to the Commonwealth in the areas of access to justice; administrative, civil, family and international law; international adoption; international child abduction; Commonwealth courts and tribunals; national and international human rights issues; Indigenous justice; legal assistance; native title; personal property securities; bankruptcy; privacy; freedom of information; law reform; constitutional policy; classification of content; copyright; legislative drafting; international crime cooperation; federal criminal law, law enforcement and prosecutions; national security (including counter-terrorism and an important contribution to cyber security) and emergency management; natural disaster relief and recovery; customs and border control; and the administration of the Royal Commission into Institutional Responses to Child Sexual Abuse.

By providing expert advice and services in these areas, the portfolio contributes to the Australian Government's priorities for a stronger and fairer Australia that is capable of meeting new and evolving challenges.

Figure 1 sets out the structure of the portfolio and the outcome statements for each agency except the Australian Government Solicitor, which is a statutory authority and government business enterprise.

Figure 1: Attorney-General's portfolio structure and outcomes

Attorney-General and Minister for Emergency Management:
The Hon Mark Dreyfus QC MP

Minister for Home Affairs and Justice:
The Hon Jason Clare MP

Parliamentary Secretary to the Attorney-General:
The Hon Shayne Neumann MP

Attorney-General's Department
Secretary: Mr Roger Wilkins AO

Outcome 1: A just and secure society through the maintenance and improvement of Australia's law and justice framework and its national security and emergency management system

Administrative Appeals Tribunal
Registrar: Mr Philip Kellow

Outcome 1: Access to a fair, just, economical, informal and quick review mechanism for applicants through reviews of government administrative decisions, including dispute resolution processes and independent formal hearings

Australian Commission for Law Enforcement Integrity
Integrity Commissioner: Mr Philip Moss

Outcome 1: Independent assurance to the Australian Government that Commonwealth law enforcement agencies and their staff act with integrity by detecting, investigating and preventing corruption

Australian Crime Commission
Chief Executive Officer: Mr John Lawler APM

Outcome 1: Reduction in the threat and impact of serious and organised crime, through analysis of and operations against national criminal activity, for governments, law enforcement agencies and private sector organisations

Australian Customs and Border Protection Service
Chief Executive Officer: Mr Michael Pezzullo

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

Australian Federal Police
Commissioner: Mr Tony Negus APM

Outcome 1: Reduced criminal and security threats to Australia's collective economic and societal interests through co-operative policing services

Outcome 2: A safe and secure environment through policing activities on behalf of the Australian Capital Territory Government

Australian Human Rights Commission
President and Chief Executive Officer: Professor Gillian Triggs

Outcome 1: An Australian society in which human rights are respected, protected and promoted through independent investigation and resolution of complaints, education and research to promote and eliminate discrimination, and monitoring, and reporting on human rights

Australian Institute of Criminology
Chief Executive Officer: Dr Adam M Tomison

Outcome 1: Informed crime and justice policy and practice in Australia by undertaking, funding and disseminating policy-relevant research of national significance; and through the generation of a crime and justice evidence base and national knowledge centre

Australian Law Reform Commission
President and Chief Executive Officer: Professor Rosalind Croucher

Outcome 1: Informed government decisions about the development, reform and harmonisation of Australian laws and related processes through research, analysis, reports and community consultation and education

Australian Security Intelligence Organisation
Director-General of Security: Mr David T Irvine AO

Outcome 1: To protect Australia, its people and its interests from threats to security through intelligence collection, assessment and advice to Government

Australian Transaction Reports and Analysis Centre
Chief Executive Officer: Mr John L Schmidt

Outcome 1: A financial environment hostile to money laundering, financing of terrorism, major crime and tax evasion through industry regulation and the collection, analysis and dissemination of financial intelligence

CrimTrac Agency
Chief Executive Officer: Mr Doug Smith APM

Outcome 1: Access to information that supports law enforcement agencies through collaborative national information systems and services

Family Court and Federal Circuit Court
Chief Executive Officer: Mr Richard Foster PSM

Outcome 1: Provide access to justice for litigants in family and federal law matters within the jurisdiction of the courts through the provision of judicial and support services

Federal Court of Australia
Registrar: Mr Warwick Soden OAM

Outcome 1: Through its jurisdiction, the Court will apply and uphold the rule of law to deliver remedies and enforce rights and in so doing, contribute to the social and economic development and well-being of all Australians

High Court of Australia
Chief Executive and Principal Registrar: Mr Andrew Phelan

Outcome 1: To interpret and uphold the Australian Constitution and perform the functions of the ultimate appellate Court in Australia

Insolvency and Trustee Service Australia
Chief Executive and Inspector-General in Bankruptcy: Ms Veronique Ingram

Outcome 1: Improved and equitable financial outcomes for consumers, business and the community through application of bankruptcy and personal property securities laws, regulation of personal insolvency practitioners, and trustee services

Office of the Australian Information Commissioner
Australian Information Commissioner: Professor John McMillan AO

Outcome 1: Provision of public access to Commonwealth Government information, protection of individuals' personal information, and performance of information commissioner, freedom of information and privacy functions

Office of the Director of Public Prosecutions
Director: Mr Robert Bromwich SC

Outcome 1: Maintenance of law and order for the Australian community through an independent and ethical prosecution service in accordance with the Prosecution Policy of the Commonwealth

Office of Parliamentary Counsel
First Parliamentary Counsel: Mr Peter Quiggin PSM

Outcome 1: A body of Commonwealth laws and instruments that give effect to intended policy, and that are coherent, readable and readily accessible, through the drafting and publication of those laws and instruments

PORTFOLIO RESOURCES

Table 1 shows the total new resources provided to the portfolio in the 2013–14 budget year by agency.

Table 1: Portfolio resources 2013–14

	Appropriation				
	Bill No. 1 $m	Bill No. 2 $m	Special $m	Receipts $m	Total $m
Attorney-General's Department					
Administered appropriations	533	122	9	–	663
Departmental appropriations	223	1	–	50	275
Total	**756**	**124**	**9**	**50**	**938**
Administrative Appeals Tribunal					
Administered appropriations	–	–	–	–	–
Departmental appropriations	35	–	–	1	36
Total	**35**	**–**	**–**	**1**	**36**
Australian Commission for Law Enforcement Integrity					
Administered appropriations	–	–	–	–	–
Departmental appropriations	6	–	–	1	7
Total	**6**	**–**	**–**	**1**	**7**
Australian Crime Commission					
Administered appropriations	–	–	–	–	–
Departmental appropriations	90	–	–	3	93
Total	**90**	**–**	**–**	**3**	**93**
Australian Customs and Border Protection Service					
Administered appropriations	1	–	260	–	261
Departmental appropriations	1,023	68	–	69	1,159
Total	**1,024**	**68**	**260**	**69**	**1,420**
Australian Federal Police					
Administered appropriations	25	–	–	–	25
Departmental appropriations	997	56	–	286	1,139
Total	**1,022**	**56**	**–**	**286**	**1,364**
Australian Human Rights Commission					
Administered appropriations	..	–	–	–	..
Departmental appropriations	18	–	–	6	25
Total	**18**	**–**	**–**	**6**	**25**
Australian Institute of Criminology					
Administered appropriations	–	–	–	–	–
Departmental appropriations	5	–	–	–	5
Total	**5**	**–**	**–**	**–**	**5**
Australian Law Reform Commission					
Administered appropriations	–	–	–	–	–
Departmental appropriations	3	–	–	..	3
Total	**3**	**–**	**–**	**..**	**3**
Australian Security Intelligence Organisation					
Administered appropriations	–	–	–	–	–
Departmental appropriations	417	..	–	17	434
Total	**417**	**..**	**–**	**17**	**434**

Table 1: Portfolio resources 2013–14 (continued)

	Appropriation				
	Bill No. 1	Bill No. 2	Special	Receipts	Total
	$m	$m	$m	$m	$m
Australian Transaction Reports and Analysis Centre					
Administered appropriations	–	–	–	–	–
Departmental appropriations	56	9	–	6	71
Total	**56**	**9**	**–**	**6**	**71**
CrimTrac Agency					
Administered appropriations	–	–	–	–	–
Departmental appropriations	–	–	–	–	–
Total	**–**	**–**	**–**	**–**	**–**
Family Court and Federal Circuit Court					
Administered appropriations	1	–	–	–	1
Departmental appropriations	157	–	–	2	159
Total	**157**	**–**	**–**	**2**	**159**
Federal Court of Australia					
Administered appropriations	–	–	–	–	–
Departmental appropriations	96	–	–	3	99
Total	**96**	**–**	**–**	**3**	**99**
High Court of Australia					
Administered appropriations	–	–	–	–	–
Departmental appropriations	17	1	–	1	19
Total	**17**	**1**	**–**	**1**	**19**
Insolvency and Trustee Service Australia					
Administered appropriations	–	–	..	–	..
Departmental appropriations	49	–	–	50	99
Total	**49**	**–**	**..**	**50**	**99**
Office of the Australian Information Commissioner					
Administered appropriations	–	–	–	–	–
Departmental appropriations	11	–	–	3	13
Total	**11**	**–**	**–**	**3**	**13**
Office of the Director of Public Prosecutions					
Administered appropriations	–	–	–	–	–
Departmental appropriations	82	–	–	3	85
Total	**82**	**–**	**–**	**3**	**85**
Office of Parliamentary Counsel					
Administered appropriations	–	–	–	–	–
Departmental appropriations	16	–	–	5	22
Total	**16**	**–**	**–**	**5**	**22**
Portfolio total	**3,861**	**257**	**269**	**507**	**4,894**
Resources available within portfolio	**3,861**	**257**	**269**	**507**	**4,894**

Note: Totals are rounded sums of unrounded numbers.

AGENCY RESOURCES AND PLANNED PERFORMANCE

ATTORNEY-GENERAL'S DEPARTMENT

Section 1: Agency overview and resources

1.1 STRATEGIC DIRECTION STATEMENT

The Attorney-General's Department (the Department) is the central policy and coordinating department of the Attorney-General's portfolio.

The Department seeks to achieve the outcome of a just and secure society through the maintenance and improvement of Australia's law and justice framework and its national security and emergency management system.

In 2013–14 the Department will focus on the following priority areas:

- supporting the Attorney-General as the First Law Officer of the Commonwealth
- adapting law and law enforcement in the digital economy
- promoting equity and efficiency to improve access to justice
- protecting people's rights
- combating serious and organised crime and corruption, and
- protecting national security and building resilient communities.

The Department will continue to work closely and cooperatively with its portfolio agencies, other government agencies (Commonwealth, state and territory), advisory bodies, businesses, professional associations, community organisations and citizens in achieving its objectives.

The Department will continue to strengthen its relationship with citizens, its capacity to provide strategic policy, the efficiency, quality and agility of its services, and its ability to look forward and proactively position itself to address the challenges facing the nation in coming years.

The major measures for the Department in the 2013–14 Budget are the provision of additional funding of $42.000m over two years for Legal Aid Commissions ($30.000m) and Aboriginal and Torres Strait Islander legal services ($12.000m); additional funding of $10.335m over four years for the expansion of community legal centres in outer suburban and regional areas; additional funding of $15.814m over four years to continue to work with Indonesia, Sri Lanka and Pakistan to strengthen regional efforts to combat people smuggling; and additional funding of $41.000m over two years to target street crime in areas with high crime rates and socio-economic disadvantage among young people through the National Crime Prevention Fund, which is a

component of the government's package of measures to address gangs and organised crime.

Funding is also being provided in the 2013–14 Budget for the Royal Commission into Institutional Responses to Child Sexual Abuse to 2015–16. While the Royal Commission has commenced its operations, the level of activity, the number of complaints and allegations and the number and location of hearings needed will become clearer as the Royal Commission progresses. In future budget processes, the government will review the need for any changes to the Royal Commission's funding in consultation with the Royal Commission as additional information becomes available.

In 2012–13 an independent taskforce, the Defence Abuse Response Taskforce, was established as part of the government's response to the DLA Piper Report of the Review of allegations of sexual and other abuse in Defence. The taskforce is based in the Department. The estimated $37.1m cost of the taskforce over the two years 2012–13 and 2013–14 will be met from within the existing resources of the Department of Defence.

1.2 AGENCY RESOURCE STATEMENT

Table 1.1 shows the total resources from all sources. The table summarises how resources will be applied by administered and departmental classification.

Table 1.1: Agency resource statement—Budget estimates for 2013–14 as at Budget May 2013

		Estimate of prior year amounts available in 2013–14 $'000	+	Proposed at Budget 2013–14 $'000	=	Total estimate 2013–14 $'000	Actual available appropriation 2012–13 $'000
ORDINARY ANNUAL SERVICES[1]							
Departmental appropriation							
Prior year departmental appropriation[2]		56,280		–		56,280	68,692
Departmental appropriation[3]		–		222,815		222,815	205,303
s 31 relevant agency receipts[4]		–		50,480		50,480	47,112
Total		**56,280**		**273,295**		**329,575**	**321,107**
Administered expenses							
Outcome 1[5]		–		532,730		532,730	459,102
Total		**–**		**532,730**		**532,730**	**459,102**
Total ordinary annual services	**A**	**56,280**		**806,025**		**862,305**	**780,209**
OTHER SERVICES[6]							
Administered expenses							
Specific payments to states, ACT, NT and local government							
Outcome 1		–		5,000		5,000	2,812
Total		**–**		**5,000**		**5,000**	**2,812**
Departmental non-operating							
Prior year departmental appropriation[2]		2,120		–		2,120	2,120
Equity injections		–		1,451		1,451	234
Total		**2,120**		**1,451**		**3,571**	**2,354**
Administered non-operating							
Prior year administered appropriation[2]		70,611		–		70,611	70,611
Administered assets and liabilities		–		117,220		117,220	177,559
Total		**70,611**		**117,220**		**187,831**	**248,170**
Total other services	**B**	**72,731**		**123,671**		**196,402**	**253,336**
Total available annual appropriations		**131,131**		**929,696**		**1,058,707**	**1,033,545**

Table 1.1: Agency resource statement—Budget estimates for 2013–14 as at Budget May 2013 (continued)

		Estimate of prior year amounts available in 2013–14 $'000	+	Proposed at Budget 2013–14 $'000	=	Total estimate 2013–14 $'000	Actual available appropriation 2012–13 $'000
SPECIAL APPROPRIATIONS							
Special appropriations limited by criteria/entitlement							
Law Officers Act 1964		–		450		450	450
National Firearms Program Implementation Act 1996		–		75		75	75
Social Security (Administration) Act 1999		–		8,000		8,000	212,258
Total special appropriations	**C**	**–**		**8,525**		**8,525**	**212,783**
Total appropriations excluding special accounts		**131,131**		**938,221**		**1,067,232**	**1,246,328**
SPECIAL ACCOUNTS							
Opening balance[7]		–		7,581		7,581	12,760
Non-appropriation receipts to special accounts		–		24,352		24,352	6,811
Total special accounts	**D**	**–**		**31,933**		**31,933**	**19,571**
Total resourcing (A+B+C+D)		**129,011**		**970,154**		**1,099,165**	**1,265,899**
Total net resourcing for agency		**129,011**		**970,154**		**1,099,165**	**1,265,899**

All figures are GST exclusive.
1. Appropriation Bill (No. 1) 2013–14.
2. Estimated adjusted balance carried forward from previous years.
3. Includes an amount of $7.740m in 2013–14 for the departmental capital budget (see Table 3.2.5 for further details). For accounting purposes this amount has been designated as 'contributions by owners'.
4. Section 31 relevant agency receipts—estimate.
5. Includes an amount of $2.769m in 2013–14 for the administered capital budget (see Table 3.2.10 for further details). For accounting purposes this amount has been designated as 'contributions by owners'.
6. Appropriation Bill (No. 2) 2013–14.
7. Estimated opening balance for special accounts. For further information on special accounts, see Table 3.1.2.

Third-party payments from and on behalf of other agencies

	2013–14 $'000	2012–13 $'000
Payments made on behalf of other agencies (disclosed above)		
Australian Public Service Commission—*Remuneration Tribunal Act 1973* (s 7)	3,744	3,685

1.3 BUDGET MEASURES

Budget measures announced since the 2012–13 Mid-Year Economic and Fiscal Outlook (MYEFO) relating to the Department are detailed in Budget Paper No. 2 and are summarised in Part 1 of Table 1.2. MYEFO measures not previously reported in a portfolio statement are summarised in Part 2.

Table 1.2: Agency 2013–14 Budget measures

Part 1: Measures announced since the 2012–13 MYEFO

	Program	2012–13 $'000	2013–14 $'000	2014–15 $'000	2015–16 $'000	2016–17 $'000
Revenue measures						
Strengthening the response to organised crime at the border and in the supply chain						
Administered revenues		–	–	–	–	–
Departmental revenues	1.2	–	150	150	150	150
Total		**–**	**150**	**150**	**150**	**150**
Total revenue measures						
Administered		–	–	–	–	–
Departmental		–	150	150	150	150
Total		**–**	**150**	**150**	**150**	**150**
Expense measures						
Strengthening the response to organised crime at the border and in the supply chain						
Administered expenses		–	–	–	–	–
Departmental expenses	1.2	–	95	96	97	73
Total		**–**	**95**	**96**	**97**	**73**
Australian assistance with law and justice frameworks in Africa—conclusion						
Administered expenses		–	–	–	–	–
Departmental expenses	1.2	–	(1,237)	(1,246)	(1,260)	(1,273)
Total		**–**	**(1,237)**	**(1,246)**	**(1,260)**	**(1,273)**
National Disaster Recovery Taskforce—extension[1]						
Administered expenses		–	–	–	–	–
Departmental expenses	1.2	–	(1,037)	–	–	–
Total		**–**	**(1,037)**	**–**	**–**	**–**
Community Legal Centres—additional funding						
Administered expenses	1.3	–	2,500	2,555	2,611	2,669
Departmental expenses		–	–	–	–	–
Total		**–**	**2,500**	**2,555**	**2,611**	**2,669**
Legal assistance—expansion of funding						
Administered expenses	1.3, 1.5	–	21,000	21,000	–	–
Departmental expenses		–	–	–	–	–
Total		**–**	**21,000**	**21,000**	**–**	**–**

Table 1.2: Agency 2013–14 Budget measures
Part 1: Measures announced since the 2012–13 MYEFO (continued)

	Program	2012–13 $'000	2013–14 $'000	2014–15 $'000	2015–16 $'000	2016–17 $'000
Attorney-General's portfolio savings—redirection						
Administered expenses	1.3, 1.6	–	(3,800)	(4,300)	(7,300)	(7,300)
Departmental expenses	1.1, 1.2	–	(333)	(334)	(333)	(333)
Total		**–**	**(4,133)**	**(4,634)**	**(7,633)**	**(7,633)**
Royal Commission into Institutional Responses to Child Sexual Abuse—establishment[2]						
Administered expenses	1.3, 1.8	–	87,561	89,665	86,523	–
Departmental expenses	1.1	–	13,573	13,699	13,859	–
Total		**–**	**101,134**	**103,364**	**100,382**	**–**
Combating people smuggling—enhancing the regional response[3]						
Administered expenses	1.6	–	407	821	1,626	1,621
Departmental expenses	1.2	–	2,760	2,802	2,871	2,906
Total		**–**	**3,167**	**3,623**	**4,497**	**4,527**
Addressing gang violence and organised crime—National Crime Prevention Fund						
Administered expenses	1.6	–	19,000	19,000	–	–
Departmental expenses	1.2	228	1,200	1,200	300	–
Total		**228**	**20,200**	**20,200**	**300**	**–**
Total expense measures						
Administered		–	126,668	128,741	83,460	(3,010)
Departmental		228	15,021	16,217	15,534	1,373
Total		**228**	**141,689**	**144,958**	**98,994**	**(1,637)**
Capital measures						
Strengthening the response to organised crime at the border and in the supply chain						
Administered capital		–	–	–	–	–
Departmental capital	1.2	–	297	–	–	–
Total		**–**	**297**	**–**	**–**	**–**
Royal Commission into Institutional Responses to Child Sexual Abuse—establishment						
Administered capital	1.8	–	16,856	2,856	4,856	–
Departmental capital		–	–	–	–	–
Total		**–**	**16,856**	**2,856**	**4,856**	**–**
Total capital measures						
Administered		–	16,856	2,856	4,856	–
Departmental		–	297	–	–	–
Total		**–**	**17,153**	**2,856**	**4,856**	**–**

Prepared on a Government Finance Statistics (fiscal) basis.
1. The lead agency for this measure is the Department of Regional Australia, Local Government, Arts and Sport. The full measure description and package details appear in Budget Paper No. 2 under the Regional Australia, Local Government, Arts and Sport portfolio.
2. Funding of $74.021m, including capital, for the Royal Commission for 2012–13 was published in the Attorney-General's 2012–13 Portfolio Additional Estimates Statements. Of this, $14.300m has been moved to 2013–14 and future years. Also see note 1 to program 1.3 expenses table.
3. The lead agency for this measure is the Department of Immigration and Citizenship. The full measure description and package details appear in Budget Paper No. 2 under the Immigration and Citizenship portfolio.

Part 2: MYEFO measures not previously reported in a portfolio statement

	Program	2012–13 $'000	2013–14 $'000	2014–15 $'000	2015–16 $'000	2016–17 $'000
Expense measures						
Targeted savings—public service efficiencies[1]						
Departmental	1.1, 1.2	–	(441)	(698)	(785)	(708)
Total expense measures		**–**	**(441)**	**(698)**	**(785)**	**(708)**

Prepared on a Government Finance Statistics (fiscal) basis.
1. The fiscal impact reported for this measure is in addition to the impact previously reported for this measure in the Attorney-General's 2012–13 Portfolio Additional Estimates Statements.

Section 2: Outcomes and planned performance

2.1 OUTCOMES AND PERFORMANCE INFORMATION

Government outcomes are the intended results, impacts or consequences of actions by the government on the Australian community. Commonwealth programs are the primary vehicle by which government agencies achieve the intended results of their outcome statements. Agencies are required to identify the programs that contribute to government outcomes over the budget and forward years.

The Department's outcome is described below together with its related programs, specifying the performance indicators and targets used to assess and monitor the performance of the Department in achieving government outcomes.

Outcome 1: A just and secure society through the maintenance and improvement of Australia's law and justice framework and its national security and emergency management system

Outcome 1 strategy

The Department assists the Australian Government to meet its policy objectives by:

- protecting and promoting the rule of law, and
- building a safe, secure and resilient Australia.

Outcome 1 expense statement

Table 2.1 provides an overview of the total expenses for Outcome 1, by program.

Table 2.1: Budgeted expenses for Outcome 1

Outcome 1: A just and secure society through the maintenance and improvement of Australia's law and justice framework and its national security and emergency management system	2012–13 Estimated actual expenses $'000	2013–14 Estimated expenses $'000
Program 1.1: Attorney-General's Department Operating Expenses—Civil Justice and Legal Services		
Departmental expenses		
Departmental appropriation[1]	101,686	123,076
Expenses not requiring appropriation in the budget year[2]	9,549	9,581
Total for Program 1.1	**111,235**	**132,657**
Program 1.2: Attorney-General's Department Operating Expenses—National Security and Criminal Justice		
Departmental expenses		
Departmental appropriation[1]	144,154	142,479
Expenses not requiring appropriation in the budget year[3]	11,276	12,241
Total for Program 1.2	**155,430**	**154,720**
Program 1.3: Justice Services		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	81,585	111,956
Special appropriations	450	450
Total for Program 1.3	**82,035**	**112,406**
Program 1.4: Family Relationships		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	163,008	169,392
Total for Program 1.4	**163,008**	**169,392**
Program 1.5: Indigenous law and Justice		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	129,638	136,595
Total for Program 1.5	**129,638**	**136,595**
Program 1.6: National Security and Criminal Justice		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	46,090	42,489
Other services (Appropriation Bill No. 2)	2,812	5,000
Special appropriations	75	75
Special accounts	11,990	24,352
Expenses not requiring appropriation in the budget year[4]	2,380	2,229
Total for Program 1.6	**63,347**	**74,145**
Program 1.7: Australian Government Disaster Financial Support Payments		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	10,784	2,000
Special appropriations	212,258	8,000
Special accounts	–	–
Expenses not requiring appropriation in the budget year[5]	440	27,368
Total for Program 1.7	**223,482**	**37,368**

Table 2.1: Budgeted expenses for Outcome 1 (continued)

Outcome 1: A just and secure society through the maintenance and improvement of Australia's law and justice framework and its national security and emergency management system	2012–13 Estimated actual expenses $'000	2013–14 Estimated expenses $'000
Program 1.8: Royal Commission into Institutional Responses to Child Sexual Abuse		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	30,997	67,529
Expenses not requiring appropriation in the budget year[6]	–	6,223
Total for Program 1.8	**30,997**	**73,752**
Outcome 1 totals by appropriation type		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	462,102	529,961
Other services (Appropriation Bill No. 2)	2,812	5,000
Special appropriations	212,783	8,525
Special accounts	11,990	24,352
Expenses not requiring appropriation in the budget year	2,820	35,820
Departmental expenses		
Departmental appropriation	245,840	265,555
Expenses not requiring appropriation in the budget year	20,825	21,822
Total expenses for Outcome 1	**959,172**	**891,035**

	2012–13	2013–14
Average staffing level (number)[7]	1,332	1,461

Note: Departmental appropriation splits and totals are indicative estimates and may change in the course of the budget year as government priorities change.
1. Departmental appropriation combines 'Ordinary annual services (Appropriation Bill No. 1)' and 'Revenue from independent sources (s 31)'.
2. Expenses not requiring appropriation in the budget year are made up of resources received free of charge $0.133m and depreciation and amortisation expenses of $9.448m.
3. Expenses not requiring appropriation in the budget year are made up of resources received free of charge $0.223m and depreciation and amortisation expenses of $12.018m.
4. Expenses not requiring appropriation in the budget year are made up of depreciation and amortisation expenses of $2.229m relating to the Australian Secure Network.
5. Expenses not requiring appropriation in the budget year relate to concessions on loan advances of $27.368m.
6. Expenses not requiring appropriation in the budget year are made up of depreciation and amortisation expenses of $6.223m relating primarily to fit-out and information technology assets.
7. The Department's core ongoing average staffing level (ASL) will decrease by 47 from 1,263 in 2012–13 to 1,216 in 2013–14. The estimated ASL for 2013–14 includes an increase of 93 ASL for the Royal Commission into Institutional Responses to Child Sexual Abuse, an increase of 65 ASL for the Defence Abuse Response Taskforce and an increase of 18 ASL for special event programs (Asian Football Cup (5), Cricket World Cup (6) and G20 Security Arrangements (7)).

Contributions to Outcome 1

Program 1.1: Attorney-General's Department Operating Expenses—Civil Justice and Legal Services

Program 1.1 objective

This program contributes to Outcome 1 by:

- protecting and promoting the rule of law, and
- building a safe, secure and resilient Australia.

Program 1.1 expenses

The increase in expenses in 2013–14 is due to the establishment of the Defence Abuse Response Taskforce and a provision for funding to represent and coordinate the Commonwealth's interests in relation to the Royal Commission into Institutional Responses to Child Sexual Abuse.

	2012–13 Revised budget $'000	2013–14 Budget $'000	2014–15 Forward year 1 $'000	2015–16 Forward year 2 $'000	2016–17 Forward year 3 $'000
Annual departmental expenses	101,686	123,076	95,342	98,643	85,548
Expenses not requiring appropriation in the budget year[1]	9,549	9,581	8,658	7,368	7,640
Total program expenses	**111,235**	**132,657**	**104,000**	**106,011**	**93,188**

1. Expenses not requiring appropriation in the budget year are made up of resources received free of charge of $0.133m and depreciation and amortisation expenses of $9.448m.

Program 1.1 deliverables

- Provide timely and quality legal and legal policy advice to the Australian Government through the Attorney-General on major government initiatives through the Cabinet process, particularly in the areas of constitutional law, administrative law, criminal law, international law, native title, human rights, secrecy, privacy, freedom of information and private international law.
- Contribute to the establishment of the National Disability Insurance Scheme, and consideration of the constitutional recognition of Indigenous Australians and local government.
- Provide timely and quality international law advice and legal services to the Australian Government through the Attorney-General, including international litigation on tobacco plain packaging and Japan's whaling program.
- Better coordinate the provision of legal services throughout the Commonwealth.
- Develop and implement a Rule of Law Aid Strategy as part of the cross-departmental approach to international work, to advance and facilitate coordinated and effective delivery of the Department's strategic priorities and Australia's rule of law aid priorities.
- Ensure copyright law and regulation supports and promotes commercial activity, particularly in the digital economy.
- Develop and implement reforms to the National Classification Scheme, to ensure better provision of more consistent classification information across platforms.
- Implement microeconomic reform to maximise innovation, productivity and efficiencies in business and government, including consideration of contract law reform, streamlining civil procedures with other countries and progressing domestic choice of law reforms.
- Improve collaboration between the Commonwealth family law system and the state and territory child protection systems to contribute to achieving the best outcomes for children, including initiatives to share and enhance effective and promising practice.
- Improve the operation of federal courts and support an independent judiciary including through a transparent appointments process, an effective system for dealing with complaints against judicial officers, a fair system of military justice and consideration of cost-recovery models to assist federal courts to make more efficient use of available resources, including through the use of technology.
- Develop streamlined and integrated family support services to ensure that support for separated families and their children is responsive and accessible, and that those families and their children with more complex needs receive early and appropriate interventions.
- Build capability to resolve legal issues, without resort to litigation, by increased access to education, information, support services and representation across the justice system.

Program 1.1 deliverables (continued)

- Complete and implement a review of legal assistance to ensure that it is of a high quality and targeted to those most in need, and that the delivery of legal assistance is cost-effective, coordinated with other service provision and done in collaboration across the legal assistance sector.
- Promote human rights and rights based reforms including the provision of human rights education by implementing the Human Rights Framework.
- Ensure federal privacy law and regulation enhances the privacy of individuals, particularly as they participate in the digital economy.
- Improve protection of individuals in an environment of rapid technological change including improved access to information such as government-held information.
- Achieve faster and better outcomes in native title including through improvements in agreement-making, promoting good governance and economic sustainability in agreements and improving the efficiency of the native title system.
- Contribute to closing the gap for Indigenous Australians through initiatives to increase community safety and reduce the overrepresentation of Indigenous people in the criminal justice system.
- Support the Independent Defence Abuse Response Taskforce, including appropriate secretariat, operational and legal support.
- Provide administration of the Royal Commission into Institutional Responses to Child Sexual Abuse.

Program 1.1 key performance indicators

- Accurate, timely and high-quality legal and policy advice.
- Effective management of civil justice and legal services programs.

Program 1.2: Attorney-General's Department Operating Expenses—National Security and Criminal Justice

Program 1.2 objective

This program contributes to Outcome 1 by:

- protecting and promoting the rule of law, and
- building a safe, secure and resilient Australia.

Linked to: Bureau of Meteorology, Program 1.1.

Program 1.2 expenses

The major change over the forward estimates occurs in 2015–16. This is due to the completion of a range of measures, primarily special events measures—*Cricket World Cup – assistance*, *Asian Football Cup – assistance* and *Australia to host the Group of 20 in 2014*.

	2012–13 Revised budget $'000	2013–14 Budget $'000	2014–15 Forward year 1 $'000	2015–16 Forward year 2 $'000	2016–17 Forward year 3 $'000
Annual departmental expenses	144,154	142,479	143,486	136,124	138,307
Expenses not requiring appropriation in the budget year[1]	11,276	12,241	11,296	10,507	10,839
Total program expenses	**155,430**	**154,720**	**154,782**	**146,631**	**149,146**

1. Expenses not requiring appropriation in the budget year are made up of resources received free of charge of $0.223m and depreciation and amortisation expenses of $12.018m.

Program 1.2 deliverables

- Combat criminal activity in the online environment, including through the implementation of an Australian Cybercrime Online Reporting Network and the National Cybercrime Plan.
- Strengthen the Australian Government's approach to identity security, to improve trust and confidence in the online environment and support the growing number of services which make use of new and emerging information and communication technologies, and continue the development of the Document Verification Service and a biometric interoperability framework.
- Further develop effective and fair national security and criminal laws informed by the Council of Australian Governments' counter-terrorism laws review and the National Security Legislation Monitor.
- Continue to implement the Organised Crime Strategic Framework to ensure a coordinated, collaborative and priority-driven approach to combating organised crime including in relation to unexplained wealth, illicit drugs and firearms and a focus on hotspots such as the waterfront.
- Implement the National Anti-Corruption Plan to reduce Australia's exposure to corruption risks, including through transnational crime, and continued strengthening of the Commonwealth's law enforcement integrity framework.
- Lead Australia's international engagement on anti-corruption, including through the United Nations, G20 and the Asia–Pacific Economic Cooperation and by building capacity in our partner countries to prevent, detect and disrupt corruption.
- Inform strategic priority setting across the broader national security community under the National Security Capability Plan.
- Complete and participate in the implementation of the national security fusion capability, further refine counter-terrorism capability through the Australia – New Zealand Counter-Terrorism Committee and enhance the coordination of crisis management through the Crisis Coordination Centre.
- Modernise telecommunication interception laws.
- Promote greater national focus on disaster prevention, preparedness, mitigation, response and recovery by improving information sharing arrangements and financial reporting and assessment frameworks with state and territory governments and by implementing the National Strategy for Disaster Resilience.
- Assist business to manage cyber threats including by completing telecommunications sector security reform.
- Ensure that governments and industry are able to plan and react to events impacting upon the integrity of critical infrastructure, and maintain public confidence in the Australian Government's ability to provide a safe and secure environment by implementing the Critical Infrastructure Resilience Strategy.

Program 1.2 deliverables (continued)

- Promote a safe and inclusive Australia by assisting individuals to disengage from violent extremist influences, help build communities that are less vulnerable to violent extremism and reduce the potential of home-grown terrorist attack by implementing the Countering Violent Extremism Strategy.

Program 1.2 key performance indicators

- Accurate, timely and high-quality advice.
- Effective management of national security and criminal justice programs.

Program 1.3: Justice Services

Program 1.3 objective

This program contributes to Outcome 1 by:

- protecting and promoting the rule of law, and
- building a safe, secure and resilient Australia.

Linked to: Legal aid payments to the states are made by the Treasury under the Federal Financial Relations Act.

Program 1.3 expenses

The increase in expenses from 2012–13 to 2013–14 is primarily due to the budget measure *Legal assistance – expansion of funding*, which provides additional funding of $15.000m per year in 2013–14 and 2014–15 for Legal Aid Commissions, and to funding for legal advisory services and legal financial assistance for witnesses to the Royal Commission of $20.032m per year from 2013–14 to 2015–16.

Program 1.3 expenses (continued)

	2012–13 Revised budget $'000	2013–14 Budget $'000	2014–15 Forward year 1 $'000	2015–16 Forward year 2 $'000	2016–17 Forward year 3 $'000
Annual administered expenses					
Payments for services under *Family Law Act 1975* and the Child Support Scheme legislation	2,450	2,093	2,157	2,206	2,257
Payments to Law Courts Limited for contributions to operating and capital expenses	2,468	3,343	3,390	3,438	3,485
Family Court of Western Australia	12,640	12,952	13,244	13,398	13,636
Payments for membership of international bodies	550	600	650	550	550
Payments for grants to Australian organisations	643	1,897	923	958	993
Payments for the provision of legal aid—Legal Aid Commissions	14,522	25,782	18,745	3,812	3,881
Payments for the provision of community legal services	39,939	39,361	39,543	40,266	41,001
Payments for the provision of community legal services—legal advice service supporting the Royal Commission into Institutional Responses to Child Sexual Abuse	3,000	6,000	6,000	6,000	–
Financial assistance towards legal costs and related expenses	4,825	5,110	5,263	5,357	5,454
Financial assistance towards legal costs and related expenses—expenses for witnesses to the Royal Commission into Institutional Responses to Child Sexual Abuse[1]	–	14,032	14,032	14,032	–
Commonwealth Human Rights Education Program	177	786	302	316	331
Publications of Acts and legislative instruments	371	–	–	–	–
Special appropriations					
Law Officers Act 1964	450	450	450	450	450
Total program expenses	**82,035**	**112,406**	**104,699**	**90,783**	**72,038**

1. Funding of $4.677m was provided in 2012–13. This funding is not required in 2012–13 as public hearings will commence in 2013–14.

Program 1.3 deliverables

- Provide services to support access to justice.

Program 1.3 key performance indicators

- Improved access to justice.

Program 1.4: Family Relationships

Program 1.4 objective

This program contributes to Outcome 1 by:

- protecting and promoting the rule of law, and
- building a safe, secure and resilient Australia.

Program 1.4 expenses

The annual increases in funding are primarily due to indexation. In addition, in 2012–13 a one-off reallocation of funding between programs was made and a prior year savings measure ends in 2013–14.

	2012–13 Revised budget $'000	2013–14 Budget $'000	2014–15 Forward year 1 $'000	2015–16 Forward year 2 $'000	2016–17 Forward year 3 $'000
Annual administered expenses					
Family Relationships Services Program	163,008	169,392	174,074	177,214	180,409
Total program expenses	**163,008**	**169,392**	**174,074**	**177,214**	**180,409**

Program 1.4 deliverables

- Provide services to support resolution of family matters.

Program 1.4 key performance indicators

- Improved access to justice in family matters.

Program 1.5: Indigenous Law and Justice

Program 1.5 objective

This program contributes to Outcome 1 by:

- protecting and promoting the rule of law, and
- building a safe, secure and resilient Australia.

Linked to: Department of Health and Ageing, Program 1.3: Drug Strategy.

Program 1.5 expenses

The increase in expenses from 2012–13 to 2013–14 is primarily due to the budget measure *Legal assistance – expansion of funding*, which provides additional funding of $6.000m per year in 2013–14 and 2014–15 for Aboriginal and Torres Strait Islander legal services.

	2012–13 Revised budget $'000	2013–14 Budget $'000	2014–15 Forward year 1 $'000	2015–16 Forward year 2 $'000	2016–17 Forward year 3 $'000
Annual administered expenses					
Payments under the Indigenous Justice Program	11,655	11,951	12,151	12,665	12,894
Payments for the provision of Family Violence Prevention Legal Services for Indigenous Australia	19,090	19,597	19,970	20,753	21,127
Indigenous Legal Aid Policy Reform Program	68,218	73,844	75,226	71,940	73,235
Payments for Indigenous interpreter services in the Northern Territory	1,306	1,340	1,367	1,391	1,416
Stronger Futures in the Northern Territory—Community Safety and Justice	28,829	29,290	29,877	30,444	30,989
Native title system	540	573	582	594	605
Total program expenses	**129,638**	**136,595**	**139,173**	**137,787**	**140,266**

Program 1.5 deliverables

- Provide services to support access to justice for Indigenous people.

Program 1.5 key performance indicators

- Improved access to justice for Indigenous people.

Program 1.6: National Security and Criminal Justice

Program 1.6 objective

This program contributes to Outcome 1 by:

- protecting and promoting the rule of law, and
- building a safe, secure and resilient Australia.

Linked to:

- Bureau of Meteorology, Program 1.1.
- Natural Disaster Resilience Program and Natural Disaster Relief payments to the states are made by the Treasury under the Federal Financial Relations Act.

Program 1.6 expenses

The increase in expenses from 2012–13 to 2013–14 is primarily due to the budget measure *Addressing gang violence and organised crime—National Crime Prevention Fund*, which provides additional funding of $19.000m per year in 2013–14 and 2014–15 to target street crime in areas with high crime rates and socio-economic disadvantage among young people through the National Crime Prevention Fund. In addition, a number of programs will reach completion over the forward estimates, primarily Safer Suburbs, the Schools Security Program and Countering Violent Extremism to Prevent Terrorism.

Program 1.6 expenses (continued)

	2012–13 Revised budget $'000	2013–14 Budget $'000	2014–15 Forward year 1 $'000	2015–16 Forward year 2 $'000	2016–17 Forward year 3 $'000
Annual administered expenses					
Payments for membership of international bodies	106	106	106	106	106
Payments for grants to Australian organisations	1,212	1,577	1,580	1,580	1,580
Safer Suburbs	2,000	2,000	1,000	–	–
Australia's contribution to the International Criminal Court	4,940	6,324	7,462	7,743	7,926
Disaster Resilience Australia—Emergency Warning System Database	1,620	1,662	1,693	1,724	1,755
Disaster Resilience Australia Package	6,713	2,001	2,053	2,090	2,128
Australia – New Zealand Counter-Terrorism Committee—special fund and operating expenses	12,931	11,313	11,749	12,081	12,468
Counter-terrorism exercises	1,056	1,092	1,094	1,114	1,134
National security public information campaign	–	–	975	–	–
National aerial firefighting	13,997	14,484	14,804	14,804	14,804
Countering Violent Extremism to Prevent Terrorism	1,515	1,523	–	–	–
Asia–Pacific Rule of Law Aid	–	407	821	1,626	1,621
Expenses not requiring appropriation in the budget year[1]	2,380	2,229	1,553	1,593	1,736
Specific purpose payment					
Schools Security Program	2,812	5,000	–	–	–
Special appropriations					
National Firearms Program Implementation Act 1996	75	75	75	75	75
Special account expenses					
Services for Other Entities and Trust Moneys—Attorney-General's Department Special Account	11,990	24,352	21,286	320	170
Total program expenses	**63,347**	**74,145**	**66,251**	**44,856**	**45,503**

1. Expenses not requiring appropriation in the budget year are made up of depreciation and amortisation expenses of $2.229m relating to the Australian Secure Network.

Program 1.6 deliverables

- Provide services to protect national security and build community resilience.

Program 1.6 key performance indicators

- Improved community resilience.
- Improved protection of national security.

Program 1.7: Australian Government Disaster Financial Support Payments

Program 1.7 objective

This program contributes to Outcome 1 by:

- protecting and promoting the rule of law, and
- building a safe, secure and resilient Australia.

Program 1.7 expenses

The expenses primarily relate to the flooding and severe weather events in early 2013.

	2012–13 Revised budget $'000	2013–14 Budget $'000	2014–15 Forward year 1 $'000	2015–16 Forward year 2 $'000	2016–17 Forward year 3 $'000
Annual administered expenses					
Disaster Income Recovery Subsidy—flooding and severe weather[1]	–	1,000	–	–	–
Ex gratia assistance—New Zealand citizens	10,784	1,000	–	–	–
Special appropriations					
Social Security (Administration) Act 1999	212,258	8,000	–	–	–
Expenses not requiring appropriation in the budget year[2]	440	27,368	2,740	28	–
Total program expenses	**223,482**	**37,368**	**2,740**	**28**	**–**

Note: A measure for natural disaster recovery assistance to individuals with total funding of $216.129m in 2012–13 was published in the Attorney-General's 2012–13 Portfolio Additional Estimates Statements. The estimates for 2013–14 are for further payments expected to continue into that financial year.
1. The government will legislate for a Disaster Recovery Allowance payment to replace the Disaster Income Recovery Subsidy payment to start on 1 October 2013.
2. Expenses not requiring appropriation in the budget year relate to concessions on loan advances of $27.368m.

Program 1.7 deliverables

- Provide immediate, one-off payments to individuals and families affected by major disasters throughout Australia, under the Australian Government Disaster Recovery Payment.
- Provide ex gratia assistance to eligible New Zealand 'non-protected' Special Category Visa (subclass 444) holders who had also been adversely affected by the disasters.

Program 1.7 key performance indicators

- Immediate relief and recovery assistance is provided.

Program 1.8: Royal Commission into Institutional Responses to Child Sexual Abuse

Program 1.8 objective

This program contributes to Outcome 1 by:

- protecting and promoting the rule of law, and
- building a safe, secure and resilient Australia.

Program 1.8 expenses

The level of activity, the number of complaints and allegations and the number and location of hearings needed will become clearer as the Royal Commission progresses. In future budget processes, the government will review the need for any changes to the Royal Commission's funding in consultation with the Royal Commission as additional information becomes available.

	2012–13 Revised budget $'000	2013–14 Budget $'000	2014–15 Forward year 1 $'000	2015–16 Forward year 2 $'000	2016–17 Forward year 3 $'000
Annual administered expenses[1]					
Royal Commission into Institutional Responses to Child Sexual Abuse[2]	30,997	67,529	69,633	66,491	–
Expenses not requiring appropriation in the budget year[3]	–	6,223	14,651	22,363	–
Total program expenses	**30,997**	**73,752**	**84,284**	**88,854**	**–**

1. Departmental funding of $0.378m in 2012–13, $0.757m in 2013–14, $0.764m in 2014–15 and $0.773m in 2015–16 to support the legal financial assistance program for witnesses to the Royal Commission is included in program 1.1. Administered capital funding of $18.669m in 2012–13, $16.856m in 2013–14, $2.856m in 2014–15 and $4.856m in 2015–16 is also being provided for the Royal Commission and is included in Table 3.2.10.
2. In the 2012–13 Portfolio Additional Estimates Statements, $37.297m was provided for 2012–13, of which $6.300m has been reprofiled across the forward years.
3. Expenses not requiring appropriation in the budget year are made up of depreciation and amortisation expenses of $6.223m relating primarily to fit-out and information technology assets.

Program 1.8 deliverables

- Establish the Royal Commission and maintain its ongoing operations.

Program 1.8 key performance indicators

- An interim report is delivered by no later than 30 June 2014.

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 2013–14 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, movements in administered funds, special accounts and government Indigenous expenditure.

3.1 EXPLANATORY TABLES

3.1.1 Movement of administered funds between years

Administered funds can be provided for a specified period, for example under annual Appropriation Acts. Funds not used in the specified period with the agreement of the Finance Minister may be moved to a future year. Table 3.1.1 shows the movement of administered funds approved between years.

Table 3.1.1: Movement of administered funds between years

	2012–13 $'000	2013–14 $'000	2014–15 $'000	2015–16 $'000	2016–17 $'000
Outcome 1					
Financial assistance towards legal costs and related expenses—expenses for witnesses to the Royal Commission into Institutional Responses to Child Sexual Abuse[1]	(4,677)	–	–	–	–
Administered capital budget[2]	(1,887)	1,887	–	–	–
Total movement of administered funds	**(6,564)**	**1,887**	**–**	**–**	**–**

Note: Figures displayed as a negative ( ) represent a decrease in funds; positive figures reflect an increase in funds.
1. Funding of $4.677m was provided in 2012–13. This funding is not required in 2012–13 as public hearings will commence in 2013–14.
2. Funding of $1.877m in 2012–13 has been moved to 2013–14.

3.1.2 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 *Financial Management and Accountability Act 1997* or under separate enabling legislation. Table 3.1.2 shows the expected additions (receipts) and reductions (payments) for each account used by the Department.

Table 3.1.2: Estimates of special account flows and balances

	Outcome	Opening balance 2013–14 *2012–13* $'000	Receipts 2013–14 *2012–13* $'000	Payments 2013–14 *2012–13* $'000	Adjustments 2013–14 *2012–13* $'000	Closing balance 2013–14 *2012–13* $'000
Services for Other Entities and Trust Moneys—Attorney-General's Department Special Account—FMA Act s 20 (A)[1]	1	7,581	23,305	24,352	–	6,534
	1	*12,760*	*6,811*	*11,990*	–	*7,581*
Total special accounts 2012–13 Budget estimate		**7,581**	**23,305**	**24,352**	**–**	**6,534**
Total special accounts 2012–13 estimated actual		*12,760*	*6,811*	*11,990*	–	*7,581*

(A) = Administered.
1. The Department makes payments on behalf of organisations such as the ACT Department of Justice and Community Safety (Chief Justice's salary). Payments are made against moneys received from relevant organisations/jurisdictions. The Department also receives moneys and makes payments in relation to approved law enforcement initiatives under the *Proceeds of Crime Act 2002*.

3.1.3 Australian Government Indigenous expenditure

The Department's contribution to Australian Government Indigenous expenditure is summarised in Table 3.1.3. It relates to the delivery of law and justice programs to benefit Indigenous Australians and communities.

Table 3.1.3: Australian Government Indigenous expenditure (AGIE)

	Appropriations						
	Bill No. 1 $'000	Bill No. 2 $'000	Special approp $'000	Total approp $'000	Other $'000	Total $'000	Program
Outcome 1							
Administered 2013–14	137,153	–	–	137,153	–	137,153	1.3, 1.5
Administered 2012–13	*127,210*	–	–	*127,210*	–	*127,210*	*1.3, 1.5*
Total AGIE 2013–14	**137,153**	**–**	**–**	**137,153**	**–**	**137,153**	
Total AGIE 2012–13	*127,210*	–	–	*127,210*	–	*127,210*	

3.2 BUDGETED FINANCIAL STATEMENTS

3.2.1 Differences in agency resourcing and financial statements

There is no material difference between the agency resourcing and financial statements.

3.2.2 Analysis of budgeted financial statements

Departmental

Income statement

The Department is budgeting for a break-even result in 2012–13 and 2013–14 and across the forward estimates, after excluding unfunded depreciation and amortisation expenses.

The increase in employee and supplier expenses from 2012–13 to 2013–14 is due to the Defence Abuse Response Taskforce and expenses associated with representing and coordinating the Commonwealth's interests in relation to the Royal Commission into Institutional Responses to Child Sexual Abuse. The decrease in employee and supplier expenses from 2013–14 to 2014–15 is primarily due to the planned completion of the taskforce in May 2014.

The sales of goods and services revenue for 2013–13 and 2013–14 reflects reimbursements from the Department of Defence for the costs of the taskforce.

The Department's operating appropriation increases in 2013–14 through to 2015–16 due to the provision of funding to represent and coordinate the Commonwealth's interests in relation to the Royal Commission.

Balance sheet

The Department's net asset (equity) position decreases over the forward estimates as it is not funded for depreciation expenses for major assets.

Administered

Income statement

The Department's administered expenses for 2012–13 include personal benefits and concessional loan advances in relation to natural disasters. Funding for the Royal Commission is provided for the period 2012–13 to 2015–16.

Schedule of budgeted assets and liabilities

The increase to budgeted net assets in 2013–14 is due to receivables linked to additional loans advanced for disaster restoration.

3.2.3 Budgeted financial statements tables

Departmental

Table 3.2.1: Comprehensive income statement (showing net cost of services) for the period ended 30 June

	Estimated actual 2012–13 $'000	Budget estimate 2013–14 $'000	Forward estimate 2014–15 $'000	Forward estimate 2015–16 $'000	Forward estimate 2016–17 $'000
EXPENSES					
Employee benefits	165,683	173,580	159,206	157,563	156,122
Supplier expenses	79,625	91,606	79,258	76,841	67,346
Depreciation and amortisation	21,285	22,191	20,318	18,238	18,866
Total expenses	**266,593**	**287,377**	**258,782**	**252,642**	**242,334**
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	47,112	50,480	27,076	24,896	24,579
Total own-source revenue	**47,112**	**50,480**	**27,076**	**24,896**	**24,579**
Gains					
Other—resources received free of charge	352	356	360	360	360
Total gains	**352**	**356**	**360**	**360**	**360**
Total own-source income	**47,464**	**50,836**	**27,436**	**25,256**	**24,939**
Net cost of (contribution by) services	**219,129**	**236,541**	**231,346**	**227,386**	**217,395**
Revenue from government	198,656	215,075	212,019	211,124	199,276
Surplus (deficit) attributable to the Australian Government	**(20,473)**	**(21,466)**	**(19,327)**	**(16,262)**	**(18,119)**
OTHER COMPREHENSIVE INCOME					
Changes in asset revaluation surplus	–	–	–	–	–
Total other comprehensive income	**–**	**–**	**–**	**–**	**–**
Total comprehensive income (loss)	**(20,473)**	**(21,466)**	**(19,327)**	**(16,262)**	**(18,119)**
Total comprehensive income (loss) attributable to the Australian Government	**(20,473)**	**(21,466)**	**(19,327)**	**(16,262)**	**(18,119)**

Note: Impact of net cash appropriation arrangements	2012–13 $'000	2013–14 $'000	2014–15 $'000	2015–16 $'000	2016–17 $'000
Total comprehensive income (loss) excluding depreciation/amortisation expenses previously funded through revenue appropriations	**–**	**–**	**267**	**1,253**	**–**
Less depreciation/amortisation expenses previously funded through revenue appropriations[1]	20,473	21,466	19,594	17,515	18,119
Total comprehensive income (loss) as per the statement of comprehensive income	**(20,473)**	**(21,466)**	**(19,327)**	**(16,262)**	**(18,119)**

Prepared on Australian Accounting Standards basis.

1. These amounts vary from the depreciation and amortisation expenses shown in Table 3.2.1 above due to the inclusion of depreciation associated with the Auscheck function which is funded from cost-recovery revenue and is used to fund capital enhancements to the Auscheck system.

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

	Estimated actual 2012–13 $'000	Budget estimate 2013–14 $'000	Forward estimate 2014–15 $'000	Forward estimate 2015–16 $'000	Forward estimate 2016–17 $'000
ASSETS					
Financial assets					
Cash and cash equivalents	1,600	1,600	1,600	1,600	1,600
Trade and other receivables	63,934	57,024	55,458	56,015	54,004
Total financial assets	**65,534**	**58,624**	**57,058**	**57,615**	**55,604**
Non-financial assets					
Land and buildings	76,904	70,405	64,901	59,418	57,257
Property, plant and equipment	18,984	17,728	19,031	22,772	25,385
Heritage and cultural assets	1,663	1,663	1,663	1,663	1,663
Intangibles	31,098	28,579	21,858	20,666	19,943
Other	1,709	1,666	1,683	1,720	1,732
Total non-financial assets	**130,358**	**120,041**	**109,136**	**106,239**	**105,980**
Total assets	**195,892**	**178,665**	**166,194**	**163,854**	**161,584**
LIABILITIES					
Payables					
Suppliers	13,273	14,506	13,734	13,734	13,734
Other	4,548	3,226	3,413	3,249	3,247
Total payables	**17,821**	**17,732**	**17,147**	**16,983**	**16,981**
Interest-bearing liabilities					
Other	1,745	1,425	1,154	980	807
Total interest-bearing liabilities	**1,745**	**1,425**	**1,154**	**980**	**807**
Provisions					
Employee provisions	38,273	33,979	32,231	32,424	33,038
Other	686	437	442	458	458
Total provisions	**38,959**	**34,416**	**32,673**	**32,882**	**33,496**
Total liabilities	**58,525**	**53,573**	**50,974**	**50,845**	**51,284**
Net assets	**137,367**	**125,092**	**115,220**	**113,009**	**110,300**
EQUITY					
Parent entity interest					
Contributed equity	184,681	193,872	203,594	218,898	234,308
Reserves	18,734	18,734	18,734	18,734	18,734
Retained surplus (accumulated deficit)	(66,048)	(87,514)	(107,108)	(124,623)	(142,742)
Total parent entity interest	**137,367**	**125,092**	**115,220**	**113,009**	**110,300**
Total equity	**137,367**	**125,092**	**115,220**	**113,009**	**110,300**

Prepared on Australian Accounting Standards basis.

Table 3.2.3: Departmental statement of changes in equity—summary of movement (budget year 2013–14)

	Retained earnings $'000	Asset revaluation reserve $'000	Contributed equity/ capital $'000	Total equity $'000
Opening balance as at 1 July 2013				
Balance carried forward from previous period	(66,048)	18,734	184,681	137,367
Adjustment for changes in accounting policies				
Adjusted opening balance	**(66,048)**	**18,734**	**184,681**	**137,367**
Comprehensive income				
Surplus (deficit) for the period	(21,466)	–	–	(21,466)
Total comprehensive income	**(21,466)**	**–**	**–**	**(21,466)**
Transactions with owners				
Contributions by owners				
Equity injection	–	–	1,451	1,451
Departmental capital budget	–	–	7,740	7,740
Sub-total transactions with owners	**–**	**–**	**9,191**	**9,191**
Estimated closing balance as at 30 June 2014	**(87,514)**	**18,734**	**193,872**	**125,092**
Closing balance attributable to the Australian Government	**(87,514)**	**18,734**	**193,872**	**125,092**

Prepared on Australian Accounting Standards basis.

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

	Estimated actual 2012–13 $'000	Budget estimate 2013–14 $'000	Forward estimate 2014–15 $'000	Forward estimate 2015–16 $'000	Forward estimate 2016–17 $'000
OPERATING ACTIVITIES					
Cash received					
Sale of goods and rendering of services	47,402	50,610	26,742	24,777	24,407
Appropriations	246,665	224,050	216,569	213,376	204,110
Net GST received	11	(31)	13	–	–
Total cash received	**294,078**	**274,629**	**243,324**	**238,153**	**228,517**
Cash used					
Employees	178,269	180,112	162,550	159,301	159,679
Suppliers	107,037	91,791	80,488	77,366	68,838
Total cash used	**285,306**	**271,903**	**243,038**	**236,667**	**228,517**
Net cash from (used by) operating activities	**8,772**	**2,726**	**286**	**1,486**	**–**
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment	19,074	11,917	9,741	15,537	15,410
Total cash used	**19,074**	**11,917**	**9,741**	**15,537**	**15,410**
Net cash from (used by) investing activities	**(19,074)**	**(11,917)**	**(9,741)**	**(15,537)**	**(15,410)**
FINANCING ACTIVITIES					
Cash received					
Contributed equity	**6,881**	**9,191**	**9,722**	**15,304**	**15,410**
Total cash received	**6,881**	**9,191**	**9,722**	**15,304**	**15,410**
Cash used					
Equity transfer to the Official Public Account	–	–	267	1,253	–
Total cash used	**–**	**–**	**267**	**1,253**	**–**
Net cash from (used by) financing activities	**6,881**	**9,191**	**9,455**	**14,051**	**15,410**
Net increase (decrease) in cash held	**(3,421)**	**–**	**–**	**–**	**–**
Cash and cash equivalents at the beginning of the reporting period	5,021	1,600	1,600	1,600	1,600
Cash and cash equivalents at the end of the reporting period	**1,600**	**1,600**	**1,600**	**1,600**	**1,600**

Prepared on Australian Accounting Standards basis.

Table 3.2.5: Departmental capital budget statement

	Estimated actual 2012–13 $'000	Budget estimate 2013–14 $'000	Forward estimate 2014–15 $'000	Forward estimate 2015–16 $'000	Forward estimate 2016–17 $'000
NEW CAPITAL APPROPRIATIONS					
Capital budgets—Bill 1 (DCB)	6,647	7,740	9,532	15,304	15,410
Equity injections—Bill 2	234	1,451	190	–	–
Total new capital appropriations	**6,881**	**9,191**	**9,722**	**15,304**	**15,410**
Provided for:					
Purchase of non-financial assets	6,881	9,191	9,722	15,304	15,410
Total items	**6,881**	**9,191**	**9,722**	**15,304**	**15,410**
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations[1]	234	1,451	190	–	–
Funded by capital appropriation—DCB[2]	13,236	7,740	9,532	15,304	15,410
Funded internally from departmental resources[3]	5,604	2,726	19	233	–
Total	**19,074**	**11,917**	**9,741**	**15,537**	**15,410**
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	19,074	11,917	9,741	15,537	15,410
Total cash used to acquire assets	**19,074**	**11,917**	**9,741**	**15,537**	**15,410**

Prepared on Australian Accounting Standards basis.
DCB = departmental capital budget.
1. Includes both current Bill 2 and prior year Act 2, 4 and 6 appropriations and special capital appropriations.
2. Does not include annual finance lease costs. Includes purchases from current and previous years' departmental capital budgets.
3. Includes the following sources of funding: current Bill 1 and prior year Act 1, 3 and 5 appropriations (excluding amounts from the departmental capital budget), internally developed assets, section 31 relevant agency receipts and proceeds from the sale of assets.

Table 3.2.6: Statement of asset movements (2013–14)

	Land $'000	Buildings $'000	Other property, plant & equipment $'000	Heritage & cultural $'000	Computer software & intangibles $'000	Total $'000
As at 1 July 2013						
Gross book value	865	104,550	44,054	1,663	58,825	209,957
Accumulated depreciation/ amortisation and impairment	–	(28,511)	(25,070)	–	(27,727)	(81,308)
Opening net book balance	**865**	**76,039**	**18,984**	**1,663**	**31,098**	**128,649**
CAPITAL ASSET ADDITIONS						
Estimated expenditure on new or replacement assets						
By purchase—appropriation ordinary annual services[1]	–	310	6,079	–	5,528	11,917
Total additions	**–**	**310**	**6,079**	**–**	**5,528**	**11,917**
Other movements						
Depreciation/amortisation expense	–	(6,809)	(7,335)	–	(8,047)	(22,191)
Total other movements	**–**	**(6,809)**	**(7,335)**	**–**	**(8,047)**	**(22,191)**
As at 30 June 2014						
Gross book value	865	104,860	50,133	1,663	64,353	221,874
Accumulated depreciation/ amortisation and impairment	–	(35,320)	(32,405)	–	(35,774)	(103,499)
Closing net book balance	**865**	**69,540**	**17,728**	**1,663**	**28,579**	**118,375**

Prepared on Australian Accounting Standards basis.
1. 'Appropriation ordinary annual services' refers to funding provided through Appropriation Bill (No. 1) 2013–14 for depreciation and amortisation expenses, departmental capital budgets or other operational expenses.

Administered

Table 3.2.7: Schedule of budgeted income and expenses administered on behalf of government (for the period ended 30 June)

	Estimated actual 2012–13 $'000	Budget estimate 2013–14 $'000	Forward estimate 2014–15 $'000	Forward estimate 2015–16 $'000	Forward estimate 2016–17 $'000
EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT					
Employee benefits	691	28,278	28,800	29,596	–
Supplier expenses	50,779	79,715	82,606	78,945	22,550
Subsidies	2,468	3,343	3,390	3,438	3,485
Personal benefits	224,256	11,211	1,211	1,213	1,213
Grants	399,503	420,939	414,984	402,026	409,062
Depreciation and amortisation	2,380	8,452	16,204	23,956	1,736
Other	440	27,368	2,740	28	–
Total expenses administered on behalf of government	**680,517**	**579,306**	**549,935**	**539,202**	**438,046**
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Non-taxation revenue					
Sale of goods and rendering of services	5,593	8,127	7,953	7,698	7,443
Interest	1,586	1,621	6,175	6,328	5,448
Dividends	7,000	6,250	1,910	3,050	3,540
Other	5,032	5,032	5,032	5,032	5,032
Total non-taxation revenue	**19,211**	**21,030**	**21,070**	**22,108**	**21,463**
Total own-source revenue administered on behalf of government	**19,211**	**21,030**	**21,070**	**22,108**	**21,463**
Total own-source income administered on behalf of government	**19,211**	**21,030**	**21,070**	**22,108**	**21,463**
Net cost of (contribution by) services	**661,306**	**558,276**	**528,865**	**517,094**	**416,583**
Surplus (deficit)	**(661,306)**	**(558,276)**	**(528,865)**	**(517,094)**	**(416,583)**
OTHER COMPREHENSIVE INCOME					
Changes in asset revaluation surplus	–	–	–	–	–
Total other comprehensive income	**–**	**–**	**–**	**–**	**–**
Total comprehensive income (loss)	**(661,306)**	**(558,276)**	**(528,865)**	**(517,094)**	**(416,583)**

Prepared on Australian Accounting Standards basis.

Table 3.2.8: Schedule of budgeted assets and liabilities administered on behalf of government (as at 30 June)

	Estimated actual 2012–13 $'000	Budget estimate 2013–14 $'000	Forward estimate 2014–15 $'000	Forward estimate 2015–16 $'000	Forward estimate 2016–17 $'000
ASSETS ADMINISTERED ON BEHALF OF GOVERNMENT					
Financial assets					
Receivables	69,524	133,305	130,129	110,407	95,336
Other investments	376,490	376,490	376,490	376,490	376,490
Other	618	202	212	222	224
Total financial assets	**446,632**	**509,997**	**506,831**	**487,119**	**472,050**
Non-financial assets					
Land and buildings	15,225	15,002	5,779	–	–
Property, plant and equipment	6,644	7,476	6,907	2,931	2,108
Intangibles	561	11,125	8,453	–	–
Total non-financial assets	**22,430**	**33,603**	**21,139**	**2,931**	**2,108**
Total assets administered on behalf of government	**469,062**	**543,600**	**527,970**	**490,050**	**474,158**
LIABILITIES ADMINISTERED ON BEHALF OF GOVERNMENT					
Payables					
Suppliers	4,686	1,530	1,610	1,679	1,698
Grants	13,951	14,026	13,705	14,016	14,259
Other payables	7,007	7,007	7,007	7,007	7,007
Total payables	**25,644**	**22,563**	**22,322**	**22,702**	**22,964**
Provisions					
Other provisions	693	993	876	864	831
Total provisions	**693**	**993**	**876**	**864**	**831**
Total liabilities administered on behalf of government	**26,337**	**23,556**	**23,198**	**23,566**	**23,795**
Net assets/(liabilities)	**442,725**	**520,044**	**504,772**	**466,484**	**450,363**

Prepared on Australian Accounting Standards basis.

Table 3.2.9: Schedule of budgeted administered cash flows (for the period ended 30 June)

	Estimated actual 2012–13 $'000	Budget estimate 2013–14 $'000	Forward estimate 2014–15 $'000	Forward estimate 2015–16 $'000	Forward estimate 2016–17 $'000
OPERATING ACTIVITIES					
Cash received					
Sales of goods and rendering of services	5,593	7,125	8,342	7,739	7,556
Interest	1,003	941	2,766	2,707	2,269
Dividends	7,000	6,250	1,910	3,050	3,540
Other	5,096	5,032	5,032	5,032	5,032
Total cash received	**18,692**	**19,348**	**18,050**	**18,528**	**18,397**
Cash used					
Grant payments	388,643	420,864	415,305	401,715	408,819
Subsidies paid	2,468	3,343	3,390	3,438	3,485
Personal benefits	224,256	11,211	1,211	1,213	1,213
Suppliers	50,246	82,796	83,285	80,368	23,957
Employees	691	28,278	28,800	29,596	–
Total cash used	**666,304**	**546,492**	**531,991**	**516,330**	**437,474**
Net cash from (used by) operating activities	**(647,612)**	**(527,144)**	**(513,941)**	**(497,802)**	**(419,077)**
INVESTING ACTIVITIES					
Cash received					
Repayments of advances and loans	7,427	10,670	10,888	23,412	18,460
Total cash received	**7,427**	**10,670**	**10,888**	**23,412**	**18,460**
Cash used					
Purchase of property, plant and equipment	18,669	19,625	3,740	5,748	913
Advances and loans made	21,068	117,220	10,357	4,916	–
Total cash used	**39,737**	**136,845**	**14,097**	**10,664**	**913**
Net cash from (used by) investing activities	**(32,310)**	**(126,175)**	**(3,209)**	**12,748**	**17,547**
FINANCING ACTIVITIES					
Net increase (decrease) in cash held	**(679,922)**	**(653,319)**	**(517,150)**	**(485,054)**	**(401,530)**
Cash and cash equivalents at the beginning of the reporting period	–	–	–	–	–
Cash from Official Public Account for:					
– Appropriations	687,524	665,605	544,301	523,006	427,368
Cash to Official Public Account for:					
– Appropriations	(7,602)	(12,286)	(27,151)	(37,952)	(25,838)
Cash and cash equivalents at the end of the reporting period	**–**	**–**	**–**	**–**	**–**

Prepared on Australian Accounting Standards basis.

Table 3.2.10: Schedule of administered capital budget statement

	Estimated actual 2012–13 $'000	Budget estimate 2013–14 $'000	Forward estimate 2014–15 $'000	Forward estimate 2015–16 $'000	Forward estimate 2016–17 $'000
NEW CAPITAL APPROPRIATIONS					
Capital budget—Bill 1 (ACB)[1]	–	2,769	884	892	913
Administered assets and liabilities—Bill 2	21,068	117,220	10,357	4,916	–
Total new capital appropriations	**21,068**	**119,989**	**11,241**	**5,808**	**913**
Provided for:					
Purchase of non-financial assets	18,669	19,625	3,740	5,748	913
Other items	2,399	100,364	7,501	60	–
Total items	**21,068**	**119,989**	**11,241**	**5,808**	**913**
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations[2, 3]	18,669	16,856	2,856	4,856	–
Funded by capital appropriation—ACB[2, 4]	–	2,769	884	892	913
Total	**18,669**	**19,625**	**3,740**	**5,748**	**913**
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total accrual purchases	18,669	19,625	3,740	5,748	913
Total cash used to acquire assets	**18,669**	**19,625**	**3,740**	**5,748**	**913**

Prepared on Australian Accounting Standards basis.
ACB = administered capital budget.
1. Funding of $1.877m in 2012–13 has been moved to 2013–14.
2. Includes both current Bill 2 and prior year Act 2, 4 and 6 appropriations and special capital appropriations.
3. In the 2012–13 Portfolio Additional Estimates Statements, $26.669m was provided for the Royal Commission into Institutional Responses to Child Sexual Abuse, of which $8.000m is being moved to 2013–14.
4. Includes purchases from current and previous years' administered capital budgets.

Table 3.2.11: Statement of administered asset movements (2013–14)

	Buildings $'000	Other property, plant & equipment $'000	Computer software & intangibles $'000	Total $'000
As at 1 July 2012				
Gross book value	15,225	8,861	1,994	26,080
Accumulated depreciation/ amortisation and impairment	–	(2,217)	(1,433)	(3,650)
Opening net book balance	**15,225**	**6,644**	**561**	**22,430**
CAPITAL ASSET ADDITIONS				
Estimated expenditure on new or replacement assets				
By purchase—appropriation ordinary annual services	6,000	2,769	10,856	19,625
Total additions	**6,000**	**2,769**	**10,856**	**19,625**
Other movements				
Depreciation/amortisation expense	(6,223)	(1,937)	(292)	(8,452)
Total other movements	**(6,223)**	**(1,937)**	**(292)**	**(8,452)**
As at 30 June 2013				
Gross book value	21,225	11,630	12,850	45,705
Accumulated depreciation/ amortisation and impairment	(6,223)	(4,154)	(1,725)	(12,102)
Closing net book balance	**15,002**	**7,476**	**11,125**	**33,603**

Prepared on Australian Accounting Standards basis.

3.2.4 Notes to the financial statements

Basis of accounting

The budgeted financial statements have been prepared on an accrual accounting basis, having regard to Statements of Accounting concepts, and in accordance with the Finance Minister's Orders, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board.

Departmental

Revenue from government

Amounts appropriated 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.

Other revenue

Revenue from rendering of specific services is recognised by reference to the stage of completion of contracts or other agreements.

Employee expenses

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

Supplier expenses

Supplier expenses consist of administrative costs, consultants' fees, travel expenses and property operating expenses.

Leases

A distinction is made between finance leases, which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to ownership of leased non-current assets, and operating leases under which the lessor effectively retains substantially all such risks and benefits.

Where a non-current asset is acquired by means of a finance lease, the asset is capitalised at the lower of fair value or the present value of minimum lease payments at the inception of the lease and a liability recognised for the same amount. Leased assets are amortised over the period of the lease. Lease payments are allocated between the principal component and the interest expense.

Operating lease payments are charged to the income statement on a basis that is representative of the pattern of benefits derived from the lease assets.

Depreciation and amortisation

Computer equipment is depreciated using the declining-balance method while, for all other plant and equipment, the straight-line method of depreciation is applied. Leasehold improvements are amortised on a straight-line basis over the lesser of the estimated life of the improvements or the unexpired period of the lease.

Depreciation/amortisation rates (useful lives) are reviewed at each balance date and necessary adjustments are recognised.

Cash

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

Asset valuation

The Department has adopted fair value as a basis for valuing its leasehold improvements and plant and equipment. Valuation is conducted with sufficient frequency to ensure that the carrying amounts of assets do not differ materially from the assets' fair values as at the reporting date.

Attorney-General's Department

Asset recognition threshold

Purchases of property, plant and equipment are recognised initially at cost in the balance sheet, except for purchases costing less than $2,000, which are expensed in the year of acquisition.

Receivables

A provision is raised for any doubtful debts based on a review of the collectability of all outstanding accounts as at year-end.

Bad debts are written off during the year in which they are identified.

Provisions and payables

Provisions and payables represent liabilities for miscellaneous accruals and employee benefits, including accrued salary and leave entitlements, provisions for making-good leased premises and lease incentives. No provision for sick leave is required as all sick leave is non-vesting.

Administered

Revenue

All administered revenues are revenues relating to the core operating activities performed by the Department on behalf of the Australian Government. Levies, fees and fines revenue is recognised when it is probable that the economic benefit comprising the consideration will flow to the entity.

Revenue from the rendering of service is recognised on delivery of that service to customers. Interest revenue is recognised on a time proportionate basis that takes into account the effective yield on the relevant asset. Dividend revenue is recognised when the right to receive a dividend has been established.

Assets

Administered financial assets are made up of receivables and investments. The administered investments are recorded at fair value. Administered non-financial assets comprise land and buildings; infrastructure, plant and equipment; intangibles; heritage and cultural assets; inventories; and prepayments. The accounting policies in relation to non-financial assets are the same as for departmental non-financial assets.

Liabilities

Administered liabilities are made up of employee provisions, creditors for suppliers, grants and subsidy arrangements.

ADMINISTRATIVE APPEALS TRIBUNAL

Section 1: Agency overview and resources

1.1 STRATEGIC DIRECTION STATEMENT

The role of the Administrative Appeals Tribunal (the Tribunal) is to provide independent review on the merits of a wide range of administrative decisions made under the laws of the Commonwealth of Australia and of Norfolk Island. The Tribunal may affirm, vary or set aside a decision under review. The Tribunal assists the parties to try to reach an agreed outcome using conferencing or another alternative dispute resolution (ADR) process. If the parties cannot resolve the matter, the Tribunal holds a formal hearing and makes a decision.

The Tribunal has jurisdiction to review decisions made under approximately 400 separate Acts and legislative instruments. Decisions in the areas of social security, taxation, veterans' affairs and workers' compensation constitute the bulk of the Tribunal's workload. The Tribunal also reviews decisions in areas such as bankruptcy, civil aviation, corporations law, customs, freedom of information, immigration and citizenship, industry assistance and security assessments undertaken by the Australian Security Intelligence Organisation.

In March 2013, the *National Disability Insurance Scheme Act 2013* passed the Parliament. The Tribunal will have jurisdiction to review a range of decisions, including eligibility and extent of support decisions, made by the National Disability Insurance Scheme (NDIS) Launch Transition Agency during the launch phase of the NDIS (2013–14 to 2015–16). Funding of $3.8m has been provided over the forward estimates period for the Tribunal's services during the launch phase.

Many Tribunal members are authorised to perform additional functions such as the issuing of warrants under a range of Acts including the *Surveillance Devices Act 2004* and the *Telecommunications (Interception and Access) Act 1979*.

Applicants are able to access the Tribunal through registries in all states, in the Australian Capital Territory and on Norfolk Island. Northern Territory applicants are serviced from Brisbane. The Tribunal has members and staff located at each office in Australia to conduct ADR processes and hearings and provides a circuit service to regional areas in the various states, the Northern Territory and Norfolk Island. Where appropriate, the Tribunal uses videoconferencing and teleconferencing facilities to conduct ADR processes and hearings. The Tribunal continues to keep the costs of delivering circuit services under review in order to improve efficiencies whenever possible.

The Tribunal continues to identify and pursue initiatives that ensure it provides a mechanism for review that is fair, just, economical, informal and quick. During 2013–14 the Tribunal will focus on implementing, or continuing to implement, key initiatives in the following areas:

- refining case management practices and ADR processes to further enhance the early and just resolution of applications
- continuing to work on the development of a suite of integrated online services to offer users greater choice in how they interact with the Tribunal
- developing a property plan to address the Tribunal's future requirements, and
- strengthening information and records management.

1.2 AGENCY RESOURCE STATEMENT

Table 1.1 shows the total resources from all sources.

Table 1.1: Agency resource statement—Budget estimates for 2013–14 as at Budget May 2013

	Estimate of prior year amounts available in 2013–14 $'000	+	Proposed at Budget 2013–14 $'000	=	Total estimate 2013–14 $'000	Actual available appropriation 2012–13 $'000
ORDINARY ANNUAL SERVICES[1]						
Departmental appropriation						
Prior year departmental appropriation[2]	11,060		–		11,060	11,183
Departmental appropriation[3]	–		35,190		35,190	33,542
s 31 relevant agency receipts[4]	–		1,085		1,085	1,085
Total	**11,060**		**36,275**		**47,335**	**45,810**
Administered expenses						
Outcome 1[5]	–		700		700	700
Total	**–**		**700**		**700**	**700**
Total ordinary annual services	**11,060**		**36,975**		**48,035**	**46,510**
Total available annual appropriations	**11,060**		**36,975**		**48,035**	**46,510**
Total net resourcing for agency	**11,060**		**36,975**		**48,035**	**46,510**

All figures are GST exclusive.
1. Appropriation Bill (No. 1) 2013–14.
2. Estimated adjusted balance carried forward from previous year.
3. Includes an amount of $1.066m in 2013–14 for the departmental capital budget (see Table 3.2.5 for further details). For accounting purposes this amount has been designated as 'contributions by owners'.
4. Section 31 relevant agency receipts—estimate.
5. Estimated value of section 28 appropriations for repayment of part of application fees previously received by the Commonwealth to successful applicants to the Tribunal (see Table 3.2.7).

1.3 BUDGET MEASURES

Budget measures announced since the 2012–13 Mid-Year Economic and Fiscal Outlook (MYEFO) relating to the Tribunal are detailed in Budget Paper No. 2 and are summarised in Part 1 of Table 1.2. MYEFO measures not previously reported in a portfolio statement are summarised in Part 2.

Table 1.2: Agency 2013–14 Budget measures

Part 1: Measures announced since the 2012–13 MYEFO

	Program	2012–13 $'000	2013–14 $'000	2014–15 $'000	2015–16 $'000	2016–17 $'000
Expense measures						
Attorney-General's Portfolio savings—redirection	1.1					
Departmental expenses		–	(53)	(54)	(54)	(54)
Total expense measures		**–**	**(53)**	**(54)**	**(54)**	**(54)**

Prepared on a Government Finance Statistics (fiscal) basis.

Part 2: MYEFO measures not previously reported in a portfolio statement

	Program	2012–13 $'000	2013–14 $'000	2014–15 $'000	2015–16 $'000	2016–17 $'000
Expense measures						
Targeted savings—public service efficiencies	1.1					
Departmental expenses		–	(67)	(69)	(65)	(52)
Total expense measures		**–**	**(67)**	**(69)**	**(65)**	**(52)**

Prepared on a Government Finance Statistics (fiscal) basis.

Section 2: Outcomes and planned performance

2.1 OUTCOMES AND PERFORMANCE INFORMATION

Government outcomes are the intended results, impacts or consequences of actions by the government on the Australian community. Commonwealth programs are the primary vehicle by which government agencies achieve the intended results of their outcome statements. Agencies are required to identify the programs that contribute to government outcomes over the budget and forward years.

The Tribunal's outcome is described below together with its related program, specifying the performance indicators and targets used to assess and monitor the performance of the Tribunal in achieving government outcomes.

Outcome 1: Access to a fair, just, economical, informal and quick review mechanism for applicants through reviews of government administrative decisions, including dispute resolution processes and independent formal hearings

Outcome 1 strategy

The Tribunal's strategies to achieve its primary output—completed reviews of decisions—include regular monitoring of case loads and casework distribution, review of practice and procedure, ongoing professional development (including mentoring and performance reviews of Tribunal members and staff) and development of electronic services and information management. These strategies ensure that the Tribunal is working to achieve the output and will be able to perform its duties to the highest standards. The Tribunal devotes resources to conferencing and other ADR processes to resolve cases without the need for a hearing. This strategy helps resolve a significant number of applications each year in a timely and economical manner.

Outcome 1 expense statement

Table 2.1 provides an overview of the total expenses for Outcome 1, by program.

Table 2.1: Budgeted expenses for Outcome 1

Outcome 1: Access to a fair, just, economical, informal and quick review mechanism for applicants through reviews of government administrative decisions, including dispute resolution processes and independent formal hearings	**2012–13 Estimated actual expenses $'000**	**2013–14 Estimated expenses $'000**
Program 1.1: Administrative Appeals Tribunal		
Administered expenses		
s 28 appropriation for repayment by the Commonwealth[1]	700	700
Departmental expenses		
Departmental appropriation[2]	34,162	35,209
Expenses not requiring appropriation in the budget year[3]	3,206	3,214
Total expenses for Outcome 1	**38,068**	**39,123**

	2012–13	**2013–14**
Average staffing level (number)	162	170

Note: Departmental appropriation splits and totals are indicative estimates and may change in the course of the budget year as government priorities change.
1. Estimated value of section 28 appropriations for repayment of part of application fees previously received by the Commonwealth to successful applicants to the Tribunal.
2. Departmental appropriation combines 'Ordinary annual services (Appropriation Bill No. 1)' and 'Revenue from independent sources (s 31)'.
3. Expenses not requiring appropriation in the budget year are made up of depreciation and amortisation expenses, ANAO audit fees, notional contributions under the Judges' Pension Scheme and a portion of the Tribunal's occupancy costs of Commonwealth Law Courts buildings in Brisbane and Hobart.

Contributions to Outcome 1

Program 1.1: Administrative Appeals Tribunal

Program 1.1 objective

The Tribunal is a single program agency. Its objective is to provide applicants with a fair, just, economical, informal and quick mechanism for review of government administrative decisions.

Program 1.1 expenses

The Tribunal expects to operate within appropriated funding in 2013–14. Pressure remains on the budget in future years as costs are likely to increase at rates exceeding funding, resulting in the need for further efficiencies to remain within the appropriated amounts.

From 2013–14 the Tribunal will support the NDIS by undertaking external merits review of certain decisions of the NDIS Launch Transition Agency. Expenditure is expected to increase moderately during the launch phase, with an estimated 12% increase in caseload over the first three years before the NDIS reaches the full implementation phase. Funding of $3.8m has been provided to the Tribunal for the anticipated level of increase in caseload over the next three years.

	2012–13 Revised budget $'000	2013–14 Budget $'000	2014–15 Forward year 1 $'000	2015–16 Forward year 2 $'000	2016–17 Forward year 3 $'000
Annual administered expenses					
Administered item (s 28 repayments)	700	700	700	700	700
Annual departmental expenses					
Departmental item	34,162	35,209	35,037	35,159	34,275
Expenses not requiring appropriation in the budget year[1]	3,206	3,214	3,224	3,234	3,234
Total program expenses	**38,068**	**39,123**	**38,961**	**39,093**	**38,209**

1. Expenses not requiring appropriation in the budget year are made up of depreciation and amortisation expenses, ANAO audit fees, notional contributions under the Judges' Pension Scheme and a portion of the Tribunal's occupancy costs of Commonwealth Law Courts buildings in Brisbane and Hobart.

Program 1.1 deliverables

The primary deliverable of the Tribunal is completing reviews of decisions in a manner that is fair, just, economical, informal and quick. There are two paths to achieve the deliverable:

- applications finalised without a hearing, and
- applications finalised with a hearing.

All Australians are able to access the Tribunal through registries in all states, in the Australian Capital Territory and on Norfolk Island. Northern Territory applicants are serviced from Brisbane and regional applicants are serviced by circuit hearings or video- and teleconferencing as needed.

The Tribunal's deliverables targets for applications finalised with and without a hearing have been temporarily increased to reflect the additional number of applications that are expected to be lodged during the launch phase of the NDIS (2013–14 to 2015–16). The new targets recognise that the additional funding provided to the Tribunal for NDIS applications will result in finalisation of a greater number of cases.

Deliverables	2012–13 Revised budget	2013–14 Budget	2014–15 Forward year 1	2015–16 Forward year 2	2016–17 Forward year 3
Applications finalised without a hearing					
Number of applications finalised without a hearing each year	5,355	5,975	5,975	5,975	5,481
Applications finalised with a hearing					
Number of applications finalised with a hearing each year	1,339	1,494	1,494	1,494	1,371

Program 1.1 key performance indicators

The Tribunal has reviewed its key performance indicators and made changes to better reflect its disposition of review applications.

The Tribunal also measures its performance periodically through client satisfaction surveys. The results of the surveys are included in the annual report.

Key performance indicators	2012–13 Revised budget	2013–14 Budget	2014–15 Forward year 1	2015–16 Forward year 2	2016–17 Forward year 3
Percentage of applications finalised within 12 months of lodgment	75%	75%	75%	75%	75%
Percentage of applications resolved without a hearing	80%	80%	80%	80%	80%

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 2013–14 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.

3.1 EXPLANATORY TABLES

3.1.1 Movement of administered funds between years

The Tribunal has not moved any administered funds between years.

3.1.2 Special accounts

The Tribunal has no special accounts.

3.1.3 Australian Government Indigenous expenditure

The Tribunal has no Indigenous-specific expenses.

3.2 BUDGETED FINANCIAL STATEMENTS

3.2.1 Differences in agency resourcing and financial statements

There is no material difference between the agency resourcing and financial statements.

3.2.2 Analysis of budgeted financial statements

The Tribunal will receive $3.8m in appropriation funding to review decisions under the NDIS legislation during the launch phase of the NDIS (2013–14 to 2015–16). The fluctuations in revenue from government during that period are due to variations in the number of applications for review that are expected to be made in each year of the launch phase. The Tribunal's jurisdiction under the NDIS legislation will be reviewed at the end of the launch phase. Whether the Tribunal will receive appropriation funding to review decisions under the NDIS legislation after the launch phase will be decided at the completion of that review.

3.2.3 Budgeted financial statements tables

Departmental

Table 3.2.1: Comprehensive income statement (showing net cost of services) for the period ended 30 June

	Estimated actual 2012–13 $'000	Budget estimate 2013–14 $'000	Forward estimate 2014–15 $'000	Forward estimate 2015–16 $'000	Forward estimate 2016–17 $'000
EXPENSES					
Employee benefits	22,892	23,814	23,651	23,730	22,982
Supplier expenses	12,561	12,694	12,695	12,748	12,612
Depreciation and amortisation	1,915	1,915	1,915	1,915	1,915
Total expenses	**37,368**	**38,423**	**38,261**	**38,393**	**37,509**
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	1,085	1,085	1,085	1,085	1,085
Total own-source revenue	**1,085**	**1,085**	**1,085**	**1,085**	**1,085**
Gains					
Other	1,291	1,299	1,309	1,319	1,319
Total gains	**1,291**	**1,299**	**1,309**	**1,319**	**1,319**
Total own-source income	**2,376**	**2,384**	**2,394**	**2,404**	**2,404**
Net cost of (contribution by) services	**–**	**–**	**–**	**–**	**–**
Revenue from government	33,077	34,124	33,952	34,074	33,190
Surplus (deficit) attributable to the Australian Government	**(1,915)**	**(1,915)**	**(1,915)**	**(1,915)**	**(1,915)**
OTHER COMPREHENSIVE INCOME					
Changes in asset revaluation surplus	–	–	–	–	–
Total other comprehensive income	**–**	**–**	**–**	**–**	**–**
Total comprehensive income (loss)	**(1,915)**	**(1,915)**	**(1,915)**	**(1,915)**	**(1,915)**
Total comprehensive income (loss) attributable to the Australian Government	**(1,915)**	**(1,915)**	**(1,915)**	**(1,915)**	**(1,915)**

Note: Impact of net cash appropriation arrangements	2012–13 $'000	2013–14 $'000	2014–15 $'000	2015–16 $'000	2016–17 $'000
Total comprehensive income (loss) excluding depreciation/amortisation expenses previously funded through revenue appropriations	**–**	**–**	**–**	**–**	**–**
Less depreciation/amortisation expenses previously funded through revenue appropriations	1,915	1,915	1,915	1,915	1,915
Total comprehensive income (loss) as per the statement of comprehensive income	**(1,915)**	**(1,915)**	**(1,915)**	**(1,915)**	**(1,915)**

Prepared on Australian Accounting Standards basis.

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

	Estimated actual 2012–13 $'000	Budget estimate 2013–14 $'000	Forward estimate 2014–15 $'000	Forward estimate 2015–16 $'000	Forward estimate 2016–17 $'000
ASSETS					
Financial assets					
Cash and cash equivalents	283	283	283	283	283
Trade and other receivables	11,257	11,134	11,011	10,888	10,765
Total financial assets	**11,540**	**11,417**	**11,294**	**11,171**	**11,048**
Non-financial assets					
Land and buildings	3,499	3,141	1,935	1,343	343
Property, plant and equipment	1,303	951	1,288	1,349	1,277
Intangibles	139	–	186	38	454
Other non-financial assets	346	346	346	346	346
Total non-financial assets	**5,287**	**4,438**	**3,755**	**3,076**	**2,420**
Total assets	**16,827**	**15,855**	**15,049**	**14,247**	**13,468**
LIABILITIES					
Payables					
Suppliers	661	661	661	661	661
Total payables	**661**	**661**	**661**	**661**	**661**
Interest-bearing liabilities					
Other interest-bearing liabilities	690	567	444	321	198
Total interest-bearing liabilities	**690**	**567**	**444**	**321**	**198**
Provisions					
Employee provisions	6,071	6,071	6,071	6,071	6,071
Other provisions	480	480	480	480	480
Total provisions	**6,551**	**6,551**	**6,551**	**6,551**	**6,551**
Total liabilities	**7,902**	**7,779**	**7,656**	**7,533**	**7,410**
Net assets	**8,925**	**8,076**	**7,393**	**6,714**	**6,058**
EQUITY					
Parent entity interest					
Contributed equity	3,610	4,676	5,908	7,144	8,403
Reserves	3,821	3,821	3,821	3,821	3,821
Retained surplus (accumulated deficit)	1,494	(421)	(2,336)	(4,251)	(6,166)
Total parent entity interest	**8,925**	**8,076**	**7,393**	**6,714**	**6,058**
Total equity	**8,925**	**8,076**	**7,393**	**6,714**	**6,058**

Prepared on Australian Accounting Standards basis.

Table 3.2.3: Departmental statement of changes in equity—summary of movement (budget year 2013–14)

	Retained earnings $'000	Asset revaluation reserve $'000	Contributed equity/ capital $'000	Total equity $'000
Opening balance as at 1 July 2013				
Balance carried forward from previous period	1,494	3,821	3,610	8,925
Adjustment for changes in accounting policies	–	–	–	–
Adjusted opening balance	**1,494**	**3,821**	**3,610**	**8,925**
Comprehensive income				
Surplus (deficit) for the period	(1,915)	–	–	(1,915)
Total comprehensive income	**(1,915)**	**–**	**–**	**(1,915)**
Of which:				
Attributable to the Australian Government	(1,915)	–	–	(1,915)
Transactions with owners				
Contributions by owners				
Departmental capital budget	–	–	1,066	1,066
Sub-total transactions with owners	**–**	**–**	**1,066**	**1,066**
Estimated closing balance as at 30 June 2014	**(421)**	**3,821**	**4,676**	**8,076**
Closing balance attributable to the Australian Government	**(421)**	**3,821**	**4,676**	**8,076**

Prepared on Australian Accounting Standards basis.

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

	Estimated actual 2012–13 $'000	Budget estimate 2013–14 $'000	Forward estimate 2014–15 $'000	Forward estimate 2015–16 $'000	Forward estimate 2016–17 $'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	34,800	35,847	35,675	34,197	33,313
Sale of goods and rendering of services	1,085	1,085	1,085	1,085	1,085
Total cash received	**35,885**	**36,932**	**36,760**	**35,282**	**34,398**
Cash used					
Employees	22,477	23,399	23,425	23,541	22,793
Suppliers	13,285	13,410	13,212	11,618	11,482
Total cash used	**35,762**	**36,809**	**36,637**	**35,159**	**34,275**
Net cash from (used by) operating activities	**123**	**123**	**123**	**123**	**123**
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment	465	1,066	1,232	1,236	1,259
Total cash used	**465**	**1,066**	**1,232**	**1,236**	**1,259**
Net cash from (used by) investing activities	**(465)**	**(1,066)**	**(1,232)**	**(1,236)**	**(1,259)**
FINANCING ACTIVITIES					
Cash received					
Contributed equity	465	1,066	1,232	1,236	1,259
Total cash received	**465**	**1,066**	**1,232**	**1,236**	**1,259**
Cash used					
Repayments of borrowings	123	123	123	123	123
Total cash used	**123**	**123**	**123**	**123**	**123**
Net cash from (used by) financing activities	**342**	**943**	**1,109**	**1,113**	**1,136**
Net increase (decrease) in cash held	**–**	**–**	**–**	**–**	**–**
Cash and cash equivalents at the beginning of the reporting period	283	283	283	283	283
Cash and cash equivalents at the end of the reporting period	**283**	**283**	**283**	**283**	**283**

Prepared on Australian Accounting Standards basis.

Table 3.2.5: Departmental capital budget statement

	Estimated actual 2012–13 $'000	Budget estimate 2013–14 $'000	Forward estimate 2014–15 $'000	Forward estimate 2015–16 $'000	Forward estimate 2016–17 $'000
NEW CAPITAL APPROPRIATIONS					
Capital budgets—Bill 1 (DCB)	465	1,066	1,232	1,236	1,259
Total new capital appropriations	**465**	**1,066**	**1,232**	**1,236**	**1,259**
Provided for:					
Purchase of non-financial assets	465	1,066	1,232	1,236	1,259
Total items	**465**	**1,066**	**1,232**	**1,236**	**1,259**
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriation—DCB[1]	465	1,066	1,232	1,236	1,259
Total	**465**	**1,066**	**1,232**	**1,236**	**1,259**
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	465	1,066	1,232	1,236	1,259
Total cash used to acquire assets	**465**	**1,066**	**1,232**	**1,236**	**1,259**

Prepared on Australian Accounting Standards basis.
DCB = departmental capital budget.
1. Does not include annual finance lease costs. Includes purchases from current and previous years' departmental capital budgets.

Table 3.2.6: Statement of asset movements (2013–14)

	Buildings $'000	Other property, plant & equipment $'000	Computer software & intangibles $'000	Total $'000
As at 1 July 2013				
Gross book value	3,499	1,303	1,074	5,876
Accumulated depreciation/ amortisation and impairment	–	–	(935)	(935)
Opening net book balance	**3,499**	**1,303**	**139**	**4,941**
CAPITAL ASSET ADDITIONS				
Estimated expenditure on new or replacement assets				
By purchase—appropriation ordinary annual services[1]	848	164	54	1,066
Total additions	**848**	**164**	**54**	**1,066**
Other movements				
Depreciation/amortisation expense	(1,206)	(516)	(193)	(1,915)
Total other movements	**(1,206)**	**(516)**	**(193)**	**(1,915)**
As at 30 June 2014				
Gross book value	3,141	951	1,128	5,220
Accumulated depreciation/ amortisation and impairment	–	–	(1,128)	(1,128)
Closing net book balance	**3,141**	**951**	**–**	**4,092**

Prepared on Australian Accounting Standards basis.
1. 'Appropriation ordinary annual services' refers to funding provided through Appropriation Bill (No. 1) 2013–14 for departmental capital budgets or other operational expenses.

Administered

Table 3.2.7: Schedule of budgeted income and expenses administered on behalf of government (for the period ended 30 June)

	Estimated actual 2012–13 $'000	Budget estimate 2013–14 $'000	Forward estimate 2014–15 $'000	Forward estimate 2015–16 $'000	Forward estimate 2016–17 $'000
EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT					
Other expenses (refunds of revenue)	700	700	700	700	700
Total expenses administered on behalf of government	**700**	**700**	**700**	**700**	**700**
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Non-taxation revenue					
Fees and fines	1,956	1,961	1,961	1,961	1,961
Total non-taxation revenue	**1,956**	**1,961**	**1,961**	**1,961**	**1,961**
Total own-source revenue administered on behalf of government	**1,956**	**1,961**	**1,961**	**1,961**	**1,961**
Net cost of (contribution by) services	**1,256**	**1,261**	**1,261**	**1,261**	**1,261**
Surplus (deficit)	**1,256**	**1,261**	**1,261**	**1,261**	**1,261**
Total comprehensive income (loss)	**1,256**	**1,261**	**1,261**	**1,261**	**1,261**

Prepared on Australian Accounting Standards basis.

Table 3.2.8: Schedule of budgeted assets and liabilities administered on behalf of government (as at 30 June)

The Tribunal has no assets or liabilities administered on behalf of government.

Table 3.2.9: Schedule of budgeted administered cash flows (for the period ended 30 June)

	Estimated actual 2012–13 $'000	Budget estimate 2013–14 $'000	Forward estimate 2014–15 $'000	Forward estimate 2015–16 $'000	Forward estimate 2016–17 $'000
OPERATING ACTIVITIES					
Cash received					
Fees	1,956	1,961	1,961	1,961	1,961
Total cash received	**1,956**	**1,961**	**1,961**	**1,961**	**1,961**
Cash used					
Other	700	700	700	700	700
Total cash used	**700**	**700**	**700**	**700**	**700**
Net cash from (used by) operating activities	**1,256**	**1,261**	**1,261**	**1,261**	**1,261**
Net increase (decrease) in cash held	**1,256**	**1,261**	**1,261**	**1,261**	**1,261**
Cash and cash equivalents at the beginning of the reporting period	–	–	–	–	–
Cash from Official Public Account for:					
– Appropriations	700	700	700	700	700
Cash to Official Public Account for:					
– Appropriations	(1,956)	(1,961)	(1,961)	(1,961)	(1,961)
Cash and cash equivalents at the end of the reporting period	**–**	**–**	**–**	**–**	**–**

Prepared on Australian Accounting Standards basis.

3.2.4 Notes to the financial statements

Basis of accounting

The budgeted financial statements have been prepared on an accrual accounting basis, having regard to Statements of Accounting Concepts, and in accordance with the Finance Minister's Orders, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board.

Departmental

Revenue from government

Appropriations for departmental 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.

Other revenue

The President of the Tribunal has entitlements under the *Judges' Pensions Act 1968*, which are unfunded. The estimated cost of these entitlements is included in other revenue as resources received free of charge. (This amount is expensed as an employee expense.)

Administrative Appeals Tribunal

Employee expenses

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

Supplier expenses

Supplier expenses consist of administrative costs, consultants' fees, travel expenses and property operating expenses.

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 land 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 amounts owed to creditors.

Administered

Revenue

All administered revenue relates to the course of ordinary activities performed by the Tribunal on behalf of the Australian Government. Fees are charged for lodging certain applications with the Tribunal. Some exemptions and partial waivers can apply to the payment of a fee. Revenue is recognised in the year the fee is paid. All revenues are remitted to the Official Public Account.

Expenses

Applications deemed to be successful may result in a refund of all or part of the fee paid. The refund is shown in the statements as an expense item in the year it is refunded. All refunds are paid from the Official Public Account as required.

Assets and liabilities

All administered revenues and expenses are transacted directly with the Official Public Account and, as a result, the Tribunal holds no administered assets or liabilities on behalf of government.

AUSTRALIAN COMMISSION FOR LAW ENFORCEMENT INTEGRITY

Section 1: Agency overview and resources

1.1 STRATEGIC DIRECTION STATEMENT

The Integrity Commissioner has a central role in detecting, investigating and preventing corrupt conduct in prescribed Australian Government agencies with law enforcement functions. Those agencies are the Australian Crime Commission, the Australian Customs and Border Protection Service, the Australian Federal Police and the former National Crime Authority. From July 2013, an additional three agencies with law enforcement functions will be under the Integrity Commissioner's jurisdiction. Those agencies are the Australian Transaction Reports and Analysis Centre, the CrimTrac Agency and prescribed aspects of the Department of Agriculture, Fisheries and Forestry.

The function of the Australian Commission for Law Enforcement Integrity (ACLEI) is to assist the Integrity Commissioner, under the framework of the *Law Enforcement Integrity Commissioner Act 2006*. Through the performance of its functions, ACLEI contributes to building and maintaining a law enforcement culture that resists corruption.

ACLEI seeks to work innovatively and cooperatively with its partner agencies to detect, disrupt and deter possible corrupt conduct. In particular, ACLEI's strategic focus is to gather and share information about, and investigate, serious and systemic corruption issues which:

- involve a suspected link between law enforcement and organised crime
- bring into doubt the integrity of senior law enforcement officers and managers
- relate to law enforcement activities that have a higher inherent corruption risk
- warrant the use of the Integrity Commissioner's information-gathering powers, including hearings, or
- would otherwise benefit from independent investigation.

In 2013–14, $0.725m will be added to ACLEI's resourcing and a further $0.732m will be added in 2014–15. This investment will enhance ACLEI's ability to detect, investigate and prevent corruption in an extended jurisdiction. A review of implementation will be conducted by September 2014.

1.2 AGENCY RESOURCE STATEMENT

Table 1.1 shows the total resources from all sources.

Table 1.1: Agency resource statement—Budget estimates for 2013–14 as at Budget May 2013

	Estimate of prior year amounts available in 2013–14 $'000	+	Proposed at Budget 2013–14 $'000	=	Total estimate 2013–14 $'000	Actual available appropriation 2012–13 $'000
ORDINARY ANNUAL SERVICES[1]						
Departmental appropriation						
Prior year departmental appropriation[2]	3,880		–		3,880	4,032
Departmental appropriation	–		6,441		6,441	5,764
s 31 relevant agency receipts[3]	–		705		705	2,017
Total ordinary annual services	**3,880**		**7,146**		**11,026**	**11,813**
OTHER SERVICES						
Departmental non-operating						
Equity injections	80		–		80	80
Total other services	**80**		**–**		**80**	**80**
Total available annual appropriations	**3,960**		**7,146**		**11,106**	**11,893**
Total net resourcing for agency	**3,960**		**7,146**		**11,106**	**11,893**

All figures are GST exclusive.
1. Appropriation Bill (No. 1) 2013–14.
2. Estimated adjusted balance carried forward from previous year.
3. Section 31 relevant agency receipts—estimate.

1.3 BUDGET MEASURES

Budget measures announced since the 2012–13 Mid-Year Economic and Fiscal Outlook (MYEFO) relating to ACLEI are detailed in Budget Paper No. 2 and are summarised in Part 1 of Table 1.2. MYEFO measures not previously reported in a portfolio statement are summarised in Part 2.

Table 1.2: Agency 2013–14 Budget measures

Part 1: Measures announced since the 2012–13 MYEFO

	Program	2012–13 $'000	2013–14 $'000	2014–15 $'000	2015–16 $'000	2016–17 $'000
Expense measures						
Attorney-General's Portfolio savings—redirection	1.1					
Departmental expenses		–	(10)	(11)	(10)	(10)
Total expense measures		**–**	**(10)**	**(11)**	**(10)**	**(10)**

Prepared on a Government Finance Statistics (fiscal) basis.

Part 2: MYEFO measures not previously reported in a portfolio statement

	Program	2012–13 $'000	2013–14 $'000	2014–15 $'000	2015–16 $'000	2016–17 $'000
Expense measures						
Targeted savings—public service efficiencies	1.1					
Departmental expenses		(20)	(30)	(30)	(30)	(28)
Total expense measures		**(20)**	**(30)**	**(30)**	**(30)**	**(28)**

Prepared on a Government Finance Statistics (fiscal) basis.

Section 2: Outcomes and planned performance

2.1 OUTCOMES AND PERFORMANCE INFORMATION

Government outcomes are the intended results, impacts or consequences of actions by the government on the Australian community. Commonwealth programs are the primary vehicle by which government agencies achieve the intended results of their outcome statements. Agencies are required to identify the programs that contribute to government outcomes over the budget and forward years.

ACLEI's outcome is described below together with its related program, specifying the performance indicators and targets used to assess and monitor the performance of ACLEI in achieving government outcomes.

Outcome 1: Independent assurance to the Australian Government that Commonwealth law enforcement agencies and their staff act with integrity by detecting, investigating and preventing corruption

Outcome 1 strategy

ACLEI will contribute to Outcome 1 by ensuring that corruption issues brought to the attention of the Integrity Commissioner are assessed in a timely manner and, where appropriate, investigated. ACLEI will also assist law enforcement agencies to maintain the integrity of their staff by contributing to corruption detection and prevention initiatives.

Outcome 1 expense statement

Table 2.1 provides an overview of the total expenses for Outcome 1, by program.

Table 2.1: Budgeted expenses for Outcome 1

Outcome 1: Independent assurance to the Australian Government that Commonwealth law enforcement agencies and their staff act with integrity by detecting, investigating and preventing corruption	2012–13 Estimated actual expenses $'000	2013–14 Estimated expenses $'000
Program 1.1: Detect, investigate and prevent corruption in prescribed law enforcement agencies; assist law enforcement agencies to maintain and improve the integrity of staff members		
Departmental expenses		
Departmental appropriation[1]	7,711	7,146
Expenses not requiring appropriation in the budget year[2]	469	469
Total expenses for Outcome 1	**8,180**	**7,615**

	2012–13	2013–14
Average staffing level (number)	29	34

Note: Departmental appropriation splits and totals are indicative estimates and may change in the course of the budget year as government priorities change.
1. Departmental appropriation combines 'Ordinary annual services (Appropriation Bill No. 1)' and 'Revenue from independent sources (s 31)'.
2. Expenses not requiring appropriation in the budget year are made up of depreciation and amortisation expenses.

Contributions to Outcome 1

Program 1.1: Detect, investigate and prevent corruption in prescribed law enforcement agencies; assist law enforcement agencies to maintain and improve the integrity of staff members

Program 1.1 objective

ACLEI's program objective is to ensure that instances of corruption are identified and addressed, and that law enforcement agencies have appropriate measures in place to control corruption risks. In this way, ACLEI can provide independent assurance to the Australian Government about the integrity of prescribed law enforcement agencies.

Program 1.1 expenses

	2012–13 Revised budget $'000	2013–14 Budget $'000	2014–15 Forward year 1 $'000	2015–16 Forward year 2 $'000	2016–17 Forward year 3 $'000
Annual departmental expenses	7,711	7,146	6,563	5,890	5,974
Expenses not requiring appropriation in the budget year[1]	469	469	469	469	469
Total program expenses	**8,180**	**7,615**	**7,032**	**6,359**	**6,443**

1. Expenses not requiring appropriation in the budget year are made up of depreciation and amortisation expenses.

Program 1.1 deliverables

- Corruption issues are promptly brought to the attention of the Integrity Commissioner for independent assessment and decision on how each issue should be dealt with (either by ACLEI, the agency to which the issue relates, or another agency).
- Where appropriate, ACLEI independently investigates corruption issues, giving priority to conduct that constitutes serious corruption or systemic corruption.
- Where appropriate, the Integrity Commissioner uses statutory intrusive and coercive information-gathering powers to assist in investigations.
- ACLEI analyses and reports on patterns and trends in law enforcement corruption.
- ACLEI recommends changes to laws and to agency practices and procedures to improve integrity in law enforcement, and to detect and prevent corruption more effectively.
- ACLEI enhances corruption prevention initiatives, such as the assessment of corruption risk and raising awareness about corruption deterrence, thereby helping to build corruption-resistant work cultures.
- Staff members of law enforcement agencies are made aware that information about corruption can be referred with confidence to the Integrity Commissioner.

Program 1.1 key performance indicators

- The corruption notification and referral system is effective.
  - Law enforcement agencies notify ACLEI of corruption issues in a timely way.
  - Other agencies provide information about corruption issues to ACLEI.
  - ACLEI is seen as viable for reporting information about corruption.
- ACLEI assesses all notifications and referrals of corruption issues in a timely way.
  - Upon receipt, ACLEI assesses information about corruption to determine how each issue should be dealt with.
  - Credible information about corruption is prioritised.
  - Risks relating to the operating context of law enforcement agencies are taken into account and, in appropriate circumstances, mitigation strategies are agreed with the agency concerned.
  - Decisions are communicated to affected agencies in a timely way.
- ACLEI's investigations are conducted professionally and efficiently, and add value to the integrity system.
  - Investigations adhere to the Integrity Commissioner's Investigation Guidelines.
  - ACLEI investigations are properly managed.
  - Investigation reports provided to the minister are of high quality.
  - Advice is provided to the minister in a timely way.
- ACLEI monitors corruption investigations conducted by law enforcement agencies.
  - All agency corruption investigation reports provided to ACLEI for review are assessed for intelligence value and completeness.
  - ACLEI liaises regularly with the agencies' professional standards units.
- ACLEI contributes to policy development and law reform in accountability and corruption prevention relating to law enforcement.
  - Each investigation addresses corruption risk and, where warranted, makes recommendations for improvement in corruption prevention or detection measures.
  - Submissions that relate to corruption prevention or enhancing integrity may be made to government or in other relevant forums.
- Staff members of law enforcement agencies are made aware of ACLEI's role.
  - Marketing and other awareness-raising activities are in place, including joint initiatives with other agencies.
  - Targeted presentations about integrity are made to diverse audiences.
- ACLEI handles personal information appropriately.
  - Regular privacy audits are undertaken to ensure compliance with legal obligations and better practice policy for information-handling.

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 2013–14 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.

3.1 EXPLANATORY TABLES

3.1.1 Movement of administered funds between years

ACLEI has no administered funds.

3.1.2 Special accounts

ACLEI has no special accounts.

3.1.3 Australian Government Indigenous expenditure

ACLEI has no Indigenous-specific expenses.

3.2 BUDGETED FINANCIAL STATEMENTS

3.2.1 Differences in agency resourcing and financial statements

There is no material difference between the agency resourcing and financial statements.

3.2.2 Analysis of budgeted financial statements

ACLEI has budgeted for an operating deficit of $0.469m in 2013–14. The deficit is equal to the estimated depreciation and amortisation expense in 2013–14. Depreciation and amortisation expenses are not funded.

Total expenses for 2013–14 are estimated at $7.615m, comprising $4.503m in employee expenses, $2.643m in payments to suppliers and $0.469m in depreciation and amortisation expenses.

ACLEI's revenue from government for 2013–14 and 2014–15 includes additional funding for the expansion of its jurisdiction. This additional funding is for two years only. As a result, the appropriation revenue from government will decrease in 2015–16 and 2016–17.

ACLEI has no new capital appropriations for 2013–14, 2014–15 and 2016–17 as a result of a department capital budget re-profiling for capital purchases. An amount of $0.956m is estimated in 2015–16 as a result of the re-profiling.

3.2.3 Budgeted financial statements tables

Table 3.2.1: Comprehensive income statement (showing net cost of services) for the period ended 30 June

	Estimated actual 2012–13 $'000	Budget estimate 2013–14 $'000	Forward estimate 2014–15 $'000	Forward estimate 2015–16 $'000	Forward estimate 2016–17 $'000
EXPENSES					
Employee benefits	3,993	4,503	4,443	3,911	3,646
Supplier expenses	3,718	2,643	2,120	1,979	2,328
Depreciation and amortisation	469	469	469	469	469
Total expenses	**8,180**	**7,615**	**7,032**	**6,359**	**6,443**
Net cost of (contribution by) services	**8,180**	**7,615**	**7,032**	**6,359**	**6,443**
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	2,017	705	75	–	–
Total own-source revenue	**2,017**	**705**	**75**	**–**	**–**
Revenue from government	5,694	6,441	6,488	5,890	5,974
Surplus (deficit) attributable to the Australian Government	**(469)**	**(469)**	**(469)**	**(469)**	**(469)**
OTHER COMPREHENSIVE INCOME					
Changes in asset revaluation surplus	–	–	–	–	–
Total other comprehensive income	**–**	**–**	**–**	**–**	**–**
Total comprehensive income (loss)	**(469)**	**(469)**	**(469)**	**(469)**	**(469)**
Total comprehensive income (loss) attributable to the Australian Government	**(469)**	**(469)**	**(469)**	**(469)**	**(469)**

Note: Impact of net cash appropriation arrangements	2012–13 $'000	2013–14 $'000	2014–15 $'000	2015–16 $'000	2016–17 $'000
Total comprehensive income (loss) excluding depreciation/amortisation expenses previously funded through revenue appropriations	**–**	**–**	**–**	**–**	**–**
Less depreciation/amortisation expenses previously funded through revenue appropriations	469	469	469	469	469
Total comprehensive income (loss) as per the statement of comprehensive income	**(469)**	**(469)**	**(469)**	**(469)**	**(469)**

Prepared on Australian Accounting Standards basis.

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

	Estimated actual 2012–13 $'000	Budget estimate 2013–14 $'000	Forward estimate 2014–15 $'000	Forward estimate 2015–16 $'000	Forward estimate 2016–17 $'000
ASSETS					
Financial assets					
Cash and cash equivalents	11	156	156	156	156
Trade and other receivables	4,880	4,735	4,735	4,210	4,210
Total financial assets	**4,891**	**4,891**	**4,891**	**4,366**	**4,366**
Non-financial assets					
Land and buildings	1,115	803	491	965	653
Property, plant and equipment	636	505	374	913	782
Intangibles	1	(25)	(51)	(52)	(78)
Other non-financial assets	284	284	284	284	284
Total non-financial assets	**2,036**	**1,567**	**1,098**	**2,110**	**1,641**
Total assets	**6,927**	**6,458**	**5,989**	**6,476**	**6,007**
LIABILITIES					
Payables					
Suppliers	100	100	100	100	100
Other payables	1,097	1,097	1,097	1,097	1,097
Total payables	**1,197**	**1,197**	**1,197**	**1,197**	**1,197**
Provisions					
Employee provisions	971	971	971	971	971
Other provisions	212	212	212	212	212
Total provisions	**1,183**	**1,183**	**1,183**	**1,183**	**1,183**
Total liabilities	**2,380**	**2,380**	**2,380**	**2,380**	**2,380**
Net assets	**4,547**	**4,078**	**3,609**	**4,096**	**3,627**
EQUITY					
Parent entity interest					
Contributed equity	3,259	3,259	3,259	4,215	4,215
Reserves	1,052	1,052	1,052	1,052	1,052
Retained surplus (accumulated deficit)	236	(233)	(702)	(1,171)	(1,640)
Total parent entity interest	**4,547**	**4,078**	**3,609**	**4,096**	**3,627**
Total equity	**4,547**	**4,078**	**3,609**	**4,096**	**3,627**

Prepared on Australian Accounting Standards basis.

Table 3.2.3: Departmental statement of changes in equity—summary of movement (budget year 2013–14)

	Retained earnings $'000	Asset revaluation reserve $'000	Contributed equity/ capital $'000	Total equity $'000
Opening balance as at 1 July 2013				
Balance carried forward from previous period	236	1,052	3,259	4,547
Adjustment for changes in accounting policies	–	–	–	–
Adjusted opening balance	**236**	**1,052**	**3,259**	**4,547**
Comprehensive income				
Surplus (deficit) for the period	(469)	–	–	(469)
Total comprehensive income	**(469)**	**–**	**–**	**(469)**
Of which:				
Attributable to the Australian Government	(469)	–	–	(469)
Estimated closing balance as at 30 June 2014	**(233)**	**1,052**	**3,259**	**4,078**
Closing balance attributable to the Australian Government	**(233)**	**1,052**	**3,259**	**4,078**

Prepared on Australian Accounting Standards basis.

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

	Estimated actual 2012–13 $'000	Budget estimate 2013–14 $'000	Forward estimate 2014–15 $'000	Forward estimate 2015–16 $'000	Forward estimate 2016–17 $'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	5,966	6,581	6,480	6,415	5,974
Sale of goods and rendering of services	2,017	705	75	–	–
Total cash received	**7,983**	**7,286**	**6,555**	**6,415**	**5,974**
Cash used					
Employees	3,993	4,503	4,443	3,911	3,646
Suppliers	3,716	2,638	2,112	1,979	2,328
Total cash used	**7,709**	**7,141**	**6,555**	**5,890**	**5,974**
Net cash from (used by) operating activities	**274**	**145**	**–**	**525**	**–**
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment	344	–	–	1,481	–
Total cash used	**344**	**–**	**–**	**1,481**	**–**
Net cash from (used by) investing activities	**(344)**	**–**	**–**	**(1,481)**	**–**
FINANCING ACTIVITIES					
Cash received					
Contributed equity	70	–	–	956	–
Total cash received	**70**	**–**	**–**	**956**	**–**
Net cash from (used by) financing activities	**70**	**–**	**–**	**956**	**–**
Net increase (decrease) in cash held	**–**	**145**	**–**	**–**	**–**
Cash and cash equivalents at the beginning of the reporting period	11	11	156	156	156
Cash and cash equivalents at the end of the reporting period	**11**	**156**	**156**	**156**	**156**

Prepared on Australian Accounting Standards basis.

Table 3.2.5: Departmental capital budget statement

	Estimated actual 2012–13 $'000	Budget estimate 2013–14 $'000	Forward estimate 2014–15 $'000	Forward estimate 2015–16 $'000	Forward estimate 2016–17 $'000
NEW CAPITAL APPROPRIATIONS					
Capital budgets—Bill 1 (DCB)	70	–	–	956	–
Total new capital appropriations	**70**	**–**	**–**	**956**	**–**
Provided for:					
Purchase of non-financial assets	70	–	–	956	–
Total items	**70**	**–**	**–**	**956**	**–**
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriation—DCB[1]	344	–	–	1,481	–
Total	**344**	**–**	**–**	**1,481**	**–**
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	70	–	–	1,481	–
Total cash used to acquire assets	**70**	**–**	**–**	**1,481**	**–**

Prepared on Australian Accounting Standards basis.
DCB = departmental capital budget.
1. Does not include annual finance lease costs. Includes purchases from current and previous years' departmental capital budgets.

Table 3.2.6: Statement of asset movements (2013–14)

	Buildings $'000	Other property, plant & equipment $'000	Computer software & intangibles $'000	Total $'000
As at 1 July 2013				
Gross book value	1,427	872	106	2,405
Accumulated depreciation/ amortisation and impairment	(312)	(236)	(105)	(653)
Opening net book balance	**1,115**	**636**	**1**	**1,752**
Other movements				
Depreciation/amortisation expense	(312)	(131)	(26)	(469)
Total other movements	**(312)**	**(131)**	**(26)**	**(469)**
As at 30 June 2014				
Gross book value	1,427	872	106	2,405
Accumulated depreciation/ amortisation and impairment	(624)	(367)	(131)	(1,122)
Closing net book balance	**803**	**505**	**(25)**	**1,283**

Prepared on Australian Accounting Standards basis.

3.2.4 Notes to the financial statements

Basis of accounting

The budgeted financial statements have been prepared on an accrual accounting basis, having regard to Statements of Accounting Concepts, and in accordance with the Finance Minister's Orders, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board.

Revenue from government

Amounts appropriated for departmental outcomes are recognised as revenue. Appropriations receivable are recognised at their nominal amounts.

Employee expenses

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

Supplier expenses

Supplier expenses consist of operational expenditure, consultant costs, travel expenses and administrative costs.

Assets

Assets include cash, receivables, leasehold improvements, plant and equipment, intangibles and other assets (prepaid expenses). All assets are held at fair value.

Liabilities

Liabilities include employee entitlements, amounts payable to suppliers and property make-good provisions.

AUSTRALIAN CRIME COMMISSION

Section 1: Agency overview and resources

1.1 STRATEGIC DIRECTION STATEMENT

The Australian Crime Commission (ACC) is Australia's national criminal intelligence agency with specialist investigative capabilities. The ACC is the only agency solely dedicated to serious and organised crime of national significance and is uniquely empowered to work across national boundaries to bring together law enforcement, regulatory, intelligence and government agency partners to unite Australia's efforts to combat serious and organised crime.

The ACC is focused on achieving the outcome of reduced serious and organised crime threats of most harm to Australians and the national interest including through providing the ability to discover, understand and respond to such threats. In 2013–14 the ACC will continue to work with its partners to build a national picture and to break the business of serious and organised crime. The ACC does this by proactively discovering new and emerging threats, bringing together its specialist capabilities to fill intelligence gaps and to find new ways to prevent and disrupt serious and organised crime activity.

Organised crime represents a serious threat as it is sophisticated, flexible, resilient, pervasive and globalised. It is identified in Australia's National Security Strategy as a key national security risk, and preventing, detecting and disrupting serious and organised crime is recognised as a key pillar of Australia's national security. While serious and organised crime has evolved in areas such as cyber and technology-enabled crime, financial crime and investment frauds, traditional criminal business, including trade in illicit commodities, continues to present threats.

In response, the ACC applies its capabilities through the ACC Operating Model, which is a flexible and scalable strategy that enables the ACC to most effectively focus its resources and prioritise its work on the highest risk. The ACC will continue to develop existing capabilities, people, processes and technology and create opportunities to share partners' capabilities. The ACC is developing more sophisticated ways of sharing, mining and exploiting data to enhance Australia's criminal intelligence holdings. The ACC is continually evolving and seeking new solutions where traditional serious and organised crime treatments are ineffective or inefficient. The ACC now works with a diverse range of partners and industries to discover and apply new intervention and prevention responses against organised crime. To position the ACC to effectively respond to the challenges, the agency's approach for 2013–14 is encapsulated in the ACC Strategic Plan 2013–18. The plan's development has been guided by national frameworks and the ACC's understanding of the threats posed by

serious and organised crime, which will drive the direction of the agency. The ACC's approach is as follows:

- **Discover**—by proactively identifying new and emerging threats. The ACC's collection work is focused on filling gaps in criminal intelligence.
- **Understand**—the ACC provides a national intelligence picture on current and emerging threats; this is contributed to by partner agencies and in turn used to guide responses to serious and organised crime.
- **Respond**—drawing upon the national picture of current and emerging threats, the ACC (often with partners) is able to:
  - prioritise its work to better understand and respond to the highest risks
  - initiate preventative actions to reduce opportunities to exploit vulnerabilities, and
  - disrupt, disable and dismantle criminal enterprises through enforcement, regulation, policy and legislation.

Among key priorities for 2013–14 the ACC will continue to implement the National Criminal Intelligence Fusion capability, a national, multi-agency initiative that provides in-depth criminal intelligence and analysis and boosts law enforcement's ability to identify high-risk cash flows, patterns of crime, and the individuals, businesses and corporate structures that may be involved in criminal enterprises in Australia and overseas. The ACC will also continue to implement the Australian Criminal Intelligence Model and management strategy. To achieve its objectives the ACC will continue to strengthen and broaden its partnerships. The ACC is uniquely placed to bring disparate partners together and coordinate shared capabilities to optimise results. Traditional partners remain critical to the fight against serious and organised crime, but the ACC will work with others, such as policy makers, private industry and international partners, to discover, better understand and respond to the threat posed to Australia from serious and organised crime.

1.2 AGENCY RESOURCE STATEMENT

Table 1.1 shows the total resources from all sources.

Table 1.1: Agency resource statement—Budget estimates for 2013–14 as at Budget May 2013

	Estimate of prior year amounts available in 2013–14 $'000	+	Proposed at Budget 2013–14 $'000	=	Total estimate 2013–14 $'000	Actual available appropriation 2012–13 $'000
ORDINARY ANNUAL SERVICES[1]						
Departmental appropriation						
Prior year departmental appropriation[2]	27,749		–		27,749	31,007
Departmental appropriation[3]	–		90,289		90,289	91,389
s 31 relevant agency receipts[4]	–		3,052		3,052	5,406
Total ordinary annual services	**27,749**		**93,341**		**121,090**	**127,802**
OTHER SERVICES						
Departmental non-operating						
Equity injections	–		–		–	196
Total other services	**–**		**–**		**–**	**196**
Total available annual appropriations	**27,749**		**93,341**		**121,090**	**127,998**
Total net resourcing for agency	**27,749**		**93,341**		**121,090**	**127,998**

All figures are GST exclusive.
1. Appropriation Bill (No. 1) 2013–14.
2. Estimated adjusted balance carried forward from previous year.
3. Includes an amount of $1.742m in 2013–14 for the departmental capital budget (see Table 3.2.5 for further details). For accounting purposes this amount has been designated as 'contributions by owners'.
4. Section 31 relevant agency receipts—estimate.

1.3 BUDGET MEASURES

Budget measures announced since the 2012–13 Mid-Year Economic and Fiscal Outlook (MYEFO) relating to the ACC are detailed in Budget Paper No. 2 and are summarised in Part 1 of Table 1.2. MYEFO measures not previously reported in a portfolio statement are summarised in Part 2.

Table 1.2: Agency 2013–14 Budget measures

Part 1: Measures announced since the 2012–13 MYEFO

	Program	2012–13 $'000	2013–14 $'000	2014–15 $'000	2015–16 $'000	2016–17 $'000
Expense measures						
Attorney-General's Portfolio savings—redirection	1.1					
Departmental expenses		–	(142)	(142)	(140)	(140)
Total expense measures		**–**	**(142)**	**(142)**	**(140)**	**(140)**

Prepared on a Government Finance Statistics (fiscal) basis.

Part 2: MYEFO measures not previously reported in a portfolio statement

	Program	2012–13 $'000	2013–14 $'000	2014–15 $'000	2015–16 $'000	2016–17 $'000
Expense measures						
Targeted savings—public service efficiencies	1.1					
Departmental expenses		(323)	(473)	(520)	(536)	(505)
Fire Services Levy—reduction	1.1					
Departmental expenses		(15)	(16)	(16)	(16)	(16)
Tax compliance—maintaining the integrity of the tax and superannuation systems[1]	1.1					
Departmental expenses		–	853	844	858	859
Total expense measures		**(338)**	**364**	**308**	**306**	**338**

Prepared on a Government Finance Statistics (fiscal) basis.
1. The lead agency for this measure is the Australian Taxation Office. The full measure description and package details appear in the 2012–13 MYEFO under the Treasury portfolio.

Section 2: Outcomes and planned performance

2.1 OUTCOMES AND PERFORMANCE INFORMATION

Government outcomes are the intended results, impacts or consequences of actions by the government on the Australian community. Commonwealth programs are the primary vehicle by which government agencies achieve the intended results of their outcome statements. Agencies are required to identify the programs that contribute to government outcomes over the budget and forward years.

The ACC's outcome is described below together with its related program, specifying the performance indicators and targets used to assess and monitor the performance of the ACC in achieving government outcomes.

Outcome 1: Reduced serious and organised crime threats of most harm to Australians and the national interest including through providing the ability to understand, discover and respond to such threats

Outcome 1 strategy

The ACC's strategic approach of discovering new and emerging threats, understanding them more deeply, prioritising against the highest threat and initiating preventative or disruptive responses with its partners, will direct the allocation of resources and ACC capabilities to the serious and organised crime threats of most harm to Australians and the national interest. Core elements of the ACC's strategy include providing national strategic advice on serious and organised crime threats and coordinating and participating in national responses with its partners. A highly developed understanding of the threats posed by serious and organised crime will underpin the ACC's provision of specialised criminal intelligence capabilities and will focus response strategies on targets that pose the highest risk to Australians. The ACC will specifically focus on two core areas—building capability and working with partners—to deliver its outcomes and guide internal strategy development.

Outcome 1 expense statement

Table 2.1 provides an overview of the total expenses for Outcome 1, by program.

Table 2.1: Budgeted expenses for Outcome 1

Outcome 1: Reduced serious and organised crime threats of most harm to Australians and the national interest including through providing the ability to understand, discover and respond to such threats	2012–13 Estimated actual expenses $'000	2013–14 Estimated expenses $'000
Program 1.1: Australian Crime Commission		
Departmental expenses		
Departmental appropriation[1]	94,303	92,042
Expenses not requiring appropriation in the budget year[2]	10,564	9,745
Total expenses for Outcome 1	**104,867**	**101,787**

	2012–13	2013–14
Average staffing level (number)	558	504

Note: Departmental appropriation splits and totals are indicative estimates and may change in the course of the budget year as government priorities change.
1. Departmental appropriation combines 'Ordinary annual services (Appropriation Bill No. 1)' and 'Revenue from independent sources (s 31)', plus $0.443m approved deficit for National Indigenous Violence and Child Abuse Intelligence Task Force expenditure.
2. Expenses not requiring appropriation in the budget year are made up of depreciation and amortisation expenses and resources received free of charge.

Contributions to Outcome 1

Program 1.1: Australian Crime Commission

Program 1.1 objective

Aiming to reduce threats of most harm to Australians and the national interest, the ACC will discover and understand new and emerging threats and will fill intelligence gaps, enabling it to build the national picture of serious and organised crime. The ACC will respond by prioritising its work to better understand the highest risks. This will lead to developing new prevention strategies and contributing to nationally coordinated actions and activities. Under the guidance of its Board, the ACC will utilise special investigations, intelligence operations and joint task forces and collaborate with partners to better understand the serious and organised crime environment and will influence or enable appropriate responses. The ACC will provide strategic criminal intelligence for its partner agencies across all levels of government. Combined with the specialist capabilities of the ACC, this will help build a more comprehensive national picture of serious and organised crime. Efforts will continue to be focused on preventing and disrupting serious and organised crime groups by seeking to harden the environment and by disabling or dismantling them through enforcement, regulation, policy or legislative responses.

Linked to: Department of Human Services, Program 1.1: Services to the Community.

Program 1.1 expenses

	2012–13 Revised budget $'000	2013–14 Budget $'000	2014–15 Forward year 1 $'000	2015–16 Forward year 2 $'000	2016–17 Forward year 3 $'000
Annual departmental expenses	94,303	92,042	89,102	87,652	88,579
Expenses not requiring appropriation in the budget year[1]	10,564	9,745	8,721	8,193	7,735
Total program expenses	**104,867**	**101,787**	**97,823**	**95,845**	**96,314**

1. Expenses not requiring appropriation in the budget year are made up of depreciation and amortisation expenses, resources received free of charge.

Program 1.1 deliverables

Deliverables for program 1.1 include:

- ongoing development of National Criminal Intelligence Priorities, for endorsement by the ACC Board, which inform the criminal intelligence collection requirements of Commonwealth, state and territory law enforcement agencies, and contribute to the national understanding of serious and organised crime
- a biennial Organised Crime Threat Assessment, which underpins the Commonwealth Organised Crime Strategic Framework
- provision of national advice on serious and organised crime
- intelligence that identifies and provides insights on new and emerging serious and organised crime threats, trends and methodologies, significant criminal targets and emerging issues
- the filling of intelligence gaps through the identification of vulnerabilities and indicators of serious and organised crime
- influential strategic intelligence reports, which provide partner agencies with intelligence that supports them to focus resources and strategies to combat serious and organised crime
- leading-edge intelligence-sharing mechanisms, including the National Criminal Intelligence Fusion Capability, to enhance law enforcement intelligence holdings and support the achievement of strategic and operational outcomes
- in collaboration with law enforcement and related Commonwealth, state and territory government agencies, undertaking intelligence operations and special investigations, which gather relevant information about the extent, impact and threat of criminal activity
- provision of a national criminal intelligence database and analytical tools, which facilitate the sharing and analysis of criminal intelligence across jurisdictions
- participation with and coordination of partner agencies in joint investigations and operations that optimise collective capabilities to prevent and disrupt serious and organised crime

Program 1.1 deliverables (continued)

- use of specialist capabilities, including coercive powers, under special intelligence operations and special investigations, which enables the ACC to collect information that may not otherwise be available to law enforcement. In addition to collecting criminal intelligence, special investigations are designed to disrupt and deter criminal activity through arrests and seizure of illegally obtained assets, in cooperation with partner agencies.

Program 1.1 key performance indicators

The ACC has a commitment to better indicate value and report the quality of ACC results. The ACC has revised its key performance indicators to reflect the agency's strategic outlook for 2013–18. Traditionally, quantitative performance measures have been the mainstay of ACC performance reporting. Alone, they do not adequately describe the full value the ACC brings to the Australian effort to coordinate capabilities and combat national serious and organised crime. The ACC will maintain quantitative data to complement the following new indicators.

- The ACC produces useful intelligence that identifies and provides insights on new and emerging serious and organised crime threats.
- The ACC fills intelligence gaps through the identification of vulnerabilities and indicators of serious and organised crime.
- The ACC collects and maintains national intelligence holdings of serious and organised crime threats and targets.
- The ACC interprets and analyses national holdings to create a national serious and organised crime intelligence picture.
- The ACC informs and influences hardening of the environment against serious and organised crime. The ACC influences or enables the disruption, disabling or dismantling of serious and organised crime.
- The ACC participates in or coordinates collaboration in joint investigations and operations to prevent and disrupt serious and organised crime.

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 2013–14 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 government Indigenous expenditure.

3.1 EXPLANATORY TABLES

3.1.1 Movement of administered funds between years

The ACC has no administered funds.

3.1.2 Special accounts

The ACC has no special accounts.

3.1.3 Australian Government Indigenous expenditure

In 2012–13 Budget, the ACC was allocated $2.614m in 2012–13 and $2.204m in 2013–14 to fund its activities under the National Indigenous Violence and Child Abuse Intelligence Task Force. The ACC has an approved loss of $0.443m in 2013–14 for winding up the National Indigenous Violence and Child Abuse Intelligence Task Force, funding for which was appropriated in 2009–10.

Table 3.1.3: Australian Government Indigenous expenditure (AGIE)

	Appropriations						
	Bill No. 1 $'000	Bill No. 2 $'000	Special approp $'000	Total approp $'000	Other $'000	Total $'000	Program
Outcome 1							
Departmental 2013–14	2,204	–	–	2,204	443	2,647	1.1
Departmental 2012–13	*2,614*	*–*	*–*	*2,614*	*–*	*2,614*	*1.1*
Total AGIE 2013–14	**2,204**	**–**	**–**	**2,204**	**443**	**2,647**	
Total AGIE 2012–13	*2,614*	*–*	*–*	*2,614*	*–*	*2,614*	

3.2 BUDGETED FINANCIAL STATEMENTS

3.2.1 Differences in agency resourcing and financial statements

There is no material difference between the agency resourcing and financial statements.

3.2.2 Analysis of budgeted financial statements

Comprehensive income statement

The estimated net cost of services in 2013–14 is $96.923m, which is an increase of $0.554m compared to 2012–13. Excluding $1.018m revenue recognised in 2012–13 for funding received for capital investment ($0.738m) and gifted assets ($0.280m), the net cost of services is expected to decrease by $0.464m in 2013–14. Both total expenditure and own-source income are expected to be lower in 2013–14 than in 2012–13 due to reductions in funding received under the Proceeds of Crime Act and from partner agencies for service provision.

Appropriation revenue decreases slightly from 2012–13 to 2013–14 by $0.088m, reflecting various savings measures and efficiency dividends, offset by additional funding from the *Tax compliance – maintaining the integrity of the tax and superannuation systems* measure detailed in Table 1.2.

The decrease in appropriation revenue in 2014–15 is mainly due to finalisation of the National Indigenous Violence and Child Abuse Intelligence Task Force, while the decrease in 2015–16 is primarily from the termination of Project Wickenby. The 2016–17 appropriation revenue increases slightly as a result of parameter adjustments.

The estimated operating deficit is $8.376m in 2013–14, which is $0.443m more than the loss from unfunded depreciation expenses. The $0.443m approved loss is due to the finalisation of the National Indigenous Violence and Child Abuse Intelligence Task Force, funding for which was appropriated in 2009–10.

Balance sheet

The ACC's assets decrease over the forward estimates period as assets are depreciating at a rate that is faster than the replacement rate. Liabilities will stay at similar levels across the forward estimates, with a slight reduction each year reflecting the amortisation of lease incentive liabilities.

The equity decreases across the forward estimates period are due to depreciation exceeding the departmental capital budget appropriation for asset replacement.

3.2.3 Budgeted financial statements tables

Table 3.2.1: Comprehensive income statement (showing net cost of services) for the period ended 30 June

	Estimated actual 2012–13 $'000	Budget estimate 2013–14 $'000	Forward estimate 2014–15 $'000	Forward estimate 2015–16 $'000	Forward estimate 2016–17 $'000
EXPENSES					
Employee benefits	62,331	61,181	59,675	58,853	58,736
Supplier expenses	27,740	27,261	25,827	25,199	26,243
Depreciation and amortisation	8,752	7,933	6,909	6,381	5,923
Write-down and impairment of assets	557	–	–	–	–
Other	5,487	5,412	5,412	5,412	5,412
Total expenses	**104,867**	**101,787**	**97,823**	**95,845**	**96,314**
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	6,406	3,052	2,576	2,640	2,706
Total own-source revenue	**6,406**	**3,052**	**2,576**	**2,640**	**2,706**
Gains					
Other	2,092	1,812	1,812	1,812	1,812
Total gains	**2,092**	**1,812**	**1,812**	**1,812**	**1,812**
Total own-source income	**8,498**	**4,864**	**4,388**	**4,452**	**4,518**
Net cost of (contribution by) services	**96,369**	**96,923**	**93,435**	**91,393**	**91,796**
Revenue from government	88,635	88,547	86,526	85,012	85,873
Surplus (deficit) attributable to the Australian Government	**(7,734)**	**(8,376)**	**(6,909)**	**(6,381)**	**(5,923)**
OTHER COMPREHENSIVE INCOME					
Changes in asset revaluation surplus	–	–	–	–	–
Total other comprehensive income	**–**	**–**	**–**	**–**	**–**
Total comprehensive income (loss)	**(7,734)**	**(8,376)**	**(6,909)**	**(6,381)**	**(5,923)**
Total comprehensive income (loss) attributable to the Australian Government	**(7,734)**	**(8,376)**	**(6,909)**	**(6,381)**	**(5,923)**

Note: Impact of net cash appropriation arrangements	2012–13 $'000	2013–14 $'000	2014–15 $'000	2015–16 $'000	2016–17 $'000
Total comprehensive income (loss) excluding depreciation/amortisation expenses previously funded through revenue appropriations	**1,018**	**(443)**	**–**	**–**	**–**
Less depreciation/amortisation expenses previously funded through revenue appropriations	8,752	7,933	6,909	6,381	5,923
Total comprehensive income (loss) as per the statement of comprehensive income	**(7,734)**	**(8,376)**	**(6,909)**	**(6,381)**	**(5,923)**

Prepared on Australian Accounting Standards basis.

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

	Estimated actual 2012–13 $'000	Budget estimate 2013–14 $'000	Forward estimate 2014–15 $'000	Forward estimate 2015–16 $'000	Forward estimate 2016–17 $'000
ASSETS					
Financial assets					
Cash and cash equivalents	1,502	1,502	1,502	1,502	1,502
Trade and other receivables	28,372	25,231	24,007	21,759	20,048
Total financial assets	**29,874**	**26,733**	**25,509**	**23,261**	**21,550**
Non-financial assets					
Land and buildings	8,800	6,954	4,994	3,315	2,047
Property, plant and equipment	7,896	7,064	8,123	6,922	7,349
Intangibles	6,241	3,649	2,515	1,773	534
Other non-financial assets	1,586	1,586	1,586	1,586	1,586
Total non-financial assets	**24,523**	**19,253**	**17,218**	**13,596**	**11,516**
Total assets	**54,397**	**45,986**	**42,727**	**36,857**	**33,066**
LIABILITIES					
Payables					
Suppliers	5,168	4,915	4,546	4,170	3,667
Other payables	4,731	4,875	5,012	3,651	3,817
Total payables	**9,899**	**9,790**	**9,558**	**7,821**	**7,484**
Interest-bearing liabilities					
Leases	1,939	1,211	624	318	11
Total interest-bearing liabilities	**1,939**	**1,211**	**624**	**318**	**11**
Provisions					
Employee provisions	16,307	15,910	15,532	15,318	15,276
Other provisions	886	343	316	325	335
Total provisions	**17,193**	**16,253**	**15,848**	**15,643**	**15,611**
Total liabilities	**29,031**	**27,254**	**26,030**	**23,782**	**23,106**
Net assets	**25,366**	**18,732**	**16,697**	**13,075**	**9,960**
EQUITY					
Parent entity interest					
Contributed equity	25,764	27,506	32,380	35,139	37,947
Reserves	5,517	5,517	5,517	5,517	5,517
Retained surplus (accumulated deficit)	(5,915)	(14,291)	(21,200)	(27,581)	(33,504)
Total parent entity interest	**25,366**	**18,732**	**16,697**	**13,075**	**9,960**
Total equity	**25,366**	**18,732**	**16,697**	**13,075**	**9,960**

Prepared on Australian Accounting Standards basis.

Table 3.2.3: Departmental statement of changes in equity—summary of movement (budget year 2013–14)

	Retained earnings $'000	Asset revaluation reserve $'000	Contributed equity/ capital $'000	Total equity $'000
Opening balance as at 1 July 2013				
Balance carried forward from previous period	(5,915)	5,517	25,764	25,366
Adjustment for changes in accounting policies	–	–	–	–
Adjusted opening balance	**(5,915)**	**5,517**	**25,764**	**25,366**
Comprehensive income				
Surplus (deficit) for the period	(8,376)	–	–	(8,376)
Total comprehensive income	**(8,376)**	**–**	**–**	**(8,376)**
Of which:				
Attributable to the Australian Government	(8,376)	–	–	(8,376)
Transactions with owners				
Contributions by owners				
Departmental capital budget	–	–	1,742	1,742
Sub-total transactions with owners	**–**	**–**	**1,742**	**1,742**
Estimated closing balance as at 30 June 2014	**(14,291)**	**5,517**	**27,506**	**18,732**
Closing balance attributable to the Australian Government	**(14,291)**	**5,517**	**27,506**	**18,732**

Prepared on Australian Accounting Standards basis.

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

	Estimated actual 2012–13 $'000	Budget estimate 2013–14 $'000	Forward estimate 2014–15 $'000	Forward estimate 2015–16 $'000	Forward estimate 2016–17 $'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	91,493	91,688	87,750	87,260	87,584
Sale of goods and rendering of services	5,406	3,052	2,576	2,640	2,706
Total cash received	**96,899**	**94,740**	**90,326**	**89,900**	**90,290**
Cash used					
Employees	63,034	61,434	59,916	60,428	58,612
Suppliers	28,602	28,785	26,810	25,872	27,043
Other	3,675	3,600	3,600	3,600	3,600
Total cash used	**95,311**	**93,819**	**90,326**	**89,900**	**89,255**
Net cash from (used by) operating activities	**1,588**	**921**	**–**	**–**	**1,035**
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment	4,938	2,663	4,874	2,759	3,843
Total cash used	**4,938**	**2,663**	**4,874**	**2,759**	**3,843**
Net cash from (used by) investing activities	**(4,938)**	**(2,663)**	**(4,874)**	**(2,759)**	**(3,843)**
FINANCING ACTIVITIES					
Cash received					
Contributed equity	2,950	1,742	4,874	2,759	2,808
Total cash received	**2,950**	**1,742**	**4,874**	**2,759**	**2,808**
Net cash from (used by) financing activities	**2,950**	**1,742**	**4,874**	**2,759**	**2,808**
Net increase (decrease) in cash held	**(400)**	**–**	**–**	**–**	**–**
Cash and cash equivalents at the beginning of the reporting period	1,902	1,502	1,502	1,502	1,502
Cash and cash equivalents at the end of the reporting period	**1,502**	**1,502**	**1,502**	**1,502**	**1,502**

Prepared on Australian Accounting Standards basis.

Table 3.2.5: Departmental capital budget statement

	Estimated actual 2012–13 $'000	Budget estimate 2013–14 $'000	Forward estimate 2014–15 $'000	Forward estimate 2015–16 $'000	Forward estimate 2016–17 $'000
NEW CAPITAL APPROPRIATIONS					
Capital budgets—Bill 1 (DCB)	2,754	1,742	4,874	2,759	2,808
Equity injections—Bill 2	196	–	–	–	–
Total new capital appropriations	**2,950**	**1,742**	**4,874**	**2,759**	**2,808**
Provided for:					
Purchase of non-financial assets	2,950	1,742	4,874	2,759	2,808
Total items	**2,950**	**1,742**	**4,874**	**2,759**	**2,808**
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations[1]	196	–	–	–	–
Funded by capital appropriation—DCB[2]	2,754	1,742	4,874	2,759	2,808
Funded internally from departmental resources[3]	7,750	921	–	–	1,035
Total	**10,700**	**2,663**	**4,874**	**2,759**	**3,843**
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	10,700	2,663	4,874	2,759	3,843
less additions by gifted assets	(280)	–	–	–	–
less additions by capitalising prior year work in progress	(5,482)	–	–	–	–
Total cash used to acquire assets	**4,938**	**2,663**	**4,874**	**2,759**	**3,843**

Prepared on Australian Accounting Standards basis.
DCB = departmental capital budget.
1. Includes both current Bill 2 and prior year Act 2, 4 and 6 appropriations and special capital appropriations.
2. Does not include annual finance lease costs. Includes purchases from current and previous years' departmental capital budgets.
3. Includes the following sources of funding: current Bill 1 and prior year Act 1, 3 and 5 appropriations (excluding amounts from the departmental capital budget), contributions, gifts, internally developed assets, section 31 relevant agency receipts and proceeds from the sale of assets.

Table 3.2.6: Statement of asset movements (2013–14)

	Buildings $'000	Other property, plant & equipment $'000	Computer software & intangibles $'000	Total $'000
As at 1 July 2013				
Gross book value	23,972	24,304	13,610	61,886
Accumulated depreciation/ amortisation and impairment	(15,172)	(16,408)	(7,369)	(38,949)
Opening net book balance	**8,800**	**7,896**	**6,241**	**22,937**
CAPITAL ASSET ADDITIONS				
Estimated expenditure on new or replacement assets				
By purchase—appropriation ordinary annual services[1]	391	2,272	–	2,663
Total additions	**391**	**2,272**	**–**	**2,663**
Other movements				
Depreciation/amortisation expense	(2,237)	(3,104)	(2,592)	(7,933)
Total other movements	**(2,237)**	**(3,104)**	**(2,592)**	**(7,933)**
As at 30 June 2014				
Gross book value	24,363	26,576	13,610	64,549
Accumulated depreciation/ amortisation and impairment	(17,409)	(19,512)	(9,961)	(46,882)
Closing net book balance	**6,954**	**7,064**	**3,649**	**17,667**

Prepared on Australian Accounting Standards basis.
1. 'Appropriation ordinary annual services' refers to funding provided through Appropriation Bill (No. 1) 2013–14 for depreciation and amortisation expenses, departmental capital budgets or other operational expenses.

3.2.4 Notes to the financial statements

Basis of accounting

The budgeted financial statements have been prepared on an accrual accounting basis, having regard to Statements of Accounting Concepts, and in accordance with the Finance Minister's Orders, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board.

Revenue from government

Amounts appropriated for departmental outcomes 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.

Goods and services

The ACC receives funding from state and territory law enforcement agencies and portfolio agencies under various memorandums of understanding.

Gains

Gains consist of resources and assets received free of charge that are recognised as revenue when a fair value can be reliably measured and the service or asset would have been purchased if it had not been donated. Use of those resources is recognised as an expense, and the assets are included on the balance sheet.

Employee expenses

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

Supplier expenses

Supplier expenses consist of operational expenditure, consultant costs, travel expenses, property operating expenses and legal costs.

Other expenses

Other expenses consist of resources received free of charge and paid resources received from partner law enforcement agencies.

Assets

Assets consist of cash, receivables, leasehold improvements, plant and equipment, intangibles and other assets (prepaid expenses). All assets are held at fair value.

Liabilities

Liabilities consist of unearned leasehold incentives, employee entitlements, property lease make-good provisions and amounts owed to creditors.

AUSTRALIAN CUSTOMS AND BORDER PROTECTION SERVICE

Section 1: Agency overview and resources

1.1 STRATEGIC DIRECTION STATEMENT

The Australian Customs and Border Protection Service (ACBPS) is responsible for protecting the safety, security and commercial interests of Australians through border protection designed to support legitimate trade and travel, and to ensure collection of border revenue and trade statistics.

Preserving Australia's border integrity, one of the eight pillars in the National Security Strategy, begins well beyond Australia's physical border and is fundamental to national security. The ACBPS's contribution to maintaining the integrity of the border not only supports a key national security objective but also aids in achieving the objectives outlined in the *Australia in the Asian century* White Paper, including economic prosperity.

In recent years, the ACBPS's business model has faced challenges in keeping pace with developments in the border environment. The ACBPS is now experiencing considerable pressure from drivers in the border environment and all indications are that these pressures will increase.

The most significant challenges at the border are the substantially increasing volumes of traffic across the border in terms of both passengers and cargo, the increasing complexity of travel routes, supply chains and criminality, as well as the ongoing threat to the ACBPS from criminal infiltration.

International air and sea passengers are projected to increase from around 34 million in 2013–14 to some 40 million by the final year of the forward estimates, while incoming air cargo is projected to increase by almost 125% over the same period. The increasing complexity in supply chains and travel routes is requiring more sophisticated methodologies to assess threats and risk at the border. The result is more pressure on the border, yet intervention times in which to prevent the illegal movement of people and goods remain limited.

The ACBPS continues to respond to the challenge of transnational criminal syndicates, which are increasing their sophistication, including adapting to older detection technologies and methods. The risk of infiltration and corruption remains high, with events during 2012–13 demonstrating the need for the agency to remain focused on such vulnerabilities.

The community's expectations of better facilitation and increased border protection remain high. Economic imperatives mean that importers and exporters expect seamless border processing that meets world's best practice. Security imperatives mean that the need to protect Australia from those attempting to breach the border will not lessen.

The ACBPS continues to position itself by developing and refining strategies to adapt to the emerging operating environment. The ACBPS will need to continue to operate within a tight fiscal environment for the foreseeable future, focusing on effective resource allocation, reprioritising existing funding, and developing innovative approaches to border management.

The ACBPS's challenge is to remain proactive and responsive while addressing these challenges. To that end, the ACBPS is undertaking a major program of reform that will be a corporate priority in 2013–14. The program will proceed along three tracks of work to modernise the ACBPS's business processes and systems (including automation and intelligence capability); establish a more agile and professional operating model; and harden the ACBPS against corruption by embedding integrity measures across the organisation.

To inform the reform program, the ACBPS is undergoing a period of intensive external review. An Australian Public Service Commission capability review will report on strengths and gaps in the ACBPS's strategy, delivery and leadership capability and provide recommendations for the way forward. The independent Customs Reform Board, established by the Minister for Home Affairs and comprising three distinguished Australians, will also provide advice on areas of important reform.

These reforms will support the ACBPS's strategy to deploy resources based on an intelligence-led, risk-based approach. The ACBPS has extensive intelligence holdings of international trade and passenger movements, and analytical techniques and tools that allow it to target its interventions to the highest risk areas. Underpinning these targeted interventions are assurance programs and campaigns to prevent, deter, detect and disrupt illicit activity. These approaches are proven and have resulted in an increase in the seizure of illegal items over recent years, including drugs and firearms.

The ACBPS is Australia's lead border agency and drives cross-service collaboration through multi-service forums, including the Border Management Group. As well as leading the development of, and implementing, key border management initiatives, the Border Management Group will be the principal mechanism for engagement with partner agencies on the ACBPS reform program.

The collaborative effort does not end with Commonwealth agencies and overseas partners. The ACBPS also partners with state law enforcement and regulatory agencies in policy development and operational efforts. The ACBPS also works closely with the private sector, taking a co-design approach with the industries that share and shape the ACBPS's operating environment.

In 2013–14 further emphasis will be given to the ACBPS's work with law enforcement partners to bring to account those involved in serious and organised crime. The ACBPS's role in these joint operations is far broader than detecting illicit goods. The ACBPS brings to these operations its extensive intelligence holdings as well as its physical capabilities across border channels, including air and sea passengers and crew, air and sea cargo, international mail, and maritime and coastal surveillance. In 2013–14 the two major areas of focus for collaboration will be a new strategic partnership with the Australian Federal Police to deal with serious criminality at the border and the development of the National Border Targeting Centre to target high-risk passengers and cargo, with co-location of Commonwealth agencies a key theme.

Professionalism and integrity will remain a key focus, and in 2013–14 the ACBPS will continue to embed the new integrity powers granted to the Chief Executive Officer. In addition, the broader integrity initiatives already underway will be further refined, including toughening the suitability assessments undertaken for all new and existing employees.

The ACBPS will maintain its focus on enduring threats in 2013–14, including illicit drugs and precursors, the illegal movement of money, illicit firearms and tobacco smuggling. The ACBPS will also maintain its ongoing vigilance on the management of border risks associated with terrorism and unlawful activity in Australia's maritime zone.

The ACBPS is also working to better understand the economic risks at the border, and this work will be enhanced with the establishment in 2013–14 of the Anti-Dumping Commission, which will report directly to the Minister for Home Affairs on anti-dumping investigations.

As part of the 2013–14 Budget, the Australian Government will continue its investment to maintain the ACBPS's maritime and border processing capabilities.

The government will provide $53.102m in additional funding in 2013–14 as part of the *Combating people smuggling – strengthening response capability to irregular maritime arrivals* measure. As part of this measure, the government will provide $4.003m to fund an additional 60 patrol days for the ACV *Ocean Protector*, which will deliver a total of 180 sea patrol days for use in the southern and northern waters. In addition, the ACBPS will deploy nine officers to Cocos (Keeling) Islands to process irregular maritime arrivals. The cost of deployment, which totals $2.821m, will be funded from within existing resources.

The government will also continue to deliver counter people smuggling communication campaigns in source Southeast Asian countries and build counter people smuggling capability in the region by providing $6.401m for the measure *Combating people smuggling – prevention and disruption activities.*

The government has agreed to provide $30.223m (including capital costs) over three years from 2014–15 to establish a National Border Targeting Centre. The centre is part of a national package of measures that will address gang violence, organised crime and community safety. The National Border Targeting Centre will increase data integration and improve analysis capabilities to support risk assessment of passengers and cargo, aligning Australia's approach with the US, Canadian and UK targeting centres.

The government also agreed to the measure *Import Processing Charge – ensuring full cost recovery*, which will generate an estimated $674.266m in additional revenue over four years. This measure will broaden the cost base of the current import processing charge and will increase the rate of the charge for import entries valued at greater than $10,000. The arrangements for consignments valued at less than $10,000 will not change.

1.2 AGENCY RESOURCE STATEMENT

Table 1.1 shows the total resources from all sources. The table summarises how resources will be applied by administered and departmental classification.

Table 1.1: Agency resource statement—Budget estimates for 2013–14 as at Budget May 2013

		Estimate of prior year amounts available in 2013–14 $'000	+	Proposed at Budget 2013–14 $'000	=	Total estimate 2013–14 $'000	Actual available appropriation 2012–13 $'000
ORDINARY ANNUAL SERVICES[1]							
Departmental appropriation							
Prior year departmental appropriation[2]		181,863		–		181,863	185,879
Departmental appropriation[3]		–		1,022,831		1,022,831	1,010,206
s 31 relevant agency receipts[4]		–		69,022		69,022	71,750
Total		**181,863**		**1,091,853**		**1,273,716**	**1,267,835**
Administered expenses							
Outcome 1		–		928		928	916
Total		**–**		**928**		**928**	**916**
Total ordinary annual services	**A**	**181,863**		**1,092,781**		**1,274,644**	**1,268,751**
OTHER SERVICES[5]							
Departmental non-operating							
Equity injections		–		67,604		67,604	64,882
Total other services	**B**	**–**		**67,604**		**67,604**	**64,882**
Total available annual appropriations		**181,863**		**1,160,385**		**1,342,248**	**1,333,633**
SPECIAL APPROPRIATIONS							
Special appropriations limited by criteria/entitlement							
Customs duty and other repayments[6]		–		260,000		260,000	330,000
Total special appropriations	**C**	**–**		**260,000**		**260,000**	**330,000**
Total appropriations excluding special accounts		**181,863**		**1,420,385**		**1,602,248**	**1,663,633**
SPECIAL ACCOUNTS							
Opening balance[7]		2,465		–		2,465	2,465
Appropriation receipts		–		4,000		4,000	4,000
Total special accounts	**D**	**2,465**		**4,000**		**6,465**	**6,465**
Total resourcing (A+B+C+D)		**184,328**		**1,424,385**		**1,608,713**	**1,670,098**
Less appropriations drawn from annual or special appropriations above and credited to special accounts		–		4,000		4,000	4,000
Total net resourcing for agency		**184,328**		**1,420,385**		**1,604,713**	**1,666,098**

All figures are GST exclusive.
1. Appropriation Bill (No. 1) 2013–14.
2. Estimated adjusted balance carried forward from previous year.
3. Includes an amount of $60.592m in 2013–14 for the departmental capital budget (see Table 3.2.5 for further details). For accounting purposes this amount has been designated as 'contributions by owners'.
4. Section 31 relevant agency receipts—estimate.
5. Appropriation Bill (No. 2) 2013–14.
6. *Financial Management and Accountability Act 1997*, section 28—repayments required or permitted by law.
7. Estimated opening balance for special accounts (less 'special public money' held in a Services for Other Entities and Trust Moneys Special Account). For further details on special accounts, see Table 3.1.2.

1.3 BUDGET MEASURES

Budget measures announced since the 2012–13 Mid-Year Economic and Fiscal Outlook (MYEFO) relating to the ACBPS are detailed in Budget Paper No. 2 and are summarised in Part 1 of Table 1.2. MYEFO measures not previously reported in a portfolio statement are summarised in Part 2.

Table 1.2: Agency 2013–14 Budget measures

Part 1: Measures announced since the 2012–13 MYEFO

	Program	2012–13 $'000	2013–14 $'000	2014–15 $'000	2015–16 $'000	2016–17 $'000
Revenue measures						
Customs duty—customs refund and duty drawback scheme for tobacco	Admin					
Administered revenues		–	–	–	–	–
Excise and excise-equivalent customs duty—index tobacco excise to average weekly ordinary time earnings	Admin					
Administered revenues		–	nfp	nfp	nfp	nfp
Import Processing Charge—ensuring full cost recovery	Admin					
Administered revenues		–	91,618	188,704	194,163	199,781
Strengthening the response to organised crime at the border and in the supply chain	Admin					
Administered revenues		–	–	–	–	–
Total revenue measures		**–**	**91,618**	**188,704**	**194,163**	**199,781**
Expense measures						
Automated Border Processing for International Air Departures—trial[1]	1.1					
Departmental expenses		–	–	–	–	–
Addressing gang violence and organised crime—National Border Targeting Centre	1.3					
Departmental expenses		–	–	3,337	4,472	1,914
Combating people smuggling—post-interdiction management of suspected illegal entry vessels[2]	1.3					
Departmental expenses		–	–	–	–	–
Combating people smuggling—prevention and disruption activities	1.3					
Departmental expenses		–	6,401	–	–	–
Strengthening the response to organised crime at the border and in the supply chain	1.3					
Departmental expenses		–	–	–	–	–
Combating people smuggling—strengthening response capability to irregular maritime arrivals[3]	1.4					
Departmental expenses		–	4,003	–	–	–
Attorney-General's Portfolio savings—redirection	All					
Departmental expenses			(1,094)	(1,032)	(1,055)	(1,055)
Total expense measures		**–**	**9,310**	**2,305**	**3,417**	**859**

Table 1.2: Agency 2013–14 Budget measures

Part 1: Measures announced since the 2012–13 MYEFO (continued)

	Program	2012–13 $'000	2013–14 $'000	2014–15 $'000	2015–16 $'000	2016–17 $'000
Capital measures						
Automated Border Processing for International Air Departures—trial[1]	1.1					
Departmental capital		–	–	–	–	–
Addressing gang violence and organised crime—National Border Targeting Centre	1.3					
Departmental capital		–	–	16,070	4,430	–
Strengthening the response to organised crime at the border and in the supply chain	1.3					
Departmental capital		–	–	–	–	–
Total capital measures		**–**	**–**	**16,070**	**4,430**	**–**

Prepared on a Government Finance Statistics (fiscal) basis.
All figures are GST exclusive.
1. Costs of $3.616m in 2013–14 and $3.369m in 2014–15 for this measure will be absorbed by the ACBPS.
2. Cost of $3.760m for this measure will be absorbed by the ACBPS.
3. Additional funding of $49.099m in 2013–14 was provided for this measure and reported in the 2012–13 Portfolio Additional Estimates Statements.

Part 2: MYEFO measures not previously reported in a portfolio statement

	Program	2012–13 $'000	2013–14 $'000	2014–15 $'000	2015–16 $'000	2016–17 $'000
Expense measures						
Targeted savings—public service efficiencies[1]	All					
Departmental expenses		–	(1,706)	(1,608)	(1,500)	(1,204)
Total expense measures		**–**	**(1,706)**	**(1,608)**	**(1,500)**	**(1,204)**

Prepared on a Government Finance Statistics (fiscal) basis.
1. The fiscal impact reported for this measure is in addition to the impact previously reported for this measure in the 2012–13 Portfolio Additional Estimates Statements.

Section 2: Outcomes and planned performance

2.1 OUTCOMES AND PERFORMANCE INFORMATION

Government outcomes are the intended results, impacts or consequences of actions by the government on the Australian community. Commonwealth programs are the primary vehicle by which government agencies achieve the intended results of their outcome statements. Agencies are required to identify the programs that contribute to government outcomes over the budget and forward years.

The ACBPS's outcome is described below together with its related programs, specifying the performance indicators and targets used to assess and monitor the performance of the ACBPS in achieving government outcomes.

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

Outcome 1 strategy

The ACBPS's key strategies towards achieving Outcome 1 are to:

- manage border risks through intelligence-led, risk-based interventions that place an increasing emphasis on working ahead of the border as part of a layered approach to border management across the border continuum
- lead at the border through the development and coordination of the Australian Border Management Strategy, delivering results through effective partnerships with other border agencies and ensuring border management requirements are embedded in the ACBPS's service and infrastructure design
- support collaborative cross-agency activities to deter and detect the illegal movement of people across Australia's borders, including intelligence analysis, coordinated surveillance and on-water response and engagement internationally with source and transit countries
- partner with other law enforcement agencies to address risks and vulnerabilities at the border through joint operations and sharing of intelligence
- streamline legitimate trade and travel by co-designing the ACBPS's services in a way that optimises the trade and travel experience, identifying and developing new business opportunities to maximise service delivery and enhancing the ACBPS's business intelligence capability
- support an open economy by ensuring compliance with the rules of trade so that competition occurs on a level playing field and the benefits of competition flow through to the Australian economy

- ensure that appropriate systems are in place to enable the accurate collection of border-related revenue and trade statistics
- operate efficiently and effectively to achieve a sustainable four-year budget across a number of diverse operational requirements by continuing to develop risk-based priority-setting to align with resource allocation, strengthening the ACBPS's operational capacity and developing its leaders
- maintain investment in key capital infrastructure that supports the ACBPS's intelligence-led, risk-based approaches as well as capability to support the ACBPS's operations across a diverse range of activity protecting Australia's border
- be agile, flexible and able to adapt to new and emerging threats by working collaboratively and through the accelerated development and implementation of new capabilities
- be vigilant to the risk of infiltration and corruption, and continue to embed layered anti-corruption measures across the ACBPS and its business processes, and
- be proactive and responsive to the challenges of the border environment through the reform program, remaining focused on the vulnerability of the ACBPS's current operating model to the existing and anticipated pressures at the border.

Outcome 1 expense statement

Table 2.1 provides an overview of the total expenses for Outcome 1, by program.

Table 2.1: Budgeted expenses for Outcome 1

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	2012–13 Estimated actual expenses[1] $'000	2013–14 Estimated expenses $'000
Program 1.1: Passenger facilitation		
Departmental expenses		
Departmental appropriation[2]	215,600	219,846
Expenses not requiring appropriation in the budget year[3]	20,351	18,374
Total for Program 1.1	**235,951**	**238,220**
Program 1.2: Trade facilitation		
Departmental expenses		
Departmental appropriation[2]	188,163	192,509
Expenses not requiring appropriation in the budget year[3]	30,693	30,251
Total for Program 1.2	**218,856**	**222,760**
Program 1.3: Border protection and enforcement		
Departmental expenses		
Departmental appropriation[2]	250,594	237,942
Expenses not requiring appropriation in the budget year[3]	23,035	21,658
Total for Program 1.3	**273,629**	**259,600**
Program 1.4: Civil maritime surveillance and response		
Departmental expenses		
Departmental appropriation[2]	308,166	319,929
Expenses not requiring appropriation in the budget year[3]	20,490	22,260
Total for Program 1.4	**328,656**	**342,189**
Program 1.5: Border-related revenue collection		
Departmental expenses		
Departmental appropriation[2]	60,549	60,153
Expenses not requiring appropriation in the budget year[3]	13,817	13,447
Total for Program 1.5	**74,366**	**73,600**
Program: Other administered		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	916	928
Expenses not requiring appropriation in the budget year[3]	2,500	2,500
Total for Program: Other administered	**3,416**	**3,428**
Outcome 1 totals by appropriation type		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	916	928
Expenses not requiring appropriation in the budget year	2,500	2,500
Departmental expenses		
Departmental appropriation	1,023,072	1,030,379
Expenses not requiring appropriation in the budget year	108,386	105,990
Total expenses for Outcome 1	**1,134,874**	**1,139,797**

	2012–13	2013–14
Average staffing level (number)	5,120	5,000

Note: Departmental appropriation splits and totals are indicative estimates and may change in the course of the budget year as government and/or organisational priorities change.
1. The total expenses reported for 2012–13 include a loss of $5.000m that was approved by the Minister for Finance and Deregulation.
2. Departmental appropriation combines 'Ordinary annual services (Appropriation Bill No. 1)' and 'Revenue from independent sources (s 31)'.
3. Expenses not requiring appropriation in the budget year are made up of depreciation and amortisation expenses, make-good expenses and audit fees.

Contributions to Outcome 1

Program 1.1: Passenger facilitation

Program 1.1 objective

End-to-end passenger and crew processing that supports legitimate travel and the interventions needed to prevent illegal movement of people and the goods they bring across the border.

Supports the following functions of partner agencies:

- Attorney-General's Department—Information of national security value, firearms and weapons, IP infringement under the Copyright Act, and other prohibited and restricted goods.
- Australian Competition and Consumer Commission—Prohibited and restricted goods.
- Australian Crime Commission—Intelligence relating to prohibited goods.
- Australian Federal Police—Crimes Act—Illicit drugs, counterfeit credit cards.
- Australian Taxation Office—Tourist Refund Scheme, GST and other revenue.
- Australian Transaction Reports and Analysis Centre (AUSTRAC)—Declarations for carrying greater than $10,000 in currency, BNI (bearer negotiable instruments).
- Department of Agriculture, Fisheries and Forestry—Prohibited and restricted goods.
- Department of Defence—Counter-proliferation.
- Department of Foreign Affairs and Trade—Security of Australian passport data.
- Department of Health and Ageing—Referral of travellers who meet certain criteria.
- Department of Immigration and Citizenship—Immigration function (identity—face to passport check).
- Department of Infrastructure and Transport—Aviation security.
- Therapeutic Goods Administration—Therapeutic drugs and substances (Pharmaceutical Benefits Scheme).

Program 1.1 expenses

Program 1.1 is budgeted to incur expenses of $238.220m in 2013–14, an increase of $2.269m from 2012–13. The increase in expenses for 2013–14 and over the forward estimates is primarily due to the increase in the growth in passenger volumes resulting in increased funding received through the Passenger Workload Growth Model offset by the net impact of changes in wage and price indices adjustments and government savings and efficiencies.

	2012–13 Revised budget $'000	2013–14 Budget $'000	2014–15 Forward year 1 $'000	2015–16 Forward year 2 $'000	2016–17 Forward year 3 $'000
Annual departmental expenses	215,600	219,846	223,674	229,478	228,502
Expenses not requiring appropriation in the budget year[1]	20,351	18,374	18,425	18,434	18,434
Total program expenses	**235,951**	**238,220**	**242,099**	**247,912**	**246,936**

Note: Departmental appropriation splits and totals are indicative estimates and may change in the course of the budget year as government and/or organisational priorities change.
1. Expenses not requiring appropriation in the budget year are made up of depreciation and amortisation expenses, make-good expenses and audit fees.

Program 1.1 deliverables

Regulate and facilitate international passengers through:

- pre-arrival and pre-departure risk assessment based on advance passenger data, information and intelligence to identify potential persons of interest (from a whole-of-government perspective)
- pre-arrival and pre-departure traveller information to provide advice about regulatory requirements and to support the traveller's positive entry and exit experience
- primary interventions at the primary line on arrival and departure for identity verification, for legislative entry and exit processing and to activate secondary assessment of persons of interest
- assessment of passengers and crew on arrival, including through deployment of detector dogs and real-time officer assessment and response activities, and
- secondary interventions on arrival and pre-departure for the assessment of persons of interest (questioning, baggage examination and personal search) and related follow-on activities (formal interviews and referral to Investigations Branch or other agencies such as the Australian Federal Police) and on arrival for the collection of border-related revenue.

Program 1.1 deliverables (continued)

Deliverables	2012–13 Revised budget	2013–14 Budget	2014–15 Forward year 1	2015–16 Forward year 2	2016–17 Forward year 3
Processing of international passengers (air and sea):					
arrivals	16.070m	16.991m	17.923m	18.881m	19.859m
departures	15.938m	16.866m	17.803m	18.760m	19.734m
Processing of international crew (air and sea):					
arrivals	1.366m	1.437m	1.508m	1.581m	1.655m
departures	1.378m	1.451m	1.526m	1.601m	1.677m
Total number of eligible travellers who presented at SmartGate kiosk	4.4m	6.5m	7.2m	7.6m	8.0m
Total number of eligible travellers who successfully cleared SmartGate	3.6m	5.2m	5.8m	6.1m	6.4m

Note: Targets relating to deliverables for SmartGate are based on eligible Australian and New Zealand travellers rather than any other nationality—some of which are currently the subject of feasibility studies. Targets relating to deliverables across the forward estimates have been developed on the basis of the operational risks and environment that existed when the 2013–14 Portfolio Budget Statements were developed. Due to the dynamic nature of the operational environment, future targets may need to be varied depending on the risks faced at that time.

Program 1.1 key performance indicators

- Respond to all externally and internally generated referrals for persons of interest.
- Passengers understand their obligations, entitlements and processes for entry and exit.
- Passenger clearance to agreed service standards.
- Number of passengers referred internally and to other agencies.

Key performance indicators	2012–13 Revised budget	2013–14 Budget	2014–15 Forward year 1	2015–16 Forward year 2	2016–17 Forward year 3
Percentage of passengers processed within 30 minutes of joining the inwards queue	92%	92%	92%	92%	92%
Number of arriving international air passenger referrals to the Department of Immigration and Citizenship[1]	–	–	–	–	–
Percentage of eligible arriving travellers who presented at a SmartGate kiosk	65%	80%	80%	80%	80%
Percentage of total arriving travellers who presented at a SmartGate kiosk	29%	39%	41%	41%	41%
Traveller satisfaction with primary line services	95%	95%	95%	95%	95%
Percentage of eligible travellers who successfully cleared SmartGate	52%	64%	64%	64%	64%

Note: Targets relating to key performance indicators for SmartGate are based on eligible Australian and New Zealand travellers rather than any other nationality—some of which are currently the subject of feasibility studies. Targets relating to key performance indicators across the forward estimates have been developed on the basis of the operational risks and environment that existed when the 2013–14 Portfolio Budget Statements were developed. Due to the dynamic nature of the operational environment, future targets may need to be varied depending on the risks faced at that time.

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

Program 1.2: Trade facilitation

Program 1.2 objective

Effective border protection for the Australian community by regulating and facilitating legitimate trade and undertaking risk-based interventions to prevent the illegal movement of goods across the border.

Supports the following functions of partner agencies:

- Attorney-General's Department—Drug interdiction and money laundering, prohibited and restricted goods (e.g. firearms and weapons).
- Australian Bureau of Statistics—Statistics.
- Australian Competition and Consumer Commission—Prohibited and restricted goods (e.g. cosmetic products).
- Department of Agriculture, Fisheries and Forestry—Prohibited and restricted goods (e.g. quarantine and bio-diversity), industry assistance schemes.
- Department of Broadband, Communications and the Digital Economy—Imports/exports through the international postal stream.
- Department of Defence—Prohibited and restricted goods (e.g. strategic weapons), concessions.
- Department of Education, Employment and Workplace Relations—Prohibited and restricted goods (e.g. asbestos).
- Department of Foreign Affairs and Trade—Preferential and non-preferential trade schemes and agreements, prohibited and restricted goods (e.g. counter-proliferation goods).
- Department of Health and Ageing—Prohibited and restricted goods (e.g. Pharmaceutical Benefits Scheme medicines), concessions.
- Department of Industry, Innovation, Climate Change, Science, Research and Tertiary Education—Intellectual property rights, trademarks, anti-dumping, preferential and non-preferential trade schemes, industry assistance schemes, regulated goods.
- Department of Infrastructure and Transport—Imported vehicles and port security.
- Department of Resources, Energy and Tourism—Prohibited and restricted goods (e.g. diamonds).
- Department of Sustainability, Environment, Water, Population and Communities—Prohibited and restricted goods (e.g. Convention on International Trade in Endangered Species of Wild Fauna and Flora).

Program 1.2 expenses

Program 1.2 is budgeted to incur expenses of $222.760m in 2013–14, an increase of $3.904m from 2012–13. The increase in expenses for 2013–14 and over the forward estimates is primarily due to the additional funding for the *Customs' compliance assurance system – expansion* measure and the *Anti-Dumping and Countervailing System – enhancements* measure, offset by the net impact of changes in wage and price indices adjustments, government savings and efficiencies. There are no significant movements for this program across the forward estimate.

	2012–13 Revised budget $'000	2013–14 Budget $'000	2014–15 Forward year 1 $'000	2015–16 Forward year 2 $'000	2016–17 Forward year 3 $'000
Annual departmental expenses	188,163	192,509	192,519	194,071	214,950
Expenses not requiring appropriation in the budget year[1]	30,693	30,251	30,583	30,574	30,574
Total program expenses	**218,856**	**222,760**	**223,102**	**224,645**	**245,524**

Note: Departmental appropriation splits and totals are indicative estimates and may change in the course of the budget year as government and/or organisational priorities change.
1. Expenses not requiring appropriation in the budget year are made up of depreciation and amortisation expenses, make-good expenses and audit fees.

Program 1.2 deliverables

Regulate and facilitate legitimate trade through:

- targeted inspection and examination of goods at the border in order to detect and prevent the import or export of prohibited items and to control the movement of restricted items
- referrals of matters for investigation and potentially prosecution
- effective management of end-to-end cargo management processes and information systems
- provision of tariff classification, valuation and rules of origin advice services to importers and exporters
- provision of import and export data and statistics
- investigation of anti-dumping and countervailing applications and the determination, implementation, monitoring and review of appropriate measures to address them, and
- undertaking an effective risk-based compliance program, which utilises pre- and post-clearance monitoring and intervention activities, to promote observance of Australian border laws as they relate to the movement of cargo.

Program 1.2 deliverables (continued)

Deliverables	2012–13 Revised budget	2013–14 Budget	2014–15 Forward year 1	2015–16 Forward year 2	2016–17 Forward year 3
Number of customs import declarations finalised	3.5m	3.6m	3.6m	3.7m	3.7m
Number of export declarations finalised	1.29m	1.30m	1.31m	1.32m	1.33m
Number of imported air cargo consignments reported	29.0m	42.1m	57.5m	74.9m	94.7m
Number of imported sea cargo manifest lines reported	2.8m	2.9m	3.0m	3.1m	3.2m
Volume of cargo subject to inspection and examination:[1]					
Sea cargo:					
number of TEU inspected	101,500	101,500	101,500	101,500	101,500
number of TEU examined	14,000	14,000	14,000	14,000	14,000
Air cargo:					
number of consignments inspected	1.5m	1.5m	1.5m	1.5m	1.5m
number of consignments examined[2]	–	–	–	–	–
Mail:					
number of parcels/EMS/ registered items inspected[3]	25.0m	25.0m	25.0m	25.0m	25.0m
number of letter class mail items inspected[3]	15.0m	15.0m	15.0m	15.0m	15.0m
number of mail items examined[2, 4]	–	–	–	–	–
Customs broker licences:[5]					
number of applications received[2]	–	–	–	–	–
number issued[2]	–	–	–	–	–
Customs depot licences:[5]					
number of applications received[2]	–	–	–	–	–
number issued[2]	–	–	–	–	–
Customs warehouse licences:[5]					
number of applications received[2]	–	–	–	–	–
number issued[2]	–	–	–	–	–
Number of tariff classification, valuation and rules of origin advices completed[2]	–	–	–	–	–
Number of anti-dumping/countervailing investigations, reviews, accelerated reviews, continuations, reinvestigations and duty assessments:					
received[2, 6]	–	–	–	–	–
finalised[2, 6]	–	–	–	–	–

Program 1.2 deliverables (continued)

Deliverables	2012–13 Revised budget	2013–14 Budget	2014–15 Forward year 1	2015–16 Forward year 2	2016–17 Forward year 3
Compliance assurance activity:[5]					
number of customs cargo control and compliance checks[2, 7]	–	–	–	–	–
targeted import/export declaration lines assessed post-transaction[8]	7,500	7,500	7,500	7,500	7,500
targeted import/export declarations assessed pre-clearance[2]	–	–	–	–	–
import/export declarations assessed pre-clearance through general monitoring program	7,000	7,000	7,000	7,000	7,000
import/export declaration lines assessed as a result of voluntary disclosures[2]	–	–	–	–	–

TEU = twenty-foot equivalent unit.

Note: Targets relating to deliverables across the forward estimates have been developed on the basis of the operational risks and environment that existed when the 2013–14 Portfolio Budget Statements were developed. Due to the dynamic nature of the operational environment, future targets may need to be varied depending on the risks faced at that time.

1. All cargo is risk assessed.
2. Performance cannot be forecast reliably. Actual results will be included in the annual report.
3. Inspection may include the use of x-ray technology, detector dogs or physical examination.
4. Examination means physically opened by the ACBPS.
5. These measures appear in both programs 1.2 and 1.5 as they support both programs.
6. The statutory time limit of up to 155 days for these activities means that not all applications received in a particular financial year will be finalised in the same financial year.
7. Customs cargo control and compliance activity conducted at wharves, airports, depots, warehouses and cargo terminal operators.
8. This includes company audit activity.

Program 1.2 key performance indicators

Key performance indicators	2012–13 Revised budget	2013–14 Budget	2014–15 Forward year 1	2015–16 Forward year 2	2016–17 Forward year 3
Availability of electronic cargo systems to ACBPS clients (excluding scheduled outages)	99.7%	99.7%	99.7%	99.7%	99.7%
Proportion of electronically lodged cargo documents where a response message is transmitted within five minutes	98%	98%	98%	98%	98%
Proportion of tariff classification, valuation and rules of origin advices completed in accordance with client service standards	85%	85%	85%	85%	85%
Proportion of anti-dumping/countervailing investigations, reviews, continuations and duty assessments completed within 155 days or timeframe as extended by the Minister	100%	100%	100%	100%	100%
Number of external merit and judicial review applications on matters, including tariff classification under Schedule 4 of the Customs Tariff Act, valuation or rules of origin finalised during the performance period where the duty was paid under protest under section 167 of the *Customs Act 1901*[1]	–	–	–	–	–
Number of external merit and judicial review applications finalised that overturned an ACBPS administrative review decision where the duty was paid under protest[1]	–	–	–	–	–
Proportion of cargo (total bills) reported in line with legislated timeframes:					
sea cargo[1]	–	–	–	–	–
air cargo[1]	–	–	–	–	–
Number of infringement notices served[1, 2]	–	–	–	–	–
Proportion of customs broker, depot and warehouse licence applications processed in accordance with client service standards[2]	100%	100%	100%	100%	100%
Proportion of compliance activities identifying a significant control breach:[2]					
customs cargo control and compliance checks[1, 3]	–	–	–	–	–
targeted import/export declaration lines assessed post-transaction[1, 4]	–	–	–	–	–
targeted import/export declarations assessed pre-clearance[1]	–	–	–	–	–

Note: Targets relating to key performance indicators across the forward estimates have been developed on the basis of the operational risks and environment that existed when the 2013–14 Portfolio Budget Statements were developed. Due to the dynamic nature of the operational environment, future targets may need to be varied depending on the risks faced at that time.

1. Performance cannot be forecast reliably. Actual results will be included in the annual report.
2. These measures appear in both programs 1.2 and 1.5 as they support both programs.
3. Customs cargo control and compliance activity conducted at wharves, airports, depots, warehouses and cargo terminal operators.
4. This includes company audit activity.

Program 1.3: Border protection and enforcement

Program 1.3 objective

Prevent, detect and deter prohibited, harmful or illegal goods or people entering Australia or operating illegally in the Australian Exclusive Economic Zone. This includes:

- preventing, detecting and deterring the movement of illicit drugs and their precursors
- preventing, detecting and deterring illicit firearms crossing the border
- in concert with government, industry and international partners, preventing, deterring and disrupting tobacco smuggling, and
- providing onshore/inshore capability in relation to illegal foreign fishing and irregular maritime arrivals

to support:

- whole-of-government efforts to deliver integrated regulatory, transactional and physical security measures that safeguard people, goods, vessels and aircraft against terrorist-related threats, and
- cross-jurisdictional efforts at both domestic and international levels to prevent, detect and disrupt the activities of organised crime syndicates.

The ACBPS operates to ensure that it has accurate intelligence and insights about risks and threats necessary to perform its border protection role.

Supports the following functions of partner agencies:

- Attorney-General's Department—Policy development and advice on law enforcement matters/provision of intelligence (ASIO), counter-terrorism, illegal drugs, firearms.
- Australian Crime Commission—Movement of harmful or illegal goods operations.
- Australian Federal Police—Movement of harmful or illegal goods operations.
- Department of Agriculture, Fisheries and Forestry—Illegal foreign fishing operations.
- Department of Immigration and Citizenship—Irregular maritime arrivals operations/illegal foreign fishing.
- Department of Infrastructure and Transport—Aviation security operations/port security and vessel operations.
- Department of the Prime Minister and Cabinet (Office of National Assessments)—Counter-terrorism.

Program 1.3 expenses

Program 1.3 is budgeted to incur expenses of $259.600m in 2013–14, a decrease of $14.029m from 2012–13. The decrease is primarily due to a change in funding for a number of terminating measures associated with people smuggling offset by the net impact of changes in wage and price indices adjustments, government savings and efficiencies. The reduction between 2012–13 and 2013–14 is also impacted by additional funding that was received as part of the 2012–13 Additional Estimates process. There are no significant movements for this program across the forward estimate.

	2012–13 Revised budget $'000	2013–14 Budget $'000	2014–15 Forward year 1 $'000	2015–16 Forward year 2 $'000	2016–17 Forward year 3 $'000
Annual departmental expenses	250,594	237,942	235,750	238,105	236,233
Expenses not requiring appropriation in the budget year[1]	23,035	21,658	21,701	21,687	25,177
Total program expenses	**273,629**	**259,600**	**257,451**	**259,792**	**261,410**

Note: Departmental appropriation splits and totals are indicative estimates and may change in the course of the budget year as government and/or organisational priorities change.
1. Expenses not requiring appropriation in the budget year are made up of depreciation and amortisation expenses, make-good expenses and audit fees.

Program 1.3 deliverables

Respond to threats and suspected breaches at the border through:

- land-based surveillance of the coastline, seaports and waterfronts
- processing of apprehended illegal foreign fishers
- risk assessment, boarding, compliance and search activities in relation to passengers, crew, ships and craft entering and departing Australia
- operational activity responding to threats and suspected breaches
- investigations and prosecutions related to breaches of the border involving non-narcotic prohibited goods, import fraud and duty evasion and proceeds of crime under the Customs Act and other relevant Commonwealth legislation
- intelligence and targeting activities for the identification of people and goods of interest consistent with the ACBPS's requirements, immigration, health, family law and other law enforcement and national security requirements
- evaluation and deployment of a range of detection technologies, and
- working with other government agencies to develop strategies across a range of border protection-related topics that impact on the ACBPS's activities at the border.

Program 1.3 deliverables (continued)

Deliverables	2012–13 Revised budget	2013–14 Budget	2014–15 Forward year 1	2015–16 Forward year 2	2016–17 Forward year 3
Number of referrals received by Investigations Branch[1]	–	–	–	–	–
Commercial vessel arrivals[1]	–	–	–	–	–

Note: Targets relating to deliverables across the forward estimates have been developed on the basis of the operational risks and environment that existed when the 2013–14 Portfolio Budget Statements were developed. Due to the dynamic nature of the operational environment, future targets may need to be varied depending on the risks faced at that time.
1. Performance cannot be forecast reliably. Actual results will be reported in the annual report.

Program 1.3 key performance indicators

- Number of illegal foreign fishers apprehended and processed.
- Percentage of referrals accepted for investigation.
- Percentage of high-priority cases accepted for investigation.
- Percentage of prosecution briefs completed that resulted in a conviction.
- Number of commercial vessels boarded at the first port.
- Number and weight of illicit drug detections.

Key performance indicators	2012–13 Revised budget	2013–14 Budget	2014–15 Forward year 1	2015–16 Forward year 2	2016–17 Forward year 3
Number of illegal foreign fishers apprehended and processed	400	400	400	400	400
Percentage of referrals accepted for investigation[1]	18–25%	18–25%	18–25%	18–25%	18–25%
Percentage of high-priority cases accepted for investigation	80–90%	80–90%	80–90%	80–90%	80–90%
Percentage of prosecution briefs completed that resulted in a conviction[2]	85–95%	85–95%	85–95%	85–95%	85–95%
Number of commercial vessels boarded at the first port	6,450	6,450	6,450	6,450	6,450
Number and weight of illicit drug detections[3]	–	–	–	–	–

Note: Targets relating to key performance indicators across the forward estimates have been developed on the basis of the operational risks and environment that existed when the 2013–14 Portfolio Budget Statements were developed. Due to the dynamic nature of the operational environment, future targets may need to be varied depending on the risks faced at that time.
1. Investigations of suspected breaches of Australia's border controls identified by, or referred to, the Investigations Branch that meet the threshold for acceptance as a case.
2. This indicator refers to prosecution briefs prepared by the Investigations Branch and dealt with by the courts. 'Conviction' includes guilty verdicts where no conviction is recorded.
3. Performance cannot be forecast reliably. Actual results will be reported in the annual report.

Program 1.4: Civil maritime surveillance and response

Program 1.4 objective

- To protect Australia's national interests by generating awareness of activity in Australia's maritime domain and responding to mitigate, or eliminate, the risks posed by security threats.
- To coordinate whole-of-government efforts in detecting, reporting and responding to potential or actual non-compliance with relevant laws in Australia's maritime domain, and to provide maritime domain awareness. This also includes coordinating the whole-of-government effort to respond to people smuggling.
- Security threats in Australia's maritime domain include illegal activity in protected areas; illegal exploitation of natural resources; marine pollution; prohibited imports and exports; unauthorised maritime arrivals; compromise to biosecurity; piracy, robbery or violence at sea; and maritime terrorism.
- The area of responsibility covers the territorial sea, the contiguous zone, the Exclusive Economic Zone and continental shelf including the Southern Ocean Exclusive Economic Zone and, for responsibilities as Australia's Security Force Authority, the Australian Search and Rescue Region.
- Maritime security operations are led and coordinated by Border Protection Command. Border Protection Command is a standing multi-agency authority situated in the ACBPS and staffed by officers from the ACBPS, the Australian Defence Force, the Australian Fisheries Management Authority and the Department of Agriculture, Fisheries and Forestry.

Supports the following functions of partner agencies:

- Attorney-General's Department—Policy development and advice on law enforcement matters/provision of intelligence, counter-terrorism, illegal drugs and firearms.
- Australian Crime Commission—Movement of harmful or illegal goods operations.
- Australian Federal Police—Movement of harmful or illegal goods operations.
- Department of Agriculture, Fisheries and Forestry—Illegal foreign fishing operations.
- Department of Health and Ageing—Pandemic response.
- Department of Immigration and Citizenship—Suspected illegal arrivals operations/illegal foreign fishing.
- Department of Infrastructure and Transport—Aviation security operations/port security and vessel operations.
- Department of Regional Australia, Local Government, Arts and Sport—Regional operations.

Program 1.4 expenses

Program 1.4 is budgeted to incur expenses of $342.189m in 2013–14, an increase of $13.533m from 2012–13. The increase reflects the additional funding received from the previous budget measures, including *Border Security – Australian Customs and Border Protection Service – Bay Class replacement*, *Australian Customs and Border Protection Service – Long Term Ashmore Reef Capability* and *Strengthening Customs and Border Protection's capability*.

The movement between 2013–14 and 2014–15 of $76.432m is primarily due to the cessation of the measures that provide funding for the leases for ACV *Triton*, ACV *Ashmore Guardian*, ACV *Ocean Protector* and the Reims aerial surveillance aircraft. This reduction in funding is offset by the additional funding to be received for the shared use by the ACBPS of the Defence vessel ADV *Ocean Shield*, increases in funding for the Long Term Ashmore Capability and an increase in funding for the *Cape* Class vessels.

The movement between 2014–15 and 2015–16 is primarily due to the additional funding received for the *Cape* Class vessels as the total fleet becomes fully operational.

	2012–13 Revised budget $'000	2013–14 Budget $'000	2014–15 Forward year 1 $'000	2015–16 Forward year 2 $'000	2016–17 Forward year 3 $'000
Annual departmental expenses	308,166	319,929	237,567	244,688	241,637
Expenses not requiring appropriation in the budget year[1]	20,490	22,260	28,190	36,123	36,123
Total program expenses	**328,656**	**342,189**	**265,757**	**280,811**	**277,760**

Note: Departmental appropriation splits and totals are indicative estimates and may change in the course of the budget year as government and/or organisational priorities change.

1. Expenses not requiring appropriation in the budget year are made up of depreciation and amortisation expenses, make-good expenses and audit fees.

Program 1.4 deliverables

The whole-of-government efforts in detecting, reporting and responding to potential or actual non-compliance with relevant laws in the Australian maritime domain include:

- the control and coordination of maritime domain awareness
- the conduct of aerial and commercial satellite surveillance
- coordination of surface response vessels, and
- appropriate threat and risk assessment.

Deliverables	2012–13 Revised budget	2013–14 Budget	2014–15 Forward year 1	2015–16 Forward year 2	2016–17 Forward year 3
Aerial surveillance coverage (square nautical miles):					
ACBPS contracted aircraft and RAAF assets (square nautical miles)[1]	140m	140m	129m	129m	129m
Commercial contracted satellite (square nautical miles)	9.6m	9.6m	9.6m	9.6m	9.6m
Southern Ocean vessel surveillance (patrol days)[2]	263	180	80	80	0[3]
Northern waters surveillance ACV Triton (patrol days)[2, 4]	325	308	0	0	0
Ashmore Vessel (station and steaming days)[5]	330	191	320	320	320
ACBPS Marine Unit (patrol days)[6]	2,400	2,400	2,400	2,400	2,400

Note: Targets relating to deliverables across the forward estimates have been developed on the basis of the operational risks and environment that existed when the 2013–14 Portfolio Budget Statements were developed. Due to the dynamic nature of the operational environment, future targets may need to be varied depending on the risks faced at that time.

1. The targets are based on the contribution made by both ACBPS and Defence Force assets to the civil maritime surveillance and response program. The reduction in 2014–15 reflects the cessation of funding for 2,215 aerial surveillance hours in 2013–14.
2. Additional sea patrol days for 2012–13 were agreed as part of decisions made after the 2012–13 Budget.
3. Funding for the ongoing program will be considered in the 2015–16 Budget.
4. Program will terminate in June 2014.
5. Ashmore Guardian is deployed near-permanently at the Ashmore Reef National Nature Reserve and Cartier Island Marine Reserve. This funding will terminate on 31 December 2013 and will be replaced by a long-term capability expected to be operational in late 2013–14.
6. In addition to the ACBPS Marine Unit assets, on any given day the Australian Navy provides seven of the fourteen Armidale Class Patrol Boats in support of Operation Resolute. Another two boats can also be made available on request.

Program 1.4 key performance indicators					
Key performance indicators	**2012–13 Revised budget**	**2013–14 Budget**	**2014–15 Forward year 1**	**2015–16 Forward year 2**	**2016–17 Forward year 3**
Number of irregular, unregulated and unreported vessels sighted and identified in Australia's Exclusive Economic Zone in the Southern Ocean[1]	–	–	–	–	–
Number of irregular, unregulated and unreported vessels boarded in the Southern Ocean[1]	–	–	–	–	–
Number of irregular, unregulated and unreported vessels apprehended in the Southern Ocean[1]	–	–	–	–	–
Trends in sightings of potentially irregular foreign vessels in Australian northern waters (including illegal foreign fishing vessels)[2]	–	–	–	–	–
Number of detections and interceptions of suspected irregular entry vessels[1]	–	–	–	–	–
Number of potential irregular immigrants intercepted at sea (including ship's crew)[1]	–	–	–	–	–
Number of apprehensions of irregular foreign fishing vessels[3]	45	45	45	45	45

Note: Targets relating to key performance indicators across the forward estimates have been developed on the basis of the operational risks and environment that existed when the 2013–14 Portfolio Budget Statements were developed. Due to the dynamic nature of the operational environment, future targets may need to be varied depending on the risks faced at that time.

1. Performance cannot be forecast reliably. Actual results will be included in the annual report.
2. Sightings are generated from reports by Border Protection Command surveillance units, including ACBPS and Defence Force. The number of sightings cannot be forecast through any reliable statistical or other method. Actual sightings and the associated historical trends will be reported in the annual report.
3. The total number of apprehensions by ACBPS and Defence Force assets.

Program 1.5: Border-related revenue collection

Program 1.5 objective

- To provide assurance that the customs duty, indirect taxes and charges payable on imported goods are correctly assessed, reported and paid, and that revenue concessions, exemptions and refunds are correctly applied.
- To collect revenue from passenger and crew processing and administer the Tourist Refund Scheme.

Supports the following functions of partner agencies:

- Australian Taxation Office—GST, Wine Equalisation Tax, Tourist Refund Scheme, Luxury Car Tax.
- Department of Industry, Innovation, Science, Research and Tertiary Education—All concessions.
- Department of the Treasury—Excise-equivalent goods and drawbacks.

Program 1.5 expenses

Program 1.5 is budgeted to incur expenses of $73.600m in 2013–14, a decrease of $0.766m from 2012–13, which is due to parameter adjustments. Increases in funding across the forward estimates are primarily due to the net impact of the changes in wage and price indices adjustments.

	2012–13 Revised budget $'000	2013–14 Budget $'000	2014–15 Forward year 1 $'000	2015–16 Forward year 2 $'000	2016–17 Forward year 3 $'000
Annual departmental expenses	60,549	60,153	60,178	60,547	62,520
Expenses not requiring appropriation in the budget year[1]	13,817	13,447	13,458	13,454	13,454
Total program expenses	**74,366**	**73,600**	**73,636**	**74,001**	**75,974**

Note: Departmental appropriation splits and totals are indicative estimates and may change in the course of the budget year as government and/or organisational priorities change.
1. Expenses not requiring appropriation in the budget year are made up of depreciation and amortisation expenses, make-good expenses and audit fees.

Program 1.5 deliverables

Effectively manage revenue collection by:

- providing assurance that border-related revenue administered by the ACBPS and revenue collected on behalf of other agencies is correctly assessed, reported and paid
- providing assurance that refunds, revenue concessions and exemptions are correctly applied
- undertaking an effective risk-based compliance program, which utilises pre- and post-clearance monitoring and intervention activities, to promote observance of Australian border laws as they relate to the revenue reporting and payment obligations, and
- collecting the passenger movement charge and administering the Tourist Refund Scheme.

Deliverables	2012–13 Revised budget	2013–14 Budget	2014–15 Forward year 1	2015–16 Forward year 2	2016–17 Forward year 3
Collection of revenue associated with passenger movements	$785.2m	$862.2m	$910.1m	$959.1m	$1,008.9m
Significant revenues collected (including customs duty, passenger movement charge, import processing charge and GST collected)	$12,641m	$13,518m	$14,009m	$14,651m	$15,578m
Duty concessions:					
Tariff Concessions System (range)	$1,810m to $2,000m	$1,868m to $2,064m	$1,856m to $2,051m	$1,879m to $2,077m	$2,012m to $2,224m
all other concessions schemes (range)[1]	$298m to $330m	$296m to $327m	$295m to $326m	$293m to $324m	$292m to $323m
Administration of the Tourist Refund Scheme:					
number of processed claims	553,268	585,381	617,827	615,093	684,711
value of processed claims	$92.9m	$98.3m	$103.7m	$109.3m	$116.4m
number of approved claims	542,202	573,673	605,470	602,791	671,016
value of refunds processed	$91.0m	$96.3m	$101.7m	$101.2m	$114.0m
Administration of the duty drawback scheme					
number of processed claims	4,600	4,500	4,400	4,300	4,200
value of processed claims[2]	–	–	–	–	–
number of approved claims[2]	–	–	–	–	–
value of approved claims[2]	–	–	–	–	–
number of rejected claims[2]	–	–	–	–	–
value of rejected claims[2]	–	–	–	–	–
Customs broker licences[3]					
number of applications received[2]	–	–	–	–	–
number issued[2]	–	–	–	–	–
Customs depot licences:[3]					
number of applications received[2]	–	–	–	–	–
number issued[2]	–	–	–	–	–

Program 1.5 deliverables (continued)

Deliverables	2012–13 Revised budget	2013–14 Budget	2014–15 Forward year 1	2015–16 Forward year 2	2016–17 Forward year 3
Customs warehouse licences:[3]					
number of applications received[2]	–	–	–	–	–
number issued	–	–	–	–	–
Number of assessed refund declarations[2]	–	–	–	–	–
Compliance assurance activity:[3]					
number of customs cargo control and compliance checks[2, 4]	–	–	–	–	–
targeted import/export declaration lines assessed post-transaction[5]	7,500	7,500	7,500	7,500	7,500
targeted import/export declarations assessed pre-clearance[2]	–	–	–	–	–
import/export declarations assessed pre-clearance through general monitoring program	7,000	7,000	7,000	7,000	7,000
import/export declaration lines assessed as a result of voluntary disclosures[2]	–	–	–	–	–

Note: Targets relating to deliverables across the forward estimates have been developed on the basis of the operational risks and environment that existed when the 2012–13 Portfolio Budget Statements were developed. Due to the dynamic nature of the operational environment, future targets may need to be varied depending on the risks faced at that time.

1. Significant revenue and duty concessions are adjusted for the Automotive Competitiveness and Investment Scheme credits, which are treated by the ACBPS as duty revenue and as an expense by the Department of Industry, Innovation, Climate Change, Science, Research and Tertiary Education.
2. Performance or volume cannot be forecast reliably. Actual results will be included in the annual report.
3. These measures appear in both programs 1.2 and 1.5 as they support both programs.
4. Customs cargo control and compliance activity conducted at wharves, airports, depots, warehouses and cargo terminal operators.
5. This includes company audit activity.

Program 1.5 key performance indicators					
Key performance indicators	**2012–13 Revised budget**	**2013–14 Budget**	**2014–15 Forward year 1**	**2015–16 Forward year 2**	**2016–17 Forward year 3**
Proportion of drawbacks delivered in accordance with client service standards	90%	90%	90%	90%	90%
Proportion of Tariff Concession System applications processed in accordance with legislated timeframes	100%	100%	100%	100%	100%
Number of external merit and judicial review applications on refund and drawback claims finalised during the performance period[1]	–	–	–	–	–
Number of external merit and judicial review applications finalised that overturned an ACBPS decision on refund or drawback claims[1]	–	–	–	–	–
Number of external merit and judicial review applications finalised during the performance period on an ACBPS decision made under Part XVA of the *Customs Act 1901*[1]	–	–	–	–	–
Number of external merit and judicial review applications finalised that overturned an ACBPS decision under Part XVA of the *Customs Act 1901*[1]	–	–	–	–	–
Proportion of revenue targeted import audits where revenue was adjusted by $1,000 or more	55%	55%	55%	55%	55%
Number of infringement notices served[1, 2]	–	–	–	–	–
Net value of revenue adjustments identified from compliance assurance activity[1]	–	–	–	–	–
Number of approved refund declarations[1]	–	–	–	–	–
Value of approved refund declarations[1]	–	–	–	–	–
Proportion of refunds delivered in accordance with client service standards	90%	90%	90%	90%	90%
Proportion of compliance activities identifying a significant control breach:[2]					
customs cargo control and compliance checks[1, 3]	–	–	–	–	–
targeted import/export declaration lines assessed post-transaction[1, 4]	–	–	–	–	–
targeted import/export declarations assessed pre-clearance[1]	–	–	–	–	–
Proportion of customs broker, depot, warehouse licence applications processed in accordance with client service standards[2]	100%	100%	100%	100%	100%

Note: Targets relating to key performance indicators across the forward estimates have been developed on the basis of the operational risks and environment that existed when the 2012–13 Portfolio Budget Statements were developed. Due to the dynamic nature of the operational environment, future targets may need to be varied depending on the risks faced at that time.

1. Performance or volume cannot be reliably forecast. Actual results will be included in the annual report.
2. These measures appear in both programs 1.2 and 1.5 as they support both programs.
3. Customs cargo control and compliance activity conducted at wharves, airports, depots, warehouses and cargo terminal operators.
4. This includes company audit activity.

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 2013–14 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, movements in administered funds, special accounts and government Indigenous expenditure.

3.1 EXPLANATORY TABLES

3.1.1 Movement of administered funds between years

The ACBPS has not moved any administered funds between years.

3.1.2 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 *Financial Management and Accountability Act 1997* or under separate enabling legislation. Table 3.1.2 shows the expected additions (receipts) and reductions (payments) for each account used by the ACBPS.

Table 3.1.2: Estimates of special account flows and balances

	Outcome	Opening balance 2013–14 *2012–13* $'000	Receipts 2013–14 *2012–13* $'000	Payments 2013–14 *2012–13* $'000	Adjustments 2013–14 *2012–13* $'000	Closing balance 2013–14 *2012–13* $'000
Other Trust Moneys—	1	–	40	40	–	–
FMA Act s 20 (A)	*1*	–	*40*	*40*	–	–
Services for Other Entities and Trust Moneys—	1	374	–	–	–	374
FMA Act s 20 (A)	*1*	*374*	–	–	–	*374*
Security Deposits—	1	2,465	4,000	4,000	–	2,465
FMA Act s 20 (A)	*1*	*2,465*	*4,000*	*4,000*	–	*2,465*
Total special accounts 2013–14 Budget estimate		**2,465**	**4,040**	**4,040**	**–**	**2,465**
Total special accounts 2012–13 estimated actual		*2,465*	*4,040*	*4,040*	–	*2,465*

(A) = Administered.

3.1.3 Australian Government Indigenous expenditure

The ACBPS has three internally funded Indigenous programs:

- 'Engage and Train Torres Strait Islanders as Marine Crew to serve in the Torres Strait'
- National Indigenous Programs—Indigenous Cadets and Indigenous Graduates (funded separately), and
- the continuation of a trial in one Indigenous community to help improve the capacity for inshore surveillance and response to illegal foreign fishing.

The Torres Strait Island Marine Trainee Program is an entry-level recruitment program specifically for people in the Torres Strait to join the ACBPS Marine Unit for 12 months as sea-going crew in non-ongoing positions. After completion of the 12-month program, the members are given an opportunity to apply for ongoing Marine Unit positions.

The ACBPS participates, where suitable candidates can be identified, in the Australian Public Service Indigenous Employment Project by recruiting into the National Indigenous Cadetship and Graduate Programs, thereby contributing to the overall increase in numbers of Indigenous employees. In 2013, no new Indigenous candidates were identified as being suitable for recruitment into the cadetship program, but two were selected into the graduate intake (one deferring his place until 2014). In 2013 the ACBPS has three Indigenous cadets continuing their program, supported financially by the agency.

Indigenous cadets complete a 12-week work placement each year and are paid a cadet salary during that period. They are then paid to complete their studies for the remainder of the year, during which time they are paid 57% of the cadet salary.

In addition, the program pays a twice-yearly book allowance and allows the reimbursement of compulsory fees such as the Higher Education Loan Program (HELP). Indigenous cadets are offered a permanent Customs Level 1 (APS 3) position on successful completion of the program.

Graduate trainees participate in a 12-month program which offers the following:

- three workplace rotations
- a Diploma of Government and further personal skill development workshops, and
- a permanent Customs Level 2 (APS 5) position on successful completion of the program.

Table 3.1.3: Australian Government Indigenous expenditure (AGIE)

	Appropriations						
	Bill No. 1 $'000	Bill No. 2 $'000	Special approp $'000	Total approp $'000	Other $'000	Total $'000	Program
Outcome 1							
Departmental 2013–14	757	–	–	757	–	757	1.3, 1.4
Departmental 2012–13	*442*	*–*	*–*	*442*	*–*	*442*	*1.3, 1.4*
Total AGIE 2013–14	**757**	**–**	**–**	**757**	**–**	**757**	
Total AGIE 2012–13	*442*	*–*	*–*	*442*	*–*	*442*	

3.2 BUDGETED FINANCIAL STATEMENTS

3.2.1 Differences in agency resourcing and financial statements

There is no material difference between the agency resourcing and financial statements.

3.2.2 Analysis of budgeted financial statements

Departmental

Income statement

The movement in appropriation revenue between 2012–13 and 2013–14 is due to the impact of funding that terminates in June 2013, offset by net additional funding received in 2013–14. Net funding in 2013–14 comprises funding for additional measures offset by the impact of savings and efficiencies and the impact of wage and price adjustments.

The increase in the revenue from government (appropriations) of $10.035m between 2012–13 and 2013–14 is due to additional funding received for the following:

- measures:
  - $4.000m to implement the *Customs' compliance assurance system – expansion measure*
  - $6.536m for the *Anti-Dumping and Countervailing System – enhancements* measure
  - $3.640m for the 2012–13 Budget measure *Australian Customs and Border Protection Service – Long Term Ashmore Reef Capability*
  - $10.062m for the 2010–11 Budget measure *Australian Customs and Border Protection Service – Bay Class replacement*
  - $4.003m for the additional use of the ACV *Ocean Protector* in 2013–14 as part of the *Combating people smuggling – strengthening response capability to irregular maritime arrivals* measure

- other budget adjustments:
  - a net increase of $5.810m from the adjustments made to workload parameters as part of the passenger workload growth agreement
  - a positive funding movement of $0.409m in 2013–14 to supplement the ACBPS for the fringe benefit taxation impacts on its employees posted overseas.

This additional funding in 2013–14 will be offset by the following:

- measures:
  - reduced funding of $1.900m for the 2012–13 Budget measure *Australian Customs and Border Protection Service – Increased use of SmartGate capability*
  - reductions of $8.661m in previously funded terminating people smuggling measures
  - a reduction of $1.094m for the measure *Attorney-General's Portfolio savings – redirection*
- other budget adjustments:
  - a reduction in funding of $2.145m for the *Reducing inbound duty free allowances for tobacco* initiative.
  - an increase of $1.108m for the *Targeted savings – public service efficiencies* measure impacting on 2013–14.

The balance of the increase in funding between 2012–13 and 2013–14 is due to the cumulative effect of the changes in wage and price indices adjustments from both the current and prior periods.

The movement across the forward estimates is generally a function of the impacts of terminating measures, with the most noticeable being between 2013–14 and 2014–15 of $82.8m, which is primarily due to the cessation of the measures that provide funding for the leases for ACV *Triton*, ACV *Ashmore Guardian*, ACV *Ocean Protector* and the Reims aircraft.

Other major movements between 2013–14 and 2014–15 relate to the net impact of additional funding received for the *Cape* Class vessels as the total fleet becomes fully operational, together with additional funding for the *Australian Customs and Border Protection Service – Long Term Ashmore Reef Capability* and the *Maritime Humanitarian Assistance and Disaster Relief Capability – share arrangement for Southern Ocean surveillance* measures. The Southern Oceans Patrol and Response Program will be replaced by the ACV *Ocean Shield* vessel from 2016 when it is transferred to the ACBPS from Defence.

Movement in the forward estimates is also a function of the increase in passenger volumes resulting in increased funding received through the Passenger Workload Growth Model offset by the ongoing impact of wage and price indices adjustments.

Revenue estimated to be received from the sale of goods and services remains relatively stable between 2012–13 and 2013–14.

Balance sheet

The ACBPS's net asset (equity) position for 2013–14 is estimated to be $534.217m, representing an increase of $27.946m from the 2012–13 revised budget position ($506.271m).

The increase in total assets is due to:

- increased funding of $1.688m for the *Anti-Dumping and Countervailing System – enhancements* measure
- funding of $46.913m in 2013–14 for the *Cape* Class vessels, and
- $2.700m in capital funding for the *Australian Customs and Border Protection Service – Increased use of SmartGate capability* measure.

The increase is offset by a decrease in capital funding associated with the ongoing 20% reduction in departmental capital budgets measure ($16.5m in 2013–14) and the redirection of capital spending measure ($4.9m in 2013–14).

There is the potential for the asset and equity levels to change from budgeted levels as a result of a range of adjustments being made to the ACBPS's balance sheet as part of the finalisation of the 2012–13 financial statements.

Administered

Income statement

In 2013–14 the ACBPS is estimated to collect $8.829b in customs duty, an increase of $0.360b (or 4.25%) over the 2012–13 estimate. This increase is due primarily to the expected increase in revenue collections in 2013–14 across all duty categories with the exception of passenger motor vehicles.

The ACBPS will also administer the collection of $1,111.561m in other taxes, fines and fees revenue in 2013–14. Revenue collected as other taxes, fines and fees comprises $862.232m for the passenger movement charge and $249.329m for the import processing charge in 2013–14. The collection of the passenger movement charge is estimated to increase by $77.1m in 2013–14 due to:

- the estimated increases in international passenger movements, and
- the full-year impact of the increase to the passenger movement charge by $8, from $47 to $55.

Collections of the import processing charge in 2013–14 are estimated to be $249.329m, an increase of $96.645m compared to the revised budget estimate for 2012–13. The increase in revenue generated from the import processing charge reflects the impact of

the measure *Import Processing Charge – ensuring full cost recovery*, which will generate an estimated $91.618m in 2013–14 and $674.266m over four years. This measure will broaden the cost base of the current import processing charge and will increase the rate of the charge for import entries valued at greater than $10,000.

The ACBPS has estimated that $260.0m will be required to be paid as customs duty refunds and drawbacks.

Schedule of budgeted assets and liabilities

The budgeted total administered assets position for the ACBPS in 2013–14 is $199.843m, compared to $188.343m in 2012–13. This is due primarily to an increase in taxation receivables related to customs duty.

Total liabilities administered by the ACBPS remain steady between 2012–13 and 2013–14 and the forward years.

3.2.3 Budgeted financial statements tables

Departmental

Table 3.2.1: Comprehensive income statement (showing net cost of services) for the period ended 30 June

	Estimated actual 2012–13 $'000	Budget estimate 2013–14 $'000	Forward estimate 2014–15 $'000	Forward estimate 2015–16 $'000	Forward estimate 2016–17 $'000
EXPENSES					
Employee benefits	513,285	527,190	523,067	531,448	540,431
Supplier expenses	520,527	508,929	432,361	441,181	449,151
Depreciation and amortisation	97,646	100,250	106,617	114,532	118,022
Total expenses	**1,131,458**	**1,136,369**	**1,062,045**	**1,087,161**	**1,107,604**
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	70,250	67,522	69,703	69,703	69,703
Rental income	1,500	1,500	1,500	1,500	1,500
Total own-source revenue	**71,750**	**69,022**	**71,203**	**71,203**	**71,203**
Gains					
Other	5,740	5,740	5,740	5,740	5,740
Total gains	**5,740**	**5,740**	**5,740**	**5,740**	**5,740**
Total own-source income	**77,490**	**74,762**	**76,943**	**76,943**	**76,943**
Net cost of (contribution by) services	**1,053,968**	**1,061,607**	**985,102**	**1,010,218**	**1,030,661**
Revenue from government	951,322	961,357	878,485	895,686	912,639
Surplus (deficit) attributable to the Australian Government	**(102,646)**	**(100,250)**	**(106,617)**	**(114,532)**	**(118,022)**
OTHER COMPREHENSIVE INCOME					
Changes in asset revaluation surplus	–	–	–	–	–
Total other comprehensive income	**–**	**–**	**–**	**–**	**–**
Total comprehensive income (loss)	**(102,646)**	**(100,250)**	**(106,617)**	**(114,532)**	**(118,022)**
Total comprehensive income (loss) attributable to the Australian Government	**(102,646)**	**(100,250)**	**(106,617)**	**(114,532)**	**(118,022)**

Note: Impact of net cash appropriation arrangements	2012–13 $'000	2013–14 $'000	2014–15 $'000	2015–16 $'000	2016–17 $'000
Total comprehensive income (loss) excluding depreciation/amortisation expenses previously funded through revenue appropriations	**(5,000)**	**–**	**–**	**–**	**–**
Less depreciation/amortisation expenses previously funded through revenue appropriations	97,646	100,250	106,617	114,532	118,022
Total comprehensive income (loss) as per the statement of comprehensive income	**(102,646)**	**(100,250)**	**(106,617)**	**(114,532)**	**(118,022)**

Prepared on Australian Accounting Standards basis.

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

	Estimated actual 2012–13 $'000	Budget estimate 2013–14 $'000	Forward estimate 2014–15 $'000	Forward estimate 2015–16 $'000	Forward estimate 2016–17 $'000
ASSETS					
Financial assets					
Cash and cash equivalents	6,541	7,423	7,423	7,423	7,423
Trade and other receivables	195,817	199,832	199,832	199,832	199,832
Other financial assets	814	814	814	814	814
Total financial assets	**203,172**	**208,069**	**208,069**	**208,069**	**208,069**
Non-financial assets					
Land and buildings	163,403	152,271	149,703	145,598	141,776
Property, plant and equipment	231,311	279,224	358,140	413,945	387,210
Intangibles	206,174	192,442	171,959	151,126	130,635
Inventories	2,362	2,362	2,362	2,362	2,362
Other non-financial assets	14,355	14,355	14,355	14,355	14,355
Total non-financial assets	**617,605**	**640,654**	**696,519**	**727,386**	**676,338**
Total assets	**820,777**	**848,723**	**904,588**	**935,455**	**884,407**
LIABILITIES					
Payables					
Suppliers	77,938	77,938	77,938	77,938	77,938
Other payables	34,181	34,181	34,181	34,181	34,181
Total payables	**112,119**	**112,119**	**112,119**	**112,119**	**112,119**
Provisions					
Employee provisions	178,535	178,535	178,535	178,535	178,535
Other provisions	23,852	23,852	23,852	23,852	23,852
Total provisions	**202,387**	**202,387**	**202,387**	**202,387**	**202,387**
Total liabilities	**314,506**	**314,506**	**314,506**	**314,506**	**314,506**
Net assets	**506,271**	**534,217**	**590,082**	**620,949**	**569,901**
EQUITY					
Parent entity interest					
Contributed equity	700,586	828,782	991,264	1,136,663	1,203,637
Reserves	80,101	80,101	80,101	80,101	80,101
Retained surplus (accumulated deficit)	(274,416)	(374,666)	(481,283)	(595,815)	(713,837)
Total parent entity interest	**506,271**	**534,217**	**590,082**	**620,949**	**569,901**
Total equity	**506,271**	**534,217**	**590,082**	**620,949**	**569,901**

Prepared on Australian Accounting Standards basis.

Table 3.2.3: Departmental statement of changes in equity—summary of movement (budget year 2013–14)

	Retained earnings $'000	Asset revaluation reserve $'000	Contributed equity/ capital $'000	Total equity $'000
Opening balance as at 1 July 2013				
Balance carried forward from previous period	(274,416)	80,101	700,586	506,271
Adjustment for changes in accounting policies	–	–	–	–
Adjusted opening balance	**(274,416)**	**80,101**	**700,586**	**506,271**
Comprehensive income				
Surplus (deficit) for the period	(100,250)	–	–	(100,250)
Total comprehensive income	**(100,250)**	**–**	**–**	**(100,250)**
Of which:				
Attributable to the Australian Government	(374,666)	80,101	700,586	406,021
Transactions with owners				
Contributions by owners				
Equity injection—appropriation	–	–	67,604	67,604
Departmental capital budget	–	–	60,592	60,592
Sub-total transactions with owners	**–**	**–**	**128,196**	**128,196**
Estimated closing balance as at 30 June 2014	**(374,666)**	**80,101**	**828,782**	**534,217**
Closing balance attributable to the Australian Government	**(374,666)**	**80,101**	**828,782**	**534,217**

Prepared on Australian Accounting Standards basis.

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

	Estimated actual 2012–13 $'000	Budget estimate 2013–14 $'000	Forward estimate 2014–15 $'000	Forward estimate 2015–16 $'000	Forward estimate 2016–17 $'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	955,337	956,857	878,484	895,685	912,638
Sale of goods and rendering of services	71,750	69,505	71,203	71,203	71,203
Net GST received	45,339	46,147	46,147	46,147	46,147
Total cash received	**1,072,426**	**1,072,509**	**995,834**	**1,013,035**	**1,029,988**
Cash used					
Employees	513,289	527,189	518,079	526,460	535,443
Suppliers	514,783	503,188	431,608	440,428	448,398
Net GST paid	45,339	46,147	46,147	46,147	46,147
Total cash used	**1,073,411**	**1,076,524**	**995,834**	**1,013,035**	**1,029,988**
Net cash from (used by) operating activities	**(985)**	**(4,015)**	**–**	**–**	**–**
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment	124,545	123,299	162,482	145,399	66,974
Total cash used	**124,545**	**123,299**	**162,482**	**145,399**	**66,974**
Net cash from (used by) investing activities	**(124,545)**	**(123,299)**	**(162,482)**	**(145,399)**	**(66,974)**
FINANCING ACTIVITIES					
Cash received					
Contributed equity	124,648	128,196	162,482	145,399	66,974
Total cash received	**124,648**	**128,196**	**162,482**	**145,399**	**66,974**
Net cash from (used by) financing activities	**124,648**	**128,196**	**162,482**	**145,399**	**66,974**
Net increase (decrease) in cash held	**(882)**	**882**	**–**	**–**	**–**
Cash and cash equivalents at the beginning of the reporting period	7,423	6,541	7,423	7,423	7,423
Cash and cash equivalents at the end of the reporting period	**6,541**	**7,423**	**7,423**	**7,423**	**7,423**

Prepared on Australian Accounting Standards basis.

Table 3.2.5: Departmental capital budget statement

	Estimated actual 2012–13 $'000	Budget estimate 2013–14 $'000	Forward estimate 2014–15 $'000	Forward estimate 2015–16 $'000	Forward estimate 2016–17 $'000
NEW CAPITAL APPROPRIATIONS					
Capital budgets—Bill 1 (DCB)	59,766	60,592	63,345	64,923	66,974
Equity injections—Bill 2	64,882	67,604	99,137	80,476	–
Total new capital appropriations	**124,648**	**128,196**	**162,482**	**145,399**	**66,974**
Provided for:					
Purchase of non-financial assets	124,648	128,196	162,482	145,399	66,974
Total items	**124,648**	**128,196**	**162,482**	**145,399**	**66,974**
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations[1]	69,779	62,707	99,137	80,476	–
Funded by capital appropriation—DCB[2]	54,766	60,592	63,345	64,923	66,974
Total	**124,545**	**123,299**	**162,482**	**145,399**	**66,974**
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	124,545	123,299	162,482	145,399	66,974
Total cash used to acquire assets	**124,545**	**123,299**	**162,482**	**145,399**	**66,974**

Prepared on Australian Accounting Standards basis.
DCB = departmental capital budget.
1. Includes current Bill 2 and prior year Act 2, 4 and 6 appropriations and special capital appropriations.
2. Does not include annual finance lease costs. Includes purchases from current and previous years' departmental capital budgets.

Table 3.2.6: Statement of asset movements (2013–14)

	Land $'000	Buildings $'000	Other property, plant & equipment $'000	Computer software & intangibles $'000	Total $'000
As at 1 July 2013					
Gross book value	26,776	157,448	262,578	486,668	933,470
Accumulated depreciation/ amortisation and impairment	–	(20,821)	(31,267)	(280,494)	(332,582)
Opening net book balance	**26,776**	**136,627**	**231,311**	**206,174**	**600,888**
CAPITAL ASSET ADDITIONS					
Estimated expenditure on new or replacement assets					
By purchase—appropriation equity[1]	(938)	10,200	83,101	30,936	123,299
Total additions	**(938)**	**10,200**	**83,101**	**30,936**	**123,299**
Other movements					
Depreciation/amortisation expense	–	(20,394)	(35,188)	(44,668)	(100,250)
Total other movements	**–**	**(20,394)**	**(35,188)**	**(44,668)**	**(100,250)**
As at 30 June 2014					
Gross book value	25,838	167,648	345,679	517,604	1,056,769
Accumulated depreciation/ amortisation and impairment	–	(41,215)	(66,455)	(325,162)	(432,832)
Closing net book balance	**25,838**	**126,433**	**279,224**	**192,442**	**623,937**

Prepared on Australian Accounting Standards basis.

1. 'Appropriation equity' refers to equity injections provided through Appropriation Bill (No. 2) 2013–14.

Administered

Table 3.2.7: Schedule of budgeted income and expenses administered on behalf of government (for the period ended 30 June)

	Estimated actual 2012–13 $'000	Budget estimate 2013–14 $'000	Forward estimate 2014–15 $'000	Forward estimate 2015–16 $'000	Forward estimate 2016–17 $'000
EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT					
Supplier expenses	916	928	945	955	955
Write-down and impairment of assets	2,500	2,500	2,500	2,500	2,500
Total expenses administered on behalf of government	**3,416**	**3,428**	**3,445**	**3,455**	**3,455**
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Taxation revenue					
Customs duty	8,469,125	8,829,200	8,969,250	9,219,450	9,739,450
Other taxes, fines and fees	937,846	1,111,561	1,261,133	1,320,209	1,375,620
Total taxation revenue	**9,406,971**	**9,940,761**	**10,230,383**	**10,539,659**	**11,115,070**
Total own-source revenue administered on behalf of government	**9,406,971**	**9,940,761**	**10,230,383**	**10,539,659**	**11,115,070**
Total own-source income administered on behalf of government	**9,406,971**	**9,940,761**	**10,230,383**	**10,539,659**	**11,115,070**
Net cost of (contribution by) services	**(9,403,555)**	**(9,937,333)**	**(10,226,938)**	**(10,536,204)**	**(11,111,615)**
Surplus (deficit)	**9,403,555**	**9,937,333**	**10,226,938**	**10,536,204**	**11,111,615**

Prepared on Australian Accounting Standards basis.

Table 3.2.8: Schedule of budgeted assets and liabilities administered on behalf of government (as at 30 June)

	Estimated actual 2012–13 $'000	Budget estimate 2013–14 $'000	Forward estimate 2014–15 $'000	Forward estimate 2015–16 $'000	Forward estimate 2016–17 $'000
ASSETS					
Financial assets					
Cash and cash equivalents	1,146	1,146	1,146	1,146	1,146
Taxation receivables	183,214	192,214	192,214	192,214	192,214
Trade and other receivables	3,983	6,483	8,983	11,483	11,483
Total financial assets	**188,343**	**199,843**	**202,343**	**204,843**	**204,843**
Total assets administered on behalf of government	**188,343**	**199,843**	**202,343**	**204,843**	**204,843**
LIABILITIES					
Payables					
Suppliers	7,162	7,162	7,162	7,162	7,162
Total payables	**7,162**	**7,162**	**7,162**	**7,162**	**7,162**
Interest-bearing liabilities					
Deposits	2,839	2,839	2,839	2,839	2,839
Total interest-bearing liabilities	**2,839**	**2,839**	**2,839**	**2,839**	**2,839**
Total liabilities administered on behalf of government	**10,001**	**10,001**	**10,001**	**10,001**	**10,001**
Net assets/(liabilities)	**178,342**	**189,842**	**192,342**	**194,842**	**194,842**

Prepared on Australian Accounting Standards basis.

Table 3.2.9: Schedule of budgeted administered cash flows (for the period ended 30 June)

	Estimated actual 2012–13 $'000	Budget estimate 2013–14 $'000	Forward estimate 2014–15 $'000	Forward estimate 2015–16 $'000	Forward estimate 2016–17 $'000
OPERATING ACTIVITIES					
Cash received					
Sales of goods and rendering of services	3,244	2,500	2,500	2,500	2,500
Taxes	8,888,417	9,987,747	10,490,383	10,799,659	11,375,070
Cash from the Official Public Account	330,000	260,000	260,000	260,000	260,000
Appropriation Receipts	915	927	945	955	955
Total cash received	**9,222,576**	**10,251,174**	**10,753,828**	**11,063,114**	**11,638,525**
Cash used					
Cash to the Official Public Account	8,891,661	9,990,247	10,492,883	10,802,159	11,377,570
Suppliers	915	927	945	955	955
Cash used - other	330,000	260,000	260,000	260,000	260,000
Total cash used	**9,222,576**	**10,251,174**	**10,753,828**	**11,063,114**	**11,638,525**
Cash and cash equivalents at the beginning of the reporting period	1,146	1,146	1,146	1,146	1,146
Cash and cash equivalents at the end of the reporting period	**1,146**	**1,146**	**1,146**	**1,146**	**1,146**

Prepared on Australian Accounting Standards basis.

3.2.4 Notes to the financial statements

Basis of accounting

The budgeted financial statements have been prepared on an accrual accounting basis, having regard to Statements of Accounting Concepts, and in accordance with the Finance Minister's Orders, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board.

Departmental

Revenue from government

Amounts appropriated for 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, redundancy expenses, superannuation and non-salary benefits.

Supplier expenses

Supplier expenses consist of administrative costs, consultants' costs, travel expenses and property operating expenses.

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 amounts owed to creditors.

Administered

Revenues

All administered revenues relate to the core operating activities performed by the ACBPS on behalf of the Australian Government, including the collection of customs duty, revenue associated with the Tourist Refund Scheme and revenue associated with the passenger movement charge.

AUSTRALIAN FEDERAL POLICE

Section 1: Agency overview and resources

1.1 STRATEGIC DIRECTION STATEMENT

The Australian Federal Police (AFP) is an independent statutory authority whose functions are set out in section 8 of the *Australian Federal Police Act 1979* (the AFP Act). The AFP is also guided by a Ministerial Direction, issued under section 37(2) of the AFP Act.

Under section 8 of the AFP Act, the AFP's functions include:

- the provision of police services in relation to laws of the Commonwealth, the property of the Commonwealth (including Commonwealth places), and the safeguarding of Commonwealth interests
- the provision of police services in relation to the Australian Capital Territory, the Jervis Bay Territory and Australia's external territories (e.g. Christmas Island)
- protective and custodial functions as directed by the Minister
- the provision of police services and police support services to assist or cooperate with an Australian or foreign law enforcement agency, intelligence or security agency, or government regulatory agency, and
- the provision of police services and police support services in relation to establishing, developing and monitoring peace, stability and security in foreign countries.

The AFP also performs functions under the *Witness Protection Act 1994* and the *Proceeds of Crime Act 2002*.

The Ministerial Direction issued on 1 July 2010 notes that the AFP is Australia's international law enforcement and policing representative and the chief source of advice to the Australian Government on policing issues. It identifies a number of key strategic priorities, including:

- countering the threat of terrorism
- safeguarding the nation's economic interests from serious fraud, money laundering and other crimes
- contributing effectively to border management and security, particularly protecting Australia from people smuggling
- combating transnational organised crime
- participating in international peacekeeping operations and capacity building
- countering the threat of cybercrime
- managing the law enforcement aspects of aviation security, and
- protecting specific individuals, establishments and events.

The Ministerial Direction also sets out the Minister's expectations of how the AFP will deliver on those priorities. The Ministerial Direction is operationalised through the AFP's Strategic Plan 2012–2015 and supported by a range of business planning and formal and informal reporting actions. Together these form the AFP's Statement of Intent.

The national security and criminal threat environment in which the AFP operates is increasingly complex, dynamic and uncertain. To respond to these challenges, the AFP will continue its strong tradition of collaboration with Australian agencies and foreign partners to fight crime and disrupt it at its source. The AFP will also continue to assist in maintaining regional security, stability and ongoing police development through its international capacity development and peacekeeping operations.

The focus of the AFP's resource management strategy will be the flexible application of resources to activities that are likely to have the greatest impact on criminal networks and security threats, both within Australia and overseas.

The AFP will:

- establish and commence operation of the National Anti-Gang Taskforce. The taskforce will enhance Commonwealth investigative, intelligence and technical capabilities; deliver enhanced national and international intelligence-led policing; and inform the development of prevention and disruption activities at a jurisdictional and Commonwealth level
- support the whole-of-government United Nations Security Council effort through delivery of policing expertise, advice and capacity development
- deliver official development assistance programs in the Pacific, Timor-Leste, Afghanistan and the Republic of South Sudan
- maintain strong liaison and operational links with international partners to disrupt serious criminal and national security threats, and
- contribute to the whole-of-government approach to fraud and anti-corruption.

The AFP is held to the highest standards of professional and public accountability. The AFP's professional standards are underpinned by the AFP core values and AFP code of conduct. The AFP core values are integrity, commitment, excellence, accountability, fairness and trust. The AFP is also subject to external oversight and accountability measures, including the Australian Commission for Law Enforcement Integrity, the Commonwealth Ombudsman and the Parliamentary Joint Committee on Law Enforcement.

1.2 AGENCY RESOURCE STATEMENT

Table 1.1 shows the total resources from all sources. The table summarises how resources will be applied by outcome and by administered and departmental classification.

Table 1.1: Agency resource statement—Budget estimates for 2013–14 as at Budget May 2013

		Estimate of prior year amounts available in 2013–14 $'000	+	Proposed at Budget 2013–14 $'000	=	Total estimate 2013–14 $'000	Actual available appropriation 2012–13 $'000
ORDINARY ANNUAL SERVICES[1]							
Departmental appropriation							
Prior year departmental appropriation[2]		224,885		–		224,885	258,275
Departmental appropriation[3]		–		996,858		996,858	1,002,218
s 31 relevant agency receipts[4]		–		286,112		286,112	280,187
Total		**224,885**		**1,282,970**		**1,507,855**	**1,540,680**
Administered expenses							
Outcome 1		–		25,227		25,227	16,787
Total		**–**		**25,227**		**25,227**	**16,787**
Total ordinary annual services	**A**	**224,885**		**1,308,197**		**1,533,082**	**1,557,467**
OTHER SERVICES[5]							
Departmental non-operating							
Equity injections		106,753		55,852		162,605	183,435
Total other services	**B**	**106,753**		**55,852**		**162,605**	**183,435**
Total available annual appropriations		**331,638**		**1,364,049**		**1,695,687**	**1,740,902**
Total appropriations excluding special accounts		**331,638**		**1,364,049**		**1,695,687**	**1,740,902**
SPECIAL ACCOUNTS							
Opening balance[6]		5,859		–		5,859	5,859
Appropriation receipts[7]		–		1,526		1,526	1,522
Non-appropriation receipts to special accounts		–		6,988		6,988	6,988
Total special accounts	**C**	**5,859**		**8,514**		**14,373**	**14,369**
Total resourcing (A+B+C)		**337,497**		**1,372,563**		**1,710,060**	**1,755,271**
Less appropriations drawn from annual appropriations above and credited to special accounts		–		(1,526)		(1,526)	(1,522)
Total net resourcing for agency		**337,497**		**1,371,037**		**1,708,534**	**1,753,749**

All figures are GST exclusive.
1. Appropriation Bill (No. 1) 2013–14.
2. Estimated adjusted balance carried forward from previous years to meet existing leave provisions and other liabilities.
3. Includes an amount of $31.347m in 2013–14 for the departmental capital budget (see Table 3.2.5 for further details). For accounting purposes this amount has been designated as 'contributions by owners'.
4. Section 31 relevant agency receipts—estimate.
5. Appropriation Bill (No. 2) 2013–14.
6. Estimated opening balance for special accounts (less 'special public money' held in a Services for Other Entities and Trust Moneys Special Account). For further details on special accounts, see Table 3.1.2.
7. Appropriation receipts from annual appropriations for 2012–13 included above.

1.3 BUDGET MEASURES

Budget measures announced since the 2012–13 Mid-Year Economic and Fiscal Outlook (MYEFO) relating to the AFP are detailed in Budget Paper No. 2 and are summarised in Part 1 of Table 1.2. MYEFO measures not previously reported in a portfolio statement are summarised in Part 2.

Table 1.2: Agency 2013–14 Budget measures

Part 1: Measures announced since the 2012–13 MYEFO

	Program	2012–13 $'000	2013–14 $'000	2014–15 $'000	2015–16 $'000	2016–17 $'000
Expense measures						
Cricket World Cup—assistance[1]	1.1					
Departmental expenses		–	516	6,927	688	20
Total		**–**	**516**	**6,927**	**688**	**20**
Australian Federal Police—redirection of Surge Capacity program	1.1					
Departmental expenses		–	(4,872)	(4,861)	(4,904)	(4,952)
Total		**–**	**(4,872)**	**(4,861)**	**(4,904)**	**(4,952)**
Attorney-General's Portfolio savings—redirection	1.1, 1.2, 1.3, 1.4					
Departmental expenses		–	(1,436)	(1,470)	(1,446)	(1,439)
Total		**–**	**(1,436)**	**(1,470)**	**(1,446)**	**(1,439)**
Official development assistance—Australian Federal Police contribution to the United Nations Mission in the Republic of South Sudan	1.2					
Administered expenses		–	108	110	–	–
Departmental expenses		–	944	930	–	–
Total		**–**	**1,052**	**1,040**	**–**	**–**
Australian assistance with law and justice frameworks in Africa—conclusion	1.2					
Departmental expenses		–	(1,188)	(1,195)	(1,206)	(1,218)
Total		**–**	**(1,188)**	**(1,195)**	**(1,206)**	**(1,218)**
Regional Assistance Mission to Solomon Islands—transition	1.2					
Administered expenses		–	10,370	9,722	8,327	4,935
Departmental expenses		–	72,674	72,852	66,384	62,993
Total		**–**	**83,044**	**82,574**	**74,711**	**67,928**
Australian Federal Police—contribution to United Nations Force in Cyprus	1.2					
Departmental expenses		–	–	–	–	–
Total		**–**	**–**	**–**	**–**	**–**
Combating people smuggling—law enforcement	1.2, 1.3					
Administered expenses		–	856	–	–	–
Departmental expenses		–	2,082	–	–	–
Total		**–**	**2,938**	**–**	**–**	**–**

Table 1.2: Agency 2013–14 Budget measures

Part 1: Measures announced since the 2012–13 MYEFO (continued)

	Program	2012–13 $'000	2013–14 $'000	2014–15 $'000	2015–16 $'000	2016–17 $'000
Addressing gang violence and organised crime—National Anti-Gang Taskforce, Gang Intelligence Centre and Criminal Assets Confiscation Taskforce	1.3, 1.4					
Departmental expenses		–	15,145	16,180	16,356	14,695
Total		**–**	**15,145**	**16,180**	**16,356**	**14,695**
Law Enforcement Cooperation Program and International Deployment Group—savings	1.3, 1.4					
Departmental expenses		–	(3,384)	–	–	–
Total		**–**	**(3,384)**	**–**	**–**	**–**
Total expense measures						
Administered		–	11,334	9,832	8,327	4,935
Departmental		–	80,481	89,363	75,872	70,099
Total		**–**	**91,815**	**99,195**	**84,199**	**75,034**
Capital measures						
Cricket World Cup—assistance[1]	1.1					
Departmental capital		–	35	786	–	–
Total		**–**	**35**	**786**	**–**	**–**
Regional Assistance Mission to Solomon Islands—transition	1.2					
Departmental capital		–	4,424	2,542	421	–
Total		**–**	**4,424**	**2,542**	**421**	**–**
Addressing gang violence and organised crime—National Anti-Gang Taskforce, Gang Intelligence Centre and Criminal Assets Confiscation Taskforce	1.3, 1.4					
Departmental capital		–	1,548	85	–	–
Total		**–**	**1,548**	**85**	**–**	**–**
Combating people smuggling—law enforcement	1.3, 1.4					
Departmental capital		–	71	–	–	–
Total		**–**	**71**	**–**	**–**	**–**
Total capital measures						
Departmental		–	6,078	3,413	421	–
Total		**–**	**6,078**	**3,413**	**421**	**–**

Prepared on a Government Finance Statistics (fiscal) basis.

1. The lead agency for this measure is the Department of Regional Australia, Local Government, Arts and Sport. The full measure description and package details appear in Budget Paper No. 2 under the Regional Australia, Local Government, Arts and Sport portfolio.

Part 2: MYEFO measures not previously reported in a portfolio statement

	Program	2012–13 $'000	2013–14 $'000	2014–15 $'000	2015–16 $'000	2016–17 $'000
Measures						
Asian Football Cup—assistance[1]	1.1					
Departmental expenses		–	378	26,984	800	–
Departmental capital		–	21	16,847	–	–
Total		**–**	**399**	**43,831**	**800**	**–**
Fire Services Levy—reduction						
Departmental expenses	1.1, 1.2, 1.3, 1.4	(125)	(130)	(136)	(136)	(136)
Total		**(125)**	**(130)**	**(136)**	**(136)**	**(136)**
Targeted savings—public service efficiencies	1.1, 1.2, 1.3, 1.4					
Departmental expenses		(4,780)	(6,585)	(6,314)	(6,125)	(5,808)
Total		**(4,780)**	**(6,585)**	**(6,314)**	**(6,125)**	**(5,808)**
Total measures						
Departmental expenses		(4,905)	(6,337)	20,534	(5,461)	(5,944)
Departmental capital		–	21	16,847	–	–
Total		**(4,905)**	**(6,316)**	**37,381**	**(5,461)**	**(5,944)**

Prepared on a Government Finance Statistics (fiscal) basis.

1. The lead agency for this measure is the Department of Regional Australia, Local Government, Arts and Sport. The full measure description and package details appear in the 2012–13 MYEFO under the Regional Australia, Local Government, Arts and Sport portfolio.

Section 2: Outcomes and planned performance

2.1 OUTCOMES AND PERFORMANCE INFORMATION

Government outcomes are the intended results, impacts or consequences of actions by the government on the Australian community. Commonwealth programs are the primary vehicle by which government agencies achieve the intended results of their outcome statements. Agencies are required to identify the programs that contribute to government outcomes over the budget and forward years.

The AFP's outcomes are described below together with the related programs, specifying the performance indicators and targets used to assess and monitor the performance of the AFP in achieving government outcomes. Performance measures reflect consolidation of activities at an organisational level and the conclusion of some program activities. A review of the AFP's key performance indicators has been initiated to inform future portfolio budget reporting.

Outcome 1: Reduced criminal and security threats to Australia's collective economic and societal interests through co-operative policing services

Outcome 1 strategy

The AFP has four programs in Outcome 1. Three of these programs are operational: National Security—Policing; International Deployments; and Operations—Policing. The fourth program is Close Operational Support.

The three operational programs acknowledge key features of the current environment: (i) threats to Australians and Australia's interests have an international base; (ii) organised serious crime represents, in itself, a security threat to Australian interests; and (iii) fragile states provide opportunities for terrorist and other criminal enterprises to flourish. These programs integrate prevention and disruption priorities towards crime reduction and impede criminal elements that threaten the security of Australians and Australian interests.

National Security—Policing (Program 1.1) focuses on preventing security threats to Australia through its Counter Terrorism, Aviation and Protection functions.

International Deployments (Program 1.2) promotes national security by providing policing support for enhanced rule of law internationally. This is facilitated through the AFP's official development assistance capacity-building in Asia and the Pacific, and the AFP's contribution to United Nations missions.

Operations—Policing (Program 1.3) incorporates the Crime Operations and Serious and Organised Crime function and the International Network. This program enables appropriate resourcing of operational activity, ensuring sufficient flexibility to respond to emerging threats. It includes a range of joint taskforces with Commonwealth, state, territory and private sector partners (including the Criminal Assets Confiscation Taskforce and the National Anti-Gang Taskforce) as these are an effective means for disrupting serious and organised crime syndicates.

Close Operational Support (Program 1.4) supports the three operational programs by providing forensic, intelligence, legal, litigation, security, operations coordination and communication services. Functions within this stream ensure that the AFP remains well positioned to address advancements in criminal use of emerging technologies. High-Tech Crime Operations investigates specific offences through its Cyber Crime and Child Protection teams and provides the organisation with technical and physical operations support across all crime types.

Program 1.4 also includes the AFP proceeds of crime litigation function, part of the Criminal Assets Confiscation Taskforce, which provides an operational litigation function to complement the investigative arm within Operations—Policing (Program 1.3) in targeting the criminal economy by removing the instruments and proceeds of crime as the Commonwealth litigator.

The AFP will enhance intelligence-led and risk-based approaches, prioritise deployment of its resources around criminal and security risks and continuously develop and enhance the AFP's investigations capability. Accordingly, the critical focus of the AFP's Outcome 1 strategy will be the application of resources and skills to tasks where they will have the greatest impact and disruptive effect on criminal networks and security threats.

Outcome 1 expense statement

Table 2.1 provides an overview of the total expenses for Outcome 1, by program.

Table 2.1: Budgeted expenses for Outcome 1

Outcome 1: Reduced criminal and security threats to Australia's collective economic and societal interests through co-operative policing services	2012–13 Estimated actual expenses $'000	2013–14 Estimated expenses $'000
Program 1.1: National Security—Policing		
Departmental expenses		
Departmental appropriation[1]	315,949	320,201
Special accounts	2,036	2,224
Expenses not requiring appropriation in the budget year[2]	29,474	29,250
Total for Program 1.1	**347,459**	**351,675**
Program 1.2: International Deployments		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	14,888	23,627
Departmental expenses		
Departmental appropriation[1]	283,123	253,123
Special accounts	1,821	1,390
Expenses not requiring appropriation in the budget year[2]	24,076	21,640
Total for Program 1.2	**323,908**	**299,780**
Program 1.3: Operations—Policing		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	1,163	856
Departmental expenses		
Departmental appropriation[1]	253,922	260,429
Special accounts	1,342	1,420
Expenses not requiring appropriation in the budget year[2]	11,504	10,270
Total for Program 1.3	**267,931**	**272,975**
Program 1.4: Close Operational Support		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	736	744
Departmental expenses		
Departmental appropriation[1]	258,315	260,412
Special accounts	1,789	1,954
Expenses not requiring appropriation in the budget year[2]	23,579	22,965
Total for Program 1.4	**284,419**	**286,075**
Outcome 1 totals by appropriation type		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	16,787	25,227
Departmental expenses		
Departmental appropriation	1,111,309	1,094,165
Special accounts	6,988	6,988
Expenses not requiring appropriation in the budget year	88,633	84,125
Total expenses for Outcome 1	**1,223,717**	**1,210,505**

	2012–13	2013–14
Average staffing level (number)	5,403	5,421

Note: Departmental appropriation splits and totals are indicative estimates and may change in the course of the budget year as government priorities change.
1. Departmental appropriation combines 'Ordinary annual services (Appropriation Bill No. 1)' and 'Revenue from independent sources (s 31)'.
2. Expenses not requiring appropriation in the budget year are made up of depreciation and amortisation expenses, audit fees and resources received free of charge.

Contributions to Outcome 1

Program 1.1: National Security—Policing

Program 1.1 objective

This program contributes to Outcome 1 through a primary focus on prevention delivered by the following functions: Counter Terrorism, Aviation and Protection.

The Counter Terrorism function will prevent, disrupt and investigate terrorist activity against Australia and Australian interests both domestically and internationally.

The Aviation function will prevent and respond to crime at Australia's major airports by providing an AFP sworn police capability to perform a Counter Terrorist First Response and community policing role. Aviation also provides other layered security measures, including the Air Security Officer and National Canine operations, to complement the Australian Government's layers of security for the aviation sector.

The Protection function will ensure that individuals and interests, identified by the Commonwealth to be at risk, are kept safe from acts of terrorism, crime and issue-motivated violence. This will be achieved in partnership with other Commonwealth, state and territory agencies and government departments.

Program 1.1 expenses

Program 1.1 is expected to incur expenses of $351.675m in 2013–14, an increase of $4.216m from 2012–13. This represents the net impact of intergovernmental charging for Protection service activities and budget measure savings across the forward estimates.

	2012–13 Revised budget $'000	2013–14 Budget $'000	2014–15 Forward year 1 $'000	2015–16 Forward year 2 $'000	2016–17 Forward year 3 $'000
Special account expenses					
Services for Other Entities and Trust Moneys	2,036	2,224	2,309	2,320	2,320
Annual departmental expenses					
Ordinary annual services (Appropriation Bill No. 1)	237,012	237,441	247,935	225,376	227,016
Revenue from independent sources (s 31)	78,937	82,760	85,013	87,051	89,556
Expenses not requiring appropriation in the budget year[1]	29,474	29,250	29,567	28,957	29,717
Total program expenses	**347,459**	**351,675**	**364,824**	**343,704**	**348,609**

1. Expenses not requiring appropriation in the budget year are made up of depreciation and amortisation expenses, audit fees and resources received free of charge.

Program 1.1 deliverables

Counter Terrorism

- Conduct and coordinate counter-terrorism investigations across states and territories through the inter-jurisdictional Joint Counter Terrorism Teams.
- Develop strategies to counter violent extremism and enhance the National Community Engagement Strategy.
- Enhance capacity and capability to identify, deter, prevent, disrupt and investigate terrorist activities, both domestically and internationally.
- Collaborate and cooperate with regional partners to combat terrorism regionally and globally, including the provision of investigative, intelligence and forensic advice and ongoing multilateral engagement.

Aviation

Deliver an Airport Operational Policing capability at major airports, which provides:

- AFP sworn members undertaking Counter Terrorist First Response and community policing
- an intelligence-led inflight security capability provided by certified Air Security Officers
- the continued rollout of purpose-built accommodation at major airports (Program Jupiter)
- airport investigation teams (Joint Airport Investigation Teams)
- specialist capabilities:
  - Firearms and Explosive Detection Dogs
  - Currency and Drug Detection Dogs
  - Certified Bomb Appraisal Officers.

Protection

- Engage with key Commonwealth, state and territory and international stakeholders for delivery of protective security measures.
- Protect individuals and critical infrastructure of Commonwealth interest including:
  - designated Defence establishments, the Australian Nuclear Science and Technology Organisation and the Australian Parliament House on a cost-recovery basis
  - official Commonwealth establishments
  - diplomatic and consular missions in Australia
  - specific Australian diplomatic missions overseas on a cost-recovery basis, and
  - services to designated Australian high office holders within Australia and overseas, and resident and visiting foreign dignitaries.
- Provide strategic advice to key stakeholders to support delivery of the Commonwealth's protective security policies.
- Plan and coordinate the AFP protective security response for designated special events within Australia and overseas.
- Provide witness protection services in accordance with the *Witness Protection Act 1994*.

Program 1.1 key performance indicators

The strength of collaborative policing and cooperation within the national security and protection sector is measured by the level of satisfaction expressed in the AFP business satisfaction survey. This includes obtaining feedback from key stakeholders and clients within the realm of the Counter Terrorism, Aviation and Protection functions.

Successful planning, preparedness, response and recovery are reflected through concentration of resources on prevention of terrorism, criminal acts, dealing with issue-motivated violence and preparing operational responses, strategic advice and support to major events. This is delivered through deterrent and prevention activities, active patrolling and proactive response to security operations and incidents based on intelligence-led threat and risk analysis. Successful disruption and deterrence is also reflected in successful criminal case outcomes. This is also measured through conviction rates within Program 1.3.

The Aviation capability is additionally measured through meeting benchmark response times and community confidence at airports.

The *Witness Protection Act 1994* requires that the Commissioner keep the Minister informed of the performance and effectiveness of the National Witness Protection Program and, further, that in consultation with the Commissioner, the Minister must prepare and cause to be laid before each House of Parliament an annual report on those issues. The reporting of these matters is to be undertaken in a manner that does not prejudice the effectiveness or security of the National Witness Protection Program.

Key performance indicators	2012–13 Revised budget	2013–14 Budget	2014–15 Forward year 1	2015–16 Forward year 2	2016–17 Forward year 3
Program level					
Level of external client/stakeholder satisfaction (% of clients satisfied or very satisfied)	85%	85%	85%	85%	85%
Counter Terrorism					
Percentage of time spent on high to very high impact cases	95%	95%	95%	95%	95%
Percentage of counter terrorism activities that are preventative (not responsive)[1]	100%	100%	100%	100%	100%
Percentage of time spent on operational activity (versus capacity development activity)	≥75/<25%	≥75/<25%	≥75/<25%	≥75/<25%	≥75/<25%
Percentage of counter terrorism investigations that result in a prosecution, disruption or intelligence referral outcome	90%	90%	90%	90%	90%

Program 1.1 key performance indicators (continued)

Key performance indicators	2012–13 Revised budget	2013–14 Budget	2014–15 Forward year 1	2015–16 Forward year 2	2016–17 Forward year 3
Aviation					
Level of community confidence in the contribution of the AFP to aviation law enforcement and security (% of aviation network users satisfied or very satisfied)	75%	75%	75%	75%	75%
Proportion of resources used to undertake proactive and intelligence-led counter-terrorism, crime management, public order and first response operations	70%	70%	70%	70%	70%
Response to aviation law enforcement and/or security incidents within priority response times					
Priority 1					
within 5 minutes	75%	75%	75%	75%	75%
within 10 minutes	90%	90%	90%	90%	90%
Priority 2					
within 15 minutes	75%	75%	75%	75%	75%
within 20 minutes	90%	90%	90%	90%	90%
Priority 3					
within 90 minutes	75%	75%	75%	75%	75%
within 120 minutes	90%	90%	90%	90%	90%
Priority 4					
within 24 hours	90%	90%	90%	90%	90%
Protection					
Percentage of time dedicated to preventative versus response activities (Uniform Protection)[2]	≥80/<20%	≥80/<20%	≥80/<20%	≥80/<20%	≥80/<20%
Percentage of time dedicated to preventative versus response activities (Close Personal Protection)[3]	<40/≥60%	<40/≥60%	<40/≥60%	<40/≥60%	<40/≥60%
Number of avoidable incidents per 5,000 hours[4]	<4	<4	<4	<4	<4

1. The wording of the Counter Terrorism key performance indicator measuring the focus on prevention has been broadened. 'Investigations' has been changed to 'activities' to include both preventative activities as well as preventative strategies in an investigation.
2. Preventative activities for Uniform Protection include active patrolling, monitoring of electronic measures, alarms and CCTV, and access/egress support. Response activities include response to security incidents.
3. Preventative activities for Close Personal Protection include close personal protection advances, major event planning and training. Response activities include provision of close personal protection and operational responses to major events.
4. Avoidable incidents are defined as incidents that could have been avoided through physical action, intervention or reasonable intelligence, that result in death, injury or loss of dignity or embarrassment to those individuals and interests identified by the Commonwealth Government or the AFP as being at risk.

Program 1.2: International Deployments

Program 1.2 objective

The AFP's International Deployment Group (IDG) contributes to national security by providing, on behalf of the Australian Government, policing support for enhanced rule of law internationally. The IDG delivers official development assistance through programs meeting the government's aid objectives by improving the capacity and effectiveness of policing, which contributes to alleviating poverty by improving regional and international security, stability and governance.

In conjunction with regional and international governments and the United Nations, the IDG implements offshore capacity development programs and law enforcement initiatives that enhance the effectiveness of, and public confidence in, regional and international police services. The IDG also provides a rapidly deployable crisis-response capability for deteriorating law and order and disaster situations.

The IDG has the organisational lead for AFP interoperability with the Australian Defence Force, particularly in whole-of-government international deployments. The IDG works with AusAID to enable whole-of-government and international development efforts linking the rule of law and socioeconomic development. This includes contributing to the achievement of goals and objectives arising from the government response to the Independent Review of Aid Effectiveness.

In addition to international objectives, the IDG provides community policing in Australia's external territories (e.g. Christmas Island) and supports high-risk tactical operations for Outcome 1 and Outcome 2.

Program 1.2 expenses

Program 1.2 is expected to incur expenses of $299.780m in 2013–14, a reduction of $24.128m from 2012–13. This is largely driven by the impact of a reduction to official development assistance expenditure, offset measures and the effect of the efficiency dividend and targeted savings.

	2012–13 Revised budget $'000	2013–14 Budget $'000	2014–15 Forward year 1 $'000	2015–16 Forward year 2 $'000	2016–17 Forward year 3 $'000
Annual administered expenses					
Ordinary annual services (Appropriation Bill No. 1)	14,888	23,627	20,769	20,643	17,498
Special account expenses					
Services for Other Entities and Trust Moneys	1,821	1,390	1,144	1,148	1,149
Annual departmental expenses					
Ordinary annual services (Appropriation Bill No. 1)	243,146	228,278	231,734	227,159	222,317
Revenue from independent sources (s 31)	39,977	24,845	9,757	9,588	9,605
Expenses not requiring appropriation in the budget year[1]	24,076	21,640	21,711	21,219	24,950
Total program expenses	**323,908**	**299,780**	**285,115**	**279,757**	**275,519**

1. Expenses not requiring appropriation in the budget year are made up of depreciation and amortisation expenses, audit fees and resources received free of charge.

Program 1.2 deliverables

- Provide a workforce that enables the IDG to meet current and future international deployment demands.
- Deliver, and contribute to, capacity development and stabilisation missions including:
  - law enforcement capacity development missions (for example, Afghanistan, Regional Assistance Mission to Solomon Islands, the Pacific Police Development Program and the Timor-Leste Police Development Program), and
  - stabilisation operations and multi-national peace support activities (for example, the United Nations Integrated Mission in the Republic of South Sudan and the United Nations Peacekeeping Force in Cyprus).
- Provide a rapidly deployable crisis-response capability to support international stability and security and to support AFP Outcome 1 and Outcome 2 tactical responsibilities, through the Specialist Response Group.
- Deliver training to foreign police.

Program 1.2 key performance indicators

The success of the IDG is measured through positive feedback from stakeholders and independent review by aid evaluators. The positive impact on national security is demonstrated through ongoing IDG collaboration with the Department of Foreign Affairs and Trade, AusAID and the Department of Defence.

Changes to the key performance indicators in 2013–14 are due to alignment with AusAID's whole-of-government uniform reporting standards and ongoing development of internal reporting and evaluation. Implementation of this work includes development of internal performance reporting across IDG missions. Several key performance indicators align the IDG program with international and geographical indicators.

Performance against aid-funded international deployments is also reported in the Foreign Minister's annual report to the Cabinet of the effectiveness of the aid program.

Key performance indicators	2012–13 Revised budget	2013–14 Budget	2014–15 Forward year 1	2015–16 Forward year 2	2016–17 Forward year 3
Level of external client/stakeholder satisfaction (% of clients satisfied or very satisfied)[1]	80–85%	85%	85%	85%	85%
External territories/mission performance evaluation[2]	n/a	Positive feedback	Positive feedback	Positive feedback	Positive feedback
Number of police and other law and justice officials trained[3]	n/a	3,500	3,500	3,500	TBA
Percentage of mission resources committed to countries in the Asia–Pacific region	85%	85%	85%	85%	85%
Percentage of mission resources committed to countries with rule of law indicators below the international median[4]	80%	80%	80%	80%	80%
Percentage of mission resources committed to Australian national security and aid priority countries[5]	n/a	85%	85%	85%	85%

1. Previous separate indicators for international and Australian stakeholders are now aggregated for consistency with other AFP programs.
2. New indicator replacing former indicator (quality assurance review feedback and University of Queensland project milestones) is a compilation of internal/external mission evaluations along with community perception surveys that are collected as part of the ongoing monitoring.
3. New indicator. Annual targets are in accordance with the overall target outlined in Australia's Comprehensive Aid Policy Framework to 2015–16. The effective target for 2012–13 is also 3,500. The forward year 3 target (2016–17) to be advised (TBA) when available.
4. International median based on annual figures published by the World Bank.
5. New indicator. National security and aid priority countries are Indonesia, Papua New Guinea, Afghanistan, Solomon Islands, Vietnam, Philippines, Bangladesh, Timor-Leste, Pakistan, Cambodia, Burma and Vanuatu as outlined in Australia's Comprehensive Aid Policy Framework to 2015–16.

Program 1.3: Operations—Policing

Program 1.3 objective

This program seeks to reduce the criminal threats to Australia's collective economic and societal interests by employing a multi-dimensional, multi-disciplinary approach to the fight against Commonwealth crime. This includes transnational crime (drug trafficking, people smuggling and human trafficking), as well as financial and corporate crime and corruption, identity crime and other Commonwealth offences.

A key component to the delivery of this program is the AFP's International Liaison Network, designed to reduce criminal threats by fighting crime offshore at its source, enhancing regional security and stability and promoting stable global order through international collaboration and good international citizenship. The AFP, in conjunction with its partner agencies, employs an intelligence-led approach to target and disrupt the organisation of people smuggling.

Through this program, the AFP will lead Australia's capacity to detect and defeat serious and organised crime through the ongoing implementation of response plans under the Commonwealth Organised Crime Strategic Framework. This is achieved in collaboration with domestic and foreign law enforcement agencies and other key government agency partners.

The program will finalise operational planning of the newly announced National Anti-Gang Taskforce and continue to deliver the investigative arm of the AFP-led multi-agency Criminal Assets Confiscation Taskforce. In targeting the criminal economy, the Criminal Assets Confiscation Taskforce employs a proactive intelligence-led approach in the identification and pursuit of criminal wealth.

The AFP will tackle a broad spectrum of criminality and continue to use a diverse range of activity to disrupt criminal enterprises and networks in order to prevent crime, and pursue prosecutions of those involved.

Program 1.3 expenses

Program 1.3 is expected to incur expenses of $272.975m in 2013–14, a net increase of $5.044m from 2012–13. Funding increases across the forward estimates are primarily due to additional funding for the National Anti-Gang Taskforce offset by the impact of revised measures for people smuggling, efficiency dividends, wage-cost indexation and whole-of-government savings.

	2012–13 Revised budget $'000	2013–14 Budget $'000	2014–15 Forward year 1 $'000	2015–16 Forward year 2 $'000	2016–17 Forward year 3 $'000
Annual administered expenses					
Ordinary annual services (Appropriation Bill No. 1)	1,163	856	–	–	–
Special account expenses		.			
Services for Other Entities and Trust Moneys	1,342	1,420	1,485	1,460	1,460
Annual departmental expenses					
Ordinary annual services (Appropriation Bill No. 1)	247,285	253,283	252,080	255,776	259,986
Revenue from independent sources (s 31)	6,637	7,146	6,911	6,467	6,475
Expenses not requiring appropriation in the budget year[1]	11,504	10,270	9,500	10,473	12,620
Total program expenses	**267,931**	**272,975**	**269,976**	**274,176**	**280,541**

1. Expenses not requiring appropriation in the budget year are made up of depreciation and amortisation expenses, audit fees and resources received free of charge.

Program 1.3 deliverables

- Provide multi-agency, multi-disciplinary crime teams to prevent, disrupt, investigate and prosecute serious and organised crime.
- Prevent, disrupt and investigate transnational crime and prosecute those involved.
- Provide the investigative arm of the AFP-led multi-agency Criminal Assets Confiscation Taskforce.
- Establish the National Anti-Gang Taskforce.
- Provide the AFP International Liaison Network.
- Contribute to capacity-building programs that enhance the capabilities of the AFP and its international partners.
- Contribute to intelligence products for target development opportunities with internal and external stakeholders.

Program 1.3 key performance indicators

The strength of collaboration in external partnerships is measured by the level of satisfaction expressed in the AFP business satisfaction survey by key clients and stakeholders.

The level of joint investigations and investigations targeting the criminal economy shows alignment with key elements of the Organised Crime Strategic Framework. The impact of the Criminal Assets Confiscation Taskforce is measured by the value of assets restrained.

Efficiency and effectiveness of investigations are shown through positive return on investment and high conviction rates. The return on investment indicator is based on the Drug Harm Index and Estimated Financial Return, which summarise, in dollar terms, the social impact of law enforcement efforts against importation of illicit drugs and economic crime, respectively. The Drug Harm Index is the estimate of the potential harm that would have ensued if drugs seized at the border had reached the community. The Estimated Financial Return is the amount of money estimated to be saved by law enforcement efforts into crimes such as fraud and money laundering, based on estimates of past losses recovered, and specific and general deterrence.

Key performance indicators	2012–13 Revised budget	2013–14 Budget	2014–15 Forward year 1	2015–16 Forward year 2	2016–17 Forward year 3
Level of external client/stakeholder satisfaction (% of clients satisfied or very satisfied)	80%	80%	85%	85%	85%
Percentage of serious and organised crime operations conducted under joint agency investigations	60%	65%	65%	65%	65%
Return on investment for investigation of transnational crime[1]	>1.0	>1.0	>1.0	>1.0	>1.0
Percentage of cases targeting the criminal economy	25%	30%	30%	30%	30%
Assets restrained[2]	Increase	Increase	Increase	Increase	Increase
Percentage of cases before court that result in conviction[3]	90%	90%	90%	90%	90%

1. Indicates a positive return on investment (benefit from successful drug and fraud investigations exceeds law and justice costs).
2. The target 'Increase' in assets restrained reflects increases relative to the previous five-year average.
3. From 2013–14 this indicator reflects an enterprise-level conviction rate for all AFP investigations.

Program 1.4: Close Operational Support

Program 1.4 objective

This program provides specialist support to the three AFP operational programs, particularly in the areas of technological advancement, forensic science, intelligence, legal advice, proceeds of crime litigation, communications and operations coordination. It also undertakes operational activity in the areas of cybercrime and child sexual exploitation, and delivers on cybercrime prevention.

The Operations Support function provides centralised monitoring, initial response, coordination and communications support to AFP operations, management of the AFP's media relationships, implementation and management of the AFP's security posture including the Protective Security Policy Framework, delivery of the next generation of systems and processes, and oversight of portfolio, program and project management.

The Intelligence function provides timely intelligence to AFP decision makers in support of the key strategic priorities under the Ministerial Direction. Its services are sufficiently flexible to meet new and emerging operational needs of the AFP.

The Forensic and Data Centres function offers forensic science and technical intelligence leadership domestically and internationally and will continue to manage the AFP's project to deliver a new forensic facility by mid-2015.

The High-Tech Crime Operations function provides centrally coordinated surveillance, high-tech and monitoring capabilities that support all AFP policing functions both domestically and internationally. The function will continue to develop the capability and capacity of its workforce to investigate, disrupt, mitigate and prevent:

- criminal acts that manipulate the workings of computer systems relied upon by the Australian critical infrastructure community and/or information systems of national significance, and
- child exploitation crimes (online or in association with travel and tourism).

The AFP will continue to work with, and develop initiatives to combat the threats of cybercrime through collaboration with a diverse range of partners, including domestic and foreign law enforcement and government agencies, non-government organisations, industry and the community.

The program also litigates to recover proceeds of crime as part of the AFP-led multi-agency Commonwealth Criminal Assets Confiscation Taskforce and provides high-quality, independent proceeds of crime litigation services to the Commonwealth.

Program 1.4 expenses

Program 1.4 is expected to incur expenses of $286.075m in 2013–14, an increase of $1.656m from 2012–13. This is due to measure funding for the National Anti-Gang Taskforce coupled with the impacts of the efficiency dividend and targeted savings.

	2012–13 Revised budget $'000	2013–14 Budget $'000	2014–15 Forward year 1 $'000	2015–16 Forward year 2 $'000	2016–17 Forward year 3 $'000
Annual administered expenses					
Ordinary annual services (Appropriation Bill No. 1)	736	744	761	774	789
Special account expenses					
Services for Other Entities and Trust Moneys	1,789	1,954	2,050	2,060	2,059
Annual departmental expenses					
Ordinary annual services (Appropriation Bill No. 1)	249,461	246,509	248,659	247,098	248,103
Revenue from independent sources (s 31)	8,854	13,903	12,419	12,840	12,998
Expenses not requiring appropriation in the budget year[1]	23,579	22,965	22,683	22,556	24,846
Total program expenses	**284,419**	**286,075**	**286,572**	**285,328**	**288,795**

1. Expenses not requiring appropriation in the budget year are made up of depreciation and amortisation expenses, audit fees and resources received free of charge.

Program 1.4 deliverables

Operations Support

- Manage internal and external corporate communications and AFP media relationships.
- Provide an emergency and critical incident management capability for the AFP to effectively coordinate responses to complex large-scale operations. The capability also supports AFP efforts in contributing to whole-of-government response and coordination arrangements. AFP emergency and critical incident management arrangements include capability enhancement of incident command, control and coordination, and guidelines to meet AFP incident and crisis coordination requirements.
- Develop and implement next-generation operational systems and processes including the delivery of major system components to support operational capabilities such as information discovery, investigations, intelligence and the incident management program (Spectrum).
- Manage the AFP's transition to the mandatory requirements of the Protective Security Policy Framework including compliance reporting.
- Manage the AFP's national security strategic initiatives and a range of capabilities that will enhance the AFP's secret and top secret environments.
- Manage the AFP's Portfolio Management Office.

Program 1.4 deliverables (continued)

Intelligence

- Deliver intelligence to support AFP operational outcomes and contribute to national security.
- Share information and intelligence on law enforcement and national security matters with key domestic and international law enforcement partners, the Australian intelligence community and other public and private sector agencies where appropriate.
- Manage the AFP's obligations to the National Intelligence Coordination Committee and National Intelligence Collection Management Committee.
- Participate in national and international forums and government taskforces.
- Make targeted use of human source and covert policing capabilities to enable law enforcement to disrupt criminal activity in Australia and offshore.

Forensic and Data Centres

- Provide priority forensic services to AFP and other critical Commonwealth investigations.
- Collaborate with other members of the Australian and regional intelligence communities to support illicit drug, counter-terrorism, people smuggling and cybercrime initiatives.
- Foster research partnerships with domestic, regional and international partners.
- Conduct capacity-building activities targeting AFP and government strategic priorities.
- Provide technical intelligence input to AFP domestic counter-terrorism, drug seizures and major fraud and serious crime investigations.
- Provide forensic science services to the ACT Government through ACT Policing.

High-Tech Crime Operations

Cybercrime operations

- Investigate significant computer intrusion offences, collaborating closely with government and the public and private sectors to protect the security and stability of Australia's critical systems by proactively mitigating threats and potential threats.
- Monitor, disrupt, investigate and target offenders who use the internet to facilitate the sexual exploitation and abuse of children or who travel offshore and commit sexual exploitation offences against children.
- Promote cybercrime prevention and cyber safety through external education and awareness programs.
- Reduce the impact and raise the profile of missing persons issues in Australia.
- Create and maintain relationships and partnerships with government, industry, academia and the judiciary.

Program 1.4 deliverables (continued)

Collections and capabilities

- Create and deliver sustainable technical and physical surveillance capability.
- Comply with, monitor and report on interception and surveillance device legislation.
- Provide and support organisational telecommunications interception monitoring.
- Provide secure radio network services for AFP operations.

Proceeds of Crime Litigation

- Fully implement the AFP proceeds of crime litigation function.
- Provide high-quality, cost-effective proceeds of crime litigation services to the Commonwealth.
- Contribute to targeting the criminal economy by removing the proceeds and instruments of crime.
- Support and recommend reform of administrative practice, policy and legislation, where applicable.

Program 1.4 key performance indicators

The strength of this program is measured by the level of satisfaction expressed in the AFP business satisfaction survey. This includes obtaining feedback from key stakeholders and external clients for all functions.

For Forensic and Data Centres, accreditation ensures an external benchmark level of quality for the forensic disciplines. The other key performance indicators for Forensic and Data Centres show evidence of response and completion rates for requests and programs. Control chart methodology will be used to determine 95% confidence limits set as targets.

The key performance indicators for High-Tech Crime Operations ensure resources are allocated on the basis of intelligence and high-priority work leading to disruption and/or convictions. Other activities create sustainable technical and physical capabilities, and a community that is empowered to reduce the incidence and impact of crime.

The effectiveness of proceeds of crime litigation services is measured by the value of assets restrained as part of the Criminal Assets Confiscation Taskforce reported under Program 1.3.

Program 1.4 key performance indicators (continued)

Key performance indicators	2012–13 Revised budget	2013–14 Budget	2014–15 Forward year 1	2015–16 Forward year 2	2016–17 Forward year 3
Program level					
Level of external client/stakeholder satisfaction (% of clients satisfied or very satisfied)	85%	85%	85%	85%	85%
Forensic and Data Centres[1]					
National Association of Testing Authorities Accreditation (ISO 17025) in all relevant forensic disciplines	Main-tained	Main-tained	Main-tained	Main-tained	Main-tained
Provision of timely technical intelligence to the AFP and partner agencies (% of responses within five business days)	90%	90%	90%	90%	90%
Number of forensic service requests completed	Within 95% limits	Within 95% limits	Within 95% limits	Within 95% limits	Within 95% limits
High-Tech Crime Operations					
Investigations					
Percentage of time spent on high to very high impact cases	80%	80%	80%	80%	80%
Number of high to very high impact cases reaching court	80	90	90	90	90
Percentage of cases before court that result in conviction	90%	90%	90%	90%	90%
Percentage of AFP personnel having completed technology-related (Tier 1) training	60%	80%	85%	85%	85%
Increased or reinforced cyber safety and security awareness (% of surveyed sample indicating increased awareness or reinforced awareness after delivery of presentations)[2]	85%	85%	85%	85%	85%

1. The previous indicator, 'Offshore capacity building projects (% of scheduled deliverables completed)', has been removed as the major four-year programs terminate on 30 June 2013.
2. This indicator was previously 'Increased or reinforced cyber security awareness' and remains comparable with previous years.

Outcome 2: A safe and secure environment through policing activities on behalf of the Australian Capital Territory Government

Outcome 2 strategy

Outcome 2 reflects the AFP's ACT Community Policing services. ACT Community Policing services are provided in accordance with a Policing Arrangement between the Commonwealth and ACT governments. The Policing Arrangement is for a period of five years and was last approved on 24 June 2011.

The Policing Arrangement provides for an annually negotiated Purchase Agreement between the AFP and the ACT Government, which defines annual community policing objectives. The 2012–13 Purchase Agreement was signed in June 2012. The 2013–14 Purchase Agreement is in negotiation and anticipated to be signed by June 2013. ACT Community Policing services are provided under section 8 of the AFP Act.

Outcome 2 expense statement

Table 2.1 provides an overview of the total expenses for Outcome 2, by program.

Table 2.1: Budgeted expenses for Outcome 2

Outcome 2: A safe and secure environment through policing activities on behalf of the Australian Capital Territory Government	2012–13 Estimated actual expenses $'000	2013–14 Estimated expenses $'000
Program 2.1: ACT Community Policing		
Departmental expenses		
Departmental appropriation[1]	147,263	157,458
Expenses not requiring appropriation in the budget year[2]	5,515	5,515
Total expenses for Outcome 2	**152,778**	**162,973**

	2012–13	2013–14
Average staffing level (number)	956	995

Note: Departmental appropriation splits and totals are indicative estimates and may change in the course of the budget year as government priorities change.
1. Departmental appropriation consists of 'Revenue from independent sources (s 31)'.
2. Expenses not requiring appropriation in the budget year are made up of audit fees and resources received free of charge.

Contributions to Outcome 2

Program 2.1: ACT Community Policing

Program 2.1 objective

The primary aim for Outcome 2 is the provision of a community policing capacity to the ACT Government. AFP activities in this regard include the four key outputs of crime and safety management, road safety, prosecution and judicial support, and crime prevention.

Program 2.1 expenses

The movement in total expenses for Program 2.1 across the forward estimates is due to expected increases in the cost of providing policing services for the ACT Government.

	2012–13 Revised budget $'000	2013–14 Budget $'000	2014–15 Forward year 1 $'000	2015–16 Forward year 2 $'000	2016–17 Forward year 3 $'000
Annual departmental expenses					
Revenue from independent sources (s 31)	147,263	157,458	161,752	165,667	169,695
Expenses not requiring appropriation in the budget year[1]	5,515	5,515	5,515	5,515	5,310
Total program expenses	**152,778**	**162,973**	**167,267**	**171,182**	**175,005**

1. Expenses not requiring appropriation in the budget year are made up of audit fees and resources received free of charge.

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 2013–14 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, special accounts and government Indigenous expenditure.

3.1 EXPLANATORY TABLES

3.1.1 Movement of administered funds between years

The AFP has not moved any administered funds between years.

3.1.2 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 *Financial Management and Accountability Act 1997* or under separate enabling legislation. Table 3.1.2 shows the expected additions (receipts) and reductions (payments) for each account used by AFP.

Table 3.1.2: Estimates of special account flows and balances

	Outcome	Opening balance 2013–14 *2012–13* $'000	Receipts 2013–14 *2012–13* $'000	Payments 2013–14 *2012–13* $'000	Adjustments 2013–14 *2012–13* $'000	Closing balance 2013–14 *2012–13* $'000
Services for Other Entities and Trust Moneys—FMA Act s 20 det 2011/03 (D)[1]	1, 2	31,564	27,799	27,799	–	31,564
	1, 2	*31,564*	*27,795*	*27,795*	–	*31,564*
Total special accounts 2013–14 Budget estimate		**31,564**	**27,799**	**27,799**	**–**	**31,564**
Total special accounts 2012–13 estimated actual		*31,564*	*27,795*	*27,795*	–	*31,564*

(D) = Departmental.

1. The Services for Other Entities and Trust Moneys special account comprises:
   - AFP Official Exhibit & Seized Monies and Manual Cheque Issue Exempt SPM Account
   - AFP Official MPR & Warrants and Manual Cheque Issue SPM Accounts
   - AFP Official Salary Packaging Exempt SPM Account
   - AFP Official Comcare SPM Trust Account
   - AFP Official National Police Memorial Exempt SPM Trust Account
   - AFP Trust Account—Australasian Disaster Victim Identification Committee
   - AFP Official ADVI Database Exempt SPM Account
   - AFP Official Interpol 2010 SPM Account
   - Asia/Pacific Group on Money Laundering, and
   - Australian Institute of Police Management.

3.1.3 Australian Government Indigenous expenditure

The AFP's contribution to Australian Government Indigenous expenditure is outlined in Table 3.1.3. The primary component of this expenditure is activities to promote Indigenous employment in the AFP. The AFP is also funded for Indigenous-specific activities under the *Stronger Futures in the Northern Territory – community safety and justice* measure.

Table 3.1.3: Australian Government Indigenous expenditure (AGIE)

	Appropriations						
	Bill No. 1 $'000	Bill No. 2 $'000	Special approp $'000	Total approp $'000	Other $'000	Total $'000	Program
Outcome 1							
Departmental 2013–14	2,573	–	–	2,573	–	2,573	All
Departmental 2012–13	*2,529*	*–*	*–*	*2,529*	*–*	*2,529*	*All*
Total AGIE 2013–14	**2,573**	**–**	**–**	**2,573**	**–**	**2,573**	
Total AGIE 2012–13	*2,529*	*–*	*–*	*2,529*	*–*	*2,529*	

3.2 BUDGETED FINANCIAL STATEMENTS

3.2.1 Differences in agency resourcing and financial statements

There is no material difference between the agency resourcing and financial statements.

3.2.2 Analysis of budgeted financial statements

Departmental

In 2013–14, the AFP is budgeting to receive appropriation revenue of $965.511m, a reduction of $11.393m from the estimated actual of $976.904m in 2012–13. The estimated appropriation increase in 2014–15 is primarily attributed to revenue received for the *Asian World Cup – assistance* and the *Cricket World Cup – assistance* measures. In 2015–16 the AFP forecasts a significant $24.999m reduction to appropriation revenue as a result of measures terminating in 2014–15.

Total expenses for 2013–14 are estimated to be $1,340.564m, a net decrease of $12.156m from the estimated 2012–13 actual of $1,352.720m.

Movements between 2012–13 and 2013–14 are primarily due to the combined impact of expense and savings measures including:

- funding for the *Regional Assistance Mission to Solomon Islands – transition* measure is $21.610m lower when compared to 2012–13 Regional Assistance Mission to Solomon Islands expenditure
- increased funding of $15.145m for the *Addressing gang violence and organised crime – National Anti-Gang Taskforce, Gang Intelligence Centre and Criminal Assets Confiscation Taskforce* measure
- increased funding of $7.689m under the *Sworn Australian Federal Police officers – increase* 2008–09 budget measure
- other movements in budget measures and government efficiencies between years.

The AFP's section 31 revenue is estimated to be $286.112m in 2013–14, a net increase of $4.444m from the 2012–13 estimated actual of $281.668m. The net increase is a result of an increase in cost-recovered activities and the impact of intergovernment charging.

Balance sheet

The AFP's net assets at 30 June 2014 are estimated at $452.051m, which represents a net increase of $3.369m from the 30 June 2013 estimated actual. The net increase is primarily the result of the operating deficit from depreciation of $83.131m net of capital injections associated with new measures of $6.043m and previously announced measures of $49.809m and departmental capital budget appropriation of $31.347m.

The AFP's estimated 2013–14 capital budget of $143.899m represents a net movement of $5.945m from the previously published estimate largely attributed to new capital budget measures.

Administered

The estimated expense administered on behalf of government for 2013–14 is $25.227m, an increase of $8.440m from 2012–13. This reflects an increase in official development assistance programs administered by the AFP. Revenue administered on behalf of the government directed into the Consolidated Revenue Fund is $38.197m in 2013–14. This relates to the 2012–13 revenue measure *Australian Federal Police – partial cost recovery of airport policing*.

3.2.3 Budgeted financial statements tables

Departmental

Table 3.2.1: Comprehensive income statement (showing net cost of services) for the period ended 30 June

	Estimated actual 2012–13 $'000	Budget estimate 2013–14 $'000	Forward estimate 2014–15 $'000	Forward estimate 2015–16 $'000	Forward estimate 2016–17 $'000
EXPENSES					
Employee benefits	846,300	851,419	858,448	848,585	856,097
Supplier expenses	417,689	405,601	403,189	393,792	395,259
Depreciation and amortisation	88,338	83,131	82,986	82,910	91,838
Finance costs	393	413	433	455	–
Total expenses	**1,352,720**	**1,340,564**	**1,345,056**	**1,325,742**	**1,343,194**
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	281,668	286,112	275,852	281,613	288,329
Total own-source revenue	**281,668**	**286,112**	**275,852**	**281,613**	**288,329**
Gains					
Other	5,810	5,810	5,810	5,810	5,605
Total gains	**5,810**	**5,810**	**5,810**	**5,810**	**5,605**
Total own-source income	**287,478**	**291,922**	**281,662**	**287,423**	**293,934**
Net cost of (contribution by) services	**1,065,242**	**1,048,642**	**1,063,394**	**1,038,319**	**1,049,260**
Revenue from government	976,904	965,511	980,408	955,409	957,422
Surplus (deficit) attributable to the Australian Government	**(88,338)**	**(83,131)**	**(82,986)**	**(82,910)**	**(91,838)**
OTHER COMPREHENSIVE INCOME					
Changes in asset revaluation surplus	–	–	–	–	–
Total other comprehensive income	**–**	**–**	**–**	**–**	**–**
Total comprehensive income (loss)	**(88,338)**	**(83,131)**	**(82,986)**	**(82,910)**	**(91,838)**
Total comprehensive income (loss) attributable to the Australian Government	**(88,338)**	**(83,131)**	**(82,986)**	**(82,910)**	**(91,838)**

Note: Impact of net cash appropriation arrangements	2012–13 $'000	2013–14 $'000	2014–15 $'000	2015–16 $'000	2016–17 $'000
Total comprehensive income (loss) excluding depreciation/amortisation expenses previously funded through revenue appropriations	**–**	**–**	**–**	**–**	**–**
Less depreciation/amortisation expenses previously funded through revenue appropriations	88,338	83,131	82,986	82,910	91,838
Total comprehensive income (loss) as per the statement of comprehensive income	**(88,338)**	**(83,131)**	**(82,986)**	**(82,910)**	**(91,838)**

Prepared on Australian Accounting Standards basis.

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

	Estimated actual 2012–13 $'000	Budget estimate 2013–14 $'000	Forward estimate 2014–15 $'000	Forward estimate 2015–16 $'000	Forward estimate 2016–17 $'000
ASSETS					
Financial assets					
Cash and cash equivalents	10,154	10,154	10,154	10,154	10,154
Trade and other receivables	348,699	291,999	275,228	271,767	263,108
Other financial assets	8,393	8,393	8,393	8,393	8,393
Total financial assets	**367,246**	**310,546**	**293,775**	**290,314**	**281,655**
Non-financial assets					
Land and buildings	311,507	365,797	404,845	404,881	383,694
Property, plant and equipment	106,634	88,578	94,712	88,689	95,417
Intangibles	38,784	63,318	57,462	48,677	49,218
Inventories	7,439	7,439	7,439	7,439	7,439
Other non-financial assets	13,067	13,067	13,067	13,067	13,067
Total non-financial assets	**477,431**	**538,199**	**577,525**	**562,753**	**548,835**
Total assets	**844,677**	**848,745**	**871,300**	**853,067**	**830,490**
LIABILITIES					
Payables					
Suppliers	89,887	83,561	84,048	84,353	84,353
Other payables	10,308	10,308	10,308	10,308	10,308
Total payables	**100,195**	**93,869**	**94,356**	**94,661**	**94,661**
Provisions					
Employee provisions	280,437	286,350	285,430	284,670	284,670
Other provisions	15,363	15,776	16,209	16,664	16,664
Total provisions	**295,800**	**302,126**	**301,639**	**301,334**	**301,334**
Total liabilities	**395,995**	**395,995**	**395,995**	**395,995**	**395,995**
Net assets	**448,682**	**452,750**	**475,305**	**457,072**	**434,495**
EQUITY					
Parent entity interest					
Contributed equity	741,695	828,894	934,435	999,112	1,068,373
Reserves	40,587	40,587	40,587	40,587	40,587
Retained surplus (accumulated deficit)	(333,600)	(416,731)	(499,717)	(582,627)	(674,465)
Total parent entity interest	**448,682**	**452,750**	**475,305**	**457,072**	**434,495**
Total equity	**448,682**	**452,750**	**475,305**	**457,072**	**434,495**

Prepared on Australian Accounting Standards basis.

Table 3.2.3: Departmental statement of changes in equity—summary of movement (budget year 2013–14)

	Retained earnings $'000	Asset revaluation reserve $'000	Contributed equity/ capital $'000	Total equity $'000
Opening balance as at 1 July 2013				
Balance carried forward from previous period	(333,600)	40,587	741,695	448,682
Adjustment for changes in accounting policies	–	–	–	–
Adjusted opening balance	**(333,600)**	**40,587**	**741,695**	**448,682**
Comprehensive income				
Surplus (deficit) for the period	(83,131)	–	–	(83,131)
Total comprehensive income	**(83,131)**	**–**	**–**	**(83,131)**
Of which:				
Attributable to the Australian Government	(83,131)	–	–	(83,131)
Transactions with owners				
Contributions by owners				
Equity injection—appropriation	–	–	55,852	55,852
Departmental capital budget	–	–	31,347	31,347
Sub-total transactions with owners	**–**	**–**	**87,199**	**87,199**
Estimated closing balance as at 30 June 2014	**(416,731)**	**40,587**	**828,894**	**452,750**
Closing balance attributable to the Australian Government	**(416,731)**	**40,587**	**828,894**	**452,750**

Prepared on Australian Accounting Standards basis.

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

	Estimated actual 2012–13 $'000	Budget estimate 2013–14 $'000	Forward estimate 2014–15 $'000	Forward estimate 2015–16 $'000	Forward estimate 2016–17 $'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	1,006,061	972,492	976,908	955,370	957,422
Sale of goods and rendering of services	280,187	286,112	275,852	281,613	288,329
Net GST received	39,340	34,323	31,066	28,635	28,408
Total cash received	**1,325,588**	**1,292,927**	**1,283,826**	**1,265,618**	**1,274,159**
Cash used					
Employees	856,819	845,110	856,084	846,110	851,722
Suppliers	454,022	447,817	423,985	412,383	416,084
to Official Public Account	14,747	–	–	–	–
Total cash used	**1,325,588**	**1,292,927**	**1,283,826**	**1,265,618**	**1,274,159**
Net cash from (used by) operating activities	**–**	**–**	**–**	**–**	**–**
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment	100,996	143,899	122,312	68,138	77,920
Total cash used	**100,996**	**143,899**	**122,312**	**68,138**	**77,920**
Net cash from (used by) investing activities	**(100,996)**	**(143,899)**	**(122,312)**	**(68,138)**	**(77,920)**
FINANCING ACTIVITIES					
Cash received					
Contributed equity	100,996	143,899	122,312	68,138	77,920
Total cash received	**100,996**	**143,899**	**122,312**	**68,138**	**77,920**
Net cash from (used by) financing activities	**100,996**	**143,899**	**122,312**	**68,138**	**77,920**
Net increase (decrease) in cash held	**–**	**–**	**–**	**–**	**–**
Cash and cash equivalents at the beginning of the reporting period	10,154	10,154	10,154	10,154	10,154
Cash and cash equivalents at the end of the reporting period	**10,154**	**10,154**	**10,154**	**10,154**	**10,154**

Prepared on Australian Accounting Standards basis.

Table 3.2.5: Departmental capital budget statement

	Estimated actual 2012–13 $'000	Budget estimate 2013–14 $'000	Forward estimate 2014–15 $'000	Forward estimate 2015–16 $'000	Forward estimate 2016–17 $'000
NEW CAPITAL APPROPRIATIONS					
Capital budgets—Bill 1 (DCB)	25,314	31,347	35,658	46,656	69,261
Equity injections—Bill 2	10,973	55,852	69,883	18,021	–
Total new capital appropriations	**36,287**	**87,199**	**105,541**	**64,677**	**69,261**
Provided for:					
Purchase of non-financial assets	36,287	87,199	105,541	64,677	69,261
Total items	**36,287**	**87,199**	**105,541**	**64,677**	**69,261**
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations[1]	75,682	112,552	86,654	18,021	8,659
Funded by capital appropriation—DCB[2]	25,314	31,347	35,658	50,117	69,261
Total	**100,996**	**143,899**	**122,312**	**68,138**	**77,920**
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	100,996	143,899	122,312	68,138	77,920
Total cash used to acquire assets	**100,996**	**143,899**	**122,312**	**68,138**	**77,920**

Prepared on Australian Accounting Standards basis.
DCB = departmental capital budget.
1. Includes both current Bill 2 and prior year Act 2, 4 and 6 appropriations.
2. Includes purchases from current and previous years' departmental capital budgets.

Table 3.2.6: Statement of asset movements (2013–14)

	Land $'000	Buildings $'000	Other property, plant & equipment $'000	Computer software & intangibles $'000	Total $'000
As at 1 July 2013					
Gross book value	1,485	352,700	210,798	113,633	678,616
Accumulated depreciation/ amortisation and impairment	–	(42,678)	(104,164)	(74,849)	(221,691)
Opening net book balance	**1,485**	**310,022**	**106,634**	**38,784**	**456,925**
CAPITAL ASSET ADDITIONS					
Estimated expenditure on new or replacement assets					
By purchase—appropriation equity[1]	–	67,692	11,243	33,617	112,552
By purchase—appropriation ordinary annual services[2]	–	10,173	17,714	3,460	31,347
Total additions	**–**	**77,865**	**28,957**	**37,077**	**143,899**
Other movements					
Depreciation/amortisation expense	–	(23,575)	(47,013)	(12,543)	(83,131)
Total other movements	**–**	**(23,575)**	**(47,013)**	**(12,543)**	**(83,131)**
As at 30 June 2014					
Gross book value	1,485	430,565	239,755	150,710	822,515
Accumulated depreciation/ amortisation and impairment	–	(66,253)	(151,177)	(87,392)	(304,822)
Closing net book balance	**1,485**	**364,312**	**88,578**	**63,318**	**517,693**

Prepared on Australian Accounting Standards basis.
1. 'Appropriation equity' refers to equity injections provided through Appropriation Bill (No. 2) 2013–14 and previous years.
2. 'Appropriation ordinary annual services' refers to funding provided through Appropriation Bill (No. 1) 2013–14 for departmental capital budgets or other operational expenses.

Administered

Table 3.2.7: Schedule of budgeted income and expenses administered on behalf of government (for the period ended 30 June)

	Estimated actual 2012–13 $'000	Budget estimate 2013–14 $'000	Forward estimate 2014–15 $'000	Forward estimate 2015–16 $'000	Forward estimate 2016–17 $'000
EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT					
Supplier expenses	16,787	25,227	21,530	21,417	18,287
Total expenses administered on behalf of government	**16,787**	**25,227**	**21,530**	**21,417**	**18,287**
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Non-taxation revenue					
Other revenue	–	38,197	39,343	40,524	41,740
Total non-taxation revenue	**–**	**38,197**	**39,343**	**40,524**	**41,740**
Total own-source revenue administered on behalf of government	**–**	**38,197**	**39,343**	**40,524**	**41,740**
Total own-source income administered on behalf of government	**–**	**38,197**	**39,343**	**40,524**	**41,740**
Net cost of (contribution by) services	**16,787**	**(12,970)**	**(17,813)**	**(19,107)**	**(23,453)**
Surplus (deficit)	**(16,787)**	**12,970**	**17,813**	**19,107**	**23,453**
Total comprehensive income (loss)	**(16,787)**	**12,970**	**17,813**	**19,107**	**23,453**

Prepared on Australian Accounting Standards basis.

Table 3.2.8: Schedule of budgeted assets and liabilities administered on behalf of government (as at 30 June)

	Estimated actual 2012–13 $'000	Budget estimate 2013–14 $'000	Forward estimate 2014–15 $'000	Forward estimate 2015–16 $'000	Forward estimate 2016–17 $'000
ASSETS					
Financial assets					
Cash and cash equivalents	341	341	341	341	341
Trade and other receivables	79	79	79	79	79
Total financial assets	**420**	**420**	**420**	**420**	**420**
Total assets administered on behalf of government	**420**	**420**	**420**	**420**	**420**
LIABILITIES					
Payables					
Suppliers	1,181	1,181	1,181	1,181	1,181
Total payables	**1,181**	**1,181**	**1,181**	**1,181**	**1,181**
Total liabilities administered on behalf of government	**1,181**	**1,181**	**1,181**	**1,181**	**1,181**
Net assets/(liabilities)	**(761)**	**(761)**	**(761)**	**(761)**	**(761)**

Prepared on Australian Accounting Standards basis.

Table 3.2.9: Schedule of budgeted administered cash flows (for the period ended 30 June)

	Estimated actual 2012–13 $'000	Budget estimate 2013–14 $'000	Forward estimate 2014–15 $'000	Forward estimate 2015–16 $'000	Forward estimate 2016–17 $'000
OPERATING ACTIVITIES					
Cash received					
Net GST received	230	441	441	497	497
Other	–	38,197	39,343	40,524	38,674
Total cash received	**230**	**38,638**	**39,784**	**41,021**	**39,171**
Cash used					
Suppliers	17,017	25,668	21,971	21,914	18,784
Total cash used	**17,017**	**25,668**	**21,971**	**21,914**	**18,784**
Net cash from (used by) operating activities	**(16,787)**	**12,970**	**17,813**	**19,107**	**20,387**
Net increase (decrease) in cash held	**(16,787)**	**12,970**	**17,813**	**19,107**	**20,387**
Cash and cash equivalents at the beginning of the reporting period	341	341	341	341	341
Cash from Official Public Account for:					
– Appropriations	16,787	25,227	21,530	21,417	18,287
Cash to Official Public Account for:					
– Appropriations	–	(38,197)	(39,343)	(40,524)	(38,674)
Cash and cash equivalents at the end of the reporting period	**341**	**341**	**341**	**341**	**341**

Prepared on Australian Accounting Standards basis.

3.2.4 Notes to the financial statements

Basis of accounting

The budgeted financial statements have been prepared on an accrual accounting basis, having regard to Statements of Accounting Concepts, and in accordance with the Finance Minister's Orders, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board.

Departmental

Revenue from government

Amounts appropriated 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.

Sale of goods and rendering of services

Revenue from the rendering of services is recognised by reference to the stage of completion of contracts at the reporting date. Rendering of services revenue consists of revenue received under section 31 of the *Financial Management and Accountability Act 1997*. This includes policing services provided to the ACT Government, protection services, criminal records checking fees and other cost-recovery activities.

Employee expenses

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

Supplier expenses

Supplier expenses consist of operational expenditure, administrative costs, consultants' costs, travel expenses and property operating expenses.

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 restoration obligations and amounts owed to creditors.

Administered

Revenues

All administered revenues relate to the revenue received by the AFP on behalf of the Australian Government.

Supplier expenses

Supplier expenses consist primarily of capacity development program expenditure.

AUSTRALIAN HUMAN RIGHTS COMMISSION

Section 1: Agency overview and resources

1.1 STRATEGIC DIRECTION STATEMENT

The Australian Human Rights Commission (the Commission) is Australia's independent national human rights institution that is charged with promoting and protecting human rights and addressing discrimination.

Its role is to conduct education and awareness-raising about rights and responsibilities, contribute to the prevention of discrimination and human rights breaches within society, and assist in redressing discrimination when it occurs.

The Commission has identified two strategic priorities of tackling violence, harassment and bullying, and building understanding and respect for rights in our community, particularly through encouraging bystander actions.

The Commission is responsible for administering the following Acts:

- *Australian Human Rights Commission Act 1986*
- *Racial Discrimination Act 1975*
- *Sex Discrimination Act 1984*
- *Disability Discrimination Act 1992*, and
- *Age Discrimination Act 2004.*

Functions under these Acts are vested in the Commission, individual members, the President as Chief Executive Officer or the Attorney-General.

The Commission works closely with other government agencies, the business community, the non-government sector and individuals to fulfil its role. Its services are measured quantitatively by key information access criteria, and also a customer satisfaction survey.

The Commission aims to provide an independent, timely and effective complaint handling function in accordance with legislative requirements and best practice.

1.2 AGENCY RESOURCE STATEMENT

Table 1.1 shows the total resources from all sources. The table summarises how resources will be applied by outcome and by administered and departmental classification.

Table 1.1: Agency resource statement—Budget estimates for 2013–14 as at Budget May 2013

	Estimate of prior year amounts available in 2013–14 $'000	+	Proposed at Budget 2013–14 $'000	=	Total estimate 2013–14 $'000	Actual available appropriation 2012–13 $'000
ORDINARY ANNUAL SERVICES[1]						
Departmental appropriation						
Prior year departmental appropriation[2]	5,975		–		5,975	6,034
Departmental appropriation[3]	–		18,302		18,302	18,152
s 31 relevant agency receipts[4]	–		6,300		6,300	5,990
Total	**5,975**		**24,602**		**30,577**	**30,176**
Administered expenses						
Outcome 1	–		144		144	143
Total	**–**		**144**		**144**	**143**
Total ordinary annual services	**5,975**		**24,746**		**30,721**	**30,319**
SPECIAL ACCOUNTS						
Opening balance	–		–		–	–
Receipts	–		–		–	–
Total special accounts	**–**		**–**		**–**	**–**
Total net resourcing for agency	**5,975**		**24,746**		**30,721**	**30,319**

All figures are GST exclusive.
1. Appropriation Bill (No. 1) 2013–14.
2. Estimated adjusted balance carried forward from previous year.
3. Includes an amount of $0.173m in 2013–14 for the departmental capital budget (see Table 3.2.5 for further details). For accounting purposes this amount has been designated as 'contributions by owners'.
4. Section 31 relevant agency receipts—estimate.

1.3 BUDGET MEASURES

Budget measures announced since the 2012–13 Mid-Year Economic and Fiscal Outlook (MYEFO) relating to the Commission are detailed in Budget Paper No. 2 and are summarised in Part 1 of Table 1.2. MYEFO measures not previously reported in a portfolio statement are summarised in Part 2.

Table 1.2: Agency 2013–14 Budget measures

Part 1: Measures announced since the 2012–13 MYEFO

	Program	2012–13 $'000	2013–14 $'000	2014–15 $'000	2015–16 $'000	2016–17 $'000
Expense measures						
Attorney-General's Portfolio savings—redirection	1.1					
Departmental expenses		–	(29)	(30)	(30)	(30)
Total expense measures		**–**	**(29)**	**(30)**	**(30)**	**(30)**

Prepared on a Government Finance Statistics (fiscal) basis.

Part 2: MYEFO measures not previously reported in a portfolio statement

	Program	2012–13 $'000	2013–14 $'000	2014–15 $'000	2015–16 $'000	2016–17 $'000
Expense measures						
Targeted savings—public service efficiencies	1.1					
Departmental expenses		(63)	(93)	(85)	(84)	(21)
Total expense measures		**(63)**	**(93)**	**(85)**	**(84)**	**(21)**

Prepared on a Government Finance Statistics (fiscal) basis.

Section 2: Outcomes and planned performance

2.1 OUTCOMES AND PERFORMANCE INFORMATION

Government outcomes are the intended results, impacts or consequences of actions by the government on the Australian community. Commonwealth programs are the primary vehicle by which government agencies achieve the intended results of their outcome statements. Agencies are required to identify the programs that contribute to government outcomes over the budget and forward years.

The Commission's outcome is described below together with its related program, specifying the performance indicators and targets used to assess and monitor the performance of the Commission in achieving government outcomes.

Outcome 1: An Australian society in which human rights are respected, protected and promoted through independent investigation and resolution of complaints, education and research to promote and eliminate discrimination, and monitoring, and reporting on human rights

Outcome 1 strategy

The main focus of the Commission is the protection and promotion of human rights. Its role is to foster and enhance human rights, contribute to the prevention of discrimination within society and assist in redressing discrimination when it occurs.

Outcome 1 expense statement

Table 2.1 provides an overview of the total expenses for Outcome 1, by program.

Table 2.1: Budgeted expenses for Outcome 1

Outcome 1: An Australian society in which human rights are respected, protected and promoted through independent investigation and resolution of complaints, education and research to promote and eliminate discrimination, and monitoring, and reporting on human rights	**2012–13 Estimated actual expenses $'000**	**2013–14 Estimated expenses $'000**
Program 1.1: Australians have access to independent human rights complaint handling and public inquiries processes and benefit from human rights education, promotion and monitoring, and compliance activities		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	143	144
Departmental expenses		
Departmental appropriation[1]	23,959	24,419
Expenses not requiring appropriation in the budget year[2]	955	955
Total expenses for Outcome 1	**25,057**	**25,518**
	2012–13	**2013–14**
Average staffing level (number)	134	125

Note: Departmental appropriation splits and totals are indicative estimates and may change in the course of the budget year as government priorities change.
1. Departmental appropriation combines 'Ordinary annual services (Appropriation Bill No. 1)' and 'Revenue from independent sources (s 31)'.
2. Expenses not requiring appropriation in the budget year are made up of depreciation and amortisation expenses, audit fees and write-down and impairment of assets.

Contributions to Outcome 1

Program 1.1: Australians have access to independent human rights complaint handling and public inquiries processes and benefit from human rights education, promotion and monitoring, and compliance activities

Program 1.1 objective

The Commission:

- investigates alleged infringements under the federal anti-discrimination and human rights legislation
- inquires into acts or practices that may impinge on human rights or may be discriminatory, and
- fosters public discussion, and undertakes and coordinates research and educational programs to promote human rights and eliminate discrimination.

Program 1.1 expenses

Total expenses are forecast to rise in 2013–14 and the forward years consistent with the anticipated growth in operating activities.

	2012–13 Revised budget $'000	2013–14 Budget $'000	2014–15 Forward year 1 $'000	2015–16 Forward year 2 $'000	2016–17 Forward year 3 $'000
Annual administered expenses					
Administered item	143	144	146	146	149
Annual departmental expenses					
Departmental item	23,959	24,419	23,283	23,270	23,467
Expenses not requiring appropriation in the budget year[1]	955	955	945	945	945
Total program expenses	**25,057**	**25,518**	**24,374**	**24,361**	**24,561**

1. Expenses not requiring appropriation in the budget year are made up of depreciation and amortisation expenses, audit fees and write-down and impairment of assets.

Program 1.1 deliverables

Over the budget and forward years, and beyond, the Commission will achieve its objective by delivering:

- a complaint handling service for the investigation and resolution of complaints
- educational programs and research to promote and eliminate discrimination
- inquiries into acts or practices that may impinge on human rights or may be discriminatory, and
- monitoring and compliance activities, and reporting on human rights.

Program 1.1 key performance indicators					
Key performance indicators	**2012–13 Revised budget**	**2013–14 Budget**	**2014–15 Forward year 1**	**2015–16 Forward year 2**	**2016–17 Forward year 3**
Customer/stakeholder survey to rate the effectiveness of major educational and promotional activity	80% rate as effective	80% rate as effective	80% rate as effective	80% rate as effective	80% rate as effective
Percentage of parties satisfied with the overall investigation and complaint handling process	80%	80%	80%	80%	80%
Percentage of complaints finalised within 12 months	80%	80%	80%	80%	80%
Percentage of complaints conciliated per annum	30%	30%	30%	30%	30%
Extent of contact with government, community and industry groups	distribute >70,000 publications and >35 million website hits	distribute >70,000 publications and >35 million website hits	distribute >70,000 publications and >35 million website hits	distribute >70,000 publications and >35 million website hits	distribute >70,000 publications and >35 million website hits

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 2013–14 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, special accounts and government Indigenous expenditure.

3.1 EXPLANATORY TABLES

3.1.1 Movement of administered funds between years

The Commission has not moved any administered funds between years.

3.1.2 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 *Financial Management and Accountability Act 1997* or under separate enabling legislation. Table 3.1.2 shows the expected additions (receipts) and reductions (payments) for each account used by the Commission.

Table 3.1.2: Estimates of special account flows and balances

	Outcome	Opening balance 2013–14 *2012–13* $'000	Receipts 2013–14 *2012–13* $'000	Payments 2013–14 *2012–13* $'000	Adjustments 2013–14 *2012–13* $'000	Closing balance 2013–14 *2012–13* $'000
Services for Other Entities and Trust Moneys—	1	–	–	–	–	–
FMA Act s 20 (D)	*1*	–	–	–	–	–
Total special accounts 2013–14 Budget estimate		**–**	**–**	**–**	**–**	**–**
Total special accounts 2012–13 estimated actual		–	–	–	–	–

(D) = Departmental.

3.1.3 Australian Government Indigenous expenditure

The Commission's expenditure on Indigenous issues is allocated in accordance with the statutory requirements of the Social Justice Commissioner and community education programs relating to Indigenous issues.

Table 3.1.3: Australian Government Indigenous expenditure (AGIE)

	Appropriations						
	Bill No. 1 $'000	Bill No. 2 $'000	Special approp $'000	Total approp $'000	Other $'000	Total $'000	Program
Outcome 1							
Departmental 2013–14	902	–	–	902	–	902	1.1
Departmental 2012–13	*895*	–	–	*895*	–	*895*	*1.1*
Total AGIE 2013–14	**902**	**–**	**–**	**902**	**–**	**902**	
Total AGIE 2012–13	*895*	–	–	*895*	–	*895*	

3.2 BUDGETED FINANCIAL STATEMENTS

3.2.1 Differences in agency resourcing and financial statements

There is no material difference between the agency resourcing and financial statements.

3.2.2 Analysis of budgeted financial statements

Departmental

Income statement

In 2013–14 income is budgeted at $24.479m. This is a net increase of $0.460m over the 2012–13 estimated actual of $24.019m. The increase in revenue arises primarily from adjusted projections in own-source income, partially offsetting net reductions in appropriation funding.

The Commission's appropriation under Appropriation Bill (No. 1) 2013–14 has increased from a revised 2012–13 estimate of $17.979m to $18.129m for 2013–14. This is the net result of cumulative parameter adjustments, the application of the efficiency dividend and targeted and additional one-off savings measures.

Own-source revenue funding arising from service fees and direct cost recoveries is projected to be $6.300m in 2013–14. The revenues arise primarily from the supply of international human rights technical assistance programs to AusAID and for accommodation and shared services under a memorandum of understanding with the Office of the Australian Information Commissioner. The 2013–14 period also includes projected cost recoveries from the final phase of the review into gender equality in the Australian Defence Force.

The expenditure reflects the anticipated costs from delivering the appropriated and fee-for-service activities identified above for the 2013–14 Budget and forward estimates. The projected operating loss reflects the depreciation and amortisation expenses which ceased to be funded through appropriation revenue from 2010–11.

Balance sheet

In 2013–14 the Commission will receive total departmental capital budget funding of $0.173m to assist in the purchase and replacement of end-of-life assets and equipment.

Statement of changes in equity

The departmental statement of changes in equity reflects the movements in capital contributions and repayments to government as entity owners.

Administered

Schedule of budgeted income and expenses

The Commission's estimated administered expense for 2013–14 is $0.144m for the National Anti-Racism Partnership and Strategy.

3.2.3 Budgeted financial statements tables

Departmental

Table 3.2.1: Comprehensive income statement (showing net cost of services) for the period ended 30 June

	Estimated actual 2012–13 $'000	Budget estimate 2013–14 $'000	Forward estimate 2014–15 $'000	Forward estimate 2015–16 $'000	Forward estimate 2016–17 $'000
EXPENSES					
Employee benefits	16,186	15,909	15,996	16,295	16,517
Supplier expenses	7,823	8,560	7,337	7,025	7,000
Depreciation and amortisation	895	895	895	895	895
Write-down and impairment of assets	10	10	–	–	–
Total expenses	**24,914**	**25,374**	**24,228**	**24,215**	**24,412**
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	5,090	5,400	4,200	4,200	4,200
Rental income	900	900	900	900	900
Total own-source revenue	**5,990**	**6,300**	**5,100**	**5,100**	**5,100**
Gains					
Other	50	50	50	50	50
Total gains	**50**	**50**	**50**	**50**	**50**
Total own-source income	**6,040**	**6,350**	**5,150**	**5,150**	**5,150**
Net cost of (contribution by) services	**18,874**	**19,024**	**19,078**	**19,065**	**19,262**
Revenue from government	17,979	18,129	18,183	18,170	18,367
Surplus (deficit) attributable to the Australian Government	**(895)**	**(895)**	**(895)**	**(895)**	**(895)**
OTHER COMPREHENSIVE INCOME					
Changes in asset revaluation surplus	–	–	–	–	–
Total other comprehensive income	**–**	**–**	**–**	**–**	**–**
Total comprehensive income (loss)	**(895)**	**(895)**	**(895)**	**(895)**	**(895)**
Total comprehensive income (loss) attributable to the Australian Government	**(895)**	**(895)**	**(895)**	**(895)**	**(895)**

Note: Impact of net cash appropriation arrangements	2012–13 $'000	2013–14 $'000	2014–15 $'000	2015–16 $'000	2016–17 $'000
Total comprehensive income (loss) excluding depreciation/amortisation expenses previously funded through revenue appropriations	**–**	**–**	**–**	**–**	**–**
Less depreciation/amortisation expenses previously funded through revenue appropriations	895	895	895	895	895
Total comprehensive income (loss) as per the statement of comprehensive income	**(895)**	**(895)**	**(895)**	**(895)**	**(895)**

Prepared on Australian Accounting Standards basis.

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

	Estimated actual 2012–13 $'000	Budget estimate 2013–14 $'000	Forward estimate 2014–15 $'000	Forward estimate 2015–16 $'000	Forward estimate 2016–17 $'000
ASSETS					
Financial assets					
Cash and cash equivalents	975	975	975	975	975
Trade and other receivables	6,606	6,125	5,625	5,625	5,625
Total financial assets	**7,581**	**7,100**	**6,600**	**6,600**	**6,600**
Non-financial assets					
Property, plant and equipment	4,184	3,948	3,867	3,272	2,528
Intangibles	795	610	425	240	55
Other non-financial assets	75	75	75	75	75
Total non-financial assets	**5,054**	**4,633**	**4,367**	**3,587**	**2,658**
Total assets	**12,635**	**11,733**	**10,967**	**10,187**	**9,258**
LIABILITIES					
Payables					
Suppliers	1,222	1,533	1,789	1,952	2,018
Other payables	246	246	246	246	246
Total payables	**1,468**	**1,779**	**2,035**	**2,198**	**2,264**
Interest-bearing liabilities					
Lease incentives	4,526	3,960	3,394	2,828	2,262
Total interest-bearing liabilities	**4,526**	**3,960**	**3,394**	**2,828**	**2,262**
Provisions					
Employee provisions	3,496	3,571	3,699	3,904	4,052
Other provisions	2,985	2,985	2,985	2,985	2,985
Total provisions	**6,481**	**6,556**	**6,684**	**6,889**	**7,037**
Total liabilities	**12,475**	**12,295**	**12,113**	**11,915**	**11,563**
Net assets	**160**	**(562)**	**(1,146)**	**(1,728)**	**(2,305)**
EQUITY					
Parent entity interest					
Contributed equity	1,961	2,134	2,445	2,758	3,076
Retained surplus (accumulated deficit)	(1,801)	(2,696)	(3,591)	(4,486)	(5,381)
Total parent entity interest	**160**	**(562)**	**(1,146)**	**(1,728)**	**(2,305)**
Total equity	**160**	**(562)**	**(1,146)**	**(1,728)**	**(2,305)**

Prepared on Australian Accounting Standards basis.

Table 3.2.3: Departmental statement of changes in equity—summary of movement (budget year 2013–14)

	Retained earnings $'000	Contributed equity/ capital $'000	Total equity $'000
Opening balance as at 1 July 2013			
Balance carried forward from previous period	(1,801)	1,961	160
Adjustment for changes in accounting policies	–	–	–
Adjusted opening balance	**(1,801)**	**1,961**	**160**
Comprehensive income			
Surplus (deficit) for the period	(895)	–	(895)
Total comprehensive income	**(895)**	**–**	**(895)**
Transactions with owners			
Contributions by owners			
Departmental capital budget	–	173	173
Sub-total transactions with owners	**–**	**173**	**173**
Estimated closing balance as at 30 June 2014	**(2,696)**	**2,134**	**–**
Closing balance attributable to the Australian Government	**(2,696)**	**2,134**	**(562)**

Prepared on Australian Accounting Standards basis.

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

	Estimated actual 2012–13 $'000	Budget estimate 2013–14 $'000	Forward estimate 2014–15 $'000	Forward estimate 2015–16 $'000	Forward estimate 2016–17 $'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	17,979	18,129	18,183	18,170	18,367
Sale of goods and rendering of services	5,990	6,300	5,100	5,100	5,100
Net GST received	150	150	150	150	–
Section 31 receipts transferred from Official Public Account	7,181	5,000	4,500	4,500	4,500
Total cash received	**31,300**	**29,579**	**27,933**	**27,920**	**27,967**
Cash used					
Employees	15,884	16,122	16,363	16,608	16,857
Suppliers	8,622	8,357	6,470	6,212	6,010
Section 31 receipts transferred to Official Public Account	7,500	5,100	5,100	5,100	5,100
Total cash used	**32,006**	**29,579**	**27,933**	**27,920**	**27,967**
Net cash from (used by) operating activities	**(706)**	**–**	**–**	**–**	**–**
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment	173	173	311	313	318
Total cash used	**173**	**173**	**311**	**313**	**318**
Net cash from (used by) investing activities	**(173)**	**(173)**	**(311)**	**(313)**	**(318)**
FINANCING ACTIVITIES					
Cash received					
Contributed equity	173	173	311	313	318
Total cash received	**173**	**173**	**311**	**313**	**318**
Net cash from (used by) financing activities	**173**	**173**	**311**	**313**	**318**
Net increase (decrease) in cash held	**(706)**	**–**	**–**	**–**	**–**
Cash and cash equivalents at the beginning of the reporting period	1,681	975	975	975	975
Cash and cash equivalents at the end of the reporting period	**975**	**975**	**975**	**975**	**975**

Prepared on Australian Accounting Standards basis.

Table 3.2.5: Departmental capital budget statement

	Estimated actual 2012–13 $'000	Budget estimate 2013–14 $'000	Forward estimate 2014–15 $'000	Forward estimate 2015–16 $'000	Forward estimate 2016–17 $'000
NEW CAPITAL APPROPRIATIONS					
Capital budgets—Bill 1 (DCB)	173	173	311	313	318
Total new capital appropriations	**173**	**173**	**311**	**313**	**318**
Provided for:					
Purchase of non-financial assets	173	173	311	313	318
Total items	**173**	**173**	**311**	**313**	**318**
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriation—DCB[1]	173	173	311	313	318
Total	**173**	**173**	**311**	**313**	**318**
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	173	173	311	313	318
Total cash used to acquire assets	**173**	**173**	**311**	**313**	**318**

Prepared on Australian Accounting Standards basis.
DCB = departmental capital budget.
1. Does not include annual finance lease costs. Includes purchases from current and previous years' departmental capital budgets.

Table 3.2.6: Statement of asset movements (2013–14)

	Property, plant & equipment $'000	Computer software & intangibles $'000	Total $'000
As at 1 July 2013			
Gross book value	5,655	1,023	6,678
Accumulated depreciation/amortisation and impairment	(1,471)	(228)	(1,699)
Opening net book balance	**4,184**	**795**	**4,979**
CAPITAL ASSET ADDITIONS			
Estimated expenditure on new or replacement assets			
By purchase—appropriation ordinary annual services[1]	173	–	173
Total additions	**173**	**–**	**173**
Other movements			
Depreciation/amortisation expense	(710)	(185)	(895)
Other	301	–	301
Total other movements	**(409)**	**(185)**	**(594)**
As at 30 June 2014			
Gross book value	6,129	1,023	7,152
Accumulated depreciation/amortisation and impairment	(2,181)	(413)	(2,594)
Closing net book balance	**3,948**	**610**	**4,558**

1. 'Appropriation ordinary annual services' refers to funding provided through Appropriation Bill (No. 1) 2013–14 for depreciation and amortisation expenses, departmental capital budgets or other operational expenses.

Administered

Table 3.2.7: Schedule of budgeted income and expenses administered on behalf of government (for the period ended 30 June)

	Estimated actual 2012–13 $'000	Budget estimate 2013–14 $'000	Forward estimate 2014–15 $'000	Forward estimate 2015–16 $'000	Forward estimate 2016–17 $'000
EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT					
Supplier expenses	143	144	146	146	149
Total expenses administered on behalf of government	**143**	**144**	**146**	**146**	**149**
LESS:					
OWN-SOURCE INCOME					
Total own-source income administered on behalf of government	**–**	**–**	**–**	**–**	**–**
Net cost of (contribution by) services	**143**	**144**	**146**	**146**	**149**
Surplus (deficit)	**(143)**	**(144)**	**(146)**	**(146)**	**(149)**
Total comprehensive income (loss)	**(143)**	**(144)**	**(146)**	**(146)**	**(149)**

Prepared on Australian Accounting Standards basis.

Table 3.2.8: Schedule of budgeted assets and liabilities administered on behalf of government (as at 30 June)

The Commission has no assets or liabilities administered on behalf of government.

Table 3.2.9: Schedule of budgeted administered cash flows (for the period ended 30 June)

	Estimated actual 2012–13 $'000	Budget estimate 2013–14 $'000	Forward estimate 2014–15 $'000	Forward estimate 2015–16 $'000	Forward estimate 2016–17 $'000
OPERATING ACTIVITIES					
Cash used					
Suppliers	143	144	146	146	149
Total cash used	**143**	**144**	**146**	**146**	**149**
Net cash from (used by) operating activities	**(143)**	**(144)**	**(146)**	**(146)**	**(149)**
Net increase (decrease) in cash held	**(143)**	**(144)**	**(146)**	**(146)**	**(149)**
Cash and cash equivalents at the beginning of the reporting period	–	–	–	–	–
Cash from Official Public Account for:					
– Appropriations	143	144	146	146	149
Cash and cash equivalents at the end of the reporting period	**–**	**–**	**–**	**–**	**–**

Prepared on Australian Accounting Standards basis.

3.2.4 Notes to the financial statements

Basis of accounting

The budgeted financial statements have been prepared on an accrual accounting basis, having regard to Statements of Accounting Concepts, and in accordance with the Finance Minister's Orders, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board.

Departmental

Revenue from government

Amounts appropriated for the Commission's outcome for the year (adjusted for any formal additions and reductions) are recognised as revenue. Appropriations receivable are recognised at their nominal amounts.

Employee expenses and benefits

Employee expenses and benefits consist of salaries, leave entitlements, redundancy expenses and superannuation. Liabilities for services rendered by employees are recognised at the reporting date to the extent that they have not been settled.

Supplier expenses

Supplier expenses consist of ordinary operating costs (accommodation and utilities), administrative costs, consultant and contract costs and travel expenses.

Assets and liabilities

Assets are recognised in the Commission's balance sheet when it is probable that the future economic benefits will flow and the amounts of the assets can be reliably measured.

Liabilities are recognised in the balance sheet when it is probable that the future obligation will be incurred and the amounts of the liabilities can be reliably measured.

Cash and cash equivalents

Cash includes notes and coins held and any deposits held at call with a bank or other financial institution. Cash is recognised at its nominal amount.

Transactions with the government as owner

Amounts appropriated which are designated as 'equity injections' for a year are recognised directly in contributed equity.

Administered

Supplier expenses

Supplier expenses consist primarily of program expenditure for the National Anti-Racism Partnership and Strategy.

AUSTRALIAN INSTITUTE OF CRIMINOLOGY

Section 1: Agency overview and resources

1.1 STRATEGIC DIRECTION STATEMENT

The Australian Institute of Criminology (AIC) is Australia's leading national research and knowledge centre on crime and justice. The AIC undertakes and communicates evidence-based research to inform policy and practice. All work undertaken seeks to promote justice and reduce crime.

Much of the AIC's work falls under the Australian Government's national research priority area of safeguarding Australia, and in particular the fourth priority goal of protecting Australia from terrorism and crime. It also contributes to the goal of strengthening Australia's social and economic fabric under priority area 2, promoting and maintaining good health. Research undertaken by the AIC and research funded by the AIC through its research grants program is policy-oriented and has potential for application in multiple jurisdictions and/or nationally.

The AIC's work includes specialised national monitoring programs on key areas of crime and justice that are vital for policy makers and practitioners to manage, evaluate and respond effectively and efficiently to crime and justice problems. These unique datasets are used to monitor trends in offending, the changing profile of offenders and victims, and the circumstances of the crimes. The national monitoring programs and regular reports produced by the AIC include:

- trafficking in persons
- deaths in custody
- fraud against the Commonwealth
- drug use and socio-demographics of police detainees
- homicide, and
- armed robbery.

The AIC also undertakes research projects that investigate other areas of concern to policy makers and practitioner within the major theme areas of:

- transnational and organised crime (including economic and high-tech crime, cybercrime and trafficking in persons)
- crime prevention (including capacity building)
- criminal justice responses
- substance abuse and crime

- violent crime, and
- vulnerable communities (including crime in diverse and Indigenous communities and youth justice).

The AIC works cooperatively with and undertakes research for other Commonwealth, state and territory agencies. State and territory agencies provide substantial in-kind support to the research undertaken by the AIC.

The AIC provides access to information that supports the AIC's broad range of stakeholders. Through publications, the AIC's website, information services, national conferences and roundtables, the AIC disseminates information about the nature and extent of crime, emerging trends, and effective responses to promote justice and reduce crime.

The Criminology Research Grants program is managed by the AIC with funding contributed by the Commonwealth and state and territory governments. The program is relevant to jurisdictional policy in the areas of law, police, judiciary, corrections, mental health, social welfare, education and related fields.

The AIC also manages the Australian Crime and Violence Prevention Awards, which are designed to reward good practice in the prevention or reduction of violence and other types of crime in Australia. The awards also encourage public initiatives at the grassroots level, and assist governments to identify and develop practical projects that will reduce violence and other types of crime in the community.

1.2 AGENCY RESOURCE STATEMENT

Table 1.1 shows the total resources from all sources.

Table 1.1: Agency resource statement—Budget estimates for 2013–14 as at Budget May 2013

	Estimate of prior year amounts available in 2013–14 $'000	+	Proposed at Budget 2013–14 $'000	=	Total estimate 2013–14 $'000	Actual available appropriation 2012–13 $'000
ORDINARY ANNUAL SERVICES[1]						
Departmental appropriation						
Departmental appropriation[2]	–		5,379		5,379	5,335
Total ordinary annual services	**–**		**5,379**		**5,379**	**5,335**
Total available annual appropriations	**–**		**5,379**		**5,379**	**5,335**
SPECIAL ACCOUNTS						
Opening balance[3]	–		4,494		4,494	4,848
Appropriation receipts[4]	–		270		270	263
Non-appropriation receipts to special accounts	–		2,147		2,147	3,392
Total special accounts	**–**		**6,911**		**6,911**	**8,503**
Total resourcing	**–**		**12,290**		**12,290**	**13,838**
Less appropriations drawn from annual appropriations above and credited to special accounts	–		(270)		(270)	(263)
Total net resourcing for agency	**–**		**12,020**		**12,020**	**13,575**

All figures are GST exclusive.
1. Appropriation Bill (No. 1) 2013–14.
2. Includes an amount of $0.024m in 2013–14 for the departmental capital budget (see Table 3.2.5 for further details). For accounting purposes this amount has been designated as 'contributions by owners'.
3. Estimated opening balance for special accounts (less 'special public money' held in a Services for Other Entities and Trust Moneys Special Account). For further details on special accounts, see Table 3.1.2.
4. Appropriation receipts from annual appropriations for 2013–14 included above.

1.3 BUDGET MEASURES

Budget measures announced since the 2012–13 Mid-Year Economic and Fiscal Outlook (MYEFO) relating to the AIC are detailed in Budget Paper No. 2 and are summarised in Part 1 of Table 1.2. MYEFO measures not previously reported in a portfolio statement are summarised in Part 2.

Table 1.2: Agency 2013–14 Budget measures

Part 1: Measures announced since the 2012–13 MYEFO

	Program	2012–13 $'000	2013–14 $'000	2014–15 $'000	2015–16 $'000	2016–17 $'000
Expense measures						
Attorney General's Portfolio savings—redirection	1.1					
Departmental expenses		–	(9)	(9)	(9)	(9)
Total expense measures		**–**	**(9)**	**(9)**	**(9)**	**(9)**

Prepared on a Government Finance Statistics (fiscal) basis.

Part 2: MYEFO measures not previously reported in a portfolio statement

	Program	2012–13 $'000	2013–14 $'000	2014–15 $'000	2015–16 $'000	2016–17 $'000
Expense measures						
Targeted savings—public service efficiencies	1.1					
Departmental expenses		(23)	(33)	(27)	(24)	(22)
Total expense measures		**(23)**	**(33)**	**(27)**	**(24)**	**(22)**

Prepared on a Government Finance Statistics (fiscal) basis.

Section 2: Outcomes and planned performance

2.1 OUTCOMES AND PERFORMANCE INFORMATION

Government outcomes are the intended results, impacts or consequences of actions by the government on the Australian community. Commonwealth programs are the primary vehicle by which government agencies achieve the intended results of their outcome statements. Agencies are required to identify the programs that contribute to government outcomes over the budget and forward years.

The AIC's outcome is described below together with its related program, specifying the performance indicators and targets used to assess and monitor the performance of the AIC in achieving government outcomes.

Outcome 1: Informed crime and justice policy and practice in Australia by undertaking, funding and disseminating policy-relevant research of national significance; and through the generation of a crime and justice evidence base and national knowledge centre

Outcome 1 strategy

The main focus of the AIC is on the conduct of research that is relevant to crime and justice policy and practice. As a national knowledge centre, the AIC disseminates its own research as well as other national and international information relevant to crime and justice. The AIC also funds criminological research through the Criminology Research Grants program.

Outcomes are achieved by:

- undertaking impartial and contemporary policy-relevant research
- keeping the minister fully informed of the AIC's outcomes and publications
- working cooperatively with the Attorney General's Department, portfolio agencies, state and territory criminal justice agencies and other stakeholders
- producing and disseminating crime and justice research and other information to policy makers, practitioners, the academic community and the general public across Australia and internationally
- maintaining and producing research information of value to key stakeholders from ongoing monitoring programs and other research data collections, and
- determining priorities and making grants under the Criminology Research Grants program in consultation with Australian governments.

Outcome 1 expense statement

Table 2.1 provides an overview of the total expenses for Outcome 1, by program.

Table 2.1: Budgeted expenses for Outcome 1

Outcome 1: Informed crime and justice policy and practice in Australia by undertaking, funding and disseminating policy-relevant research of national significance; and through the generation of a crime and justice evidence base and national knowledge centre	**2012–13 Estimated actual expenses $'000**	**2013–14 Estimated expenses $'000**
Program 1.1: Australian Institute of Criminology		
Departmental expenses		
Departmental appropriation[1]	5,311	5,355
Special accounts	3,392	2,747
Expenses not requiring appropriation in the budget year[2]	105	105
Total expenses for Outcome 1	**8,808**	**8,207**

	2012–13	**2013–14**
Average staffing level (number)	48	47

Note: Departmental appropriation splits and totals are indicative estimates and may change in the course of the budget year as government priorities change.
1. Departmental appropriation combines 'Ordinary annual services (Appropriation Bill No. 1)' and 'Revenue from independent sources (s 31)'.
2. Expenses not requiring appropriation in the budget year are made up of depreciation and amortisation expenses.

Contributions to Outcome 1

Program 1.1: Australian Institute of Criminology

Program 1.1 objective

The primary objective of program 1.1 is to inform policy and practice that seeks to reduce crime and promote justice, through research and the dissemination of information. This also includes the support of research which is relevant to current and future public policy issues and the funding of quality criminological research through an annual research grants program. Its secondary objective is to maintain a comprehensive and focused collection in the field of criminal justice in Australia and to ensure that the AIC's researchers and stakeholders have access to the most up-to-date and relevant information.

Program 1.1 expenses

Budget expenditure shows a reduction from 2012–13 to 2013–14 as a result of a small decline in staffing numbers and a change in the mix of staff. A further reduction in expenditure occurs from 2013–14 to 2014–15, as a direct consequence of the reduction in expenditure on grant programs. The AIC currently manages the National Drug and Law Enforcement Fund, which provides grants on behalf of the Department of Health and Ageing. The current funding for this program ceases in 2013–14, resulting in reduced grant expenditure in 2014–15.

	2012–13 Revised budget $'000	2013–14 Budget $'000	2014–15 Forward year 1 $'000	2015–16 Forward year 2 $'000	2016–17 Forward year 3 $'000
Special account expenses					
Criminology Research Special Account	3,392	2,747	2,227	2,227	1,697
Annual departmental expenses					
Departmental items	5,311	5,355	5,399	5,451	5,525
Expenses not requiring appropriation in the budget year[1]	105	105	105	105	105
Total program expenses	**8,808**	**8,207**	**7,731**	**7,783**	**7,327**

1. Expenses not requiring appropriation in the budget year are made up of depreciation and amortisation expenses.

Program 1.1 deliverables

Deliverables for program 1.1 include:

- undertaking impartial and policy-relevant research of the highest standard on crime and criminal justice
- working cooperatively with the Attorney-General's Department, portfolio and other federal agencies, and state and territory government agencies in the AIC's role as the Australian Government's national research centre on crime and justice
- administering an effective and efficient annual Criminology Research Grants program that results in policy-relevant research, and
- actively disseminating research findings to policy makers, practitioners and the general public across Australia and internationally in a timely manner.

Program 1.1 key performance indicators

- 100% of trends and issues papers and research and public policy papers are peer reviewed. This ensures the quality of the research outputs by the AIC.
- The volume of research and its appropriateness as agreed with the minister.
- The Attorney-General's Department and key stakeholders are satisfied with the AIC's responsiveness to requests for assistance in priority areas.
- Research activities under the national research priorities are reported in the annual report.
- Quantity of publications, roundtables and conferences as agreed by the minister.
- Criminological Research Grants program funds are used to support research that is relevant to current and future public policy issues and that produces research reports of value to government and other stakeholders.
- All publications are placed on the AIC's website within 24 hours of release and 90% of routine alerting to subscribers and listservs is complete within two days of publication release.
- Implementation of Gov 2.0 measures.

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 2013–14 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 Movement of administered funds between years

The AIC has no administered funds.

3.1.2 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 *Financial Management and Accountability Act 1997* or under separate enabling legislation. Table 3.1.2 shows the expected additions (receipts) and reductions (payments) for each account used by the AIC.

Table 3.1.2: Estimates of special account flows and balances

	Outcome	Opening balance 2013–14 *2012–13* $'000	Receipts 2013–14 *2012–13* $'000	Payments 2013–14 *2012–13* $'000	Adjustments 2013–14 *2012–13* $'000	Closing balance 2013–14 *2012–13* $'000
Criminology Research Special Account (D)[1]	1	4,494	2,417	3,077	–	3,834
	1	*4,848*	*3,315*	*3,669*	–	*4,494*
Total special accounts 2013–14 Budget estimate		**4,494**	**2,417**	**3,077**	**–**	**3,834**
Total special accounts 2012–13 estimated actual		*4,848*	*3,315*	*3,669*	–	*4,494*

(D) = Departmental.

1. The Criminology Research Special Account is established under section 46 of the *Criminology Research Act 1971* (CR Act) for the purposes of section 21 of the *Financial Management and Accountability Act 1997*. Funds received into the special account include all funds paid to the AIC in relation to the performance of any of its functions, or exercising any of its powers, under the CR Act. This also includes amounts appropriated for the purposes of the account and amounts paid by state or territory government agencies to the AIC. The AIC can expend funds from the special account in relation to its functions as set out in section 6 of the CR Act, including the payment of grants, remuneration and allowances and costs of administering the special account.

3.1.3 Australian Government Indigenous expenditure

The AIC has no Indigenous-specific expenses.

3.2 BUDGETED FINANCIAL STATEMENTS

3.2.1 Differences in agency resourcing and financial statements

The AIC has total resources available of $12.020m for the 2013–14 budget year (see Table 1.1). This amount is significantly more than the revenue shown in Table 3.2.1 as a result of the AIC's special account opening balance of $4.494m brought forward from 2012–13. See section 3.1.2 for more information on the special account.

3.2.2 Analysis of budgeted financial statements

The AIC's appropriation income has reduced from that published in the 2012–13 Portfolio Budget Statements as a result of the additional savings and efficiency measures reported in Table 1.2. The AIC's appropriation income has an annual increase of less than 1% as a result of the annual efficiency dividend and additional savings and efficiency measures reported in section 1.3.

The AIC's own-source revenue is budgeted to decrease from the prior year by $0.505m to $2.547m, principally because the value of externally funded research and related activities is less than that of the prior year. The budget is based on contracts secured as well as a prudent forecast of likely additional contracts.

The AIC's expenses have reduced from the prior year forecast by $0.461m as a direct consequence of the reduction in income. This has occurred predominantly in the following areas:

- Employee expenses have reduced by $0.614m, as result of staffing reductions, including redundancy payments, and changes in the mix of staff in 2012–13 to meet savings targets. Staffing reductions are also the result of reduced externally funded research work in 2013–14.
- The AIC has been able to reduce supplier expenses by $0.254m for AIC projects.
- Grants expenditure has increased by $0.267m due to the National Drug and Law Enforcement Fund grants program. Grant program expenditure is variable from year to year based on a combination of the number of applications funded and the timeframes of the funded applications.

3.2.3 Budgeted financial statements tables

Table 3.2.1: Comprehensive income statement (showing net cost of services) for the period ended 30 June

	Estimated actual 2012–13 $'000	Budget estimate 2013–14 $'000	Forward estimate 2014–15 $'000	Forward estimate 2015–16 $'000	Forward estimate 2016–17 $'000
EXPENSES					
Employee benefits	5,248	4,634	4,766	4,903	4,292
Supplier expenses	2,622	2,368	2,270	2,175	2,592
Grants	833	1,100	590	600	338
Depreciation and amortisation	105	105	105	105	105
Total expenses	**8,808**	**8,207**	**7,731**	**7,783**	**7,327**
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	2,474	1,800	1,675	1,675	1,275
Royalties	40	40	40	40	40
Other	538	707	312	312	302
Total own-source revenue	**3,052**	**2,547**	**2,027**	**2,027**	**1,617**
Total own-source income	**3,052**	**2,547**	**2,027**	**2,027**	**1,617**
Net cost of (contribution by) services	**5,756**	**5,660**	**5,704**	**5,756**	**5,710**
Revenue from government	5,311	5,355	5,399	5,451	5,525
Surplus (deficit) attributable to the Australian Government	**(445)**	**(305)**	**(305)**	**(305)**	**(185)**
OTHER COMPREHENSIVE INCOME					
Changes in asset revaluation surplus	–	–	–	–	–
Total other comprehensive income	**–**	**–**	**–**	**–**	**–**
Total comprehensive income (loss)	**(445)**	**(305)**	**(305)**	**(305)**	**(185)**
Total comprehensive income (loss) attributable to the Australian Government	**(445)**	**(305)**	**(305)**	**(305)**	**(185)**

Note: Impact of net cash appropriation arrangements

	2012–13 $'000	2013–14 $'000	2014–15 $'000	2015–16 $'000	2016–17 $'000
Total comprehensive income (loss) excluding depreciation/amortisation expenses previously funded through revenue appropriations	**(340)**	**(200)**	**(200)**	**(200)**	**(80)**
Less depreciation/amortisation expenses previously funded through revenue appropriations	105	105	105	105	105
Total comprehensive income (loss) as per the statement of comprehensive income	**(445)**	**(305)**	**(305)**	**(305)**	**(185)**

Prepared on Australian Accounting Standards basis.

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

	Estimated actual 2012–13 $'000	Budget estimate 2013–14 $'000	Forward estimate 2014–15 $'000	Forward estimate 2015–16 $'000	Forward estimate 2016–17 $'000
ASSETS					
Financial assets					
Cash and cash equivalents	4,629	3,969	2,269	2,069	1,989
Trade and other receivables	685	685	685	685	685
Total financial assets	**5,314**	**4,654**	**2,954**	**2,754**	**2,674**
Non-financial assets					
Property, plant and equipment	355	274	193	112	31
Other non-financial assets	140	140	140	140	140
Total non-financial assets	**495**	**414**	**333**	**252**	**171**
Total assets	**5,809**	**5,068**	**3,287**	**3,006**	**2,845**
LIABILITIES					
Payables					
Suppliers	617	617	617	617	617
Other payables	1,945	1,545	45	45	45
Total payables	**2,562**	**2,162**	**662**	**662**	**662**
Provisions					
Employee provisions	1,052	992	992	992	992
Total provisions	**1,052**	**992**	**992**	**992**	**992**
Total liabilities	**3,614**	**3,154**	**1,654**	**1,654**	**1,654**
Net assets	**2,195**	**1,914**	**1,633**	**1,352**	**1,191**
EQUITY					
Parent entity interest					
Contributed equity	1,086	1,110	1,134	1,158	1,182
Reserves	755	755	755	755	755
Retained surplus (accumulated deficit)	354	49	(256)	(561)	(746)
Total parent entity interest	**2,195**	**1,914**	**1,633**	**1,352**	**1,191**
Total equity	**2,195**	**1,914**	**1,633**	**1,352**	**1,191**

Prepared on Australian Accounting Standards basis.

Table 3.2.3: Departmental statement of changes in equity—summary of movement (budget year 2013–14)

	Retained earnings $'000	Asset revaluation reserve $'000	Contributed equity/ capital $'000	Total equity $'000
Opening balance as at 1 July 2013				
Balance carried forward from previous period	354	755	1,086	2,195
Adjustment for changes in accounting policies	–	–	–	–
Adjusted opening balance	**354**	**755**	**1,086**	**2,195**
Comprehensive income				
Surplus (deficit) for the period	(305)	–	–	(305)
Total comprehensive income	**(305)**	**–**	**–**	**(305)**
Transactions with owners				
Contributions by owners				
Departmental capital budget	–	–	24	24
Sub-total transactions with owners	**–**	**–**	**24**	**24**
Estimated closing balance as at 30 June 2014	**49**	**755**	**1,110**	**1,914**
Closing balance attributable to the Australian Government	**49**	**755**	**1,110**	**1,914**

Prepared on Australian Accounting Standards basis.

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

	Estimated actual 2012–13 $'000	Budget estimate 2013–14 $'000	Forward estimate 2014–15 $'000	Forward estimate 2015–16 $'000	Forward estimate 2016–17 $'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	5,311	5,355	5,399	5,451	5,525
Sale of goods and rendering of services	2,474	1,400	175	1,675	1,275
Other	578	747	352	352	342
Total cash received	**8,363**	**7,502**	**5,926**	**7,478**	**7,142**
Cash used					
Employees	5,248	4,694	4,766	4,903	4,292
Suppliers	2,636	2,368	2,270	2,175	2,592
Other	833	1,100	590	600	338
Total cash used	**8,717**	**8,162**	**7,626**	**7,678**	**7,222**
Net cash from (used by) operating activities	**(354)**	**(660)**	**(1,700)**	**(200)**	**(80)**
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment	24	24	24	24	24
Total cash used	**24**	**24**	**24**	**24**	**24**
Net cash from (used by) investing activities	**(24)**	**(24)**	**(24)**	**(24)**	**(24)**
FINANCING ACTIVITIES					
Cash received					
Contributed equity	24	24	24	24	24
Total cash received	**24**	**24**	**24**	**24**	**24**
Net cash from (used by) financing activities	**24**	**24**	**24**	**24**	**24**
Net increase (decrease) in cash held	**(354)**	**(660)**	**(1,700)**	**(200)**	**(80)**
Cash and cash equivalents at the beginning of the reporting period	4,983	4,629	3,969	2,269	2,069
Cash and cash equivalents at the end of the reporting period	**4,629**	**3,969**	**2,269**	**2,069**	**1,989**

Prepared on Australian Accounting Standards basis.

Table 3.2.5: Departmental capital budget statement

	Estimated actual 2012–13 $'000	Budget estimate 2013–14 $'000	Forward estimate 2014–15 $'000	Forward estimate 2015–16 $'000	Forward estimate 2016–17 $'000
NEW CAPITAL APPROPRIATIONS					
Capital budgets—Bill 1 (DCB)	24	24	24	24	24
Total new capital appropriations	**24**	**24**	**24**	**24**	**24**
Provided for:					
Purchase of non-financial assets	24	24	24	24	24
Total items	**24**	**24**	**24**	**24**	**24**
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriation—DCB[1]	24	24	24	24	24
Total	**24**	**24**	**24**	**24**	**24**
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	24	24	24	24	24
Total cash used to acquire assets	**24**	**24**	**24**	**24**	**24**

Prepared on Australian Accounting Standards basis.
DCB = departmental capital budget.
1. Does not include annual finance lease costs. Includes purchases from current and previous years' departmental capital budgets.

Table 3.2.6: Statement of asset movements (2013–14)

	Property, plant & equipment $'000	Computer software & intangibles $'000	Total $'000
As at 1 July 2013			
Gross book value	1,714	52	1,766
Accumulated depreciation/amortisation and impairment	(1,359)	(52)	(1,411)
Opening net book balance	**355**	**–**	**355**
CAPITAL ASSET ADDITIONS			
Estimated expenditure on new or replacement assets			
By purchase—appropriation ordinary annual services[1]	14	10	24
Total additions	**14**	**10**	**24**
Other movements			
Depreciation/amortisation expense	(95)	(10)	(105)
Total other movements	**(95)**	**(10)**	**(105)**
As at 30 June 2014			
Gross book value	1,728	62	1,790
Accumulated depreciation/amortisation and impairment	(1,454)	(62)	(1,516)
Closing net book balance	**274**	**–**	**274**

Prepared on Australian Accounting Standards basis.
1. 'Appropriation ordinary annual services' refers to funding provided through Appropriation Bill (No. 1) 2013–14 for depreciation and amortisation expenses, departmental capital budgets or other operational expenses.

3.2.4 Notes to the financial statements

Basis of accounting

The budgeted financial statements have been prepared on an accrual accounting basis, having regard to Statements of Accounting Concepts, and in accordance with the Finance Minister's Orders, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board.

Revenue from government

Appropriations for departmental items are recognised as revenue.

Goods and services

All revenues from the sale of goods and services are recognised upon delivery of goods to customers. Revenue from the rendering of a service is recognised by reference to the stage of completion of the contract to provide the service.

Employee expenses

Employee expenses consist of salaries, leave entitlements, redundancy expenses, superannuation and workers' compensation insurance.

Suppliers

Supplier expenses consist of consultant and contractor costs, information technology, property operating expenses, travel expenses and administrative costs.

Cash

Cash includes notes and coins held and any deposits held with a bank.

Non-financial assets

Purchase of infrastructure, plant and equipment is recognised initially at cost in the statement of financial position.

Depreciable property, plant and equipment assets are written off to their estimated residual values over their estimated useful lives. The straight-line method of depreciation is used except for the library collection, which is depreciated on a reducing balance basis. Depreciation rates (useful lives) and methods are reviewed at each reporting date and necessary adjustments are recognised in the current and/or future reporting period, as appropriate. Residual values are re-estimated for a change in prices only when assets are revalued.

Employee provisions

Employee provisions consist of annual leave, long service leave and accrued wages and superannuation.

AUSTRALIAN LAW REFORM COMMISSION

Section 1: Agency overview and resources

1.1 STRATEGIC DIRECTION STATEMENT

The Australian Law Reform Commission (ALRC) supports the Attorney-General and the Australian Government in the maintenance and improvement of Australia's system of law and justice, by contributing to the process of law reform. The ALRC's outcome is 'informed government decisions about the development, reform and harmonisation of Australian laws and related processes through research, analysis, reports and community consultation and education'.

Under the *Australian Law Reform Commission Act 1996*, the ALRC's function is to undertake inquiries on matters referred to it by the Attorney-General and to review Commonwealth laws and legal processes relevant to those matters for the purpose of systematically developing and reforming the law. In pursuing this function, the ALRC provides the government with timely reports outlining recommendations for law reform that contribute to the government's objective of achieving an equitable and accessible system of federal justice and the harmonisation of Australia's laws and practices. In this way the ALRC contributes to the Attorney-General's outcome—a just and secure society.

The ALRC has one program to achieve its outcome—conducting inquiries into aspects of Australian law and related processes for the purpose of law reform. It is through the inquiry process that the ALRC is able to undertake the research and analysis that underpins the recommendations for law reform and provides the basis for informed government decisions.

In 2013–14, the ALRC will complete its review into copyright and the digital economy and undertake other inquiries as referred by the Attorney-General.

The ALRC will be represented at conferences, seminars and meetings of legal, industry and community groups to discuss relevant inquiry work of the ALRC and law reform processes generally. As the ALRC's recommendations must represent international best practice, the ALRC will also engage with other law reform and expert bodies internationally to share information and ideas and to benchmark ALRC practices and processes. Where the ALRC has made relevant recommendations or has acquired special expertise or experience, it will also make submissions to inquiries undertaken by other bodies, especially parliamentary committees, on the law reform issues raised in those inquiries.

The key challenge to the ALRC delivering its program is that the ALRC is solely reliant on the government for its referrals and therefore the extent to which the ALRC can deliver on its objective is influenced from year to year by the government's law reform

agenda, the number of inquiries referred to the ALRC, the subject matter and scope of any particular inquiry, the prescribed timeframe and the resources made available to the ALRC to undertake this work.

1.2 AGENCY RESOURCE STATEMENT

Table 1.1 shows the total resources from all sources.

Table 1.1: Agency resource statement—Budget estimates for 2013–14 as at Budget May 2013

	Estimate of prior year amounts available in 2013–14 $'000	+	Proposed at Budget 2013–14 $'000	=	Total estimate 2013–14 $'000	Actual available appropriation 2012–13 $'000
ORDINARY ANNUAL SERVICES[1]						
Departmental appropriation						
Departmental appropriation[2]	–		2,894		2,894	2,886
s 31 relevant agency receipts[3]	–		5		5	5
Total ordinary annual services	**–**		**2,899**		**2,899**	**2,891**
Total available annual appropriations	**–**		**2,899**		**2,899**	**2,891**
Total net resourcing for agency	**–**		**2,899**		**2,899**	**2,891**

All figures are GST exclusive.
1. Appropriation Bill (No. 1) 2013–14.
2. Includes an amount of $0.057m in 2013–14 for the departmental capital budget (see Table 3.2.5 for further details). For accounting purposes this amount has been designated as 'contributions by owners'.
3. Section 31 relevant agency receipts—estimate.

1.3 BUDGET MEASURES

Measures announced in the 2012–13 Mid-Year Economic and Fiscal Outlook (MYEFO) and not previously reported in a portfolio statement are summarised in Part 2 of Table 1.2.

Table 1.2: Agency 2013–14 Budget measures

Part 1: Measures announced since the 2012–13 MYEFO

The ALRC has no new post-MYEFO measures.

Part 2: MYEFO measures not previously reported in a portfolio statement

	Program	2012–13 $'000	2013–14 $'000	2014–15 $'000	2015–16 $'000	2016–17 $'000
Expense measures						
Targeted savings—public service efficiencies	1.1					
Departmental expenses		10	15	12	10	–
Total expense measures		**10**	**15**	**12**	**10**	**–**

Prepared on a Government Finance Statistics (fiscal) basis.

Section 2: Outcomes and planned performance

2.1 OUTCOMES AND PERFORMANCE INFORMATION

Government outcomes are the intended results, impacts or consequences of actions by the government on the Australian community. Commonwealth programs are the primary vehicle by which government agencies achieve the intended results of their outcome statements. Agencies are required to identify the programs that contribute to government outcomes over the budget and forward years.

The ALRC's outcome is described below together with its related program, specifying the performance indicators and targets used to assess and monitor the performance of the ALRC in achieving government outcomes.

Outcome 1: Informed government decisions about the development, reform and harmonisation of Australian laws and related processes through research, analysis, reports and community consultation and education

Outcome 1 strategy

The ALRC will undertake inquiries into areas of law reform referred to it by the Attorney-General. In conducting its inquiries, the ALRC will consult with relevant government, industry and community stakeholders and experts interested in the area under review and comprehensively research and analyse the legal policy issues raised during the course of this research.

As part of the inquiry process, the ALRC will produce a number of consultation papers that present issues, ask questions and raise proposals for reform and will call on the community to respond through formal submission processes, face-to-face consultations and more informal mechanisms, including through online communication strategies, where appropriate. These external contributions and the ALRC's own research and analysis will inform the preparation of a final report with recommendations for the government's consideration for each inquiry undertaken.

The ALRC may constitute an expert advisory committee for an inquiry to assist in the analysis and formulation of key proposals and recommendations for reform, where appropriate.

As required by its Act, the ALRC will have regard to relevant international obligations; the potential impact of its recommendations on the costs of getting access to and dispensing justice; personal rights and liberties, ensuring that citizens are not unduly dependent on administrative rather than judicial decisions; and the impact on persons and businesses who would be affected by the recommendations (including the economic effect, for example).

To achieve best practice, the ALRC will continue to share information and ideas with other law reform and expert bodies nationally and internationally.

External factors that may impact on the ALRC's abilities to achieve its outcome include the government's reform agenda and timelines, which influence both the number and scope of inquiries that are referred to the ALRC. The ALRC's work is highly dependent on a wide range of public and private stakeholders and the quality and timeliness of their contributions.

Outcome 1 expense statement

Table 2.1 provides an overview of the total expenses for Outcome 1, by program.

Table 2.1: Budgeted expenses for Outcome 1

Outcome 1: Informed government decisions about the development, reform and harmonisation of Australian laws and related processes through research, analysis, reports and community consultation and education	2012–13 Estimated actual expenses $'000	2013–14 Estimated expenses $'000
Program 1.1: Conducting inquiries into aspects of Australian law and related processes for the purpose of law reform		
Departmental expenses		
Departmental appropriation[1]	2,835	2,842
Expenses not requiring appropriation in the budget year[2]	42	42
Total expenses for Outcome 1	**2,877**	**2,884**

	2012–13	2013–14
Average staffing level (number)	15	15

Note: Departmental appropriation splits and totals are indicative estimates and may change in the course of the budget year as government priorities change.
1. Departmental appropriation combines 'Ordinary annual services (Appropriation Bill No. 1)' and 'Revenue from independent sources (s 31)'.
2. Expenses not requiring appropriation in the budget year are made up of depreciation and amortisation expenses and audit fees.

Contributions to Outcome 1

Program 1.1: Conducting inquiries into aspects of Australian law and related processes for the purpose of law reform

Program 1.1 objective

The objective of program 1.1 is to produce a final report for each inquiry referred to the ALRC by the Attorney-General that contains the evidence base—including research and analysis, stakeholder consultation and feedback—and recommendations for law reform.

Program 1.1 expenses

	2012–13 Revised budget $'000	2013–14 Budget $'000	2014–15 Forward year 1 $'000	2015–16 Forward year 2 $'000	2016–17 Forward year 3 $'000
Annual departmental expenses					
Departmental item	2,835	2,842	2,863	2,889	2,920
Expenses not requiring appropriation in the budget year[1]	42	42	43	43	43
Total program expenses	**2,877**	**2,884**	**2,906**	**2,932**	**2,963**

1. Expenses not requiring appropriation in the budget year are made up of depreciation and amortisation expenses and audit fees.

Program 1.1 deliverables

The ALRC will:

- conduct inquiries as referred by the Attorney-General
- produce a final report containing recommendations for law reform for each inquiry
- undertake community consultation nationally with stakeholders and experts relevant to each area of law under review and report on the consultation process
- produce consultation documents, as appropriate, for each inquiry
- provide web-based consultation and communication strategies to effectively and efficiently broaden access to the ALRC's activities by the community
- present at public conferences, seminars and parliamentary inquiries, ensuring that the work of the ALRC is publicly debated and discussed and contributes to the community's knowledge about the government's law reform agenda, and
- track and report on the implementation of its recommendations.

In 2013–14, the ALRC will complete its inquiry into copyright and the digital economy and any other inquiry referred to it by the Attorney-General. It has been the normal practice for the ALRC to work on two inquiries at any one time.

Deliverables	2012–13 Revised budget	2013–14 Budget	2014–15 Forward year 1	2015–16 Forward year 2	2016–17 Forward year 3
Inquiries	2	3	2	2	2
Reports	1	2	2	2	2
Consultation meetings	100	100	100	100	100
Consultation papers	4	3	3	3	3

Program 1.1 key performance indicators

The ALRC will measure the success of program 1.1 in delivering its objective through the following key performance indicators:

- the level of implementation of ALRC reports by government and other bodies, either substantially or partially, over time
- the number of citations or references to ALRC reports and recommendations in parliamentary debates, in court citations and decisions, and in academic publications and other publications
- the number of submissions received for each inquiry
- the number of visitors to the ALRC's website
- the number of presentations and speaking engagements, and
- the number of media mentions.

The logic behind using implementation rates as an indicator of the effectiveness of the ALRC in achieving its objective is that the rate of implementation of ALRC recommendations provides evidence of the ALRC's relative success in facilitating informed decision-making by government that leads to actual development, reform and harmonisation of Australian laws and related processes.

Using the number of citations of ALRC reports provides an indication of the success of the ALRC's strategies in achieving legal and academic expert engagement and pertains to the quality of the ALRC's evidence base and advice.

Using the number of submissions received is one indicator of the breadth of the evidence base that underpins the ALRC's recommendations.

The number of visitors to the ALRC's website is an indicator of the community's engagement with the work (past and present) of the ALRC. This engagement reflects on the evidence base that underpins informed government decision-making.

Presenting at public conferences, seminars and parliamentary inquiries ensures that the work of the ALRC is publicly debated and discussed within the community, giving confidence to the government of the ALRC's consultative processes.

The number of media mentions provides an indicator of community engagement and contributes to the community's knowledge about the government's law reform agenda.

These indicators will be affected, from year to year, by the subject matter of a particular inquiry, the prescribed timeframe and the available resources.

Key performance indicators	2012–13 Revised budget	2013–14 Budget	2014–15 Forward year 1	2015–16 Forward year 2	2016–17 Forward year 3
Implementation of reports	85%	85%	85%	85%	85%
Citations or references	45	50	50	50	50
Submissions received	200	250	250	250	250
Visitors to website	>200,000	>250,000	>250,000	>250,000	>250,000
Presentations and speaking engagements	20	25	25	25	25
Media mentions	200	250	250	250	250

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 2013–14 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.

3.1 EXPLANATORY TABLES

3.1.1 Movement of administered funds between years

The ALRC has no administered funds.

3.1.2 Special accounts

The ALRC has no special accounts.

3.1.3 Australian Government Indigenous expenditure

The ALRC has no Indigenous-specific expenses.

3.2 BUDGETED FINANCIAL STATEMENTS

3.2.1 Differences in agency resourcing and financial statements

There is no material difference between the agency resourcing and financial statements.

3.2.2 Analysis of budgeted financial statements

Total revenue for 2013–14 is estimated to be $2.864m, comprising $2.837m from government and $0.027m from other sources.

Operating appropriations increase marginally across the forward estimates due to net indexation (indexation after the efficiency dividend).

Expenses for 2013–14 are estimated to be $2.884m, comprising $2.117m in employee expenses, $0.747m in supplier expenses and $0.020m in depreciation and amortisation expenses.

3.2.3 Budgeted financial statements tables

Table 3.2.1: Comprehensive income statement (showing net cost of services) for the period ended 30 June

	Estimated actual 2012–13 $'000	Budget estimate 2013–14 $'000	Forward estimate 2014–15 $'000	Forward estimate 2015–16 $'000	Forward estimate 2016–17 $'000
EXPENSES					
Employee benefits	2,128	2,117	2,140	2,152	2,173
Supplier expenses	729	747	746	760	770
Depreciation and amortisation	20	20	20	20	20
Total expenses	**2,877**	**2,884**	**2,906**	**2,932**	**2,963**
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	5	5	5	5	5
Total own-source revenue	**5**	**5**	**5**	**5**	**5**
Gains					
Other	22	22	23	23	23
Total gains	**22**	**22**	**23**	**23**	**23**
Total own-source income	**27**	**27**	**28**	**28**	**28**
Net cost of (contribution by) services	**2,850**	**2,857**	**2,878**	**2,904**	**2,935**
Revenue from government	2,830	2,837	2,858	2,884	2,915
Surplus (deficit) attributable to the Australian Government	**(20)**	**(20)**	**(20)**	**(20)**	**(20)**
OTHER COMPREHENSIVE INCOME					
Changes in asset revaluation surplus	–	–	–	–	–
Total other comprehensive income	**–**	**–**	**–**	**–**	**–**
Total comprehensive income (loss)	**(20)**	**(20)**	**(20)**	**(20)**	**(20)**
Total comprehensive income (loss) attributable to the Australian Government	**(20)**	**(20)**	**(20)**	**(20)**	**(20)**

Note: Impact of net cash appropriation arrangements	2012–13 $'000	2013–14 $'000	2014–15 $'000	2015–16 $'000	2016–17 $'000
Total comprehensive income (loss) excluding depreciation/amortisation expenses previously funded through revenue appropriations	**–**	**–**	**–**	**–**	**–**
Less depreciation/amortisation expenses previously funded through revenue appropriations	20	20	20	20	20
Total comprehensive income (loss) as per the statement of comprehensive income	**(20)**	**(20)**	**(20)**	**(20)**	**(20)**

Prepared on Australian Accounting Standards basis.

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

	Estimated actual 2012–13 $'000	Budget estimate 2013–14 $'000	Forward estimate 2014–15 $'000	Forward estimate 2015–16 $'000	Forward estimate 2016–17 $'000
ASSETS					
Financial assets					
Cash and cash equivalents	738	738	738	738	738
Trade and other receivables	66	66	66	66	66
Total financial assets	**804**	**804**	**804**	**804**	**804**
Non-financial assets					
Property, plant and equipment	144	181	218	254	290
Other non-financial assets	100	100	100	100	100
Total non-financial assets	**244**	**281**	**318**	**354**	**390**
Total assets	**1,048**	**1,085**	**1,122**	**1,158**	**1,194**
LIABILITIES					
Payables					
Suppliers	42	42	42	42	42
Total payables	**42**	**42**	**42**	**42**	**42**
Provisions					
Employee provisions	437	437	437	437	437
Total provisions	**437**	**437**	**437**	**437**	**437**
Total liabilities	**479**	**479**	**479**	**479**	**479**
Net assets	**569**	**606**	**643**	**679**	**715**
EQUITY					
Parent entity interest					
Contributed equity	126	183	240	297	354
Reserves	135	135	135	135	135
Retained surplus (accumulated deficit)	308	288	268	247	226
Total parent entity interest	**569**	**606**	**643**	**679**	**715**
Total equity	**569**	**606**	**643**	**679**	**715**

Prepared on Australian Accounting Standards basis.

Table 3.2.3: Departmental statement of changes in equity—summary of movement (budget year 2013–14)

	Retained earnings $'000	Asset revaluation reserve $'000	Contributed equity/ capital $'000	Total equity $'000
Opening balance as at 1 July 2013				
Balance carried forward from previous period	308	135	126	569
Adjustment for changes in accounting policies	–	–	–	–
Adjusted opening balance	**308**	**135**	**126**	**569**
Comprehensive income				
Surplus (deficit) for the period	(20)	–	–	(20)
Total comprehensive income	**(20)**	**–**	**–**	**(20)**
Of which:				
Attributable to the Australian Government	(20)	–	–	(20)
Transactions with owners				
Departmental capital budget	–	–	57	57
Sub-total transactions with owners	**–**	**–**	**57**	**57**
Estimated closing balance as at 30 June 2014	**288**	**135**	**183**	**606**
Closing balance attributable to the Australian Government	**288**	**135**	**183**	**606**

Prepared on Australian Accounting Standards basis.

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

	Estimated actual 2012–13 $'000	Budget estimate 2013–14 $'000	Forward estimate 2014–15 $'000	Forward estimate 2015–16 $'000	Forward estimate 2016–17 $'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	2,830	2,837	2,858	2,884	2,915
Sale of goods and rendering of services	10	10	10	10	10
Total cash received	**2,840**	**2,847**	**2,868**	**2,894**	**2,925**
Cash used					
Employees	2,002	2,095	2,140	2,152	2,173
Suppliers	938	752	728	742	752
Total cash used	**2,940**	**2,847**	**2,868**	**2,894**	**2,925**
Net cash from (used by) operating activities	**(100)**	**–**	**–**	**–**	**–**
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment	56	57	57	57	57
Total cash used	**56**	**57**	**57**	**57**	**57**
Net cash from (used by) investing activities	**(56)**	**(57)**	**(57)**	**(57)**	**(57)**
FINANCING ACTIVITIES					
Cash received					
Contributed equity	56	57	57	57	57
Total cash received	**56**	**57**	**57**	**57**	**57**
Net cash from (used by) financing activities	**56**	**57**	**57**	**57**	**57**
Net increase (decrease) in cash held	**(100)**	**–**	**–**	**–**	**–**
Cash and cash equivalents at the beginning of the reporting period	838	738	738	738	738
Cash and cash equivalents at the end of the reporting period	**738**	**738**	**738**	**738**	**738**

Prepared on Australian Accounting Standards basis.

Table 3.2.5: Departmental capital budget statement

	Estimated actual 2012–13 $'000	Budget estimate 2013–14 $'000	Forward estimate 2014–15 $'000	Forward estimate 2015–16 $'000	Forward estimate 2016–17 $'000
NEW CAPITAL APPROPRIATIONS					
Capital budgets—Bill 1 (DCB)	56	57	57	57	57
Total new capital appropriations	**56**	**57**	**57**	**57**	**57**
Provided for:					
Purchase of non-financial assets	56	57	57	57	57
Total items	**56**	**57**	**57**	**57**	**57**
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriation—DCB[1]	56	57	57	57	57
Total	**56**	**57**	**57**	**57**	**57**
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	56	57	57	57	57
Total cash used to acquire assets	**56**	**57**	**57**	**57**	**57**

Prepared on Australian Accounting Standards basis.
DCB = departmental capital budget.
1. Does not include annual finance lease costs. Includes purchases from current and previous years' departmental capital budgets.

Table 3.2.6: Statement of asset movements (2013–14)

	Property, plant & equipment $'000	Total $'000
As at 1 July 2013		
Gross book value	476	476
Accumulated depreciation/amortisation and impairment	(332)	(332)
Opening net book balance	**144**	**144**
CAPITAL ASSET ADDITIONS		
Estimated expenditure on new or replacement assets		
By purchase—appropriation equity[1]	57	57
Total additions	**57**	**57**
Other movements		
Depreciation/amortisation expense	(20)	(20)
Total other movements	**(20)**	**(20)**
As at 30 June 2014		
Gross book value	533	533
Accumulated depreciation/amortisation and impairment	(352)	(352)
Closing net book balance	**181**	**181**

Prepared on Australian Accounting Standards basis.
1. 'Appropriation equity' refers to equity injections or administered assets and liabilities appropriations provided through Appropriation Bill (No. 2) 2013–14.

3.2.4 Notes to the financial statements

Basis of accounting

The budgeted financial statements have been prepared on an accrual accounting basis, having regard to Statements of Accounting Concepts, and in accordance with the Finance Minister's Orders, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board.

Assets and liabilities are recognised in the ALRC's balance sheet when, and only when, it is probable that future economic benefits will flow and the amounts of the assets or liabilities can be reliably measured.

Revenue and expenses are recognised in the ALRC's income statement when, and only when, the flow or consumption or loss of economic benefits has occurred and can be reliably measured.

Revenue from government

Revenue from government relates to the core operating activities of the ALRC. Appropriations for the departmental program are recognised as revenue.

Revenue from sale of goods

Revenue from the sale of goods (mainly publications) is recognised upon the delivery of goods to customers.

Employee expenses

Employee expenses consist of salaries, leave entitlements, redundancy expenses and superannuation.

Cash

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

Depreciation

Depreciable property, plant and equipment are written off to their estimated residual values over their estimated useful lives to the ALRC using, in all cases, the straight-line method of depreciation. Useful lives are reviewed at each balance date.

Property, plant and equipment

Purchases of property, plant and equipment are recognised initially at cost in the balance sheet, except for purchases costing less than $1,000, which are expensed in the year of acquisition. The $1,000 threshold was selected because it facilitates efficient asset management and recording without greatly affecting asset values recognised.

AUSTRALIAN SECURITY INTELLIGENCE ORGANISATION

Section 1: Agency overview and resources

1.1 STRATEGIC DIRECTION STATEMENT

The Australian Security Intelligence Organisation (ASIO) is Australia's national security intelligence service. ASIO is charged with identifying and investigating threats to Australia's security and providing advice to government to protect Australia, its people and its interests. This clear but challenging mission underpins ASIO's vision as being 'the intelligence edge for a secure Australia'.

The *Australian Security Intelligence Organisation Act 1979* (the ASIO Act) articulates ASIO's role, function and powers as well as providing explicit operating parameters. Part 1 of the ASIO Act defines security as:

> (a) the protection of, and of the people of, the Commonwealth and the several States and Territories from:
>
> (i) espionage;
>
> (ii) sabotage;
>
> (iii) politically motivated violence;
>
> (iv) promotion of communal violence;
>
> (v) attacks on Australia's defence system; or
>
> (vi) acts of foreign interference;
>
> whether directed from, or committed within, Australia or not; and
>
> (aa) the protection of Australia's territorial and border integrity from serious threats; and
>
> (b) the carrying out of Australia's responsibilities to any foreign country in relation to a matter mentioned in any of the subparagraphs of paragraph (a) or the matter mentioned in paragraph (aa).

This definition of security is fundamental to ASIO's operations. ASIO will remain focused in 2013–14 on delivering on its mission of obtaining, correlating and evaluating intelligence relevant to Australia's security by identifying and investigating threats.

While the ASIO Act provides this strong operating foundation, there is also a need for ASIO to adapt and be flexible in order to meet the challenges posed by the dynamic security environment. This environment is affected by a number of stimuli, including rapidly changing technology and innovation, as well as enduring and emerging threats. A key focus within ASIO is to continue developing its agility. The organisation remains committed to delivering an active strategic reform program (including contributing to legislative change) to ensure continuous enhancement to operational

and investigative effectiveness and efficiency, corporate governance and workforce planning.

The principal threats are terrorism, politically motivated violence and the promotion of communal violence, which present an immediate and grave risk to the security of Australians both in Australia and overseas. In addition, countering espionage and foreign interference, including through the cyber vector, remain key areas of concern. ASIO will need to continue to identify and mitigate the risk posed by sabotage and espionage being committed against Australian critical infrastructure and interests both onshore and overseas.

Counter-terrorism continues to be a significant priority for ASIO, and recent events such as the Boston bombings demonstrate that terrorism is a real and ongoing threat for security intelligence agencies around the world. A key and growing concern is Australians travelling to participate in violence offshore, to receive training from extremist groups, and to support those that fight in the various and multiple theatres of conflict. The potential remains for people to return to Australia radicalised, equipped with capability learned overseas and supportive of extremist ideology.

Espionage and foreign interference remain first-order threats to Australia from state and non-state actors, aimed at government and industry, through traditional and the ever-increasing cyber means. As a key contributor to Australia's cyber defences, ASIO remains committed to developing the means required to protect both the Australian Government and Australia's critical infrastructure from threats to national security. ASIO welcomes the establishment of the Australian Cyber Security Centre and will continue to work closely with other areas of government as well as industry in its development throughout 2013–14.

Visa security assessments are an important component of ASIO's work. Despite growing caseload pressure, ASIO maintains a rigorous system to ensure security assessments are managed with care and diligence. In addition, ASIO welcomed the appointment of the Independent Reviewer of Adverse Security Assessments in December 2012 as an additional, external review mechanism.

As ASIO's operating environment continues to change, it is critical that the legislation governing its activities be updated regularly—without changing the basic principles of fairness, proportionality and accountability. ASIO will continue to support the bid for contemporary legislative reforms being considered by the Parliamentary Joint Committee on Intelligence and Security. These updates will assist in ensuring that the legislation under which ASIO and its intelligence and law enforcement colleagues operate is current and sufficiently robust to stay abreast of technological advances. The reforms will also help to ensure that ASIO has adequate access to data in conducting security investigations relevant to Australia's national security, including espionage, foreign interference and politically motivated violence (including terrorism).

It is critical to balance ASIO's ability to exercise its security intelligence role while ensuring that appropriate oversight and accountability measures are in place. A range of measures exist, including a comprehensive suite of external checks and balances. Accountability mechanisms include a number of external reviews, oversight by the Attorney-General and an ongoing regime of inspections and inquiries by the Inspector-General of Intelligence and Security, the Independent Reviewer of Adverse Security Assessments, the Independent National Security Legislation Monitor and ongoing appearances before parliamentary committees such as Senate Estimates.

In 2013–14 ASIO will continue to focus on managing its resources and staffing capability within a tightened budgetary framework. The delivery of a robust national security capability will remain an area of keen focus for ASIO's senior management. ASIO will continue to work to refine its operating efficiency, resulting from organisational streamlining implemented in January 2013. This effort will be further bolstered by the development and implementation of ASIO's new strategic plan, which will extend ASIO's strategic vision and direction beyond 2016.

ASIO's relocation to its new central office building in the third quarter of 2013 presents an opportunity for improved organisational connectedness, and significant effort will be required to manage the complex transition without compromising operational imperatives.

1.2 AGENCY RESOURCE STATEMENT

Table 1.1 shows the total resources from all sources.

Table 1.1: Agency resource statement—Budget estimates for 2013–14 as at Budget May 2013

	Estimate of prior year amounts available in 2013–14 $'000	+	Proposed at Budget 2013–14 $'000	=	Total estimate 2013–14 $'000	Actual available appropriation 2012–13 $'000
ORDINARY ANNUAL SERVICES[1]						
Departmental appropriation						
Prior year departmental appropriation[2]	203,027		–		203,027	226,227
Departmental appropriation[3]	–		416,863		416,863	398,009
s 31 relevant agency receipts[4]	–		17,237		17,237	32,318
Total ordinary annual services	**203,027**		**434,100**		**637,127**	**656,554**
OTHER SERVICES[5]						
Departmental non-operating						
Equity injections	5,062		65		5,127	5,062
Total other services	**5,062**		**65**		**5,127**	**5,062**
Total available annual appropriations	**208,089**		**434,165**		**642,254**	**661,616**
Total net resourcing for agency	**208,089**		**434,165**		**642,254**	**661,616**

All figures are GST exclusive.
1. Appropriation Bill (No. 1) 2013–14.
2. Estimated adjusted balance carried forward from previous year.
3. Includes an amount of $47.374m in 2013–14 for the departmental capital budget (see Table 3.2.5 for further details). For accounting purposes this amount has been designated as 'contributions by owners'.
4. Section 31 relevant agency receipts—estimate.
5. Appropriation Bill (No. 2) 2013–14.

1.3 BUDGET MEASURES

Budget measures announced since the 2012–13 Mid-Year Economic and Fiscal Outlook (MYEFO) relating to ASIO are detailed in Budget Paper No. 2 and are summarised in Part 1 of Table 1.2. MYEFO measures not previously reported in a portfolio statement are summarised in Part 2.

Table 1.2: Agency 2013–14 Budget measures

Part 1: Measures announced since the 2012–13 MYEFO

	Program	2012–13 $'000	2013–14 $'000	2014–15 $'000	2015–16 $'000	2016–17 $'000
Expense measures						
Attorney-General's Portfolio savings—redirection	1.1					
Departmental expenses		–	(564)	(577)	(578)	(589)
Cricket World Cup—assistance[1]	1.1					
Departmental expenses		–	–	1,228	–	–
Total expense measures		**–**	**(564)**	**651**	**(578)**	**(589)**

Prepared on a Government Finance Statistics (fiscal) basis.
1. The lead agency for this measure is the Department of Regional Australia, Local Government, Arts and Sport. The full measure description and package details appear in Budget Paper No. 2 under the Regional Australia, Local Government, Arts and Sport portfolio.

Part 2: MYEFO measures not previously reported in a portfolio statement

	Program	2012–13 $'000	2013–14 $'000	2014–15 $'000	2015–16 $'000	2016–17 $'000
Expense measures						
Independent Reviewer of Adverse Security Assessments—establishment	1.1					
Departmental expenses		1,800	2,200	2,200	2,200	–
Asian Football Cup—assistance[1]	1.1					
Departmental expenses		–	–	2,794	–	–
Targeted savings—public service efficiencies	1.1					
Departmental expenses		(2,726)	(3,705)	(3,258)	(3,052)	(2,916)
Total expense measures		**(926)**	**(1,505)**	**1,736**	**(852)**	**(2,916)**

Prepared on a Government Finance Statistics (fiscal) basis.
1. The lead agency for this measure is the Department of Regional Australia, Local Government, Arts and Sport. The full measure description and package details appear in the 2012–13 MYEFO under the Regional Australia, Local Government, Arts and Sport portfolio.

Section 2: Outcomes and planned performance

2.1 OUTCOMES AND PERFORMANCE INFORMATION

Government outcomes are the intended results, impacts or consequences of actions by the government on the Australian community. Commonwealth programs are the primary vehicle by which government agencies achieve the intended results of their outcome statements. Agencies are required to identify the programs that contribute to government outcomes over the budget and forward years.

ASIO's outcome is described below together with its related program, specifying the performance indicators and targets used to assess and monitor the performance of ASIO in achieving government outcomes.

Outcome 1: To protect Australia, its people and its interests from threats to security through intelligence collection, assessment and advice to Government

Outcome 1 strategy

ASIO's outcome supports the Australian Government's policy aim of 'A secure Australia in a secure region'.

The information provided in the ASIO budget statement has necessarily been limited by the need to observe the requirements of national security. This is consistent with current practice observed by ASIO in presenting its annual report, where all sensitive information is excluded in accordance with section 94 of the ASIO Act.

This budget statement contains broad information on appropriations and performance. Additional national security classified information is provided to the Attorney-General, the National Security Committee of Cabinet and the Parliamentary Joint Committee on Intelligence and Security. This enables scrutiny of the detail of ASIO's appropriations and performance information related to outcomes and programs.

Outcome 1 expense statement

Table 2.1 provides an overview of the total expenses for Outcome 1, by program.

Table 2.1: Budgeted expenses for Outcome 1

Outcome 1: To protect Australia, its people and its interests from threats to security through intelligence collection, assessment and advice to Government	2012–13 Estimated actual expenses $'000	2013–14 Estimated expenses $'000
Program 1.1: Security Intelligence		
Departmental expenses		
Departmental appropriation[1]	369,561	399,726
Expenses not requiring appropriation in the budget year[2]	46,765	53,834
Total expenses for Outcome 1	**416,326**	**453,560**

	2012–13	2013–14
Average staffing level (number)	1,738	1,778

Note: Departmental appropriation splits and totals are indicative estimates and may change in the course of the budget year as government priorities change.
1. Departmental appropriation combines 'Ordinary annual services (Appropriation Bill No. 1)' and 'Revenue from independent sources (s 31)'.
2. Expenses not requiring appropriation in the budget year are made up of depreciation and amortisation expenses and resources received free of charge.

Contributions to Outcome 1

Program 1.1: Security Intelligence

Program 1.1 objective

ASIO's program objective is to protect Australia, its people and its interests from threats to security through intelligence collection, assessment and advice to government.

Program 1.1 expenses

ASIO's expenses increase over the estimates due to additional rent commitments relating to ASIO's new central headquarters. Funding has grown to cover a portion of the increased rent, with the remainder to be absorbed by ASIO.

	2012–13 Revised budget $'000	2013–14 Budget $'000	2014–15 Forward year 1 $'000	2015–16 Forward year 2 $'000	2016–17 Forward year 3 $'000
Annual departmental expenses					
Departmental item	369,561	399,726	379,542	380,110	398,731
Expenses not requiring appropriation in the budget year[1]	46,765	53,834	55,693	63,552	66,089
Total program expenses	**416,326**	**453,560**	**435,235**	**443,662**	**464,820**

1. Expenses not requiring appropriation in the budget year are made up of depreciation and amortisation expenses and resources received free of charge.

Program 1.1 deliverables

There are four components of the program, each providing a key contribution to the outcome:

- Security intelligence analysis and advice, including strategic, investigative and complex analysis; threat assessments; border security; critical infrastructure protection; policy contribution; and support to prosecutions.
- Protective security advice, including counter-terrorist checking, personnel security, physical security, and policy contribution.
- Security intelligence investigation and capabilities, including the maintenance and enhancement of all-source security intelligence collection, complex tactical and technical analysis, technical research and development, counter-terrorism response, national and international liaison, and policy contribution.
- Foreign intelligence collection in Australia at the request of the Minister for Foreign Affairs or the Minister for Defence, as well as incidentally through security intelligence investigations and liaison with overseas partners.

Due to national security reasons, ASIO is not able to provide details of its deliverables.

Program 1.1 key performance indicators

ASIO has two key performance indicators:

- the contribution of ASIO's action and advice to the management and the reduction of risk to:
  - people and property
  - government business and national infrastructure
  - special events of national and international significance, and
- the security of ASIO's activities.

Achievement of these indicators will be monitored by:

- the level of government satisfaction as indicated by client feedback
- relevant client feedback on agency outputs in regard to quality and timeliness
- resource use against priorities and cost-effectiveness
- ASIO's security performance, and
- maintenance of ASIO's security integrity.

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 2013–14 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.

3.1 EXPLANATORY TABLES

3.1.1 Movement of administered funds between years

ASIO has no administered funds.

3.1.2 Special accounts

ASIO has no special accounts.

3.1.3 Australian Government Indigenous expenditure

ASIO has no Indigenous-specific expenses.

3.2 BUDGETED FINANCIAL STATEMENTS

3.2.1 Differences in agency resourcing and financial statements

There is no material difference between the agency resourcing and financial statements.

3.2.2 Analysis of budgeted financial statements

Income statement

Total expenses are estimated to be $453.560m in 2013–14, an increase of $37.234m from 2012–13. The increase is primarily the result of increased supplier expenses relating to additional rent commitments for ASIO's new central headquarters.

ASIO's revenue from government increased from $337.243m in 2012–13 to $369.489m in 2013–14. This increase is due to the additional resourcing requirements as a result of the Houston review and ASIO being appropriated directly for security assessments relating to irregular maritime arrivals rather than invoicing for this service.

ASIO is expecting an operating loss of $13.000m in 2013–14. The 2013–14 loss is due to one-off rent and relocation costs associated with the move to the new central headquarters.

Balance sheet

ASIO's estimated net asset position is $483.304m in 2013–14, a decrease of $19.280m from 2012–13. The decrease is attributable to the realignment of ASIO's capital spending relating to the new central headquarters.

Capital budget statement

ASIO is estimating capital outlays of $71.469m in 2013–14, a decrease of $20.199m from 2012–13, primarily relating to ASIO's new central headquarters.

3.2.3 Budgeted financial statements tables

Table 3.2.1: Comprehensive income statement (showing net cost of services) for the period ended 30 June

	Estimated actual 2012–13 $'000	Budget estimate 2013–14 $'000	Forward estimate 2014–15 $'000	Forward estimate 2015–16 $'000	Forward estimate 2016–17 $'000
EXPENSES					
Employee benefits	238,286	248,097	246,635	250,314	252,067
Supplier expenses	131,390	151,744	133,022	129,911	146,779
Depreciation and amortisation	46,650	53,719	55,578	63,437	65,974
Total expenses	**416,326**	**453,560**	**435,235**	**443,662**	**464,820**
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	28,714	13,453	14,303	15,197	16,136
Other	3,604	3,784	3,973	4,172	4,380
Total own-source revenue	**32,318**	**17,237**	**18,276**	**19,369**	**20,516**
Gains					
Other	115	115	115	115	115
Total gains	**115**	**115**	**115**	**115**	**115**
Total own-source income	**32,433**	**17,352**	**18,391**	**19,484**	**20,631**
Net cost of (contribution by) services	**383,893**	**436,208**	**416,844**	**424,178**	**444,189**
Revenue from government	337,243	369,489	361,266	360,741	378,215
Surplus (deficit) attributable to the Australian Government	**(46,650)**	**(66,719)**	**(55,578)**	**(63,437)**	**(65,974)**
OTHER COMPREHENSIVE INCOME					
Changes in asset revaluation surplus	–	–	–	–	–
Total other comprehensive income	**–**	**–**	**–**	**–**	**–**
Total comprehensive income (loss)	**(46,650)**	**(66,719)**	**(55,578)**	**(63,437)**	**(65,974)**
Total comprehensive income (loss) attributable to the Australian Government	**(46,650)**	**(66,719)**	**(55,578)**	**(63,437)**	**(65,974)**

Note: Impact of net cash appropriation arrangements	2012–13 $'000	2013–14 $'000	2014–15 $'000	2015–16 $'000	2016–17 $'000
Total comprehensive income (loss) excluding depreciation/amortisation expenses previously funded through revenue appropriations	**–**	**(13,000)**	**–**	**–**	**–**
Less depreciation/amortisation expenses previously funded through revenue appropriations	46,650	53,719	55,578	63,437	65,974
Total comprehensive income (loss) as per the statement of comprehensive income	**(46,650)**	**(66,719)**	**(55,578)**	**(63,437)**	**(65,974)**

Prepared on Australian Accounting Standards basis.

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

	Estimated actual 2012–13 $'000	Budget estimate 2013–14 $'000	Forward estimate 2014–15 $'000	Forward estimate 2015–16 $'000	Forward estimate 2016–17 $'000
ASSETS					
Financial assets					
Cash and cash equivalents	11,519	24,519	25,663	19,618	21,459
Trade and other receivables	211,091	160,325	147,985	88,055	90,747
Other financial assets	4,028	4,229	4,440	4,662	4,895
Total financial assets	**226,638**	**189,073**	**178,088**	**112,335**	**117,101**
Non-financial assets					
Land and buildings	220,267	235,887	231,457	226,671	221,762
Property, plant and equipment	109,596	114,404	103,038	131,589	113,695
Intangibles	25,244	22,588	32,127	39,847	30,977
Other non-financial assets	14,120	14,565	14,956	15,005	15,731
Total non-financial assets	**369,227**	**387,444**	**381,578**	**413,112**	**382,165**
Total assets	**595,865**	**576,517**	**559,666**	**525,447**	**499,266**
LIABILITIES					
Payables					
Suppliers	13,602	11,024	12,086	11,400	13,070
Other payables	72	76	80	84	87
Total payables	**13,674**	**11,100**	**12,166**	**11,484**	**13,157**
Interest-bearing liabilities					
Lease incentives	2,321	1,934	1,547	1,160	773
Total interest-bearing liabilities	**2,321**	**1,934**	**1,547**	**1,160**	**773**
Provisions					
Employee provisions	64,852	67,656	71,085	67,059	70,550
Other provisions	12,434	12,523	13,169	13,580	14,363
Total provisions	**77,286**	**80,179**	**84,254**	**80,639**	**84,913**
Total liabilities	**93,281**	**93,213**	**97,967**	**93,283**	**98,843**
Net assets	**502,584**	**483,304**	**461,699**	**432,164**	**400,423**
EQUITY					
Parent entity interest					
Contributed equity	579,167	626,606	660,579	694,481	728,715
Reserves	8,102	8,102	8,102	8,102	8,102
Retained surplus (accumulated deficit)	(84,685)	(151,404)	(206,982)	(270,419)	(336,394)
Total parent entity interest	**502,584**	**483,304**	**461,699**	**432,164**	**400,423**
Total equity	**502,584**	**483,304**	**461,699**	**432,164**	**400,423**

Prepared on Australian Accounting Standards basis.

Table 3.2.3: Departmental statement of changes in equity—summary of movement (budget year 2013–14)

	Retained earnings $'000	Asset revaluation reserve $'000	Contributed equity/ capital $'000	Total equity $'000
Opening balance as at 1 July 2013				
Balance carried forward from previous period	(84,685)	8,102	579,167	502,584
Adjustment for changes in accounting policies	–	–	–	–
Adjusted opening balance	**(84,685)**	**8,102**	**579,167**	**502,584**
Comprehensive income				
Surplus (deficit) for the period	(66,719)	–	–	(66,719)
Total comprehensive income	**(151,404)**	**8,102**	**579,167**	**435,865**
Transactions with owners				
Contributions by owners				
Equity injection—appropriation	–	–	65	65
Departmental capital budget	–	–	47,374	47,374
Sub-total transactions with owners	**–**	**–**	**47,439**	**47,439**
Estimated closing balance as at 30 June 2014	**(151,404)**	**8,102**	**626,606**	**483,304**
Closing balance attributable to the Australian Government	**(151,404)**	**8,102**	**626,606**	**483,304**

Prepared on Australian Accounting Standards basis.

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

	Estimated actual 2012–13 $'000	Budget estimate 2013–14 $'000	Forward estimate 2014–15 $'000	Forward estimate 2015–16 $'000	Forward estimate 2016–17 $'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	360,443	420,292	381,220	428,209	383,333
Sale of goods and rendering of services	29,013	13,181	14,017	14,897	15,821
Other	10,173	3,043	3,328	3,839	3,681
Total cash received	**399,629**	**436,516**	**398,565**	**446,945**	**402,835**
Cash used					
Employees	232,010	245,293	243,206	254,340	248,576
Suppliers	143,035	154,258	138,910	137,698	152,351
Total cash used	**375,045**	**399,551**	**382,116**	**392,038**	**400,927**
Net cash from (used by) operating activities	**24,584**	**36,965**	**16,449**	**54,907**	**1,908**
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment	91,668	71,469	49,278	94,854	34,301
Total cash used	**91,668**	**71,469**	**49,278**	**94,854**	**34,301**
Net cash from (used by) investing activities	**(91,668)**	**(71,469)**	**(49,278)**	**(94,854)**	**(34,301)**
FINANCING ACTIVITIES					
Cash received					
Contributed equity	5,062	65	368	–	–
Departmental capital	60,766	47,439	33,605	33,902	34,234
Total cash received	**65,828**	**47,504**	**33,973**	**33,902**	**34,234**
Net cash from (used by) financing activities	**65,828**	**47,504**	**33,973**	**33,902**	**34,234**
Net increase (decrease) in cash held	**(1,256)**	**13,000**	**1,144**	**(6,045)**	**1,841**
Cash and cash equivalents at the beginning of the reporting period	12,775	11,519	24,519	25,663	19,618
Cash and cash equivalents at the end of the reporting period	**11,519**	**24,519**	**25,663**	**19,618**	**21,459**

Prepared on Australian Accounting Standards basis.

Table 3.2.5: Departmental capital budget statement

	Estimated actual 2012–13 $'000	Budget estimate 2013–14 $'000	Forward estimate 2014–15 $'000	Forward estimate 2015–16 $'000	Forward estimate 2016–17 $'000
NEW CAPITAL APPROPRIATIONS					
Capital budgets—Bill 1 (DCB)	60,766	47,374	33,605	33,902	34,234
Equity injections—Bill 2	5,062	65	368	–	–
Total new capital appropriations	**65,828**	**47,439**	**33,973**	**33,902**	**34,234**
Provided for:					
Purchase of non-financial assets	65,828	47,439	33,973	33,902	34,234
Total items	**65,828**	**47,439**	**33,973**	**33,902**	**34,234**
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations[1]	5,062	65	368	–	–
Funded by capital appropriation—DCB[2]	36,995	71,145	33,605	33,902	34,234
Funded internally from departmental resources[3]	49,611	259	15,305	60,952	67
Total	**91,668**	**71,469**	**49,278**	**94,854**	**34,301**
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	91,668	71,469	49,278	94,854	34,301
Total cash used to acquire assets	**91,668**	**71,469**	**49,278**	**94,854**	**34,301**

Prepared on Australian Accounting Standards basis.
DCB = departmental capital budget.
1. Includes both current Bill 2 and prior year Act 2 appropriations.
2. Does not include annual finance lease costs. Includes purchases from current and previous years' departmental capital budgets.
3. Includes the following sources of funding: current Bill 1 (excluding amounts from the departmental capital budget), section 31 relevant agency receipts and proceeds from the sale of assets.

Table 3.2.6: Statement of asset movements (2013–14)

	Land $'000	Buildings $'000	Other property, plant & equipment $'000	Computer software & intangibles $'000	Total $'000
As at 1 July 2013					
Gross book value	1,515	255,065	178,648	56,903	492,131
Accumulated depreciation/ amortisation and impairment	–	(36,313)	(69,052)	(31,659)	(137,024)
Opening net book balance	**1,515**	**218,752**	**109,596**	**25,244**	**355,107**
CAPITAL ASSET ADDITIONS					
Estimated expenditure on new or replacement assets					
By purchase—appropriation equity[1]	–	–	65	–	65
By purchase—appropriation ordinary annual services[2]	–	29,464	38,071	3,869	71,404
Total additions	**–**	**29,464**	**38,136**	**3,869**	**71,469**
Other movements					
Depreciation/amortisation expense	–	(13,844)	(33,350)	(6,525)	(53,719)
Total other movements	**–**	**(13,844)**	**(33,350)**	**(6,525)**	**(53,719)**
As at 30 June 2014					
Gross book value	1,515	284,529	216,806	60,772	563,622
Accumulated depreciation/ amortisation and impairment	–	(50,157)	(102,402)	(38,184)	(190,743)
Closing net book balance	**1,515**	**234,372**	**114,404**	**22,588**	**372,879**

Prepared on Australian Accounting Standards basis.
1. 'Appropriation equity' refers to equity injections provided through Appropriation Bill (No. 2) 2013–14.
2. 'Appropriation ordinary annual services' refers to funding provided through Appropriation Bill (No. 1) 2013–14 for depreciation and amortisation expenses, departmental capital budgets or other operational expenses.

3.2.4 Notes to the financial statements

Basis of accounting

The budgeted financial statements have been prepared on an accrual accounting basis, having regard to Statements of Accounting Concepts, and in accordance with the Finance Minister's Orders, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board.

Revenue from government

Amounts appropriated for departmental programs for the year (adjusted for any formal additions and reductions) are recognised as revenue when ASIO gains control of the appropriation, except for certain amounts that relate to activities that are reciprocal in nature, in which case revenue is recognised only when it is earned. Appropriations receivable are recognised at their nominal amounts.

Revenue from other sources

Revenue from other sources relates to other revenue received under section 31 of the *Financial Management and Accountability Act 1997*. This includes revenue for the provision of security assessments and protective security advice, proceeds on sale of assets, rental charges, and resources that are received free of charge.

Employee expenses

Employee expenses consist of salaries, leave entitlements and superannuation.

Supplier expenses

Supplier expenses include consultant, contractor, travel and administrative costs.

Assets

Assets are made up of cash, receivables, land and buildings, infrastructure, plant and equipment, computer software and other (prepayments).

AUSTRALIAN TRANSACTION REPORTS AND ANALYSIS CENTRE

Section 1: Agency overview and resources

1.1 STRATEGIC DIRECTION STATEMENT

The Australian Transaction Reports and Analysis Centre (AUSTRAC) is Australia's anti-money laundering and counter-terrorism financing (AML/CTF) regulator and specialist financial intelligence unit.

AUSTRAC's vision is an Australian community that is hostile to money laundering, financing of terrorism, serious and organised crime, including people smuggling, and tax evasion.

Under its regulatory role, AUSTRAC oversees compliance with reporting obligations under the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006* (AML/CTF Act) and the *Financial Transaction Reports Act 1988* for approximately 16,000 businesses across diverse industry sectors which include financial services providers, the gaming industry and remittance service providers. As Australia's financial intelligence unit, AUSTRAC collects and analyses financial information provided by regulated entities to assist Australian law enforcement, national security, social justice and revenue agencies, and certain international counterparts, in the investigation and prosecution of serious criminal activity, including terrorism financing, organised crime and tax evasion.

In 2013–14, AUSTRAC will continue to improve and supplement its systems to enhance all aspects of its dealings with its diverse regulated population. AUSTRAC will also continue to provide guidance to regulated entities on their obligations.

AUSTRAC will continue to strengthen its compliance and enforcement capability and will undertake, where appropriate, measured enforcement action supported by the powers available to it under the AML/CTF Act. AUSTRAC will further leverage the opportunities that arise from incorporating intelligence and investigative priorities with the agency's supervisory functions, enabling the focusing of resources where they will have the greatest impact—in industry sectors most vulnerable to money laundering and terrorism financing risk.

In 2013–14, AUSTRAC will provide support and advice to the Attorney-General's Department in relation to the conduct of a review of the operation of the AML/CTF Act, Regulations and Rules, as provided for under section 251 of the AML/CTF Act.

AUSTRAC will also work closely with the Attorney-General's Department in preparing for and facilitating the Financial Action Task Force's mutual evaluation of Australia's anti-money laundering and counter-terrorism financing regime. The Financial Action Task Force sets the global standards for AML/CTF measures and its review of Australia's regime will provide invaluable guidance and feedback on Australia's continuing efforts to combat money laundering and terrorism financing.

As Australia's financial intelligence unit, AUSTRAC disseminates financial intelligence to Commonwealth, state and territory partner agencies and international counterparts. In 2013–14, AUSTRAC will continue to strengthen its support to whole-of-government initiatives and priorities focused on combating organised crime, tax evasion and threats to Australia's security. As part of this commitment, AUSTRAC will also continue to provide critical financial intelligence support to national investigations and taskforces.

In 2013–14, AUSTRAC will continue to implement the combating organised crime—enhanced analytical capability program by providing new intelligence systems and tools to AUSTRAC analysts. The new capabilities will provide more effective monitoring and detection of changes in financial activity, enabling more targeted and timely analysis to be produced. Better integration of AUSTRAC data and extrinsic data will enable earlier identification of sophisticated criminal networks and terrorism financiers, and their methodologies, and will provide timely intelligence to support other agencies' operational needs. The ability to follow the money trail in a timely way is critical to detection, investigation and disruption of planned criminal and terrorist activity.

AUSTRAC will maintain its commitment to international capacity-building by providing technical assistance and training to a range of overseas financial intelligence units. AUSTRAC will also continue to contribute to global efforts to combat money laundering, terrorism financing and major crime through information exchange with counterpart financial intelligence units, involvement in international bodies and the continuing development of Australia's AML/CTF framework to meet international standards.

In summary, in 2013–14 AUSTRAC will further strengthen partnerships with industry, its partner agencies and international counterparts, and contribute to protecting the integrity and global reputation of the Australian financial environment and economy by supporting the Australian Government's ongoing commitment to combating serious and organised crime, and terrorism.

1.2 AGENCY RESOURCE STATEMENT

Table 1.1 shows the total resources from all sources.

Table 1.1: Agency resource statement—Budget estimates for 2013–14 as at Budget May 2013

	Estimate of prior year amounts available in 2013–14 $'000	+	Proposed at Budget 2013–14 $'000	=	Total estimate 2013–14 $'000	Actual available appropriation 2012–13 $'000
ORDINARY ANNUAL SERVICES[1]						
Departmental appropriation						
Prior year departmental appropriation[2]	14,883		–		14,883	17,552
Departmental appropriation[3]	–		56,114		56,114	56,632
s 31 relevant agency receipts[4]	–		6,424		6,424	1,438
Total ordinary annual services	**14,883**		**62,538**		**77,421**	**75,622**
OTHER SERVICES[5]						
Departmental non-operating						
Equity injections	–		8,565		8,565	5,361
Total other services	**–**		**8,565**		**8,565**	**5,361**
Total available annual appropriations	**14,883**		**71,103**		**85,986**	**80,983**
Total net resourcing for agency	**14,883**		**71,103**		**85,986**	**80,983**

All figures are GST exclusive.
1. Appropriation Bill (No. 1) 2013–14.
2. Estimated adjusted balance carried forward from previous year.
3. Includes an amount of $2.881m in 2013–14 for the departmental capital budget (see Table 3.2.5 for further details). For accounting purposes this amount has been designated as 'contributions by owners'.
4. Section 31 relevant agency receipts—estimate.
5. Appropriation Bill (No. 2) 2013–14.

1.3 BUDGET MEASURES

Budget measures announced since the 2012–13 Mid-Year Economic and Fiscal Outlook (MYEFO) relating to AUSTRAC are detailed in Budget Paper No. 2 and are summarised in Part 1 of Table 1.2. MYEFO measures not previously reported in a portfolio statement are summarised in Part 2.

Table 1.2: Agency 2013–14 Budget measures

Part 1: Measures announced since the 2012–13 MYEFO

	Program	2012–13 $'000	2013–14 $'000	2014–15 $'000	2015–16 $'000	2016–17 $'000
Revenue measures						
Australian Transaction Reports and Analysis Centre—establishment of new data centre	1.1					
Administered revenues		–	1,517	2,502	2,513	2,526
Total revenue measures		**–**	**1,517**	**2,502**	**2,513**	**2,526**
Expense measures						
Australian assistance with law and justice frameworks in Africa—conclusion	1.1					
Departmental expenses		–	(1,915)	(1,929)	(1,950)	(1,971)
Australian Transaction Reports and Analysis Centre—establishment of new data centre	1.1					
Departmental expenses		–	1,530	2,113	2,131	2,155
Attorney-General's Portfolio savings—redirection	1.1					
Departmental expenses		–	(86)	(89)	(89)	(89)
Total expense measures		**–**	**(471)**	**95**	**92**	**95**
Capital measures						
Australian Transaction Reports and Analysis Centre—establishment of new data centre	1.1					
Departmental capital		–	8,171	–	–	–
Total capital measures		**–**	**8,171**	**–**	**–**	**–**

Prepared on a Government Finance Statistics (fiscal) basis.

Part 2: MYEFO measures not previously reported in a portfolio statement

	Program	2012–13 $'000	2013–14 $'000	2014–15 $'000	2015–16 $'000	2016–17 $'000
Expense measures						
Targeted savings—public service efficiencies	1.1					
Departmental expenses		(201)	(295)	(265)	(253)	(232)
Total expense measures		**(201)**	**(295)**	**(265)**	**(253)**	**(232)**

Prepared on a Government Finance Statistics (fiscal) basis.

Section 2: Outcomes and planned performance

2.1 OUTCOMES AND PERFORMANCE INFORMATION

Government outcomes are the intended results, impacts or consequences of actions by the government on the Australian community. Commonwealth programs are the primary vehicle by which government agencies achieve the intended results of their outcome statements. Agencies are required to identify the programs that contribute to government outcomes over the budget and forward years.

AUSTRAC's outcome is described below together with its related program, specifying the performance indicators and targets used to assess and monitor the performance of AUSTRAC in achieving government outcomes.

Outcome 1: A financial environment hostile to money laundering, financing of terrorism, major crime and tax evasion through industry regulation and the collection, analysis and dissemination of financial intelligence

Outcome 1 strategy

AUSTRAC achieves its outcome by operating as Australia's AML/CTF regulator and financial intelligence unit. AUSTRAC's strategy involves ongoing implementation of the 2006 AML/CTF reforms in partnership with industry, government and partner agencies; maintaining the trust of the community, industry and government in AUSTRAC as Australia's AML/CTF regulator; improving industry compliance with their obligations, including through pursuing a selective and strategic enforcement policy; and maintaining AUSTRAC's reputation as a global leader in collecting, analysing and disseminating financial intelligence.

Outcome 1 expense statement

Table 2.1 provides an overview of the total expenses for Outcome 1, by program.

Table 2.1: Budgeted expenses for Outcome 1

Outcome 1: A financial environment hostile to money laundering, financing of terrorism, major crime and tax evasion through industry regulation and the collection, analysis and dissemination of financial intelligence	2012–13 Estimated actual expenses $'000	2013–14 Estimated expenses $'000
Program 1.1: AUSTRAC		
Departmental expenses		
Departmental appropriation[1]	56,866	61,079
Expenses not requiring appropriation in the budget year[2]	6,293	8,045
Total expenses for Outcome 1	**63,159**	**69,124**

	2012–13	2013–14
Average staffing level (number)	292	274

Note: Departmental appropriation splits and totals are indicative estimates and may change in the course of the budget year as government priorities change.
1. Departmental appropriation combines 'Ordinary annual services (Appropriation Bill No. 1)' and 'Revenue from independent sources (s 31)'.
2. Expenses not requiring appropriation in the budget year are made up of depreciation and amortisation expenses, audit fees and provisions expensed in prior periods.

Contributions to Outcome 1

Program 1.1: AUSTRAC

Program 1.1 is made up of two components:

- 1.1.1: Australia's anti-money laundering and counter-terrorism financing regulator, and
- 1.1.2: Australia's financial intelligence unit.

Program 1.1 objective

The program objectives are reported separately under each of the program components.

Program 1.1 expenses

	2012–13 Revised budget $'000	2013–14 Budget $'000	2014–15 Forward year 1 $'000	2015–16 Forward year 2 $'000	2016–17 Forward year 3 $'000
Annual departmental expenses					
Provision of Australia's anti-money laundering and counter-terrorism financing regulator	30,311	29,682	30,971	30,845	31,199
Provision of Australia's financial intelligence unit	26,690	31,532	25,063	23,877	23,808
Expenses not requiring appropriation in the budget year[1]	6,293	8,045	4,829	5,900	7,454
Total program expenses	**63,294**	**69,259**	**60,863**	**60,622**	**62,461**

1. Expenses not requiring appropriation in the budget year are made up of depreciation and amortisation expenses, audit fees and provisions expensed in prior periods.

Component 1.1.1: Australia's anti-money laundering and counter-terrorism financing regulator

Component 1.1.1 objective

Component 1.1.1 encompasses AUSTRAC's regulatory objective of countering money laundering and terrorism financing through increased compliance by the financial and gambling sectors with their obligations under the Financial Transactions Reports (FTR) Act and the AML/CTF Act.

AUSTRAC works to achieve this objective through supervision of regulated entities and regulatory policy development and implementation. Industry consultation helps to identify areas where AML/CTF regulation can be strengthened and/or improved.

AUSTRAC addresses the risk of non-compliance through industry outreach, assessment and supervision of regulated entities and sectors, and, where required, remedial and escalated enforcement action. Input from the financial intelligence unit (component 1.1.2) also complements compliance information on high-risk sectors that require closer supervision. Compliance information can, in turn, assist the financial intelligence unit to identify and counter money laundering and terrorism financing risks, including emerging threats (component 1.1.2 objective).

Component 1.1.1 expenses

	2012–13 Revised budget $'000	2013–14 Budget $'000	2014–15 Forward year 1 $'000	2015–16 Forward year 2 $'000	2016–17 Forward year 3 $'000
Annual departmental expenses					
Provision of Australia's anti-money laundering and counter-terrorism financing regulator	30,311	29,682	30,971	30,845	31,199
Expenses not requiring appropriation in the budget year[1]	1,983	2,070	2,070	2,070	2,070
Total component expenses	**32,294**	**31,752**	**33,041**	**32,915**	**33,269**

1. Expenses not requiring appropriation in the budget year are made up of depreciation and amortisation expenses, audit fees and provisions expensed in prior periods.

Component 1.1.1 deliverables

In the budget and forward years, AUSTRAC will:

Supervision

- improve the quantity and quality of transaction reports received by AUSTRAC to assist the financial intelligence unit and through it, AUSTRAC's partner agencies
- assist reporting entities to strengthen their AML/CTF programs so their services are not used by criminals for money laundering or terrorism financing purposes
- provide assistance tailored to the needs of reporting entities and industry sectors
- risk rate industry sectors and provide targeted industry supervision
- manage a selection of entities to achieve compliance through persuasive means and the use of AUSTRAC's formal enforcement powers, and
- provide information to the financial intelligence unit on money laundering and terrorism financing risks.

Regulatory measures

- make AML/CTF rules and issue exemptions and modifications
- publish guidance material to assist reporting entities to comply with the FTR and AML/CTF Acts, and
- provide advice to government and international bodies that is aimed at strengthening AML/CTF regulation.

Deliverables	2012–13 Revised budget	2013–14 Budget	2014–15 Forward year 1	2015–16 Forward year 2	2016–17 Forward year 3
Transaction reporting among regulated population	Take action against non-compliance by regulated entities according to compliance and risk profile	Take action against non-compliance by regulated entities according to compliance and risk profile	Take action against non-compliance by regulated entities according to compliance and risk profile	Take action against non-compliance by regulated entities according to compliance and risk profile	Take action against non-compliance by regulated entities according to compliance and risk profile
Education and awareness programs delivered to industry	Assistance delivered to industry sectors according to compliance and risk profile	Assistance delivered to industry sectors according to compliance and risk profile	Assistance delivered to industry sectors according to compliance and risk profile	Assistance delivered to industry sectors according to compliance and risk profile	Assistance delivered to industry sectors according to compliance and risk profile
Industry sectors risk rated	Ongoing risk rating of all regulated sectors	Ongoing risk rating of all regulated sectors	Ongoing risk rating of all regulated sectors	Ongoing risk rating of all regulated sectors	Ongoing risk rating of all regulated sectors
Annual supervisory program	95% of assessments in supervisory program completed	95% of assessments in supervisory program completed	95% of assessments in supervisory program completed	95% of assessments in supervisory program completed	95% of assessments in supervisory program completed

Component 1.1.1 deliverables (continued)

Deliverables	2012–13 Revised budget	2013–14 Budget	2014–15 Forward year 1	2015–16 Forward year 2	2016–17 Forward year 3
Effective use of remedial powers to promote compliance	Identify and take action on appropriate cases	Identify and take action on appropriate cases	Identify and take action on appropriate cases	Identify and take action on appropriate cases	Identify and take action on appropriate cases
Development of rules and guidance to meet industry and government needs	AML/CTF rules registered and guidance published addressing issues raised by government and industry	AML/CTF rules registered and guidance published addressing issues raised by government and industry	AML/CTF rules registered and guidance published addressing issues raised by government and industry	AML/CTF rules registered and guidance published addressing issues raised by government and industry	AML/CTF rules registered and guidance published addressing issues raised by government and industry
Advice on identified law improvements provided to government	Timely and quality advice on proposed law improvements	Timely and quality advice on proposed law improvements	Timely and quality advice on proposed law improvements	Timely and quality advice on proposed law improvements	Timely and quality advice on proposed law improvements

Component 1.1.1 key performance indicators

Increased industry compliance with AML/CTF Act obligations demonstrates the effectiveness of component 1.1.1 and is measured across a number of indicators through:

- increased participation by reporting entities in the submission of transaction reporting to AUSTRAC
- increased volumes and quality of transaction reports submitted by regulated entities
- increased number of regulated entities with compliance programs in place as identified in the compliance report
- rectification of identified non-compliance by reporting entities to address potential vulnerabilities in Australia's AML/CTF regime, and
- increased effectiveness of regulated entities' compliance programs.

Component 1.1.1 key performance indicators (continued)

Key performance indicators	2012–13 Revised budget	2013–14 Budget	2014–15 Forward year 1	2015–16 Forward year 2	2016–17 Forward year 3
Recognition of transaction reporting responsibilities	Improved reporting entity compliance with transaction reporting obligations	Improved reporting entity compliance with transaction reporting obligations	Improved reporting entity compliance with transaction reporting obligations	Improved reporting entity compliance with transaction reporting obligations	Improved reporting entity compliance with transaction reporting obligations
Volume and quality of transaction reporting among entities with obligation to report	Above trend volume and accuracy	Above trend volume and accuracy	Above trend volume and accuracy	Above trend volume and accuracy	Above trend volume and accuracy
Recognition of compliance reporting obligations	85% of regulated entities with compliance reporting obligations have submitted a compliance report	85% of regulated entities with compliance reporting obligations have submitted a compliance report	85% of regulated entities with compliance reporting obligations have submitted a compliance report	85% of regulated entities with compliance reporting obligations have submitted a compliance report	85% of regulated entities with compliance reporting obligations have submitted a compliance report
Level of industry compliance	Industry monitoring demonstrates improved compliance	Industry monitoring demonstrates improved compliance	Industry monitoring demonstrates improved compliance	Industry monitoring demonstrates improved compliance	Industry monitoring demonstrates improved compliance
Significant non-compliance rectified	Selected cases of detected non-compliance addressed	Selected cases of detected non-compliance addressed	Selected cases of detected non-compliance addressed	Selected cases of detected non-compliance addressed	Selected cases of detected non-compliance addressed
Improved industry understanding of obligations	Industry monitoring demonstrates improved awareness and understanding	Industry monitoring demonstrates improved awareness and understanding	Industry monitoring demonstrates improved awareness and understanding	Industry monitoring demonstrates improved awareness and understanding	Industry monitoring demonstrates improved awareness and understanding
Policy development has regard to revised international standards and domestic AML/CTF risks	New policy reflects international standards and domestic AML/CTF risks	New policy reflects international standards and domestic AML/CTF risks	New policy reflects international standards and domestic AML/CTF risks	New policy reflects international standards and domestic AML/CTF risks	New policy reflects international standards and domestic AML/CTF risks

Component 1.1.2: Australia's financial intelligence unit

Component 1.1.2 objective

Component 1.1.2 encompasses AUSTRAC's financial intelligence objective of countering money laundering and the financing of terrorism and other forms of serious and organised crime through:

- identifying, monitoring and assessing financial transaction reporting to support partner agency and AUSTRAC regulatory priorities and interests
- identifying emerging money laundering and terrorism financing trends
- providing partner agencies access to, and support in the use of, AUSTRAC databases, and
- contributing to international efforts directed at AML/CTF, including the international exchange of information with counterpart financial intelligence units and capacity-building assistance for a range of overseas financial intelligence units.

Component 1.1.2 expenses

	2012–13 Revised budget $'000	2013–14 Budget $'000	2014–15 Forward year 1 $'000	2015–16 Forward year 2 $'000	2016–17 Forward year 3 $'000
Annual departmental expenses					
Provision of Australia's financial intelligence unit	26,690	31,532	25,063	23,877	23,808
Expenses not requiring appropriation in the budget year[1]	4,310	5,975	2,759	3,830	5,384
Total component expenses	**31,000**	**37,507**	**27,822**	**27,707**	**29,192**

1. Expenses not requiring appropriation in the budget year are made up of depreciation and amortisation expenses, audit fees and provisions expensed in prior periods.

Component 1.1.2 deliverables

In the budget and forward years, AUSTRAC will:

- maintain high levels of database availability for AUSTRAC and for use of partner agencies
- provide training and onsite assistance to users of AUSTRAC databases within partner agencies
- produce financial intelligence to support partner agency and major taskforce operations, including strategic intelligence on AML/CTF risks, typologies and emerging threats
- establish and manage mechanisms for exchange of financial intelligence with counterpart financial intelligence units, and
- provide technical assistance and training to a range of overseas financial intelligence units.

Deliverables	2012–13 Revised budget	2013–14 Budget	2014–15 Forward year 1	2015–16 Forward year 2	2016–17 Forward year 3
High level of database availability	97% availability	97% availability	97% availability	97% availability	97% availability
Promote and support partner agency use of AUSTRAC databases and information	High levels of use of AUSTRAC's Transaction Reports and Analysis Query System by partner agencies	High levels of use of AUSTRAC's Transaction Reports and Analysis Query System by partner agencies	High levels of use of AUSTRAC's Transaction Reports and Analysis Query System by partner agencies	High levels of use of AUSTRAC's Transaction Reports and Analysis Query System by partner agencies	High levels of use of AUSTRAC's Transaction Reports and Analysis Query System by partner agencies
Analysis and dissemination of matters of intelligence interest	95% of planned intelligence products disseminated	95% of planned intelligence products disseminated	95% of planned intelligence products disseminated	95% of planned intelligence products disseminated	95% of planned intelligence products disseminated
Feedback on money laundering and terrorism financing methods and risk to reporting entities[1]	Typologies and Case Studies Reports published	Typologies and Case Studies Reports published	Typologies and Case Studies Reports published	Typologies and Case Studies Reports published	Typologies and Case Studies Reports published
International relationships established and strengthened	New international exchange instruments signed and relationships strengthened	New international exchange instruments signed and relationships strengthened	New international exchange instruments signed and relationships strengthened	New international exchange instruments signed and relationships strengthened	New international exchange instruments signed and relationships strengthened

1. The annual AUSTRAC Typologies and Case Studies Report also supports component 1.1.1 objectives to assist industry to meet its obligations through feedback on money laundering and terrorism financing risks.

Component 1.1.2 key performance indicators

The provision of financial intelligence to AUSTRAC's partner agencies and counterpart financial intelligence units, coupled with technical assistance and training, leads to success in countering money laundering and terrorism financing as demonstrated through:

- ongoing value to partner agency and taskforce operations of financial intelligence products produced by AUSTRAC
- increased targeted financial intelligence exchange which indicates the effectiveness of AUSTRAC's international exchange instruments and the value of its financial intelligence, and
- the effectiveness of AUSTRAC's international technical assistance and training, as measured by the internationally accepted indicator of delivered outcomes against agreed program objectives and budget.

Key performance indicators	2012–13 Revised budget	2013–14 Budget	2014–15 Forward year 1	2015–16 Forward year 2	2016–17 Forward year 3
Value of AUSTRAC information and financial intelligence to partner agency and taskforce operations	Number and significance of operational matters to which AUSTRAC has contributed	Number and significance of operational matters to which AUSTRAC has contributed	Number and significance of operational matters to which AUSTRAC has contributed	Number and significance of operational matters to which AUSTRAC has contributed	Number and significance of operational matters to which AUSTRAC has contributed
Increased financial intelligence exchange with counterpart financial intelligence units	95% of planned program disseminations achieved	95% of planned program disseminations achieved	95% of planned program disseminations achieved	95% of planned program disseminations achieved	95% of planned program disseminations achieved
International technical assistance and training builds capacity of recipient financial intelligence units and other stakeholders to meet international standards	Technical assistance delivered in accordance with program and budget	Technical assistance delivered in accordance with program and budget	Technical assistance delivered in accordance with program and budget	Technical assistance delivered in accordance with program and budget	Technical assistance delivered in accordance with program and budget

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 2013–14 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.

3.1 EXPLANATORY TABLES

3.1.1 Movement of administered funds between years

AUSTRAC has not moved any administered funds between years.

3.1.2 Special accounts

AUSTRAC has no special accounts.

3.1.3 Australian Government Indigenous expenditure

AUSTRAC has no Indigenous-specific expenses.

3.2 BUDGETED FINANCIAL STATEMENTS

3.2.1 Differences in agency resourcing and financial statements

There is no material difference between the agency resourcing and financial statements.

3.2.2 Analysis of budgeted financial statements

Revenue from government in 2013–14 is $53.233m, which is a decrease of $0.532m when compared to 2012–13 ($53.765m). The decrease is due to an overall net reduction resulting from various budget measures (see Table 1.2). Revenue from government across the forward estimates increases slightly from the 2013–14 allocation, as a result of operating expenditure funding for the *Australian Transaction Reports and Analysis Centre – establishment of new data centre* budget measure (see Table 1.2).

In 2013–14 AUSTRAC's total assets are expected to increase from $46.895m to $51.910m, primarily due to the measure *Australian Transaction Reports and Analysis Centre – establishment of new data centre*.

3.2.3 Budgeted financial statements tables

Departmental

Table 3.2.1: Comprehensive income statement (showing net cost of services) for the period ended 30 June

	Estimated actual 2012–13 $'000	Budget estimate 2013–14 $'000	Forward estimate 2014–15 $'000	Forward estimate 2015–16 $'000	Forward estimate 2016–17 $'000
EXPENSES					
Employee benefits	37,519	34,588	34,509	34,511	34,523
Supplier expenses	19,482	26,626	21,525	20,211	20,484
Depreciation and amortisation	6,158	7,910	4,694	5,765	7,319
Total expenses	**63,159**	**69,124**	**60,728**	**60,487**	**62,326**
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Other	3,101	7,846	1,557	490	167
Total own-source revenue	**3,101**	**7,846**	**1,557**	**490**	**167**
Gains					
Other	135	135	135	135	135
Total gains	**135**	**135**	**135**	**135**	**135**
Total own-source income	**3,236**	**7,981**	**1,692**	**625**	**302**
Net cost of (contribution by) services	**59,923**	**61,143**	**59,036**	**59,862**	**62,024**
Revenue from government	53,765	53,233	54,342	54,097	54,705
Surplus (deficit) attributable to the Australian Government	**(6,158)**	**(7,910)**	**(4,694)**	**(5,765)**	**(7,319)**
OTHER COMPREHENSIVE INCOME					
Changes in asset revaluation surplus	–	–	–	–	–
Total other comprehensive income	**–**	**–**	**–**	**–**	**–**
Total comprehensive income (loss)	**(6,158)**	**(7,910)**	**(4,694)**	**(5,765)**	**(7,319)**
Total comprehensive income (loss) attributable to the Australian Government	**(6,158)**	**(7,910)**	**(4,694)**	**(5,765)**	**(7,319)**

Note: Impact of net cash appropriation arrangements	2012–13 $'000	2013–14 $'000	2014–15 $'000	2015–16 $'000	2016–17 $'000
Total comprehensive income (loss) excluding depreciation/amortisation expenses previously funded through revenue appropriations	**–**	**–**	**–**	**–**	**–**
Less depreciation/amortisation expenses previously funded through revenue appropriations	6,158	7,910	4,694	5,765	7,319
Total comprehensive income (loss) as per the statement of comprehensive income	**(6,158)**	**(7,910)**	**(4,694)**	**(5,765)**	**(7,319)**

Prepared on Australian Accounting Standards basis.

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

	Estimated actual 2012–13 $'000	Budget estimate 2013–14 $'000	Forward estimate 2014–15 $'000	Forward estimate 2015–16 $'000	Forward estimate 2016–17 $'000
ASSETS					
Financial assets					
Cash and cash equivalents	1,950	1,950	1,950	1,950	1,950
Trade and other receivables	15,576	15,576	15,576	15,576	15,576
Total financial assets	**17,526**	**17,526**	**17,526**	**17,526**	**17,526**
Non-financial assets					
Property, plant and equipment	9,195	10,113	9,203	7,663	5,212
Intangibles	18,296	22,393	21,783	20,766	19,163
Other non-financial assets	1,878	1,878	1,878	1,878	1,878
Total non-financial assets	**29,369**	**34,384**	**32,864**	**30,307**	**26,253**
Total assets	**46,895**	**51,910**	**50,390**	**47,833**	**43,779**
LIABILITIES					
Payables					
Suppliers	4,430	7,333	8,600	8,562	8,600
Other payables	4,706	3,282	2,015	2,053	2,015
Total payables	**9,136**	**10,615**	**10,615**	**10,615**	**10,615**
Provisions					
Employee provisions	7,266	7,266	7,266	7,266	7,266
Other provisions	1,070	1,070	1,070	1,070	1,070
Total provisions	**8,336**	**8,336**	**8,336**	**8,336**	**8,336**
Total liabilities	**17,472**	**18,951**	**18,951**	**18,951**	**18,951**
Net assets	**29,423**	**32,959**	**31,439**	**28,882**	**24,828**
EQUITY					
Parent entity interest					
Contributed equity	44,701	56,147	59,321	62,529	65,794
Reserves	1,444	1,444	1,444	1,444	1,444
Retained surplus (accumulated deficit)	(16,722)	(24,632)	(29,326)	(35,091)	(42,410)
Total parent entity interest	**29,423**	**32,959**	**31,439**	**28,882**	**24,828**
Total equity	**29,423**	**32,959**	**31,439**	**28,882**	**24,828**

Prepared on Australian Accounting Standards basis.

Table 3.2.3: Departmental statement of changes in equity—summary of movement (budget year 2013–14)

	Retained earnings $'000	Asset revaluation reserve $'000	Contributed equity/ capital $'000	Total equity $'000
Opening balance as at 1 July 2013				
Balance carried forward from previous period	(16,722)	1,444	44,701	29,423
Adjustment for changes in accounting policies	–	–	–	–
Adjusted opening balance	**(16,722)**	**1,444**	**44,701**	**29,423**
Comprehensive income				
Surplus (deficit) for the period	(7,910)	–	–	(7,910)
Total comprehensive income	**(7,910)**	**–**	**–**	**(7,910)**
Of which:				
Attributable to the Australian Government	(7,910)	–	–	(7,910)
Transactions with owners				
Contributions by owners				
Equity injection—appropriation	–	–	8,565	8,565
Departmental capital budget	–	–	2,881	2,881
Sub-total transactions with owners	**–**	**–**	**11,446**	**11,446**
Estimated closing balance as at 30 June 2014	**(24,632)**	**1,444**	**56,147**	**32,959**
Closing balance attributable to the Australian Government	**(24,632)**	**1,444**	**56,147**	**32,959**

Prepared on Australian Accounting Standards basis.

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

	Estimated actual 2012–13 $'000	Budget estimate 2013–14 $'000	Forward estimate 2014–15 $'000	Forward estimate 2015–16 $'000	Forward estimate 2016–17 $'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	56,240	52,934	54,232	54,082	54,720
Sale of goods and services	(91)	–	–	–	–
GST	687	–	–	–	–
Other	1,374	6,422	290	528	129
Total cash received	**58,210**	**59,356**	**54,522**	**54,610**	**54,849**
Cash used					
Employees	40,950	34,570	34,510	34,495	34,523
Suppliers	19,152	23,235	19,902	20,100	20,311
GST	105	–	–	–	–
Section 31 receipts transferred to Official Public Account	(2,102)	70	110	15	15
Other	63	2	–	–	–
Total cash used	**58,168**	**57,877**	**54,522**	**54,610**	**54,849**
Net cash from (used by) operating activities	**42**	**1,479**	**–**	**–**	**–**
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment	8,228	12,925	3,174	3,208	3,265
Total cash used	**8,228**	**12,925**	**3,174**	**3,208**	**3,265**
Net cash from (used by) investing activities	**(8,228)**	**(12,925)**	**(3,174)**	**(3,208)**	**(3,265)**
FINANCING ACTIVITIES					
Cash received					
Contributed equity	8,228	11,446	3,174	3,208	3,265
Total cash received	**8,228**	**11,446**	**3,174**	**3,208**	**3,265**
Net cash from (used by) financing activities	**8,228**	**11,446**	**3,174**	**3,208**	**3,265**
Net increase (decrease) in cash held	**42**	**–**	**–**	**–**	**–**
Cash and cash equivalents at the beginning of the reporting period	1,908	1,950	1,950	1,950	1,950
Cash and cash equivalents at the end of the reporting period	**1,950**	**1,950**	**1,950**	**1,950**	**1,950**

Prepared on Australian Accounting Standards basis.

Table 3.2.5: Departmental capital budget statement

	Estimated actual 2012–13 $'000	Budget estimate 2013–14 $'000	Forward estimate 2014–15 $'000	Forward estimate 2015–16 $'000	Forward estimate 2016–17 $'000
NEW CAPITAL APPROPRIATIONS					
Capital budgets—Bill 1 (DCB)	2,867	2,881	3,174	3,208	3,265
Equity injections—Bill 2	5,361	8,565	–	–	–
Total new capital appropriations	**8,228**	**11,446**	**3,174**	**3,208**	**3,265**
Provided for:					
Purchase of non-financial assets	8,228	11,446	3,174	3,208	3,265
Total items	**8,228**	**11,446**	**3,174**	**3,208**	**3,265**
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations[1]	5,361	10,044	–	–	–
Funded by capital appropriation—DCB[2]	2,867	2,881	3,174	3,208	3,265
Total	**8,228**	**12,925**	**3,174**	**3,208**	**3,265**
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	8,228	12,925	3,174	3,208	3,265
Total cash used to acquire assets	**8,228**	**12,925**	**3,174**	**3,208**	**3,265**

Prepared on Australian Accounting Standards basis.
DCB = departmental capital budget.
1 Includes both current Bill 2 and prior year Act 2, 4 and 6 appropriations and special capital appropriations.
2. Does not include annual finance lease costs. Includes purchases from current and previous years' departmental capital budgets.

Table 3.2.6: Statement of asset movements (2013–14)

	Property, plant & equipment $'000	Computer software & intangibles $'000	Total $'000
As at 1 July 2013			
Gross book value	26,713	29,140	55,853
Accumulated depreciation/ amortisation and impairment	(17,518)	(10,844)	(28,362)
Opening net book balance	**9,195**	**18,296**	**27,491**
CAPITAL ASSET ADDITIONS			
Estimated expenditure on new or replacement assets			
By purchase—appropriation equity[1]	5,692	7,233	12,925
Total additions	**5,692**	**7,233**	**12,925**
Other movements			
Depreciation/amortisation expense	(4,774)	(3,136)	(7,910)
Total other movements	**(4,774)**	**(3,136)**	**(7,910)**
As at 30 June 2014			
Gross book value	32,405	36,373	68,778
Accumulated depreciation/amortisation and impairment	(22,292)	(13,980)	(36,272)
Closing net book balance	**10,113**	**22,393**	**32,506**

Prepared on Australian Accounting Standards basis.
1. 'Appropriation equity' refers to equity injections or administered assets and liabilities appropriations provided through Appropriation Bill (No. 2) 2013–14.

Administered

Table 3.2.7: Schedule of budgeted income and expenses administered on behalf of government (for the period ended 30 June)

	Estimated actual 2012–13 $'000	Budget estimate 2013–14 $'000	Forward estimate 2014–15 $'000	Forward estimate 2015–16 $'000	Forward estimate 2016–17 $'000
Non-taxation revenue					
Fees and fines (infringement notices)	30	30	30	30	30
Fees and fines (cost recovery)	32,294	31,752	33,041	32,915	33,269
Total non-taxation revenue	**32,324**	**31,782**	**33,071**	**32,945**	**33,299**
Total own-source revenue administered on behalf of government	**32,324**	**31,782**	**33,071**	**32,945**	**33,299**
Total own-source income administered on behalf of government	**32,324**	**31,782**	**33,071**	**32,945**	**33,299**
Net cost of (contribution by) services	**(32,324)**	**(31,782)**	**(33,071)**	**(32,945)**	**(33,299)**
Surplus (deficit)	**32,324**	**31,782**	**33,071**	**32,945**	**33,299**

Prepared on Australian Accounting Standards basis.

Table 3.2.8: Schedule of budgeted assets and liabilities administered on behalf of government (as at 30 June)

	Estimated actual 2012–13 $'000	Budget estimate 2013–14 $'000	Forward estimate 2014–15 $'000	Forward estimate 2015–16 $'000	Forward estimate 2016–17 $'000
ASSETS					
Financial assets					
Trade and other receivables	1,113	1,113	1,113	1,113	1,113
Total financial assets	**1,113**	**1,113**	**1,113**	**1,113**	**1,113**
Total assets administered on behalf of government	**1,113**	**1,113**	**1,113**	**1,113**	**1,113**
LIABILITIES					
Total liabilities administered on behalf of government	**–**	**–**	**–**	**–**	**–**
Net assets/(liabilities)	**1,113**	**1,113**	**1,113**	**1,113**	**1,113**

Prepared on Australian Accounting Standards basis.

Table 3.2.9: Schedule of budgeted administered cash flows (for the period ended 30 June)

	Estimated actual 2012–13 $'000	Budget estimate 2013–14 $'000	Forward estimate 2014–15 $'000	Forward estimate 2015–16 $'000	Forward estimate 2016–17 $'000
OPERATING ACTIVITIES					
Cash received					
Fines (infringement notices)	30	30	30	30	30
Other (cost recovery)	32,294	31,752	33,041	32,915	33,269
Total cash received	**32,324**	**31,782**	**33,071**	**32,945**	**33,299**
Net cash from (used by) operating activities	**32,324**	**31,782**	**33,071**	**32,945**	**33,299**
Net increase (decrease) in cash held	**32,324**	**31,782**	**33,071**	**32,945**	**33,299**
Cash and cash equivalents at the beginning of the reporting period	–	–	–	–	–
Cash to Official Public Account for:					
– Transfers to other entities (Finance—whole of government)	32,324	31,782	33,071	32,945	33,299
Cash and cash equivalents at the end of the reporting period	**–**	**–**	**–**	**–**	**–**

Prepared on Australian Accounting Standards basis.

3.2.4 Notes to the financial statements

Basis of accounting

The budgeted financial statements have been prepared on an accrual accounting basis, having regard to Statements of Accounting Concepts, and in accordance with the Finance Minister's Orders, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board.

Departmental

Revenue from government

Appropriations for departmental programs are recognised as revenue.

Employee expenses

Employee expenses consist of salaries, leave entitlements and superannuation.

Supplier expenses

Supplier expenses consist of consultant and contractor costs, travel expenses and administrative costs.

Cash

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

Assets and liabilities

Assets and liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow and the amounts of the assets or liabilities can be reliably measured. Assets and liabilities arising under agreements equally proportionately unperformed are, however, not recognised unless required by an Australian Accounting Standard.

Administered

AUSTRAC continues to recover costs associated with the AML/CTF regulatory sub-program.

AUSTRAC continues to collect administered receipts from the issuing of infringement notices under the AML/CTF Act.

CRIMTRAC AGENCY

Section 1: Agency overview and resources

1.1 STRATEGIC DIRECTION STATEMENT

CrimTrac, in partnership with all of Australia's police agencies, continues to build on its success in delivering national information-sharing solutions to serve the needs of policing and law enforcement.

CrimTrac's information-sharing services ensure that vital information is shared across the nine police jurisdictions, providing a national view of policing and law enforcement information. CrimTrac's information-sharing capabilities are specifically designed to equip police with the information needed to make decisions to assist in crime investigation and prevention. Through the convergence of common information services, the development of innovative capabilities and enhancements to national police data holdings, CrimTrac is directly contributing to the effectiveness and efficiency of police and law enforcement agencies in Australia.

CrimTrac is committed to preserving the integrity of its information holdings by maintaining protections against misuse of personal information in compliance with all relevant laws and policies.

CrimTrac will continue to provide secure and timely access to essential information that supports the needs of its partners through collaborative national information systems and services.

In 2013–14, CrimTrac will:

- shape the national information and communications technology (ICT) environment for policing and law enforcement and in support of national security
- continue to operate, maintain and enhance existing systems and services, including but not limited to, the:
  - National Automated Fingerprint Identification System
  - National Criminal Investigation DNA Database
  - National Child Offender System
  - National Police Reference System
  - National Police Checking Service, and
  - National Firearm Licence and Registration System

- continue to work collaboratively with relevant Commonwealth, state and territory agencies to improve the collection and sharing of information nationally, for analysis, assessment and interpretation by policing and law enforcement agencies
- strengthen the confidence of the community, policing and law enforcement agencies in CrimTrac and its services through demonstrating best practice in governance, integrity, privacy, security, information management and compliance with information access and disclosure policy
- provide support to facilitate the international exchange of information
- continue to work towards common standards and greater interoperability of policing information capabilities, and
- identify, assess and respond, as appropriate, to emerging national and international information-sharing opportunities including:
  - national firearms and ballistics information capabilities
  - cybercrime reporting capabilities
  - national incident and investigation management capabilities
  - child protection capabilities
  - enhanced use of biometrics
  - exchange of criminal history and policing information with international partners, and
  - preserving the integrity and security of its national information holdings.

CrimTrac's strategy recognises:

- the challenges presented by Australia's federal system and the need to work cooperatively with agencies across the Commonwealth, states and territories to pursue its aims
- that the technical challenges in integrating information from disparate systems are often not as difficult to resolve as the diverse legal and policy frameworks that underpin the technical solutions, and
- the need for developing best practice information-sharing solutions to address national organised and serious crime, which crosses jurisdictional and national boundaries.

1.2 AGENCY RESOURCE STATEMENT

Table 1.1 shows the total resources from all sources.

Table 1.1: Agency resource statement—Budget estimates for 2013–14 as at Budget May 2013

	Estimate of prior year amounts available in 2013–14 $'000	+	Proposed at Budget 2013–14 $'000	=	Total estimate 2013–14 $'000	Actual available appropriation 2012–13 $'000
SPECIAL ACCOUNTS						
Opening balance[1]	109,115		–		109,115	110,762
Non-appropriation receipts to special accounts	–		72,759		72,759	70,125
Total special accounts	**109,115**		**72,759**		**181,874**	**180,887**
Total net resourcing for agency	**109,115**		**72,759**		**181,874**	**180,887**

All figures are GST exclusive.
1. Estimated opening balance for special accounts. For further information on special accounts, see Table 3.1.2.

1.3 BUDGET MEASURES

Budget measures announced since the 2012–13 Mid-Year Economic and Fiscal Outlook (MYEFO) relating to CrimTrac are detailed in Budget Paper No. 2 and are summarised in Part 1 of Table 1.2.

Table 1.2: Agency 2013–14 Budget measures

Part 1: Measures announced since the 2012–13 MYEFO

	Program	2012–13 $'000	2013–14 $'000	2014–15 $'000	2015–16 $'000	2016–17 $'000
Expense measures						
Addressing gang violence and organised crime—Australian Ballistics Identification Network	1.1					
Departmental expenses		–	855	1,279	1,206	1,220
Strengthening the response to organised crime at the border and in the supply chain	1.1					
Departmental expenses		–	–	–	–	–
Total expense measures		**–**	**855**	**1,279**	**1,206**	**1,220**
Capital measures						
Addressing gang violence and organised crime—Australian Ballistics Identification Network	1.1					
Departmental capital		–	4,548	–	–	–
Strengthening the response to organised crime at the border and in the supply chain	1.1					
Departmental capital		–	–	–	–	–
Total capital measures		**–**	**4,548**	**–**	**–**	**–**

Prepared on a Government Finance Statistics (fiscal) basis.

Part 2: MYEFO measures not previously reported in a portfolio statement

CrimTrac has no MYEFO measures not previously reported in a portfolio statement.

Section 2: Outcomes and planned performance

2.1 OUTCOMES AND PERFORMANCE INFORMATION

Government outcomes are the intended results, impacts or consequences of actions by the government on the Australian community. Commonwealth programs are the primary vehicle by which government agencies achieve the intended results of their outcome statements. Agencies are required to identify the programs which contribute to government outcomes over the budget and forward years.

CrimTrac's outcome is described below together with its related program, specifying the performance indicators and targets used to assess and monitor the performance of CrimTrac in achieving government outcomes.

Outcome 1: Access to information that supports law enforcement agencies through collaborative national information systems and services

Outcome 1 strategy

CrimTrac will take a leadership role in generating national approaches to national information solutions for policing, law enforcement and national security. Towards achievement of the outcome CrimTrac will:

- operate and maintain national policing information infrastructure, systems and services, including the:
  - National Automated Fingerprint Identification System
  - National Criminal Investigation DNA Database
  - National Child Offender System
  - National Police Reference System
  - National Police Checking Service, and
  - National Firearm Licence and Registration System, and
- innovate and leverage existing information systems for national benefit.

In addition to the above, CrimTrac will:

- partner to strengthen capability and improve resource allocation
- identify, assess and prioritise capability development opportunities that support our partners and the national strategic intent, and
- explore opportunities for the international exchange of policing and law enforcement information.

CrimTrac recognises the importance of its partnerships and the necessity to uphold a collaborative approach in delivering its services. CrimTrac acknowledges the contribution of its partners in:

- providing accurate, consistent and complete policing information as supported by the inter-governmental agreement and the memorandum of understanding
- contributing to the resolution of differences in legislation and policy to maximise benefits of national information sharing, and
- providing commitment to the national strategic intent for information sharing.

Outcome 1 expense statement

Table 2.1 provides an overview of the total expenses for Outcome 1, by program.

Table 2.1: Budgeted expenses for Outcome 1

Outcome 1: Access to information that supports law enforcement agencies through collaborative national information systems and services	2012–13 Estimated actual expenses $'000	2013–14 Estimated expenses $'000
Program 1.1: National law enforcement information systems and services		
Departmental expenses		
Special accounts	65,241	67,025
Total expenses for Outcome 1	**65,241**	**67,025**

	2012–13	2013–14
Average staffing level (number)	221	228

Contributions to Outcome 1

Program 1.1: National law enforcement information systems and services

Program 1.1 objective

CrimTrac will enhance Australian policing and law enforcement through the provision of high-quality information services that meet the needs of the law enforcement community.

Program 1.1 expenses

	2012–13 Revised budget $'000	2013–14 Budget $'000	2014–15 Forward year 1 $'000	2015–16 Forward year 2 $'000	2016–17 Forward year 3 $'000
Special account expenses					
National Policing Information Systems and Services Special Account	65,241	67,025	69,196	70,521	72,099
Total program expenses	**65,241**	**67,025**	**69,196**	**70,521**	**72,099**

Program 1.1 deliverables

To achieve the program objective, CrimTrac will:

- operate, maintain and enhance existing national critical policing information infrastructure, systems and services, including the:
  - National Automated Fingerprint Identification System
  - National Criminal Investigation DNA Database
  - National Child Offender System
  - National Police Reference System
  - National Police Checking Service, and
  - National Firearm Licence and Registration System.

In addition to the above, CrimTrac will:

- continue to strengthen internal capacity and capability
- identify, assess and prioritise capability development opportunities that support our partners and the national strategic intent, including:
  - firearms and ballistics information
  - cybercrime reporting
  - incident and investigation management
  - child protection, and
  - biometrics, and
- explore opportunities for the international exchange of policing and law enforcement information.

Program 1.1 key performance indicators

CrimTrac's key performance indicators focus on the agency's ability to provide policing and law enforcement agencies with rapid access to detailed, current and accurate information. CrimTrac's progress in achieving the program objective will be measured according to the following indicators:

- Systems and services are highly available and provide greater access to information.
- Agreed system enhancements are completed to quality, schedule and budget.
- Opportunities to improve information sharing are identified, assessed and prioritised.
- Ninety-five per cent of criminal history checks are completed within 10 working days.
- Ninety-five per cent of urgent criminal history checks are completed within five working days.

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 2013–14 budget year. It explains how budget plans are incorporated into the financial statements and provides further details of the reconciliation between program expenses and special accounts.

3.1 EXPLANATORY TABLES

3.1.1 Movement of administered funds between years

CrimTrac has no administered funds.

3.1.2 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 *Financial Management and Accountability Act 1997* or under separate enabling legislation. Table 3.1.2 shows the expected additions (receipts) and reductions (payments) for each account used by CrimTrac.

Table 3.1.2: Estimates of special account flows and balances

	Outcome	Opening balance 2013–14 *2012–13* $'000	Receipts 2013–14 *2012–13* $'000	Payments 2013–14 *2012–13* $'000	Adjustments 2013–14 *2012–13* $'000	Closing balance 2013–14 *2012–13* $'000
National Policing Information Systems and Services— FMA Act s 20 (D)	1	109,115	72,759	79,255	–	102,619
	1	*110,762*	*70,125*	*71,772*	–	*109,115*
Total special accounts 2013–14 Budget estimate		**109,115**	**72,759**	**79,255**	**–**	**102,619**
Total special accounts 2012–13 estimated actual		*110,762*	*70,125*	*71,772*	–	*109,115*

(D) = Departmental.

3.1.3 Australian Government Indigenous expenditure

CrimTrac has no Indigenous-specific expenses.

3.2 BUDGETED FINANCIAL STATEMENTS

3.2.1 Differences in agency resourcing and financial statements

There is no material difference between the agency resourcing and financial statements.

3.2.2 Analysis of budgeted financial statements

CrimTrac's 2013–14 budget is underpinned by the assumption that its governance and pricing arrangements will remain in their current form, with CrimTrac maintaining the ability to generate and retain revenues for its own purposes. Any change to this arrangement would require the budget estimates to be revised accordingly.

CrimTrac is budgeting for operating losses in 2012–13 and future years. This reflects the financial impact of the new measure addressing gang violence and organised crime (see Table 1.2 for further details), which will be funded from existing resources.

Comprehensive income statement

Expenses

Total expenses are estimated to increase by $1.784m or 2.7% from 2012–13 to 2013–14. Supplier expenses are forecast to increase in 2013–14 by $1.224m, with subsequent years remaining fairly stable. The increase in 2013–14 is mainly due to the new measure addressing gang violence and organised crime (see Table 1.2 for further details).

Depreciation is forecast to increase in 2013–14 and forward years in line with planned investment in assets.

Revenue

CrimTrac's primary source of revenue is generated by the National Police Checking Service, which provides national criminal history checks undertaken for employment purposes. In 2012–13, CrimTrac is budgeting to perform approximately three million checks, and in 2013–14, it is anticipated that check volumes will grow by around 4%. The revenue generated from these checks contributes approximately 95% of total own-source revenue. In the forward years a growth rate of between 2% and 3% has been factored into anticipated check volumes.

Other gains reflect the estimated value of services provided by the Australian National Audit Office in conducting the annual financial statements audit.

Budgeted departmental balance sheet

Differences in previously published estimates and this budget primarily reflect the estimated 2013–14 income statement and changes in capital acquisitions for the year.

Trade and other receivables include the cash balance of the National Policing Information Systems and Services Special Account, which is held as part of the Official Public Account. This will have an estimated balance of $102.619m at the end of 2013–14. The majority of this reserve represents depreciation funding accumulated to fund the replacement of capital assets. This reflects the nature of CrimTrac's ICT-dependent business and the fact that until recently CrimTrac has not been required to replace its core systems—and so has not largely offset its accumulated depreciation

funding against capital outlays. With all systems now in full production and CrimTrac into its second decade of operation, the agency is in a replacement and reinvestment phase. CrimTrac will rely upon the funds provided for under depreciation to ensure ongoing replacement and maintenance of the existing systems.

Intangible assets reflect the largest part of CrimTrac's non-financial asset base. For CrimTrac, intangible assets comprise internally developed and purchased software.

Statement of changes in equity

Equity has been adjusted for the 2012–13 estimated actual results and the movements in the 2013–14 estimated net result.

Statement of cash flows

In CrimTrac's cash flow statement, operating receipts and payments reflect activity in the budgeted income statement and associated movements in the balance sheet. The cash flow statement also reflects GST inflows and outflows.

CrimTrac's capital expenditure in 2013–14 will increase by $6.690m. This increase relates to work planned for existing core systems and also the new measure addressing gang violence and organised crime (see Table 1.2 for further details).

Movements listed as cash used for/received from financing activities reflect the net movement of funds to and from the Official Public Account.

3.2.3 Budgeted financial statements tables

Table 3.2.1: Comprehensive income statement (showing net cost of services) (for the period ended 30 June)

	Estimated actual 2012–13 $'000	Budget estimate 2013–14 $'000	Forward estimate 2014–15 $'000	Forward estimate 2015–16 $'000	Forward estimate 2016–17 $'000
EXPENSES					
Employee benefits	24,860	24,906	26,230	27,005	27,143
Supplier expenses	30,475	31,699	32,254	32,360	32,921
Depreciation and amortisation	9,906	10,420	10,712	11,156	12,035
Total expenses	**65,241**	**67,025**	**69,196**	**70,521**	**72,099**
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	62,485	65,598	67,024	68,346	69,709
Total own-source revenue	**62,485**	**65,598**	**67,024**	**68,346**	**69,709**
Gains					
Other	60	60	60	60	60
Total gains	**60**	**60**	**60**	**60**	**60**
Total own-source income	**62,545**	**65,658**	**67,084**	**68,406**	**69,769**
Net cost of (contribution by) services	**2,696**	**1,367**	**2,112**	**2,115**	**2,330**
Revenue from government	–	–	–	–	–
Surplus (deficit) attributable to the Australian Government	**(2,696)**	**(1,367)**	**(2,112)**	**(2,115)**	**(2,330)**
OTHER COMPREHENSIVE INCOME					
Changes in asset revaluation surplus	–	–	–	–	–
Total other comprehensive income	**–**	**–**	**–**	**–**	**–**
Total comprehensive income (loss)	**(2,696)**	**(1,367)**	**(2,112)**	**(2,115)**	**(2,330)**
Total comprehensive income (loss) attributable to the Australian Government	**(2,696)**	**(1,367)**	**(2,112)**	**(2,115)**	**(2,330)**

Prepared on Australian Accounting Standards basis.

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

	Estimated actual 2012–13 $'000	Budget estimate 2013–14 $'000	Forward estimate 2014–15 $'000	Forward estimate 2015–16 $'000	Forward estimate 2016–17 $'000
ASSETS					
Financial assets					
Cash and cash equivalents	600	600	600	600	600
Trade and other receivables	118,142	111,647	108,097	104,038	100,393
Total financial assets	**118,742**	**112,247**	**108,697**	**104,638**	**100,993**
Non-financial assets					
Land and buildings	3,297	2,630	1,973	1,316	660
Property, plant and equipment	10,603	12,034	9,554	10,344	8,127
Intangibles	12,131	16,495	21,070	22,881	27,069
Other non-financial assets	928	928	928	928	928
Total non-financial assets	**26,959**	**32,087**	**33,525**	**35,469**	**36,784**
Total assets	**145,701**	**144,334**	**142,222**	**140,107**	**137,777**
LIABILITIES					
Payables					
Suppliers	5,493	5,493	5,493	5,493	5,493
Other payables	586	586	586	586	586
Total payables	**6,079**	**6,079**	**6,079**	**6,079**	**6,079**
Provisions					
Employee provisions	5,881	5,881	5,881	5,881	5,881
Total provisions	**5,881**	**5,881**	**5,881**	**5,881**	**5,881**
Total liabilities	**11,960**	**11,960**	**11,960**	**11,960**	**11,960**
Net assets	**133,741**	**132,374**	**130,262**	**128,147**	**125,817**
EQUITY					
Parent entity interest					
Reserves	1,950	1,950	1,950	1,950	1,950
Retained surplus (accumulated deficit)	131,791	130,424	128,312	126,197	123,867
Total parent entity interest	**133,741**	**132,374**	**130,262**	**128,147**	**125,817**
Total equity	**133,741**	**132,374**	**130,262**	**128,147**	**125,817**

Prepared on Australian Accounting Standards basis.

Table 3.2.3: Departmental statement of changes in equity—summary of movement (budget year 2013–14)

	Retained earnings $'000	Asset revaluation reserve $'000	Total equity $'000
Opening balance as at 1 July 2013			
Balance carried forward from previous period	131,791	1,950	133,741
Adjustment for changes in accounting policies	–	–	–
Adjusted opening balance	**131,791**	**1,950**	**133,741**
Comprehensive income			
Surplus (deficit) for the period	(1,367)	–	(1,367)
Total comprehensive income	**(1,367)**	**–**	**(1,367)**
Of which:			
Attributable to the Australian Government	(1,367)	–	(1,367)
Estimated closing balance as at 30 June 2014	**130,424**	**1,950**	**132,374**
Closing balance attributable to the Australian Government	**130,424**	**1,950**	**132,374**

Prepared on Australian Accounting Standards basis.

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

	Estimated actual 2012–13 $'000	Budget estimate 2013–14 $'000	Forward estimate 2014–15 $'000	Forward estimate 2015–16 $'000	Forward estimate 2016–17 $'000
OPERATING ACTIVITIES					
Cash received					
Sale of goods and rendering of services	70,125	72,759	73,137	74,576	76,326
Total cash received	**70,125**	**72,759**	**73,137**	**74,576**	**76,326**
Cash used					
Employees	26,216	25,283	26,220	27,068	27,187
Suppliers	33,323	34,999	34,796	34,855	35,745
Net GST paid	3,375	3,425	3,521	3,611	3,689
Total cash used	**62,914**	**63,707**	**64,537**	**65,534**	**66,621**
Net cash from (used by) operating activities	**7,211**	**9,052**	**8,600**	**9,042**	**9,705**
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment	8,858	15,548	12,150	13,100	13,350
Total cash used	**8,858**	**15,548**	**12,150**	**13,100**	**13,350**
Net cash from (used by) investing activities	**(8,858)**	**(15,548)**	**(12,150)**	**(13,100)**	**(13,350)**
FINANCING ACTIVITIES					
Cash received					
Other	852	6,496	3,550	4,058	3,645
Total cash received	**852**	**6,496**	**3,550**	**4,058**	**3,645**
Net cash from (used by) financing activities	**852**	**6,496**	**3,550**	**4,058**	**3,645**
Net increase (decrease) in cash held	**(795)**	**–**	**–**	**–**	**–**
Cash and cash equivalents at the beginning of the reporting period	1,395	600	600	600	600
Cash and cash equivalents at the end of the reporting period	**600**	**600**	**600**	**600**	**600**

Prepared on Australian Accounting Standards basis.

Table 3.2.5: Departmental capital budget statement

	Estimated actual 2012–13 $'000	Budget estimate 2013–14 $'000	Forward estimate 2014–15 $'000	Forward estimate 2015–16 $'000	Forward estimate 2016–17 $'000
NEW CAPITAL APPROPRIATIONS					
Total new capital appropriations	**–**	**–**	**–**	**–**	**–**
PURCHASE OF NON-FINANCIAL ASSETS					
Funded internally from departmental resources	8,858	15,548	12,150	13,100	13,350
Total	**8,858**	**15,548**	**12,150**	**13,100**	**13,350**
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	8,858	15,548	12,150	13,100	13,350
Total cash used to acquire assets	**8,858**	**15,548**	**12,150**	**13,100**	**13,350**

Prepared on Australian Accounting Standards basis.

Table 3.2.6: Statement of asset movements (2013–14)

	Buildings $'000	Other property, plant & equipment $'000	Computer software & intangibles $'000	Total $'000
As at 1 July 2013				
Gross book value	7,646	25,770	66,605	100,021
Accumulated depreciation/ amortisation and impairment	(4,349)	(15,167)	(54,474)	(73,990)
Opening net book balance	**3,297**	**10,603**	**12,131**	**26,031**
CAPITAL ASSET ADDITIONS				
Estimated expenditure on new or replacement assets				
By purchase—other	–	5,548	10,000	15,548
Total additions	**–**	**5,548**	**10,000**	**15,548**
Other movements				
Depreciation/amortisation expense	(667)	(4,117)	(5,636)	(10,420)
Total other movements	**(667)**	**(4,117)**	**(5,636)**	**(10,420)**
As at 30 June 2014				
Gross book value	7,646	31,318	76,605	115,569
Accumulated depreciation/ amortisation and impairment	(5,016)	(19,284)	(60,110)	(84,410)
Closing net book balance	**2,630**	**12,034**	**16,495**	**31,159**

Prepared on Australian Accounting Standards basis.

3.2.4 Notes to the financial statements

Basis of accounting

The budgeted financial statements have been prepared on an accrual accounting basis, having regard to Statements of Accounting Concepts, and in accordance with the Finance Minister's Orders, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board.

Revenue from government

Amounts appropriated are recognised as revenue and appropriations received 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, consultant and contractor costs, workers' compensation and insurance, information technology expenditure, travel expenses and property operating expenses.

Cash

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

Assets

Assets comprise cash, receivables, leasehold improvements, equipment and intangibles, such as software. All assets are held at fair value, other than software which is held at cost. Receivables include cash held in the Official Public Account.

Liabilities

Liabilities comprise employee salaries, leave entitlements and amounts owed to creditors.

FAMILY COURT AND FEDERAL CIRCUIT COURT

Section 1: Agency overview and resources

1.1 CHANGES TO NAME AND GOVERNANCE

Federal Magistrates Court of Australia name change

Since the Federal Magistrates Court commenced operation in 2000 its jurisdiction has expanded and the number and complexity of the cases coming before it have increased. It is the only federal court with a program of regular regional circuits. On 26 April 2012, the then Attorney-General, the Hon Nicola Roxon MP, announced that the name of the Federal Magistrates Court and title of Federal Magistrate would change to better reflect the court's modern role in the judicial system.

The *Federal Circuit Court of Australia Legislation Amendment Act 2012* amends the *Federal Magistrates Act 1999* to rename the Federal Magistrates Court the 'Federal Circuit Court of Australia', and to change the title of Chief Federal Magistrate to 'Chief Judge' and federal magistrates to 'judges'. The Act does not alter the jurisdiction or the status of the Federal Magistrates Court and the arrangements under which it operates. Changing the name of the court is not intended to create a new, separate federal court or change existing arrangements.

It is intended that the program of the Federal Magistrates Court will be provided by the Federal Circuit Court of Australia and these budget papers have been prepared in accordance with this assumption (see Figure 1 in section 1.4).

Agency governance arrangements

The *Courts and Tribunal Legislation Amendment (Administration) Act 2013* amends the *Family Law Act 1975* and the *Federal Magistrates Act 1999* to ensure their compatibility with the Family Court of Australia and the Federal Circuit Court of Australia being prescribed as a single agency for the purposes of the *Financial Management and Accountability Act 1997* (FMA Act). The existing FMA Act agencies of the Family Court of Australia and the Federal Circuit Court of Australia will be merged into a single FMA Act agency, the Family Court and Federal Circuit Court (the courts), and the single agency will commence on 1 July 2013. It is therefore intended that the programs delivered by the previous separate FMA Act agencies will continue to be delivered through the combined FMA Act agency. The Family Court of Australia and the Federal Circuit Court of Australia will continue as separate courts under Chapter III of the Constitution.

1.2 STRATEGIC DIRECTION STATEMENT

The contribution of the Family Court and Federal Circuit Court to the government's agenda is reflected in the agency's outcome:

Provide access to justice for litigants in family and federal law matters within the jurisdiction of the courts through the provision of judicial and support services.

There are four areas of focus to assist the agency to achieve its stated purpose:

- maintaining an environment that enables judicial officers to make determinations
- provision of effective and efficient registry services
- effective and efficient management of resources, and
- effective information and communication technologies.

Family Court of Australia

The Family Court of Australia, through its specialist judges and staff, helps Australians to resolve their most complex family disputes.

The purpose of the Family Court, as Australia's superior court in family law, is to:

- determine cases with the most complex law, facts and parties
- cover specialised areas in family law, and
- provide national coverage as the appellate court in family law matters.

Federal Circuit Court of Australia

Originally established under the *Federal Magistrates Act 1999*, the Federal Circuit Court of Australia is a federal court established to hear less complex matters in family law and general federal law. The Federal Circuit Court is a court of record that shares jurisdiction with the Family Court of Australia and the Federal Court of Australia. It has no appellate jurisdiction.

The Federal Circuit Court deals with a high volume of matters and delivers services to regional Australia through its regular circuit court program. Its jurisdiction includes family law and child support, administrative law, bankruptcy, unlawful discrimination, consumer protection law, privacy law, migration law, trade practices law, trade mark and design, and workplace relations law.

Strategic initiatives

Each court has its own case management process and is intent upon meeting standards for the timely disposal of cases and publication of judgments, ensuring a high quality of adjudication of cases. The following strategic initiatives will be pursued to advance the agency's outcome.

Family violence

Following the publication of research reports on family violence in family law and the commencement of Commonwealth legislative reforms which widen the definition of family violence and ensure that the interests of children in cases where family violence is alleged are given priority, the courts will each work on:

- improved management of notices of risk and abuse and more effective exchange of information with child welfare authorities to better manage risk to children
- continued implementation and development of the Family Violence Best Practice Principles
- continuing development of the courts' family violence screening procedures.

International Framework for Court Excellence

The International Framework for Court Excellence, developed by the International Consortium for Court Excellence, provides courts with a resource for assessing performance, provides guidance to courts to enable them to improve their performance and provides a process for achieving excellence in managing their court (see www.courtexcellence.com).

The Family Court of Australia and the Federal Circuit Court of Australia are active participants in the framework and will continue to focus efforts on integrated initiatives with regard to:

- court management, performance and leadership
- court policies
- human, material and financial resource management
- court proceedings
- client needs and satisfaction and affordable and accessible court services
- access to justice, and
- public trust and confidence.

The courts will undertake an internal review (a self-assessment under the framework) to identify areas of strength in regard to the above strategic areas and opportunities to improve and to ensure that the courts operate at, or above, international best practice.

An additional focus in 2013–14 will be a refreshed strategic purpose for the respective courts now that the government has confirmed that it will not proceed with the proposed restructure of the Family Court. The Family Court will refine its role as the court required for more complex cases and the forensic attention of a superior court.

Enhancing service to court users through information technology

The courts will continuously seek to enhance access to justice and to provide meaningful information necessary to advance litigation in the courts via their information technology systems. This strategic initiative includes attention to those who live in regional Australia, those who may have limited means and who do not have legal representation and those who may be disadvantaged as a result of violence or language or some other barrier to justice. Strategic initiatives to advance this effort will include:

- Ongoing improvement to the Commonwealth Courts Portal (www.comcourts.gov.au)—The portal was launched in 2007 and remains the primary tool for achieving e-service reforms. The portal provides free web-based access to information about cases. After registering, lawyers and litigants can keep track of their cases, identify documents that have been filed, and view outcomes, orders made and future court dates. Users can also e-file supplementary documents such as affidavits, applications for divorce and other application types. Users log on using a single user identification and access multiple jurisdictions from a single central web-based system.
- Websites—The courts will rationalise and improve their websites to enhance the experience for court users, facilitating the provision of up-to-date, clear and accessible information.
- Video hearings—The quality of video transmission for hearings has improved and will continue to be an area of focus. This will enable judges and parties to have the flexibility to choose this medium for hearings, especially for procedural hearings or where parties apply for separate locations (for example, in situations where there are allegations of violence, or financial constraints that prevent travel to a registry).

Heads of Jurisdiction cooperation

The Heads of Jurisdiction (Family Court, Federal Circuit Court and Federal Court) with the respective chief executive officers will continue to meet quarterly at the Heads of Jurisdiction Consultative Committee to encourage greater administrative cooperation among the three courts and to improve the overall effectiveness and efficiency of the existing resources of the three courts.

The Heads of Jurisdiction Consultative Committee will:

- discuss, and provide structure to and oversight of, the existing informal arrangements in place
- establish, monitor and prioritise projects in the joint corporate services areas, and
- report on progress of projects to the Attorney-General and in each respective court's annual report.

Budgetary pressures

Over recent years, the courts have separately undertaken significant initiatives to reduce costs and generate efficiencies; however, the Family Court and Federal Circuit Court nevertheless still face financial pressures.

The government continues to work with the courts to address these pressures. This includes the courts comprehensively examining options available to transform their operations, including:

- working more closely with other federal courts as part of the recommendations from the Skehill Review
- further developing and implementing a range of e-services reforms
- continuing to pursue options for sharing or sub-leasing buildings with states and territories, with the aim of reducing property costs while maintaining presence and service levels in regional locations, and
- a wide-ranging consideration to identify any other legislative and practical options to create efficiency and/or reduce costs, some of which have already been identified.

1.3 AGENCY RESOURCE STATEMENT

Table 1.1 shows the total resources from all sources. The table summarises how resources will be applied by outcome and by administered and departmental classification.

Table 1.1: Agency resource statement—Budget estimates for 2013–14 as at Budget May 2013

	Estimate of prior year amounts available in 2013–14 $'000	+	Proposed at Budget 2013–14 $'000	=	Total estimate 2013–14 $'000	Actual available appropriation 2012–13 $'000
ORDINARY ANNUAL SERVICES[1]						
Departmental appropriation						
Prior year departmental appropriation[2]	17,729		–		17,729	–
Departmental appropriation[3]	–		156,575		156,575	155,638
s 31 relevant agency receipts[4]	–		2,000		2,000	2,000
Total	**17,729**		**158,575**		**176,304**	**157,638**
Administered expenses						
Outcome 1	**–**		**874**		**874**	**878**
Total	**–**		**874**		**874**	**878**
Total ordinary annual services	**17,729**		**159,449**		**177,178**	**158,516**
Total available annual appropriations	**17,729**		**159,449**		**177,178**	**158,516**
SPECIAL ACCOUNTS[5]						
Opening balance	–		–		–	–
Appropriation receipts	–		–		–	–
Total special accounts	**–**		**–**		**–**	**–**
Total net resourcing for agency	**17,729**		**159,449**		**177,178**	**158,516**

All figures are GST exclusive.
1. Appropriation Bill (No. 1) 2013–14.
2. Estimated adjusted balance carried forward from previous year.
3. Includes an amount of $6.611m in 2013–14 for the departmental capital budget (see Table 3.2.5 for further details). For accounting purposes this amount has been designated as 'contributions by owners'.
4. Section 31 relevant agency receipts—estimate.
5. The estimated opening balance and budgeted appropriation receipts for special accounts exclude money held in trust for litigants. For further details on special accounts, see Table 3.1.2.

1.4 BUDGET MEASURES

Budget measures announced since the 2012–13 Mid-Year Economic and Fiscal Outlook (MYEFO) relating to the Family Court and Federal Circuit Court are detailed in Budget Paper No. 2 and are summarised in Part 1 of Table 1.2. MYEFO measures not previously reported in a portfolio statement are summarised in Part 2.

Table 1.2: Agency 2013–14 Budget measures

Part 1: Measures announced since the 2012–13 MYEFO

	Program	2012–13 $'000	2013–14 $'000	2014–15 $'000	2015–16 $'000	2016–17 $'000
Revenue measures						
Independent Children's Lawyers—exemption from payment of new court fees	1.1					
Administered revenues		–	(911)	(990)	(990)	(1,069)
Total revenue measures		**–**	**(911)**	**(990)**	**(990)**	**(1,069)**
Expense measures						
Attorney-General's Portfolio savings—redirection	1.1					
Departmental expenses		–	(241)	(241)	(243)	(241)
Total expense measures		**–**	**(241)**	**(241)**	**(243)**	**(241)**

Prepared on a Government Finance Statistics (fiscal) basis.

Part 2: MYEFO measures not previously reported in a portfolio statement

	Program	2012–13 $'000	2013–14 $'000	2014–15 $'000	2015–16 $'000	2016–17 $'000
Expense measures						
Targeted savings—public service efficiencies[1]	1.1					
Departmental expenses		–	(316)	(270)	(239)	(184)
Total expense measures		**–**	**(316)**	**(270)**	**(239)**	**(184)**

Prepared on a Government Finance Statistics (fiscal) basis.
1. The fiscal impact reported for this measure is in addition to the impact previously reported for this measure in the 2012–13 Portfolio Additional Estimates Statements.

1.5 TRANSITION FROM PREVIOUS OUTCOME AND PROGRAM STRUCTURE TO INTEGRATED OUTCOME AND PROGRAM STRUCTURE

From 1 July 2013, the Family Court of Australia and the Federal Circuit Court of Australia will be integrated into a single agency under the *Financial Management and Accountability Act 1997* called the Family Court and Federal Circuit Court. As a result, the outcome and program structure was reviewed across the two agencies. Figure 1 outlines the transition from the 2012–13 Budget year to the outcome and program reporting framework used for the 2013–14 Budget.

Figure 1: Transition table

2012–13 Budget year	2013–14 Budget year
Federal Magistrates Court of Australia	Family Court and Federal Circuit Court
Outcome 1: To provide the Australian community with a simple and accessible forum for the resolution of less complex disputes within the jurisdiction of the Federal Magistrates Court of Australia	Outcome 1: Provide access to justice for litigants in family and federal law matters within the jurisdiction of the courts through the provision of judicial and support services
Program 1.1: Provision of a Federal Magistrates Court	Program 1.1: Family Court and Federal Circuit Court
Family Court of Australia	
Outcome 1: As Australia's specialist superior family court, determine cases with complex law and facts, and provide national coverage as the appellate court in family law matters	
Program 1.1: Provision of a Family Court	

Section 2: Outcomes and planned performance

2.1 OUTCOMES AND PERFORMANCE INFORMATION

Government outcomes are the intended results, impacts or consequences of actions by the government on the Australian community. Commonwealth programs are the primary vehicle by which government agencies achieve the intended results of their outcome statements. Agencies are required to identify the programs that contribute to government outcomes over the budget and forward years.

The Family Court and Federal Circuit Court's outcome is described below together with its related program, specifying the performance indicators and targets used to assess and monitor the performance of the Family Court and Federal Circuit Court in achieving government outcomes.

Outcome 1: Provide access to justice for litigants in family and federal law matters within the jurisdiction of the courts through the provision of judicial and support services

Outcome 1 strategy

The Family Court and Federal Circuit Court's key strategies in achieving Outcome 1 are set out in the strategic direction statement for 2013–14 in section 1.2.

Outcome 1 expense statement

Table 2.1 provides an overview of the total expenses for Outcome 1, by program.

Table 2.1: Budgeted expenses for Outcome 1

Outcome 1: Provide access to justice for litigants in family and federal law matters within the jurisdiction of the courts through the provision of judicial and support services	2012–13 Estimated actual expenses $'000	2013–14 Estimated expenses $'000
Program 1.1: Family Court and Federal Circuit Court		
Departmental expenses		
Departmental appropriation[1]	150,360	151,964
Expenses not requiring appropriation in the budget year[2]	46,715	48,185
Total expenses for Outcome 1	**197,075**	**200,149**

	2012–13	2013–14
Average staffing level (number)	806	789

Note: Departmental appropriation splits and totals are indicative estimates and may change in the course of the budget year as government priorities change.
1. Departmental appropriation combines 'Ordinary annual services (Appropriation Bill No. 1)' and 'Revenue from independent sources (s 31)'.
2. Expenses not requiring appropriation in the budget year are made up of depreciation and amortisation expenses of $8.470m, resources received free of charge of $29.674m, and liabilities assumed by related entities of $10.041m.

Contributions to Outcome 1

Program 1.1: Family Court and Federal Circuit Court

Program 1.1 objective

The program objectives are reported separately under each of the program components.

Program 1.1 expenses

	2012–13 Revised budget $'000	2013–14 Budget $'000	2014–15 Forward year 1 $'000	2015–16 Forward year 2 $'000	2016–17 Forward year 3 $'000
Annual departmental expenses					
Family Court of Australia	14,682	14,682	14,682	14,682	14,682
Federal Circuit Court of Australia	24,316	24,316	24,316	24,316	24,316
Family Court and Federal Circuit Court	111,362	112,966	109,752	110,434	111,146
Expenses not requiring appropriation in the budget year[1]	46,715	48,185	48,709	49,050	49,072
Total program expenses	**197,075**	**200,149**	**197,459**	**198,482**	**199,216**

1. Expenses not requiring appropriation in the budget year are made up of depreciation and amortisation expenses, resources provided free of charge, and liabilities assumed by related entities.

Program 1.1 deliverables

The program deliverables are reported separately under each of the program components.

Program 1.1 key performance indicators

The program key performance indicators are reported separately under each of the program components.

Component 1.1.1: Family Court of Australia

Component 1.1.1 objective

The Family Court's objective is to support Australian families involved in complex family disputes by deciding matters according to the law, and promptly, courteously and effectively. This involves:

- the provision of decisions in complex family disputes for separating Australian couples and families through the determination of matters, and
- providing national coverage as the appellate court in family law matters.

Component 1.1.1 expenses

	2012–13 Revised budget $'000	2013–14 Budget $'000	2014–15 Forward year 1 $'000	2015–16 Forward year 2 $'000	2016–17 Forward year 3 $'000
Annual departmental expenses					
Family Court of Australia	14,682	14,682	14,682	14,682	14,682
Expenses not requiring appropriation in the budget year[1]	9,565	9,196	9,196	9,196	9,196
Total program expenses	**24,247**	**23,878**	**23,878**	**23,878**	**23,878**

1. Expenses not requiring appropriation in the budget year are made up of liabilities assumed by related entities.

Component 1.1.1 deliverables

The Family Court's deliverables relate to judicial services outputs which are monitored and reviewed on an ongoing basis.

Deliverables	2012–13 Revised budget	2013–14 Budget	2014–15 Forward year 1	2015–16 Forward year 2	2016–17 Forward year 3
Final order finalisations	2,900	3,000	3,100	3,200	3,200
Interim order finalisations	3,400	3,600	3,700	3,900	4,000
Consent order finalisations	10,400	10,700	10,800	10,900	11,000
Other finalisations	400	300	300	300	300

Component 1.1.1 key performance indicators

The Family Court's key performance indicators focus on the court's ability to process matters in a timely manner.

Key performance indicators	2012–13 Revised budget	2013–14 Budget	2014–15 Forward year 1	2015–16 Forward year 2	2016–17 Forward year 3
Clearance rate (final orders)	100%	100%	100%	100%	100%
Cases pending conclusion that are less than 12 months old	75%	75%	75%	75%	75%
Reserved judgments are waiting less than three months after the conclusion of trial	75%	75%	75%	75%	75%
Number of complaints as a percentage of applications received	1%	1%	1%	1%	1%

Component 1.1.2: Federal Circuit Court of Australia

Component 1.1.2 objective

The Federal Circuit Court provides a simple and accessible alternative to litigation in the Family Court and the Federal Court.

Where practical, parties are encouraged to resolve their disputes through dispute resolution and negotiations methods.

Component 1.1.2 expenses

	2012–13 Revised budget $'000	2013–14 Budget $'000	2014–15 Forward year 1 $'000	2015–16 Forward year 2 $'000	2016–17 Forward year 3 $'000
Annual departmental expenses					
Federal Circuit Court of Australia	24,316	24,316	24,316	24,316	24,316
Expenses not requiring appropriation in the budget year[1]	719	845	845	845	845
Total program expenses	**25,035**	**25,161**	**25,161**	**25,161**	**25,161**

1. Expenses not requiring appropriation in the budget year are made up of liabilities assumed by related entities.

Component 1.1.2 deliverables

The Federal Circuit Court's deliverable relates to judicial service outputs which are monitored and reviewed on an ongoing basis.

Deliverables	2012–13 Revised budget	2013–14 Budget	2014–15 Forward year 1	2015–16 Forward year 2	2016–17 Forward year 3
Number of cases litigated and divorce cases processed	92,000	92,600	94,300	95,000	96,300

Component 1.1.2 key performance indicators

The Federal Circuit Court's key performance indicators focus on the court's ability to process matters in a timely manner.

Key performance indicators	2012–13 Revised budget	2013–14 Budget	2014–15 Forward year 1	2015–16 Forward year 2	2016–17 Forward year 3
Cases litigated or divorces processed subject to complaint	1%	1%	1%	1%	1%
Time taken from filing to disposition is less than six months	90%	90%	90%	90%	90%
Matters resolved prior to trial	60%	60%	60%	60%	60%

Component 1.1.3: Family Court and Federal Circuit Court

Component 1.1.3 objective

The objective of the Family Court and Federal Circuit Court is to assist the respective courts to achieve their stated objectives by:

- maintaining an environment that enables judicial officers to make determinations
- provision of effective and efficient registry services
- effective and efficient management of resources, and
- effective information and communication technologies.

Component 1.1.3 expenses

	2012–13 Revised budget $'000	2013–14 Budget $'000	2014–15 Forward year 1 $'000	2015–16 Forward year 2 $'000	2016–17 Forward year 3 $'000
Annual departmental expenses					
Family Court and Federal Circuit Court	111,362	112,966	109,752	110,434	111,146
Expenses not requiring appropriation in the budget year[1]	36,431	38,144	38,668	39,009	39,031
Total program expenses	**147,793**	**151,110**	**148,420**	**149,443**	**150,177**

1. Expenses not requiring appropriation in the budget year are made up of depreciation and amortisation expenses and resources provided free of charge.

Component 1.1.3 deliverables

The Family Court and Federal Circuit Court's deliverables relate to family law services and the National Enquiry Centre and encompass core service standards.

Deliverables	2012–13 Revised budget	2013–14 Budget	2014–15 Forward year 1	2015–16 Forward year 2	2016–17 Forward year 3
Telephone enquiries served	231,600	238,400	242,400	247,800	250,600
Counter enquiries	185,600	187,400	190,900	192,400	195,200
Email enquiries	82,800	83,600	85,200	85,800	87,100

Component 1.1.3 key performance indicators

The Family Court and Federal Circuit Court's key performance indicators relate to family law services and the National Enquiry Centre and encompass core service standards.

Key performance indicators	2012–13 Revised budget	2013–14 Budget	2014–15 Forward year 1	2015–16 Forward year 2	2016–17 Forward year 3
National Enquiry Centre telephone enquiries answered within 90 seconds	80%	80%	80%	80%	80%
Counter enquiries served within 20 minutes	75%	75%	75%	75%	75%
Email enquiries responded to within two working days	80%	80%	80%	80%	80%
Applications lodged processed within two working days	75%	75%	75%	75%	75%

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 2013–14 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 Movement of administered funds between years

The Family Court and Federal Circuit Court has not moved any administered funds between years.

3.1.2 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 *Financial Management and Accountability Act 1997* or under separate enabling legislation. Table 3.1.2 shows the expected additions (receipts) and reductions (payments) for each account used by the Family Court and Federal Circuit Court.

Table 3.1.2: Estimates of special account flows and balances

	Outcome	Opening balance 2013–14 *2012–13* $'000	Receipts 2013–14 *2012–13* $'000	Payments 2013–14 *2012–13* $'000	Adjustments 2013–14 *2012–13* $'000	Closing balance 2013–14 *2012–13* $'000
Family Court of Australia Litigants' Fund Special Account—FMA Act s 20 (A)[1]	1	–	–	–	–	–
	1	*806*	*400*	*400*	–	*806*
Federal Magistrates Court Litigants' Fund Special Account—FMA Act s 20 (A)[2]	1	–	–	–	–	–
	1	*254*	*200*	*200*	–	*254*
Federal Circuit Court and Family Court of Australia Litigants' Fund Special Account—FMA Act s 20 (A)[3]	1	–	600	600	1,060	1,060
	1	–	–	–	–	–
Total special accounts 2013–14 Budget estimate		**–**	**600**	**600**	**1,060**	**1,060**
Total special accounts 2012–13 estimated actual		*1,060*	*600*	*600*	–	*1,060*

(A) = Administered.
(D) = Departmental.
1. The purpose of this account is to be a holding account for client moneys paid as a surety following the issuance of court orders. This special account is operated by the Family Court of Australia in 2012–13 and is expected to be abolished from 1 July 2013 in accordance with the *Courts and Tribunals Legislation Amendment (Administration) Act 2013* and a subsequent determination made under section 20 of the FMA Act.
2. The purpose of this account is to hold and disburse money paid to the Federal Magistrates Court of Australia in accordance with an order made by the court or a federal magistrate under section 15 of the *Federal Magistrates Act 1999*. This special account is operated by the Federal Magistrates Court of Australia in 2012–13 and is expected to be abolished from 1 July 2013 in accordance with the *Courts and Tribunals Legislation Amendment (Administration) Act 2013* and a subsequent determination made under section 20 of the FMA Act.
3. The purpose of this account is to be a holding account for client moneys paid as a surety following the issuance of court orders. This special account is expected to commence on 1 July 2013 in accordance with the *Courts and Tribunals Legislation Amendment (Administration) Act 2013* and a consequent determination made under section 20 of the FMA Act.

3.1.3 Australian Government Indigenous expenditure

The Family Court and Federal Circuit Court has no Indigenous-specific expenses.

3.2 BUDGETED FINANCIAL STATEMENTS

3.2.1 Differences in agency resourcing and financial statements

The most significant difference between the Family Court and Federal Circuit Court's agency resourcing and financial statements is that of resources received free of charge ($29.674m) and liabilities assumed from related entities ($10.041m). These costs are equally offset by expenditure and are not included in the agency resourcing table.

3.2.2 Analysis of budgeted financial statements

The financial statements are presented to reflect integration of the Family Court of Australia and the Federal Circuit Court of Australia into the newly legislated single FMA Act agency, the Family Court and Federal Circuit Court, from 1 July 2013. In order to show comparable data across the years, the aggregate of the two existing agencies is shown for 2012–13.

The estimated actual splits for 2012–13 for the two existing agencies are disclosed in separate tables in notes. The figures in these notes can be compared with tables published in the 2012–13 Portfolio Budget Statements and the 2012–13 Portfolio Additional Estimates Statements.

Budgeted departmental comprehensive income statement

Revenue from government in 2013–14 for the Family Court and Federal Circuit Court decreases from that reported in the 2012–13 Portfolio Additional Estimates Statements due to the savings measures identified in section 1.4. These savings contribute to a reduction in revenue of $0.557m in 2013–14 and a further $1.418m over the forward estimates. Notional revenue and expense items previously reported as resources received free of charge from the Family Court of Australia to the Federal Circuit Court of Australia have been eliminated under the new single FMA Act agency.

Minor variations over the forward years are due to adjustments in wage and price indices.

Budgeted departmental balance sheet

The Family Court and Federal Circuit Court's net asset position for 2013–14 reflects the combined amounts from the separate courts (the Family Court of Australia and the Federal Circuit Court of Australia) and has not changed from 2012–13 Portfolio Additional Estimates Statements. Some categories of non-financial assets have been amended in line with approved capital management plans.

3.2.3 Budgeted financial statements tables

Departmental

Table 3.2.1: Comprehensive income statement (showing net cost of services) for the period ended 30 June

	Estimated actual[1] 2012–13 $'000	Budget estimate 2013–14 $'000	Forward estimate 2014–15 $'000	Forward estimate 2015–16 $'000	Forward estimate 2016–17 $'000
EXPENSES					
Employee benefits	116,519	117,184	118,127	118,899	119,536
Suppliers	72,132	74,495	70,505	70,615	70,712
Depreciation and amortisation	8,424	8,470	8,827	8,968	8,968
Total expenses	**197,075**	**200,149**	**197,459**	**198,482**	**199,216**
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	550	550	550	550	550
Rental income	90	90	90	90	90
Other	1,360	1,360	1,360	1,360	1,360
Total own-source revenue	**2,000**	**2,000**	**2,000**	**2,000**	**2,000**
Gains					
Other	38,291	39,715	39,882	40,082	40,104
Total gains	**38,291**	**39,715**	**39,882**	**40,082**	**40,104**
Total own-source income	**40,291**	**41,715**	**41,882**	**42,082**	**42,104**
Net cost of (contribution by) services	**156,784**	**158,434**	**155,577**	**156,400**	**157,112**
Revenue from government	148,360	149,964	146,750	147,432	148,144
Surplus (deficit) attributable to the Australian Government	**(8,424)**	**(8,470)**	**(8,827)**	**(8,968)**	**(8,968)**
OTHER COMPREHENSIVE INCOME					
Changes in asset revaluation surplus	–	–	–	–	–
Total other comprehensive income	**–**	**–**	**–**	**–**	**–**
Total comprehensive income (loss)	**(8,424)**	**(8,470)**	**(8,827)**	**(8,968)**	**(8,968)**
Total comprehensive income (loss) attributable to the Australian Government	**(8,424)**	**(8,470)**	**(8,827)**	**(8,968)**	**(8,968)**

Note: Impact of net cash appropriation arrangements	2012–13 $'000	2013–14 $'000	2014–15 $'000	2015–16 $'000	2016–17 $'000
Total comprehensive income (loss) excluding depreciation/amortisation expenses previously funded through revenue appropriations	**–**	**–**	**–**	**–**	**–**
Less depreciation/amortisation expenses previously funded through revenue appropriations	8,424	8,470	8,827	8,968	8,968
Total comprehensive income (loss) as per the statement of comprehensive income	**(8,424)**	**(8,470)**	**(8,827)**	**(8,968)**	**(8,968)**

Notes to Table 3.2.1 (continued)

Prepared on Australian Accounting Standards basis.

1. Numbers provided for 2012–13 show combined amounts for the Family Court of Australia and Federal Circuit Court of Australia less resources provided free of charge by the Family Court of Australia to the Federal Circuit Court of Australia in 2012–13 of $32.220m (equally from supplier expenses and revenue). The breakdown of the income and expenses for 2012–13 by court is shown in the table below.

	Family Court of Australia	Federal Circuit Court of Australia	Resources provided free of charge from the Family Court	Total
Employee benefits	75,565	40,954	–	**116,519**
Suppliers	43,930	60,422	(32,220)	**72,132**
Depreciation and amortisation	7,161	1,263	–	**8,424**
Sale of goods and rendering of services	640	–	–	**640**
Other own-source revenue	1,360	–	–	**1,360**
Other gains	23,700	46,811	(32,220)	**38,291**
Revenue from government	93,795	54,565	–	**148,360**

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

	Estimated actual[1] 2012–13 $'000	Budget estimate 2013–14 $'000	Forward estimate 2014–15 $'000	Forward estimate 2015–16 $'000	Forward estimate 2016–17 $'000
ASSETS					
Financial assets					
Cash and cash equivalents	2,154	2,154	2,154	2,154	2,154
Trade and other receivables	17,251	18,551	18,551	18,551	18,551
Other financial assets	183	183	183	183	183
Total financial assets	**19,588**	**20,888**	**20,888**	**20,888**	**20,888**
Non-financial assets					
Land and buildings	22,997	22,020	21,429	19,703	18,211
Property, plant and equipment	17,934	17,428	17,061	18,198	18,966
Intangibles	5,843	5,467	4,890	4,096	3,682
Inventories	63	63	63	63	63
Other non-financial assets	1,663	1,663	1,663	1,663	1,663
Total non-financial assets	**48,500**	**46,641**	**45,106**	**43,723**	**42,585**
Total assets	**68,088**	**67,529**	**65,994**	**64,611**	**63,473**
LIABILITIES					
Payables					
Suppliers	5,638	5,638	5,638	5,638	5,638
Other payables	3,164	3,164	3,164	3,164	3,164
Total payables	**8,802**	**8,802**	**8,802**	**8,802**	**8,802**
Provisions					
Employee provisions	32,764	34,064	34,064	34,064	34,064
Other	3,478	3,478	3,478	3,478	3,478
Total provisions	**36,242**	**37,542**	**37,542**	**37,542**	**37,542**
Total liabilities	**45,044**	**46,344**	**46,344**	**46,344**	**46,344**
Net assets	**23,044**	**21,185**	**19,650**	**18,267**	**17,129**
EQUITY					
Parent entity interest					
Contributed equity	25,773	32,384	39,676	47,261	55,091
Reserves	19,409	19,409	19,409	19,409	19,409
Retained surplus (accumulated deficit)	(22,138)	(30,608)	(39,435)	(48,403)	(57,371)
Total parent entity interest	**23,044**	**21,185**	**19,650**	**18,267**	**17,129**
Total equity	**23,044**	**21,185**	**19,650**	**18,267**	**17,129**

Prepared on Australian Accounting Standards basis.

1. Numbers provided for 2012–13 show combined amounts for the Family Court of Australia and Federal Circuit Court of Australia. The breakdown of the assets and liabilities for 2012–13 by court is shown in the table below.

Notes to Table 3.2.2 (continued)

	Family Court of Australia	Federal Circuit Court of Australia	Total
Cash and cash equivalents	1,402	752	**2,154**
Trade and other receivables	8,973	8,278	**17,251**
Other financial assets	183	–	**183**
Land and buildings	17,740	5,257	**22,997**
Property, plant and equipment	15,795	2,139	**17,934**
Intangibles	5,804	39	**5,843**
Inventories	63	–	**63**
Other non-financial assets	1,493	170	**1,663**
Suppliers	4,467	1,171	**5,638**
Other payables	1,982	1,182	**3,164**
Employee provisions	23,267	9,497	**32,764**
Other provisions	3,316	162	**3,478**
Contributed equity	17,215	8,558	**25,773**
Reserves	16,879	2,530	**19,409**
Retained surplus (accumulated deficit)	(15,673)	(6,465)	**(22,138)**

Table 3.2.3: Departmental statement of changes in equity—summary of movement (budget year 2013–14)

	Retained earnings $'000	Asset revaluation reserve $'000	Contributed equity/ capital $'000	Total equity $'000
Opening balance as at 1 July 2013				
Balance carried forward from previous period	(22,138)	19,409	25,773	23,044
Adjustment for changes in accounting policies	–	–	–	–
Adjusted opening balance	**(22,138)**	**19,409**	**25,773**	**23,044**
Comprehensive income				
Surplus (deficit) for the period	(8,470)	–	–	(8,470)
Total comprehensive income	**(8,470)**	**–**	**–**	**(8,470)**
Of which:				
Attributable to the Australian Government Government	(8,470)	–	–	(8,470)
Transactions with owners				
Contributions by owners				
Departmental capital budget	–	–	6,611	6,611
Sub-total transactions with owners	**–**	**–**	**6,611**	**6,611**
Estimated closing balance as at 30 June 2014	**(30,608)**	**19,409**	**32,384**	**21,185**
Closing balance attributable to the Australian Government	**(30,608)**	**19,409**	**32,384**	**21,185**

Prepared on Australian Accounting Standards basis.

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

	Estimated actual[1] 2012–13 $'000	Budget estimate 2013–14 $'000	Forward estimate 2014–15 $'000	Forward estimate 2015–16 $'000	Forward estimate 2016–17 $'000
OPERATING ACTIVITIES					
Cash received					
Goods and services	640	640	640	640	640
Appropriations	147,605	148,674	146,750	147,333	148,144
Net GST received	4,867	4,867	4,867	4,867	4,867
Other	1,360	1,360	1,360	1,360	1,360
Total cash received	**154,472**	**155,541**	**153,617**	**154,200**	**155,011**
Cash used					
Employees	103,967	107,810	108,086	108,759	109,495
Suppliers	45,089	42,864	40,664	40,574	40,649
Net GST paid	4,867	4,867	4,867	4,867	4,867
Total cash used	**153,923**	**155,541**	**153,617**	**154,200**	**155,011**
Net cash from (used by) operating activities	**549**	**–**	**–**	**–**	**–**
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant, equipment and intangibles	7,385	6,611	7,292	7,585	7,830
Total cash used	**7,385**	**6,611**	**7,292**	**7,585**	**7,830**
Net cash from (used by) investing activities	**(7,385)**	**(6,611)**	**(7,292)**	**(7,585)**	**(7,830)**
FINANCING ACTIVITIES					
Cash received					
Contributed equity	6,836	6,611	7,292	7,585	7,830
Total cash received	**6,836**	**6,611**	**7,292**	**7,585**	**7,830**
Net cash from (used by) financing activities	**6,836**	**6,611**	**7,292**	**7,585**	**7,830**
Net increase (decrease) in cash held	**–**	**–**	**–**	**–**	**–**
Cash and cash equivalents at the beginning of the reporting period	2,154	2,154	2,154	2,154	2,154
Cash and cash equivalents at the end of the reporting period	**2,154**	**2,154**	**2,154**	**2,154**	**2,154**

Prepared on Australian Accounting Standards basis.

1. Numbers provided for 2012–13 show combined amounts for the Family Court of Australia and Federal Circuit Court of Australia. The breakdown of the cash flows for 2012–13 by court is shown in the table below.

Notes to Table 3.2.4 (continued)

	Family Court of Australia	Federal Circuit Court of Australia	Total
Cash received—goods and services	640	–	**640**
Cash received—appropriations	93,040	54,565	**147,605**
Cash received—net GST received	4,867	–	**4,867**
Cash received—other	1,360	–	**1,360**
Cash used—employees	63,732	40,235	**103,967**
Cash used—suppliers	30,759	14,330	**45,089**
Cash used—net GST paid	4,867	–	**4,867**
Purchase of property, plant, equipment and intangibles	7,036	349	**7,385**
Contributed equity	6,487	349	**6,836**
Cash and cash equivalents at the beginning of the reporting period	1,402	752	**2,154**

Table 3.2.5: Departmental capital budget statement

	Estimated actual[1] 2012–13 $'000	Budget estimate 2013–14 $'000	Forward estimate 2014–15 $'000	Forward estimate 2015–16 $'000	Forward estimate 2016–17 $'000
NEW CAPITAL APPROPRIATIONS					
Capital budget—Bill 1 (DCB)	6,836	6,611	7,292	7,585	7,830
Total new capital appropriations	**6,836**	**6,611**	**7,292**	**7,585**	**7,830**
Provided for:					
Purchase of non-financial assets	6,836	6,611	7,292	7,585	7,830
Total items	**6,836**	**6,611**	**7,292**	**7,585**	**7,830**
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriation—DCB[2]	6,836	6,611	7,292	7,585	7,830
Funded internally from departmental resources[3]	549	–	–	–	–
Total	**7,385**	**6,611**	**7,292**	**7,585**	**7,830**
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	7,385	6,611	7,292	7,585	7,830
Total cash used to acquire assets	**7,385**	**6,611**	**7,292**	**7,585**	**7,830**

Prepared on Australian Accounting Standards basis.
DCB = departmental capital budget.
1. Numbers provided for 2012–13 show combined amounts for the Family Court of Australia and Federal Circuit Court of Australia. The breakdown of the departmental capital budget for 2012–13 by court is shown in the table below.

	Family Court of Australia	Federal Circuit Court of Australia	Total
Capital budget—Bill 1 (DCB)	6,487	349	**6,836**
Funded by capital appropriation—DCB[2]	6,487	349	**6,836**
Funded internally from		–	**–**
departmental resources[3]	549	–	**549**
Total purchases	7,036	349	**7,385**

2. Does not include annual finance lease costs. Includes purchases from current and previous years' departmental capital budgets.
3. Includes funding from current and prior year appropriations.

Table 3.2.6: Statement of asset movements (2013–14)

	Buildings $'000	Other property, plant & equipment $'000	Computer software & intangibles $'000	Total $'000
As at 1 July 2013				
Gross book value	35,543	28,074	12,039	75,656
Accumulated depreciation/ amortisation and impairment	(12,546)	(10,140)	(6,196)	(28,882)
Opening net book balance	**22,997**	**17,934**	**5,843**	**46,774**
CAPITAL ASSET ADDITIONS				
Estimated expenditure on new or replacement assets				
By purchase—appropriation ordinary annual services[1]	2,900	2,781	930	6,611
Total additions	**2,900**	**2,781**	**930**	**6,611**
Other movements				
Depreciation/amortisation expense	(3,877)	(3,287)	(1,306)	(8,470)
Total other movements	**(3,877)**	**(3,287)**	**(1,306)**	**(8,470)**
As at 30 June 2014				
Gross book value	38,443	30,855	12,969	82,267
Accumulated depreciation/ amortisation and impairment	(16,423)	(13,427)	(7,502)	(37,352)
Closing net book balance	**22,020**	**17,428**	**5,467**	**44,915**

Prepared on Australian Accounting Standards basis.

1. 'Appropriation ordinary annual services' refers to funding provided through Appropriation Bill (No. 1) 2013–14 for depreciation and amortisation expenses, departmental capital budgets or other operational expenses.

Administered

Table 3.2.7: Schedule of budgeted income and expenses administered on behalf of government (for the period ended 30 June)

	Estimated actual[1] 2012–13 $'000	Budget estimate 2013–14 $'000	Forward estimate 2014–15 $'000	Forward estimate 2015–16 $'000	Forward estimate 2016–17 $'000
EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT					
Other expenses	878	874	886	901	910
Total expenses administered on behalf of government	**878**	**874**	**886**	**901**	**910**
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Non-taxation revenue					
Other revenue	44,809	53,872	55,451	55,451	55,372
Total non-taxation revenue	**44,809**	**53,872**	**55,451**	**55,451**	**55,372**
Total own-source revenues administered on behalf of government	**44,809**	**53,872**	**55,451**	**55,451**	**55,372**
Total own-sourced income administered on behalf of government	**44,809**	**53,872**	**55,451**	**55,451**	**55,372**
Net cost of (contribution by) services	**(43,931)**	**(52,998)**	**(54,565)**	**(54,550)**	**(54,462)**
Surplus (deficit)	**43,931**	**52,998**	**54,565**	**54,550**	**54,462**
Total comprehensive income (loss)	**43,931**	**52,998**	**54,565**	**54,550**	**54,462**

Prepared on Australian Accounting Standards basis.

1. Numbers provided for 2012–13 show combined amounts for the Family Court of Australia and Federal Circuit Court of Australia. The breakdown of the income and expenses for 2012–13 by court is shown in the table below.

	Family Court of Australia	Federal Circuit Court of Australia	Total
Other expenses	–	878	**878**
Other revenue	3,102	41,707	**44,809**

Table 3.2.8: Schedule of budgeted assets and liabilities administered on behalf of government (as at 30 June)

	Estimated actual[1] 2012–13 $'000	Budget estimate 2013–14 $'000	Forward estimate 2014–15 $'000	Forward estimate 2015–16 $'000	Forward estimate 2016–17 $'000
ASSETS					
Financial assets					
Cash and cash equivalents	405	405	405	405	405
Trade and other receivables	86	86	86	86	86
Total financial assets	**491**	**491**	**491**	**491**	**491**
Total assets administered on behalf of government	**491**	**491**	**491**	**491**	**491**
LIABILITIES					
Payables					
Suppliers	14	14	14	14	14
Total payables	**14**	**14**	**14**	**14**	**14**
Total liabilities administered on behalf of government	**14**	**14**	**14**	**14**	**14**
Net assets/(liabilities)	**477**	**477**	**477**	**477**	**477**

Prepared on Australian Accounting Standards basis.
1. Numbers provided for 2012–13 show combined amounts for the Family Court of Australia and Federal Circuit Court of Australia. The breakdown of the assets and liabilities for 2012–13 by court is shown in the table below.

	Family Court of Australia	Federal Circuit Court of Australia	Total
Cash and cash equivalents	11	394	**405**
Trade and other receivables	–	86	**86**
Suppliers	–	14	**14**
Net assets/(liabilities)	11	466	**477**

Table 3.2.9: Schedule of budgeted administered cash flows (for the period ended 30 June)

	Estimated actual[1] 2012–13 $'000	Budget estimate 2013–14 $'000	Forward estimate 2014–15 $'000	Forward estimate 2015–16 $'000	Forward estimate 2016–17 $'000
OPERATING ACTIVITIES					
Cash received					
Other	44,809	53,872	55,451	55,451	55,372
Total cash received	**44,809**	**53,872**	**55,451**	**55,451**	**55,372**
Cash used					
Other	878	874	886	901	910
Total cash used	**878**	**874**	**886**	**901**	**910**
Net cash from (used by) operating activities	**43,931**	**52,998**	**54,565**	**54,550**	**54,462**
Net increase (decrease) in cash held	**43,931**	**52,998**	**54,565**	**54,550**	**54,462**
Cash and cash equivalents at the beginning of the reporting period	405	405	405	405	405
Cash from Official Public Account for:					
Appropriations	878	874	886	901	910
Cash to Official Public Account for:					
Transfers to other entities (Finance—whole of government)	44,809	53,872	55,451	55,451	55,372
Cash and cash equivalents at the end of the reporting period	**405**	**405**	**405**	**405**	**405**

Prepared on Australian Accounting Standards basis.
1. Numbers provided for 2012–13 show combined amounts for the Family Court of Australia and Federal Circuit Court of Australia. The breakdown of the cash flows for 2012–13 by court is shown in the table below.

	Family Court of Australia	Federal Circuit Court of Australia	Total
Cash received—other	3,102	41,707	**44,809**
Cash used—other	–	878	**878**
Cash and cash equivalents at the beginning of the reporting period	11	394	**405**

3.2.4 Notes to the financial statements

Basis of accounting

The budgeted financial statements have been prepared on an accrual accounting basis, having regard to Statements of Accounting Concepts, and in accordance with the Finance Minister's Orders, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board.

Departmental

Revenue from government

Appropriations for departmental programs (adjusted for any formal additions and reductions) are recognised as revenue, except for certain amounts which 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.

Income – resources received free of charge

Resources received free of charge are recorded as either revenue or gains depending on their nature, that is, whether they have been generated in the course of ordinary activities.

Employee expenses

Employee expenses consist of wages and salaries, superannuation, leave and other entitlements, separations and redundancies and other employee benefits.

Supplier expenses

Supplier expenses consist of administrative expenses including operating lease rentals and supply of goods and services to the Family Court and Federal Circuit Court.

Assets

Assets are made up of cash, receivables, prepayments, intangibles (computer software), inventories, land and buildings, infrastructure, plant and equipment.

Liabilities

The Family Court and Federal Circuit Court's liabilities are made up of employee salaries, superannuation and leave entitlements, property lease make-good provisions and amounts owed to creditors.

Administered

Administered cash transfers to and from Official Public Account

Revenue collected by the Family Court and Federal Circuit Court for use by the government rather than the Family Court and Federal Circuit Court is administered revenue. Collections are transferred to the Official Public Account maintained by the Department of Finance and Deregulation. Conversely, cash is drawn from the Official Public Account to make payments under parliamentary appropriation on behalf of government. These transfers to and from the Official Public Account are adjustments to the administered cash held by the Family Court and Federal Circuit Court on behalf of the government and reported as such in the statement of cash flows.

Revenue

All administered revenues are revenues relating to the core operating activities performed by the Family Court of Australia and the Federal Circuit Court of Australia on behalf of the Australian Government.

Fees are charged for access to services. Administered fee revenue is recognised when an application for service is lodged with the courts. It is recognised at its nominal amount. Collectability of debts is reviewed at balance date. Allowances are made when collection of a debt is no longer probable.

FEDERAL COURT OF AUSTRALIA

Section 1: Agency overview and resources

1.1 STRATEGIC DIRECTION STATEMENT

The Federal Court of Australia is a superior court of record and a court of law and equity. It sits in all capital cities and elsewhere in Australia from time to time.

The Federal Court has jurisdiction to hear and determine any civil matter and some summary and indictable criminal matters arising under laws made by the Federal Parliament, as well as any matter arising under the Constitution or involving its interpretation. The court also has original jurisdiction in respect of specific subject matter conferred by over 150 statutes of the Federal Parliament.

The Federal Court has a substantial and diverse appellate jurisdiction. It hears appeals from decisions of single judges of the court, decisions of the Federal Circuit Court of Australia in non-family matters, decisions of the Supreme Court of Norfolk Island and certain decisions of state and territory supreme courts exercising federal jurisdiction.

The objectives of the Federal Court are to:

- decide disputes according to law—as quickly, inexpensively and efficiently as possible and, in so doing, to interpret the statutory law and develop the general law of the Commonwealth, so as to fulfil the role of a court exercising the judicial power of the Commonwealth under the Constitution
- provide an effective registry service for the community, and
- manage the resources allotted by Parliament efficiently.

The Federal Court will continue to develop and implement a range of e-services initiatives, in particular the Electronic Court File. The court's e-services are designed to deliver quicker, less expensive access to justice for court users. Where practicable, the development of these initiatives will be in conjunction with other courts.

In 2013–14, funding has been provided to the Federal Court to support the appointment of three additional judges. These appointments are intended to assist the court to resolve its increasing workload.

1.2 AGENCY RESOURCE STATEMENT

Table 1.1 shows the total resources from all sources.

Table 1.1: Agency resource statement—Budget estimates for 2013–14 as at Budget May 2013

	Estimate of prior year amounts available in 2013–14 $'000	+	Proposed at Budget 2013–14 $'000	=	Total estimate 2013–14 $'000	Actual available appropriation 2012–13 $'000
ORDINARY ANNUAL SERVICES[1]						
Departmental appropriation						
Prior year departmental appropriation[2]	43,451		–		43,451	43,297
Departmental appropriation[3]	–		96,012		96,012	92,704
s 31 relevant agency receipts[4]	–		3,033		3,033	2,724
Total ordinary annual services	**43,451**		**99,045**		**142,496**	**138,725**
OTHER SERVICES						
Departmental non-operating						
Equity injections	–		–		–	19
Total other services	**–**		**–**		**–**	**19**
Total available annual appropriations	**43,451**		**99,045**		**142,496**	**138,744**
Total appropriations excluding special accounts	**43,451**		**99,045**		**142,496**	**138,744**
SPECIAL ACCOUNTS[5]						
Opening balance	–		–		–	–
Receipts	–		–		–	–
Total special accounts	**–**		**–**		**–**	**–**
Total net resourcing for agency	**43,451**		**99,045**		**142,496**	**138,744**

All figures are GST exclusive.
1. Appropriation Bill (No. 1) 2013–14.
2. Estimated adjusted balance carried forward from previous year. The Federal Court has received $13.599m, under a section 32 determination, which is unspent prior year appropriation transferred to the court from the National Native Title Tribunal.
3. Includes an amount of $3.166m in 2013–14 for the departmental capital budget (see Table 3.2.5 for further details). For accounting purposes this amount has been designated as 'contributions by owners'.
4. Section 31 relevant agency receipts—estimate.
5. The estimated opening balance and budgeted receipts for special accounts exclude money held in trust for litigants and 'special public money' held in the Services for Other Entities and Trust Moneys Special Account. For further details on special accounts, see Table 3.1.2.

1.3 BUDGET MEASURES

Budget measures announced since the 2012–13 Mid-Year Economic and Fiscal Outlook (MYEFO) relating to the Federal Court are detailed in Budget Paper No. 2 and are summarised in Part 1 of Table 1.2. MYEFO measures not previously reported in a portfolio statement are summarised in Part 2.

The Federal Court will receive $10.841m in additional appropriation for the appointment of three additional judges.

Table 1.2: Agency 2013–14 Budget measures

Part 1: Measures announced since the 2012–13 MYEFO

	Program	2012–13 $'000	2013–14 $'000	2014–15 $'000	2015–16 $'000	2016–17 $'000
Expense measures						
Attorney-General's Portfolio savings—redirection	1.1					
Departmental expenses		–	(145)	(149)	(150)	(149)
Federal Court of Australia—additional judicial resources						
Departmental expenses	1.1	–	2,711	2,679	2,676	2,675
Total expense measures		**–**	**2,566**	**2,530**	**2,526**	**2,526**
Capital measures						
Federal Court of Australia—additional judicial resources	1.1					
Departmental capital		–	100	–	–	–
Total capital measures		**–**	**100**	**–**	**–**	**–**

Part 2: MYEFO measures not previously reported in a portfolio statement

	Program	2012–13 $'000	2013–14 $'000	2014–15 $'000	2015–16 $'000	2016–17 $'000
Expense measures						
Targeted savings—public service efficiencies[1]	1.1					
Departmental expenses		–	(180)	(101)	(58)	(25)
Total expense measures		**–**	**(180)**	**(101)**	**(58)**	**(25)**

Prepared on a Government Finance Statistics (fiscal) basis.
1. The fiscal impact reported for this measure is in addition to the impact previously reported for this measure in the 2012–13 Portfolio Additional Estimates Statements.

Section 2: Outcomes and planned performance

2.1 OUTCOMES AND PERFORMANCE INFORMATION

Government outcomes are the intended results, impacts or consequences of actions by the government on the Australian community. Commonwealth programs are the primary vehicle by which government agencies achieve the intended results of their outcome statements. Agencies are required to identify the programs that contribute to government outcomes over the budget and forward years.

The Federal Court's outcome is described below together with its related program, specifying the performance indicators and targets used to assess and monitor the performance of the Federal Court in achieving government outcomes.

Outcome 1: Through its jurisdiction, the Court will apply and uphold the rule of law to deliver remedies and enforce rights and in so doing, contribute to the social and economic development and well-being of all Australians

Outcome 1 strategy

During 2013–14 the Federal Court will continue to focus on enhancing the service it delivers. The Federal Court will continue to develop and implement a range of e-services initiatives to deliver users quicker, less expensive access to justice. Where practicable, these services will be developed and implemented in conjunction with other courts.

The Federal Court will continue to actively case manage the native title jurisdiction to accelerate the completion of matters. The Federal Court will provide staff and resources to the National Native Title Tribunal to support the Tribunal in the ongoing performance of its functions.

Outcome 1 expense statement

Table 2.1 provides an overview of the total expenses for Outcome 1, by program.

Table 2.1: Budgeted expenses for Outcome 1

Outcome 1: Through its jurisdiction, the Court will apply and uphold the rule of law to deliver remedies and enforce rights and in so doing, contribute to the social and economic development and well-being of all Australians	2012–13 Estimated actual expenses $'000	2013–14 Estimated expenses $'000
Program 1.1: Federal Court Business		
Departmental expenses		
Departmental appropriation[1]	90,817	95,879
Expenses not requiring appropriation in the budget year[2]	31,479	32,588
Total expenses for Outcome 1	**122,296**	**128,467**

	2012–13	2013–14
Average staffing level (number)	419	425

Note: Departmental appropriation splits and totals are indicative estimates and may change in the course of the budget year as government priorities change.
1. Departmental appropriation combines 'Ordinary annual services (Appropriation Bill No. 1)' and 'Revenue from independent sources (s 31)'.
2. Expenses not requiring appropriation in the budget year are made up of $4.134m for depreciation and amortisation expenses and $28.454m for resources received free of charge and liabilities assumed by other agencies.

Contributions to Outcome 1

Program 1.1: Federal Court Business

Program 1.1 objective

The primary objective of the Federal Court is to decide disputes according to law as quickly, inexpensively and efficiently as possible and, in so doing, interpret the statutory law and develop the general law of the Commonwealth, so as to fulfil the role of a court exercising the judicial power of the Commonwealth under the Constitution.

Program 1.1 expenses

	2012–13 Revised budget $'000	2013–14 Budget $'000	2014–15 Forward year 1 $'000	2015–16 Forward year 2 $'000	2016–17 Forward year 3 $'000
Annual departmental expenses					
Program support	90,817	95,879	95,786	96,337	96,865
Expenses not requiring appropriation in the budget year[1]	31,479	32,588	32,894	31,930	33,912
Total program expenses	**122,296**	**128,467**	**128,680**	**128,267**	**130,777**

1. Expenses not requiring appropriation in the budget year are made up of depreciation and amortisation expenses, resources received free of charge and liabilities assumed by other agencies.

Program 1.1 components

Program 1.1 is made up of two components:

- Component 1.1.1 is the exercise of the jurisdiction of the Federal Court.
- Component 1.1.2 is the provision of support to the National Native Title Tribunal.

	2012–13 Revised budget $'000	2013–14 Budget $'000	2014–15 Forward year 1 $'000	2015–16 Forward year 2 $'000	2016–17 Forward year 3 $'000
Component 1.1.1					
Annual departmental expenses					
Program support	79,945	84,829	84,637	85,087	85,503
Expenses not requiring appropriation in the budget year	31,479	32,588	32,894	31,930	33,912
Total component expenses	**111,424**	**117,417**	**117,531**	**117,017**	**119,415**
Component 1.1.2					
Annual departmental expenses					
Program support	10,872	11,050	11,149	11,250	11,362
Total component expenses	**10,872**	**11,050**	**11,149**	**11,250**	**11,362**
Program support	90,817	95,879	95,786	96,337	96,865
Expenses not requiring appropriation in the budget year	31,479	32,588	32,894	31,930	33,912
Total program expenses	**122,296**	**128,467**	**128,680**	**128,267**	**130,777**

Program 1.1 deliverables

The Federal Court will decide cases according to law as quickly, inexpensively and efficiently as possible.

The Federal Court will provide staff and resources to the National Native Title Tribunal to enable the Tribunal to carry out its functions.

Program 1.1 key performance indicators

The Federal Court's key performance indicators are:

- timely completion of cases: dispose of 85% of cases within 18 months of commencement (excluding native title cases), and
- reduction in the number of matters over 18 months old.

Key performance indicators	2012–13 Revised budget	2013–14 Budget	2014–15 Forward year 1	2015–16 Forward year 2	2016–17 Forward year 3
Timely disposal of cases	85%	85%	85%	85%	85%
Reduction in number of matters over 18 months old	18%	17.50%	17%	16.50%	16%

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 2013–14 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, special accounts and government Indigenous expenditure.

3.1 EXPLANATORY TABLES

3.1.1 Movement of administered funds between years

The Federal Court has not moved any administered funds between years.

3.1.2 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 *Financial Management and Accountability Act 1997* or under separate enabling legislation. Table 3.1.2 shows the expected additions (receipts) and reductions (payments) for each account used by the Federal Court.

Table 3.1.2: Estimates of special account flows and balances

	Outcome	Opening balance 2013–14 *2012–13* $'000	Receipts 2013–14 *2012–13* $'000	Payments 2013–14 *2012–13* $'000	Adjustments 2013–14 *2012–13* $'000	Closing balance 2013–14 *2012–13* $'000
Services for Other Entities and Trust Moneys— FMA Act s 20 (D)	1	12	250	250	–	12
	1	*12*	*250*	*250*	–	*12*
Litigants' Fund Special Account—FMA Act s 20 (D)	1	8,369	5,000	5,000	–	8,369
	1	*8,369*	*5,000*	*5,000*	–	*8,369*
Total special accounts 2013–14 Budget estimate		**8,381**	**5,250**	**5,250**	**–**	**8,381**
Total special accounts 2012–13 estimated actual		*8,381*	*5,250*	*5,250*	–	*8,381*

(D) = Departmental.

3.1.3 Australian Government Indigenous expenditure

The Federal Court has jurisdiction under the *Native Title Act 1993* to hear and determine native title applications, compensation applications, claim registration applications, applications to remove agreements from the Register of Indigenous Land Use Agreements and applications for transfer of records. The court also hears appeals from the National Native Title Tribunal and matters under the *Administrative Decisions (Judicial Review) Act 1977* involving native title.

The Federal Court provides staff and resources to the National Native Title Tribunal to support the Tribunal in performing its functions pursuant to the *Native Title Act 1993.*

Table 3.1.3: Australian Government Indigenous expenditure (AGIE)

	Appropriations						
	Bill No. 1 $'000	Bill No. 2 $'000	Special approp $'000	Total approp $'000	Other $'000	Total $'000	Program
Outcome 1							
Departmental 2013–14	26,014	–	–	26,014	–	26,014	1.1
Departmental 2012–13	*25,749*	*–*	*–*	*25,749*	*–*	*25,749*	*1.1*
Total AGIE 2013–14	**26,014**	**–**	**–**	**26,014**	**–**	**26,014**	
Total AGIE 2012–13	*25,749*	*–*	*–*	*25,749*	*–*	*25,749*	

3.2 BUDGETED FINANCIAL STATEMENTS

3.2.1 Differences in agency resourcing and financial statements

The most significant difference between the agency resourcing table and the financial statements is that resources received free of charge and liabilities assumed by other agencies are not recognised in Tables 1.1 and 2.1 as revenue. The reader should note this difference when comparing the figures presented in Tables 1.1 and 2.1 to the budgeted financial statements following.

3.2.2 Analysis of budgeted financial statements

The Federal Court is forecasting a small operating surplus in 2012–13. This is a change from the position as published in the 2012–13 Portfolio Additional Estimates Statements. The surplus is largely a result of judicial vacancies and delayed project expenditure.

The court will be appropriated an additional $2.711m for operating expenses and $0.100m for capital expenses in 2013–14. This is a result of the allocation of additional judicial resources to the court. There is a total of $10.741m additional operating appropriation across the forward estimates. This is partially offset by a reduction of appropriation of $0.957m across the forward estimates for targeted government savings measures.

Administered revenue is forecast to increase from $17.252m in 2012–13 to $21.903m in 2013–14. This is due to an increase in court fees that took effect from 1 January 2013 as reported in the 2012–13 Portfolio Additional Estimates Statements. The difference reflects the fact that fees will be charged at the higher rate for the entire 2013–14 financial year.

3.2.3 Budgeted financial statements tables

Departmental

Table 3.2.1: Comprehensive income statement (showing net cost of services) for the period ended 30 June

	Estimated actual 2012–13 $'000	Budget estimate 2013–14 $'000	Forward estimate 2014–15 $'000	Forward estimate 2015–16 $'000	Forward estimate 2016–17 $'000
EXPENSES					
Employee benefits	76,048	78,157	77,656	76,528	78,079
Supplier expenses	42,057	46,132	46,761	47,742	48,702
Depreciation and amortisation	4,121	4,134	4,246	3,996	3,996
Finance costs	70	44	17	1	–
Total expenses	**122,296**	**128,467**	**128,680**	**128,267**	**130,777**
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	2,724	3,033	2,334	2,380	2,428
Total own-source revenue	**2,724**	**3,033**	**2,334**	**2,380**	**2,428**
Gains					
Other	27,358	28,454	28,648	27,934	29,916
Total gains	**27,358**	**28,454**	**28,648**	**27,934**	**29,916**
Total own-source income	**30,082**	**31,487**	**30,982**	**30,314**	**32,344**
Net cost of (contribution by) services	**92,214**	**96,980**	**97,698**	**97,953**	**98,433**
Revenue from government	89,035	92,846	93,452	93,957	94,437
Surplus (deficit) attributable to the Australian Government	**(3,179)**	**(4,134)**	**(4,246)**	**(3,996)**	**(3,996)**
OTHER COMPREHENSIVE INCOME					
Changes in asset revaluation surplus	–	–	–	–	–
Total other comprehensive income	**–**	**–**	**–**	**–**	**–**
Total comprehensive income (loss)	**(3,179)**	**(4,134)**	**(4,246)**	**(3,996)**	**(3,996)**
Total comprehensive income (loss) attributable to the Australian Government	**(3,179)**	**(4,134)**	**(4,246)**	**(3,996)**	**(3,996)**

Note: Impact of net cash appropriation arrangements	2012–13 $'000	2013–14 $'000	2014–15 $'000	2015–16 $'000	2016–17 $'000
Total comprehensive income (loss) excluding depreciation/amortisation expenses previously funded through revenue appropriations	**942**	**–**	**–**	**–**	**–**
Less depreciation/amortisation expenses previously funded through revenue appropriations	4,121	4,134	4,246	3,996	3,996
Total comprehensive income (loss) as per the statement of comprehensive income	**(3,179)**	**(4,134)**	**(4,246)**	**(3,996)**	**(3,996)**

Prepared on Australian Accounting Standards basis.

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

	Estimated actual 2012–13 $'000	Budget estimate 2013–14 $'000	Forward estimate 2014–15 $'000	Forward estimate 2015–16 $'000	Forward estimate 2016–17 $'000
ASSETS					
Financial assets					
Cash and cash equivalents	1,353	1,353	1,353	1,353	1,353
Trade and other receivables	44,745	45,210	45,349	45,488	45,627
Total financial assets	**46,098**	**46,563**	**46,702**	**46,841**	**46,980**
Non-financial assets					
Land and buildings	13,637	13,527	13,458	13,318	13,248
Property, plant and equipment	7,314	6,459	5,775	6,198	6,693
Intangibles	3,826	3,428	3,958	4,060	4,103
Other non-financial assets	551	653	654	654	654
Total non-financial assets	**25,328**	**24,067**	**23,845**	**24,230**	**24,698**
Total assets	**71,426**	**70,630**	**70,547**	**71,071**	**71,678**
LIABILITIES					
Payables					
Suppliers	2,465	2,465	2,465	2,465	2,465
Total payables	**2,465**	**2,465**	**2,465**	**2,465**	**2,465**
Interest-bearing liabilities					
Leases	812	417	59	20	–
Total interest-bearing liabilities	**812**	**417**	**59**	**20**	**–**
Provisions					
Employee provisions	23,706	24,273	24,412	24,551	24,710
Other provisions	783	783	783	783	783
Total provisions	**24,489**	**25,056**	**25,195**	**25,334**	**25,493**
Total liabilities	**27,766**	**27,938**	**27,719**	**27,819**	**27,958**
Net assets	**43,660**	**42,692**	**42,828**	**43,252**	**43,720**
EQUITY					
Parent entity interest					
Contributed equity	27,283	30,449	34,831	39,251	43,715
Reserves	1,584	1,584	1,584	1,584	1,584
Retained surplus (accumulated deficit)	14,793	10,659	6,413	2,417	(1,579)
Total parent entity interest	**43,660**	**42,692**	**42,828**	**43,252**	**43,720**
Total equity	**43,660**	**42,692**	**42,828**	**43,252**	**43,720**

Prepared on Australian Accounting Standards basis.

Table 3.2.3: Departmental statement of changes in equity—summary of movement (budget year 2013–14)

	Retained earnings $'000	Asset revaluation reserve $'000	Contributed equity/ capital $'000	Total equity $'000
Opening balance as at 1 July 2013				
Balance carried forward from previous period	14,793	1,584	27,283	43,660
Adjustment for changes in accounting policies	–	–	–	–
Adjusted opening balance	**14,793**	**1,584**	**27,283**	**43,660**
Comprehensive income				
Surplus (deficit) for the period	(4,134)	–	–	(4,134)
Total comprehensive income	**(4,134)**	**–**	**–**	**(4,134)**
Of which:				
Attributable to the Australian Government	(4,134)	–	–	(4,134)
Transactions with owners				
Contributions by owners				
Departmental capital budget	–	–	3,166	3,166
Sub-total transactions with owners	**–**	**–**	**3,166**	**3,166**
Estimated closing balance as at 30 June 2014	**10,659**	**1,584**	**30,449**	**42,692**
Closing balance attributable to the Australian Government	**10,659**	**1,584**	**30,449**	**42,692**

Prepared on Australian Accounting Standards basis.

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

	Estimated actual 2012–13 $'000	Budget estimate 2013–14 $'000	Forward estimate 2014–15 $'000	Forward estimate 2015–16 $'000	Forward estimate 2016–17 $'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	87,861	92,381	93,313	93,818	94,731
Sale of goods and rendering of services	2,723	3,033	2,334	2,380	2,428
Total cash received	**90,584**	**95,414**	**95,647**	**96,198**	**97,159**
Cash used					
Employees	64,538	67,181	67,378	66,778	67,452
Suppliers	25,976	28,189	28,252	29,419	29,707
Borrowing costs	70	44	17	1	–
Total cash used	**90,584**	**95,414**	**95,647**	**96,198**	**97,159**
Net cash from (used by) operating activities	**–**	**–**	**–**	**–**	**–**
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment	4,622	3,166	4,382	4,420	4,464
Total cash used	**4,622**	**3,166**	**4,382**	**4,420**	**4,464**
Net cash from (used by) investing activities	**(4,622)**	**(3,166)**	**(4,382)**	**(4,420)**	**(4,464)**
FINANCING ACTIVITIES					
Cash received					
Contributed equity	4,622	3,166	4,382	4,420	4,464
Total cash received	**4,622**	**3,166**	**4,382**	**4,420**	**4,464**
Net cash from (used by) financing activities	**4,622**	**3,166**	**4,382**	**4,420**	**4,464**
Net increase (decrease) in cash held	**–**	**–**	**–**	**–**	**–**
Cash and cash equivalents at the beginning of the reporting period	1,353	1,353	1,353	1,353	1,353
Cash and cash equivalents at the end of the reporting period	**1,353**	**1,353**	**1,353**	**1,353**	**1,353**

Prepared on Australian Accounting Standards basis.

Table 3.2.5: Departmental capital budget statement

	Estimated actual 2012–13 $'000	Budget estimate 2013–14 $'000	Forward estimate 2014–15 $'000	Forward estimate 2015–16 $'000	Forward estimate 2016–17 $'000
NEW CAPITAL APPROPRIATIONS					
Capital budgets—Bill 1 (DCB)	3,669	3,166	4,382	4,420	4,464
Total new capital appropriations	**3,669**	**3,166**	**4,382**	**4,420**	**4,464**
Provided for:					
Purchase of non-financial assets	3,299	2,771	4,023	4,381	4,464
Annual finance lease costs	370	395	359	39	–
Total items	**3,669**	**3,166**	**4,382**	**4,420**	**4,464**
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriation—DCB[1]	4,252	2,771	4,023	4,381	4,464
Total	**4,252**	**2,771**	**4,023**	**4,381**	**4,464**
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	4,252	2,771	4,023	4,381	4,464
plus annual finance lease costs	370	395	359	39	–
Total cash used to acquire assets	**4,622**	**3,166**	**4,382**	**4,420**	**4,464**

Prepared on Australian Accounting Standards basis.
DCB = departmental capital budget.
1. Does not include annual finance lease costs. Includes purchases from current and previous years' departmental capital budgets.

Table 3.2.6: Statement of asset movements (2013–14)

	Buildings $'000	Other property, plant & equipment $'000	Computer software & intangibles $'000	Total $'000
As at 1 July 2013				
Gross book value	17,579	10,763	5,571	33,913
Accumulated depreciation/ amortisation and impairment	(3,942)	(3,449)	(1,745)	(9,136)
Opening net book balance	**13,637**	**7,314**	**3,826**	**24,777**
CAPITAL ASSET ADDITIONS				
Estimated expenditure on new or replacement assets				
By purchase—appropriation ordinary annual services[1]	1,726	685	360	2,771
Total additions	**1,726**	**685**	**360**	**2,771**
Other movements				
Depreciation/amortisation expense	(1,836)	(1,540)	(758)	(4,134)
Total other movements	**(1,836)**	**(1,540)**	**(758)**	**(4,134)**
As at 30 June 2014				
Gross book value	19,305	11,448	5,931	36,684
Accumulated depreciation/ amortisation and impairment	(5,778)	(4,989)	(2,503)	(13,270)
Closing net book balance	**13,527**	**6,459**	**3,428**	**23,414**

Prepared on Australian Accounting Standards basis.

1. 'Appropriation ordinary annual services' refers to funding provided through Appropriation Bill (No. 1) 2013–14 for depreciation and amortisation expenses, departmental capital budgets or other operational expenses.

Administered

Table 3.2.7: Schedule of budgeted income and expenses administered on behalf of government (for the period ended 30 June)

	Estimated actual 2012–13 $'000	Budget estimate 2013–14 $'000	Forward estimate 2014–15 $'000	Forward estimate 2015–16 $'000	Forward estimate 2016–17 $'000
EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT					
Total expenses administered on behalf of government	**–**	**–**	**–**	**–**	**–**
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Non-taxation revenue					
Other revenue	17,252	21,903	22,596	22,857	23,314
Total non-taxation revenue	**17,252**	**21,903**	**22,596**	**22,857**	**23,314**
Total own-source revenue administered on behalf of government	**17,252**	**21,903**	**22,596**	**22,857**	**23,314**
Net cost of (contribution by) services	**(17,252)**	**(21,903)**	**(22,596)**	**(22,857)**	**(23,314)**
Surplus (deficit)	**17,252**	**21,903**	**22,596**	**22,857**	**23,314**
Total comprehensive income (loss)	**17,252**	**21,903**	**22,596**	**22,857**	**23,314**

Prepared on Australian Accounting Standards basis.

Table 3.2.8: Schedule of budgeted assets and liabilities administered on behalf of government (as at 30 June)

	Estimated actual 2012–13 $'000	Budget estimate 2013–14 $'000	Forward estimate 2014–15 $'000	Forward estimate 2015–16 $'000	Forward estimate 2016–17 $'000
ASSETS					
Financial assets					
Cash and cash equivalents	30	30	30	30	30
Trade and other receivables	539	539	539	539	539
Total financial assets	**569**	**569**	**569**	**569**	**569**
Total assets administered on behalf of government	**569**	**569**	**569**	**569**	**569**
LIABILITIES					
Total liabilities administered on behalf of government	**–**	**–**	**–**	**–**	**–**
Net assets/(liabilities)	**569**	**569**	**569**	**569**	**569**

Prepared on Australian Accounting Standards basis.

Table 3.2.9: Schedule of budgeted administered cash flows (for the period ended 30 June)

	Estimated actual 2012–13 $'000	Budget estimate 2013–14 $'000	Forward estimate 2014–15 $'000	Forward estimate 2015–16 $'000	Forward estimate 2016–17 $'000
OPERATING ACTIVITIES					
Cash received					
Other	17,252	21,903	22,596	22,857	23,314
Total cash received	**17,252**	**21,903**	**22,596**	**22,857**	**23,314**
Net cash from (used by) operating activities	**17,252**	**21,903**	**22,596**	**22,857**	**23,314**
Net increase (decrease) in cash held	**17,252**	**21,903**	**22,596**	**22,857**	**23,314**
Cash and cash equivalents at the beginning of the reporting period	30	30	30	30	30
Cash to Official Public Account for:					
– Appropriations	(17,252)	(21,903)	(22,596)	(22,857)	(23,314)
Cash and cash equivalents at the end of the reporting period	**30**	**30**	**30**	**30**	**30**

Prepared on Australian Accounting Standards basis.

3.2.4 Notes to the financial statements

Basis of accounting

The budgeted financial statements have been prepared on an accrual accounting basis, having regard to Statements of Accounting Concepts, and in accordance with the Finance Minister's Orders, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board.

Revenue from government

Amounts appropriated for the Federal Court's program for the year are recognised as revenue. Appropriations receivable are recognised at their nominal amounts.

Employee expenses and benefits

Employee expenses and benefits consist of salaries, leave entitlements, redundancy expenses and superannuation. Liabilities for services rendered by employees are recognised at the reporting date to the extent that they have not been settled.

Supplier expenses

Supplier expenses consist of ordinary operating costs (accommodation and utilities), administrative costs, consultant and contractor costs, and travel expenses.

Assets and liabilities

Assets are recognised in the Federal Court's balance sheet when it is probable that future economic benefits will flow and the amount of the assets can be reliably measured.

Liabilities are recognised in the balance sheet when it is probable that the future obligation will be incurred and the amounts of the liabilities can be reliably measured.

Cash and cash equivalents

Cash include notes and coins held and any deposits held at call with a bank or other financial institution. Cash is recognised at its nominal amount.

Transactions with the government as owner

Amounts appropriated which are designated as 'equity injections' for a particular year are recognised directly in contributed equity that year.

HIGH COURT OF AUSTRALIA

Section 1: Agency overview and resources

1.1 STRATEGIC DIRECTION STATEMENT

The High Court of Australia is the highest court in the Australian judicial system. It was established in 1901 by section 71 of the Constitution.

The Constitution confers both an appellate and an original jurisdiction upon the High Court. Appeals from the supreme courts of the states and territories, from the Federal Court of Australia and from the Family Court of Australia are heard pursuant to special leave granted. The High Court is also the final arbiter upon constitutional questions. These may come on appeal from a lower court or be initiated by an application to the High Court itself.

1.2 AGENCY RESOURCE STATEMENT

Table 1.1 shows the total resources from all sources.

Table 1.1: Agency resource statement—Budget estimates for 2013–14 as at Budget May 2013

Source	Estimate of prior year amounts available in 2013–14 $'000	+	Proposed at Budget 2013–14 $'000	=	Total estimate 2013–14 $'000	Actual available appropriation 2012–13 $'000
Opening balance/reserves at bank	**10,246**		**–**		**10,246**	**11,845**
REVENUE FROM GOVERNMENT						
Ordinary annual services[1]						
Outcome 1: To interpret and uphold the Australian Constitution and perform the functions of the ultimate appellate Court in Australia[2]	–		16,749		16,749	15,821
Total ordinary annual services	**–**		**16,749**		**16,749**	**15,821**
Other services[3]						
Non-operating	–		1,450		1,450	1,450
Total other services	**–**		**1,450**		**1,450**	**1,450**
Total annual appropriations	**–**		**18,199**		**18,199**	**17,271**
Total funds from government			**18,199**		**18,199**	**17,271**
FUNDS FROM OTHER SOURCES						
Interest	–		410		410	510
Sale of goods and services	–		165		165	165
Other	–		55		55	55
Total	**–**		**630**		**630**	**730**
Total net resourcing for agency	**10,246**		**18,829**		**29,075**	**29,846**

All figures are GST exclusive.
The High Court is neither a prescribed agency under the *Financial Management and Accountability Act 1997* nor a statutory authority under the *Commonwealth Authorities and Companies Act 1997*. Consequently, tables for the High Court may differ from the standard tables for FMA Act or CAC Act bodies.
1. Appropriation Bill (No. 1) 2013–14.
2. Includes an amount of $3.353m in 2013–14 for the departmental capital budget (see Table 3.2.5 for further details). For accounting purposes this amount has been designated as 'contributions by owners'.
3. Appropriation Bill (No. 2) 2013–14.

1.3 BUDGET MEASURES

Budget measures announced since the 2012–13 Mid-Year Economic and Fiscal Outlook (MYEFO) relating to the High Court are detailed in Budget Paper No. 2 and are summarised in Part 1 of Table 1.2. MYEFO measures not previously reported in a portfolio statement are summarised in Part 2.

Table 1.2: Agency 2013–14 Budget measures

Part 1: Measures announced since the 2012–13 MYEFO

	Program	2012–13 $'000	2013–14 $'000	2014–15 $'000	2015–16 $'000	2016–17 $'000
Expense measures						
Attorney-General's Portfolio savings—redirection	1.1					
Departmental expenses		–	(22)	(22)	(22)	(23)
Total expense measures		**–**	**(22)**	**(22)**	**(22)**	**(23)**

Prepared on a Government Finance Statistics (fiscal) basis.

Part 2: MYEFO measures not previously reported in a portfolio statement

	Program	2012–13 $'000	2013–14 $'000	2014–15 $'000	2015–16 $'000	2016–17 $'000
Expense measures						
Targeted savings—public service efficiencies	1.1					
Departmental expenses		–	(33)	(14)	(6)	–
Fire Services Levy—reduction						
Departmental expenses	1.1	(94)	(98)	(103)	(103)	–
Total expense measures		**(94)**	**(131)**	**(117)**	**(109)**	**–**

Prepared on a Government Finance Statistics (fiscal) basis.

Section 2: Outcomes and planned performance

2.1 OUTCOMES AND PERFORMANCE INFORMATION

Government outcomes are the intended results, impacts or consequences of actions by the government on the Australian community. Commonwealth programs are the primary vehicle by which government agencies achieve the intended results of their outcome statements. Agencies are required to identify the programs that contribute to government outcomes over the budget and forward years.

The High Court's outcome is described below together with its related program. The outcome does not include judicial salaries and allowances. These are administered by the Attorney-General's Department through a drawing right on a special appropriation held by the Australian Public Service Commission.

Outcome 1: To interpret and uphold the Australian Constitution and perform the functions of the ultimate appellate Court of Australia

Outcome 1 expense statement

Table 2.1 provides an overview of the total expenses for Outcome 1, by program.

Table 2.1: Budgeted expenses for Outcome 1

Outcome 1: To interpret and uphold the Australian Constitution and perform the functions of the ultimate appellate Court in Australia	2012–13 Estimated actual expenses $'000	2013–14 Estimated expenses $'000
Program 1.1: High Court Business		
Revenue from government		
Ordinary annual services (Appropriation Bill No. 1)	13,401	13,396
Revenues from other independent sources	730	630
Expenses not requiring appropriation in the budget year[1]	6,252	6,320
Total expenses for Outcome 1	**20,383**	**20,346**

	2012–13	2013–14
Average staffing level (number)	81	82

Note: Departmental appropriation splits and totals are indicative estimates and may change in the course of the budget year as government priorities change.
1. Expenses not requiring appropriation in the budget year are made up of $4.517m in depreciation and amortisation expenses and $1.803m in goods and services received free of charge.

Contributions to Outcome 1

Program 1.1: High Court Business

Program 1.1 objective

The program objective is to interpret and uphold the Australian Constitution and perform the functions of the ultimate appellate court in Australia.

Program 1.1 expenses

The expenses attributable to the High Court's program are estimated to remain relatively constant over the forward years.

	2012–13 Revised budget $'000	2013–14 Budget $'000	2014–15 Forward year 1 $'000	2015–16 Forward year 2 $'000	2016–17 Forward year 3 $'000
Annual departmental expenses					
Departmental item	14,131	14,026	14,112	14,261	14,513
Expenses not requiring appropriation in the budget year[1]	6,252	6,320	6,422	6,471	6,280
Total program expenses	**20,383**	**20,346**	**20,534**	**20,732**	**20,793**

1. Expenses not requiring appropriation in the budget year are made up of depreciation and amortisation expenses and goods and services received free of charge.

Program 1.1 deliverables

The High Court decides cases arising in its original and appellate jurisdictions.

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 2013–14 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.

3.1 EXPLANATORY TABLES

3.1.1 Movement of administered funds between years

The High Court has not moved any administered funds between years.

3.1.2 Special accounts

The High Court has no special accounts.

3.1.3 Australian Government Indigenous expenditure

The High Court has no Indigenous-specific expenses.

3.2 BUDGETED FINANCIAL STATEMENTS

3.2.1 Differences in agency resourcing and financial statements

There is no material difference between the agency resourcing and financial statements.

3.2.2 Analysis of budgeted financial statements

Comprehensive income statement

The budgeted net cost of services for 2013–14 is $17.913m, an increase of $0.045m from the estimate for 2012–13.

Total budgeted operating expenses for 2013–14 are $20.346m, which is broadly consistent with the estimated total operating expenditure for 2012–13.

Own-source income for 2013–14 is expected to be $2.433m, a decrease of $0.082m from the estimate for 2012–13. The decrease reflects a decline in interest revenue due to a reduction in the High Court's cash holdings from the finalisation of major capital works in the High Court precinct.

Revenue from government for 2013–14 is budgeted at $13.396m, a decrease of $0.005m from the 2012–13 estimated actual. The decrease is a result of the impact of the savings measures. Marginal increases across the forward estimates are the net result of adjustments in indexation and the efficiency dividend. Revenue in 2016–17 has not been affected by the Fire Services Levy adjustment.

Budgeted departmental balance sheet

The value of the High Court's net assets will increase by $0.286m to $225.031m in 2013–14. The increase is the net result of the equity injection of $4.803m for capital purchases and the 2013–14 operating deficit of $4.517m.

3.2.3 Budgeted financial statements tables

Departmental

Table 3.2.1: Comprehensive income statement (showing net cost of services) for the period ended 30 June

	Estimated actual 2012–13 $'000	Budget estimate 2013–14 $'000	Forward estimate 2014–15 $'000	Forward estimate 2015–16 $'000	Forward estimate 2016–17 $'000
EXPENSES					
Employee benefits	8,524	8,653	8,743	8,833	8,898
Supplier expenses	7,392	7,176	7,189	7,280	7,445
Depreciation and amortisation	4,467	4,517	4,602	4,619	4,450
Total expenses	**20,383**	**20,346**	**20,534**	**20,732**	**20,793**
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	165	165	165	170	175
Interest	510	410	360	360	350
Other	55	55	60	60	60
Total own-source revenue	**730**	**630**	**585**	**590**	**585**
Gains					
Resources received free of charge	1,785	1,803	1,820	1,852	1,830
Total gains	**1,785**	**1,803**	**1,820**	**1,852**	**1,830**
Total own-source income	**2,515**	**2,433**	**2,405**	**2,442**	**2,415**
Net cost of (contribution by) services	**17,868**	**17,913**	**18,129**	**18,290**	**18,378**
Revenue from government	13,401	13,396	13,527	13,671	13,928
Surplus (deficit) attributable to the Australian Government	**(4,467)**	**(4,517)**	**(4,602)**	**(4,619)**	**(4,450)**
OTHER COMPREHENSIVE INCOME					
Changes in asset revaluation surplus	–	–	–	–	–
Total other comprehensive income	**–**	**–**	**–**	**–**	**–**
Total comprehensive income (loss)	**(4,467)**	**(4,517)**	**(4,602)**	**(4,619)**	**(4,450)**
Total comprehensive income (loss) attributable to the Australian Government	**(4,467)**	**(4,517)**	**(4,602)**	**(4,619)**	**(4,450)**

Note: Impact of net cash appropriation arrangements	2012–13 $'000	2013–14 $'000	2014–15 $'000	2015–16 $'000	2016–17 $'000
Total comprehensive income (loss) excluding depreciation/amortisation expenses previously funded through revenue appropriations	**–**	**–**	**–**	**–**	**–**
Less depreciation/amortisation expenses previously funded through revenue appropriations	4,467	4,517	4,602	4,619	4,450
Total comprehensive income (loss) as per the statement of comprehensive income	**(4,467)**	**(4,517)**	**(4,602)**	**(4,619)**	**(4,450)**

Prepared on Australian Accounting Standards basis.

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

	Estimated actual 2012–13 $'000	Budget estimate 2013–14 $'000	Forward estimate 2014–15 $'000	Forward estimate 2015–16 $'000	Forward estimate 2016–17 $'000
ASSETS					
Financial assets					
Cash and cash equivalents	3,106	3,129	3,129	3,129	3,129
Trade and other receivables	179	178	178	178	178
Other investments	7,140	3,355	2,132	1,779	1,975
Total financial assets	**10,425**	**6,662**	**5,439**	**5,086**	**5,282**
Non-financial assets					
Land and buildings	195,786	197,557	196,575	195,551	194,158
Property, plant and equipment	17,563	19,330	20,812	21,462	22,152
Intangibles	252	652	802	952	1,102
Heritage and cultural assets	3,625	3,725	3,725	3,725	3,725
Other non-financial assets	70	80	90	100	100
Total non-financial assets	**217,296**	**221,344**	**222,004**	**221,790**	**221,237**
Total assets	**227,721**	**228,006**	**227,443**	**226,876**	**226,519**
LIABILITIES					
Payables					
Suppliers	139	128	128	128	128
Other payables	299	299	299	299	299
Total payables	**438**	**427**	**427**	**427**	**427**
Provisions					
Employee provisions	2,538	2,548	2,558	2,568	2,568
Total provisions	**2,538**	**2,548**	**2,558**	**2,568**	**2,568**
Total liabilities	**2,976**	**2,975**	**2,985**	**2,995**	**2,995**
Net assets	**224,745**	**225,031**	**224,458**	**223,881**	**223,524**
EQUITY					
Parent entity interest					
Contributed equity	74,752	79,555	83,584	87,626	91,719
Reserves	168,252	168,252	168,252	168,252	168,252
Retained surplus (accumulated deficit)	(18,259)	(22,776)	(27,378)	(31,997)	(36,447)
Total parent entity interest	**224,745**	**225,031**	**224,458**	**223,881**	**223,524**
Total equity	**224,745**	**225,031**	**224,458**	**223,881**	**223,524**

Prepared on Australian Accounting Standards basis.

Table 3.2.3: Departmental statement of changes in equity—summary of movement (budget year 2013–14)

	Retained earnings $'000	Asset revaluation reserve $'000	Contributed equity/ capital $'000	Total equity $'000
Opening balance as at 1 July 2013				
Balance carried forward from previous period	(18,259)	168,252	74,752	224,745
Adjustment for changes in accounting policies	–	–	–	–
Adjusted opening balance	**(18,259)**	**168,252**	**74,752**	**224,745**
Comprehensive income				
Surplus (deficit) for the period	(4,517)	–	–	(4,517)
Total comprehensive income	**(22,776)**	**168,252**	**74,752**	**220,228**
Of which:				
Attributable to the Australian Government	(22,776)	168,252	74,752	220,228
Transactions with owners				
Contributions by owners				
Equity injection	–	–	1,450	1,450
Departmental capital budget	–	–	3,353	3,353
Sub-total transactions with owners	**–**	**–**	**4,803**	**4,803**
Estimated closing balance as at 30 June 2014	**(22,776)**	**168,252**	**79,555**	**225,031**
Closing balance attributable to the Australian Government	**(22,776)**	**168,252**	**79,555**	**225,031**

Prepared on Australian Accounting Standards basis.

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

	Estimated actual 2012–13 $'000	Budget estimate 2013–14 $'000	Forward estimate 2014–15 $'000	Forward estimate 2015–16 $'000	Forward estimate 2016–17 $'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	13,401	13,396	13,527	13,671	13,928
Sale of goods and rendering of services	165	165	165	170	175
Interest	510	410	360	360	350
Net GST received	770	770	770	800	800
Other	55	55	60	60	60
Total cash received	**14,901**	**14,796**	**14,882**	**15,061**	**15,313**
Cash used					
Employees	8,644	8,773	8,863	8,953	9,018
Suppliers	5,486	5,263	5,249	5,308	5,495
Net GST paid	770	770	770	800	800
Total cash used	**14,900**	**14,806**	**14,882**	**15,061**	**15,313**
Net cash from (used by) operating activities	**1**	**(10)**	**–**	**–**	**–**
INVESTING ACTIVITIES					
Cash received					
Investments	1,950	3,785	1,223	353	–
Total cash received	**1,950**	**3,785**	**1,223**	**353**	**–**
Cash used					
Purchase of property, plant and equipment	5,470	8,555	5,252	4,395	3,897
Investments	–	–	–	–	196
Total cash used	**5,470**	**8,555**	**5,252**	**4,395**	**4,093**
Net cash from (used by) investing activities	**(3,520)**	**(4,770)**	**(4,029)**	**(4,042)**	**(4,093)**
FINANCING ACTIVITIES					
Cash received					
Contributed equity	3,870	4,803	4,029	4,042	4,093
Total cash received	**3,870**	**4,803**	**4,029**	**4,042**	**4,093**
Net cash from (used by) financing activities	**3,870**	**4,803**	**4,029**	**4,042**	**4,093**
Net increase (decrease) in cash held	**351**	**23**	**–**	**–**	**–**
Cash and cash equivalents at the beginning of the reporting period	2,755	3,106	3,129	3,129	3,129
Cash and cash equivalents at the end of the reporting period	**3,106**	**3,129**	**3,129**	**3,129**	**3,129**

Prepared on Australian Accounting Standards basis.

Table 3.2.5: Departmental capital budget statement

	Estimated actual 2012–13 $'000	Budget estimate 2013–14 $'000	Forward estimate 2014–15 $'000	Forward estimate 2015–16 $'000	Forward estimate 2016–17 $'000
NEW CAPITAL APPROPRIATIONS					
Capital budgets—Bill 1 (DCB)	2,420	3,353	2,579	2,592	2,643
Equity injections—Bill 2	1,450	1,450	1,450	1,450	1,450
Total new capital appropriations	**3,870**	**4,803**	**4,029**	**4,042**	**4,093**
Provided for:					
Purchase of non-financial assets	3,870	4,803	4,029	4,042	4,093
Total items	**3,870**	**4,803**	**4,029**	**4,042**	**4,093**
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations[1]	1,950	3,346	1,450	1,450	1,450
Funded by capital appropriation—DCB[2]	3,520	5,209	3,802	2,945	2,447
Total	**5,470**	**8,555**	**5,252**	**4,395**	**3,897**
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	5,470	8,555	5,252	4,395	3,897
Total cash used to acquire assets	**5,470**	**8,555**	**5,252**	**4,395**	**3,897**

Prepared on Australian Accounting Standards basis.
DCB = departmental capital budget.
1. Includes both current Bill 2 and prior year Act 2, 4 and 6 appropriations and special capital appropriations.
2. Does not include annual finance lease costs. Includes purchases from current and previous years' departmental capital budgets.

Table 3.2.6: Statement of asset movements (2013–14)

	Land $'000	Buildings $'000	Other property, plant & equipment $'000	Heritage & cultural $'000	Computer software & intangibles $'000	Total $'000
As at 1 July 2013						
Gross book value	8,925	190,344	19,226	3,625	972	223,092
Accumulated depreciation/ amortisation and impairment	–	(3,483)	(1,663)	–	(720)	(5,866)
Opening net book balance	**8,925**	**186,861**	**17,563**	**3,625**	**252**	**217,226**
CAPITAL ASSET ADDITIONS						
Estimated expenditure on new or replacement assets						
By purchase—appropriation equity[1]	–	1,896	1,450	–	–	3,346
By purchase—appropriation ordinary annual services[2]	–	3,294	1,315	100	500	5,209
Total additions	**–**	**5,190**	**2,765**	**100**	**500**	**8,555**
Other movements						
Depreciation/amortisation expense	–	(3,419)	(998)	–	(100)	(4,517)
Total other movements	**–**	**(3,419)**	**(998)**	**–**	**(100)**	**(4,517)**
As at 30 June 2014						
Gross book value	8,925	195,534	21,991	3,725	1,472	231,647
Accumulated depreciation/ amortisation and impairment	–	(6,902)	(2,661)	–	(820)	(10,383)
Closing net book balance	**8,925**	**188,632**	**19,330**	**3,725**	**652**	**221,264**

Prepared on Australian Accounting Standards basis.
1. 'Appropriation equity' refers to equity injections or administered assets and liabilities appropriations provided through Appropriation Bill (No. 2) 2013–14.
2. 'Appropriation ordinary annual services' refers to funding provided through Appropriation Bill (No. 1) 2013–14 for depreciation and amortisation expenses, departmental capital budgets or other operational expenses.

Administered

Table 3.2.7: Schedule of budgeted income and expenses administered on behalf of government (for the period ended 30 June)

	Estimated actual 2012–13 $'000	Budget estimate 2013–14 $'000	Forward estimate 2014–15 $'000	Forward estimate 2015–16 $'000	Forward estimate 2016–17 $'000
EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT					
Total expenses administered on behalf of government	**–**	**–**	**–**	**–**	**–**
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Non-taxation revenue					
Sale of goods and rendering of services	1,584	1,802	1,829	1,834	1,840
Total non-taxation revenue	**1,584**	**1,802**	**1,829**	**1,834**	**1,840**
Total own-source revenue administered on behalf of government	**1,584**	**1,802**	**1,829**	**1,834**	**1,840**
Total own-source income administered on behalf of government	**1,584**	**1,802**	**1,829**	**1,834**	**1,840**
Net cost of (contribution by) services	**(1,584)**	**(1,802)**	**(1,829)**	**(1,834)**	**(1,840)**
Surplus (deficit)	**1,584**	**1,802**	**1,829**	**1,834**	**1,840**
Total comprehensive income (loss)	**1,584**	**1,802**	**1,829**	**1,834**	**1,840**

Prepared on Australian Accounting Standards basis.

Table 3.2.8: Schedule of budgeted assets and liabilities administered on behalf of government (as at 30 June)

The High Court has no assets or liabilities administered on behalf of government.

Table 3.2.9: Schedule of budgeted administered cash flows (for the period ended 30 June)

	Estimated actual 2012–13 $'000	Budget estimate 2013–14 $'000	Forward estimate 2014–15 $'000	Forward estimate 2015–16 $'000	Forward estimate 2016–17 $'000
OPERATING ACTIVITIES					
Cash received					
Sales of goods and rendering of services	1,584	1,802	1,829	1,834	1,840
Total cash received	**1,584**	**1,802**	**1,829**	**1,834**	**1,840**
Net cash from (used by) operating activities	**1,584**	**1,802**	**1,829**	**1,834**	**1,840**
Net increase (decrease) in cash held	**1,584**	**1,802**	**1,829**	**1,834**	**1,840**
Cash and cash equivalents at the beginning of the reporting period	–	–	–	–	–
Cash to Official Public Account for:					
Other	(1,584)	(1,802)	(1,829)	(1,834)	(1,840)
Cash and cash equivalents at the end of the reporting period	**–**	**–**	**–**	**–**	**–**

Prepared on Australian Accounting Standards basis.

3.2.4 Notes to the financial statements

Basis of accounting

The budgeted financial statements have been prepared on an accrual basis, having regard to Statements of Accounting Concepts, and in accordance with the Finance Minister's Orders, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board.

Revenue from government

Appropriations for ordinary annual services are recognised as revenue.

Appropriations for the departmental capital budget are recognised as equity injections.

Gains—resources free of charge

Resources free of charge are recognised as gains when the service would have been purchased if it had not been donated. Use of those resources is recognised as an expense.

Sale of goods and services

Sales of goods and services consist of subscriptions to High Court judgments and transcripts, room hire to legal practitioners and other minor revenue.

Employee expenses

Employee expenses consist of salaries, allowances, superannuation and leave entitlements.

Supplier expenses

Supplier expenses consist of travel expenses, communications, consultant and contractor costs, and other administrative costs.

Cash

Cash includes cash on hand, funds on deposit and highly liquid investments that are readily convertible to known amounts of cash.

Assets and liabilities

Assets include land and buildings, interest receivable on cash reserves, sundry debtors and prepaid expenses. Liabilities include creditors and payables, unearned income and employee provisions.

Administered revenue

Administered revenue comprises fees and charges collected in accordance with Schedule 1 of the *High Court of Australia (Fees) Regulations 2004*. The fees and charges collected are transferred to consolidated revenue.

INSOLVENCY AND TRUSTEE SERVICE AUSTRALIA

Section 1: Agency overview and resources

1.1 STRATEGIC DIRECTION STATEMENT

The Insolvency and Trustee Service Australia's (ITSA's) purpose is to provide improved and equitable financial outcomes for consumers, business and the community through application of bankruptcy and personal property securities laws, regulation of personal insolvency practitioners, and trustee services.

The services provided by ITSA include:

- ensuring compliance by debtors, bankrupts and their associates, practitioners and others with the requirements of the *Bankruptcy Act 1966* and associated legislation by:
  - operating the bankruptcy registry where debtor's petitions are lodged, debt agreement proposals are processed and public records on insolvency are maintained
  - exercising Official Receiver powers to assist trustees to obtain information and recover property, and
  - investigating possible offences under the *Bankruptcy Act 1966* and preparing briefs of evidence for prosecution
- regulating the administrations and activity of trustees and debt agreement administrators
- administering, as the Official Trustee, personal bankruptcies, debt agreements and personal insolvency agreements when private bankruptcy trustees or other administrators are not appointed
- acting as a special trustee for Australian Government agencies pursuant to court orders, particularly by locating, controlling and selling property under the proceeds of crime legislation
- administering a national Personal Property Securities (PPS) Register as required under the *Personal Property Securities Act 2009*, and
- providing information about transacting with the PPS Register.

ITSA's resourcing requirements are directly affected by the levels of personal insolvency and secured lending transaction activity in Australia. Funding supplementation via a demand-driven funding model will ensure a continuation of current levels of service delivery irrespective of the direction and extent of change in personal insolvency or secured lending activity.

To assist with service provision, ITSA also plans to continue its program to maximise the use of technology, including online services, to deliver accessible, consistent and efficient information and services that meet the expectations of consumers, business and the community.

1.2 AGENCY RESOURCE STATEMENT

Table 1.1 shows the total resources from all sources.

Table 1.1: Agency resource statement—Budget estimates for 2013–14 as at Budget May 2013

		Estimate of prior year amounts available in 2013–14 $'000	+	Proposed at Budget 2013–14 $'000	=	Total estimate 2013–14 $'000	Actual available appropriation 2012–13 $'000
ORDINARY ANNUAL SERVICES[1]							
Departmental appropriation							
Prior year departmental appropriation[2]		19,397		–		19,397	18,323
Departmental appropriation[3]		–		49,174		49,174	46,238
s 30 & 31 relevant agency receipts[4]		–		49,840		49,840	47,209
Total ordinary annual services	**A**	**19,397**		**99,014**		**118,411**	**111,770**
OTHER SERVICES							
Departmental non-operating							
Equity injections		–		–		–	96
Total other services	**B**	**–**		**–**		**–**	**96**
Total available annual appropriations		**19,397**		**99,014**		**118,411**	**111,866**
SPECIAL APPROPRIATIONS							
Special appropriations limited by criteria/entitlement							
Financial Management and Accountability Act 1997		–		8		8	9
Total special appropriations	**C**	**–**		**8**		**8**	**9**
Total appropriations excluding special accounts		**19,397**		**99,022**		**118,419**	**111,875**
SPECIAL ACCOUNTS							
Departmental							
Opening balance[5]		174		–		174	174
Non-appropriation receipts to special accounts		–		500		500	500
Total departmental special accounts		**174**		**500**		**674**	**674**

Table 1.1: Agency resource statement—Budget estimates for 2013–14 as at Budget May 2013 (continued)

		Estimate of prior year amounts available in 2013–14 $'000	+	Proposed at Budget 2013–14 $'000	=	Total estimate 2013–14 $'000	Actual available appropriation 2012–13 $'000
Administered							
Opening balance[5]		60,550		–		60,550	39,350
Appropriation receipts[6]		–		24,500		24,500	24,500
Non-appropriation receipts to special accounts		–		650		650	650
Total administered special accounts		**60,550**		**25,150**		**85,700**	**64,500**
Total special accounts	**D**	**60,724**		**25,650**		**86,374**	**65,174**
Total resourcing (A+B+C+D)		**80,121**		**124,672**		**204,793**	**177,049**
Less appropriations drawn from annual or special appropriations above and credited to special accounts		–		24,500		24,500	24,500
Total net resourcing for agency		**80,121**		**100,172**		**180,293**	**152,549**

All figures are GST exclusive.
1. Appropriation Bill (No. 1) 2013–14.
2. Estimated adjusted balance carried forward from previous year.
3. Includes an amount of $2.135m in 2013–14 for the departmental capital budget (see Table 3.2.5 for further details). For accounting purposes this amount has been designated as 'contributions by owners'.
4. Section 30 and 31 relevant agency receipts—estimate.
5. Estimated opening balance for special accounts (less 'special public money' held in a Services for Other Entities and Trust Moneys Special Account). For further details on special accounts, see Table 3.1.2(a).
6. Appropriation receipts from ITSA annual and special appropriations for 2013–14 included above.

1.3 BUDGET MEASURES

Budget measures announced since the 2012–13 Mid-Year Economic and Fiscal Outlook (MYEFO) relating to ITSA are detailed in Budget Paper No. 2 and are summarised in Part 1 of Table 1.2. MYEFO measures not previously reported in a portfolio statement are summarised in Part 2.

Table 1.2: Agency 2013–14 Budget measures

Part 1: Measures announced since the 2012–13 MYEFO

	Program	2012–13 $'000	2013–14 $'000	2014–15 $'000	2015–16 $'000	2016–17 $'000
Expense measures						
Attorney-General's Portfolio savings—redirection	1.1					
Departmental expenses		–	(76)	(79)	(83)	(85)
Addressing gang violence and organised crime—waterfront taskforces	1.1					
Administered expenses		–	5,600	–	–	–
Total expense measures						
Administered		–	5,600	–	–	–
Departmental		–	(76)	(79)	(83)	(85)
Total		**–**	**5,524**	**(79)**	**(83)**	**(85)**

Prepared on a Government Finance Statistics (fiscal) basis.

Part 2: MYEFO measures not previously reported in a portfolio statement

	Program	2012–13 $'000	2013–14 $'000	2014–15 $'000	2015–16 $'000	2016–17 $'000
Expense measures						
Targeted savings—public service efficiencies	1.1					
Departmental expenses		(161)	(242)	(248)	(255)	(121)
Total expense measures		**(161)**	**(242)**	**(248)**	**(255)**	**(121)**

Prepared on a Government Finance Statistics (fiscal) basis.

Section 2: Outcomes and planned performance

2.1 OUTCOMES AND PERFORMANCE INFORMATION

Government outcomes are the intended results, impacts or consequences of actions by the government on the Australian community. Commonwealth programs are the primary vehicle by which government agencies achieve the intended results of their outcome statements. Agencies are required to identify the programs that contribute to government outcomes over the budget and forward years.

ITSA's outcome is described below together with its related programs, specifying the performance indicators and targets used to assess and monitor the performance of ITSA in achieving government outcomes.

Outcome 1: Improved and equitable financial outcomes for consumers, business and the community through application of bankruptcy and personal property securities laws, regulation of personal insolvency practitioners, and trustee services

Outcome 1 strategy

The strategy for Outcome 1 is outlined in ITSA's strategic direction statement for 2013–14 in section 1.1.

To allow ITSA to manage its personal insolvency and trustee services responsibilities and its PPS responsibilities, two separate programs have been established under Outcome 1.

ITSA also operates under cost-recovery arrangements. Fees and charges raised for personal insolvency and trustee services are returned to the Consolidated Revenue Fund. ITSA expects to collect $41.227m for those services in 2013–14. Fees and charges raised for PPS services directly fund the operation of the PPS program (program 1.2), and are expected to total $48.436m in 2013–14.

A combined review of ITSA's fees and charges for personal insolvency and PPS services is currently underway and is expected to be finalised by June 2013.

Each cost-recovery review results in a cost-recovery impact statement. These statements are available on ITSA's website, www.itsa.gov.au. The PPS impact statement is available on the PPS website, www.ppsr.gov.au.

Outcome 1 expense statement

Table 2.1 provides an overview of the total expenses for Outcome 1, by program.

Table 2.1: Budgeted expenses for Outcome 1

Outcome 1: Improved and equitable financial outcomes for consumers, business and the community through application of bankruptcy and personal property securities laws, regulation of personal insolvency practitioners, and trustee services	2012–13 Estimated actual expenses $'000	2013–14 Estimated expenses $'000
Program 1.1: Personal Insolvency and Trustee Services		
Administered expenses		
Special accounts	3,300	28,800
Departmental expenses		
Departmental appropriation[1]	45,485	48,443
Expenses not requiring appropriation in the budget year[2]	3,066	4,249
Total for Program 1.1	**51,851**	**81,492**
Program 1.2: Operation of a National Register of Security Interests in Personal Property		
Departmental expenses		
Departmental appropriation[1]	34,886	37,471
Total for Program 1.2	**34,886**	**37,471**
Outcome 1 totals by appropriation type		
Administered expenses		
Special accounts	3,300	28,800
Departmental expenses		
Departmental appropriation	80,371	85,914
Expenses not requiring appropriation in the budget year	3,066	4,249
Total expenses for Outcome 1	**86,737**	**118,963**

	2012–13	2013–14
Average staffing level (number)	420	420

Note: Departmental appropriation splits and totals are indicative estimates and may change in the course of the budget year as government priorities change.
1. Departmental appropriation combines 'Ordinary annual services (Appropriation Bill No. 1)' and 'Revenue from independent sources (sections 30 & 31)'.
2. Expenses not requiring appropriation in the budget year are made up of depreciation and amortisation, write-down and impairment of assets, and audit fees.

Contributions to Outcome 1

Program 1.1: Personal Insolvency and Trustee Services

Program 1.1 objective

ITSA will:

- ensure compliance by debtors, creditors, insolvency practitioners and others with the requirements of the *Bankruptcy Act 1966* and associated legislation through information, registry and enforcement functions
- regulate insolvency practitioners
- administer, as the Official Trustee, personal administrations when registered practitioners are not appointed, and
- act as a special trustee for Australian Government agencies, pursuant to court orders, particularly by locating, controlling and selling property under the proceeds of crime legislation.

Program 1.1 expenses

ITSA's expenditure reflects appropriation funding for the delivery of personal insolvency and trustee services for 2013–14.

Appropriation funding has been provided based on a demand-driven funding model through a resource agreement agreed with the Department of Finance and Deregulation, which recognises the long-term changes in externally driven workload under the *Bankruptcy Act 1966*.

Note that under the resource agreement the financial impacts in the forward years will be influenced by emerging trends in numbers of personal insolvencies. Emerging trends will differ from year to year, resulting in a change to the quantum of funding provided.

	2012–13 Revised budget $'000	2013–14 Budget $'000	2014–15 Forward year 1 $'000	2015–16 Forward year 2 $'000	2016–17 Forward year 3 $'000
Annual administered expenses					
Confiscated Assets Account	3,300	28,800	23,200	15,300	15,000
Annual departmental expenses					
Ordinary annual services (Appropriation Bill No. 1)	44,119	47,039	48,353	50,633	52,028
Revenue from independent sources (sections 30 & 31)	1,366	1,404	1,476	1,567	1,645
Expenses not requiring appropriation in the budget year[1]	3,066	4,249	4,163	4,333	4,332
Total program expenses	**51,851**	**81,492**	**77,192**	**71,833**	**73,005**

1. Expenses not requiring appropriation in the budget year are made up of depreciation and amortisation, write-down and impairment of assets, and audit fees.

Program 1.1 components

1.1.1: An efficient information and registry service

The registry service assists debtors in making informed decisions on options to deal with unmanageable debt. Where debtors decide to seek relief through formal insolvency options under the *Bankruptcy Act 1966*, there is an efficient registry service that processes insolvency applications and maintains the National Personal Insolvency Index.

1.1.2: An effective regulatory framework for insolvency practitioners

The regulatory responsibilities of the Inspector-General in Bankruptcy aim to ensure high national standards of personal insolvency practice and procedure. Both groups of private practitioners (bankruptcy trustees and debt agreement administrators) and ITSA's trustee function (the Official Trustee) are regulated.

1.1.3: Administration of insolvent estates where private insolvency practitioners are not appointed

Australia's personal insolvency system operates on the basis that a practitioner is appointed in every administration under the *Bankruptcy Act 1966*. When a private practitioner is not appointed, the Official Trustee handles the matter, with ITSA appropriately resourcing the Official Trustee's work.

1.1.4: Investigation of Bankruptcy Act offences

ITSA is responsible for investigating alleged offences under the *Bankruptcy Act 1966* and specified sections of the *Criminal Code Act 1995*. Enforcement strategies include encouraging individuals to comply with the *Bankruptcy Act 1966* and, when necessary, forwarding briefs of evidence to the Commonwealth Director of Public Prosecutions.

1.1.5: Administration of proceeds of crime property

The Official Trustee administers property that is the subject of orders made under the *Proceeds of Crime Act 1987*, the *Proceeds of Crime Act 2002*, the *Customs Act 1901* and the *Crimes Act 1914*. The Official Trustee is the custodian of restrained property and disposes of both forfeited property and property available to satisfy pecuniary penalty orders.

Program 1.1 components (continued)

	2012–13 Revised budget $'000	2013–14 Budget $'000	2014–15 Forward year 1 $'000	2015–16 Forward year 2 $'000	2016–17 Forward year 3 $'000
Component 1.1.1					
Annual departmental expenses					
Ordinary annual services (Appropriation Bill No. 1)	15,883	16,934	17,407	18,228	18,730
Revenue from independent sources (sections 30 & 31)	492	505	531	564	591
Total component expenses	**16,375**	**17,439**	**17,938**	**18,792**	**19,321**
Component 1.1.2					
Annual departmental expenses					
Ordinary annual services (Appropriation Bill No. 1)	4,853	5,174	5,319	5,570	5,723
Revenue from independent sources (sections 30 & 31)	150	155	162	172	181
Total component expenses	**5,003**	**5,329**	**5,481**	**5,742**	**5,904**
Component 1.1.3					
Annual departmental expenses					
Ordinary annual services (Appropriation Bill No. 1)	18,089	19,286	19,825	20,760	21,332
Revenue from independent sources (sections 30 & 31)	560	576	605	642	674
Total component expenses	**18,649**	**19,862**	**20,430**	**21,402**	**22,006**
Component 1.1.4					
Annual departmental expenses					
Ordinary annual services (Appropriation Bill No. 1)	3,971	4,234	4,352	4,557	4,683
Revenue from independent sources (sections 30 & 31)	123	126	133	141	148
Total component expenses	**4,094**	**4,360**	**4,485**	**4,698**	**4,831**
Component 1.1.5					
Annual administered expenses					
Confiscated Assets Account	3,300	28,800	23,200	15,300	15,000
Annual departmental expenses					
Ordinary annual services (Appropriation Bill No. 1)	1,324	1,411	1,451	1,519	1,561
Revenue from independent sources (sections 30 & 31)	41	42	44	47	49
Total component expenses	**4,665**	**30,253**	**24,695**	**16,866**	**16,610**
Expenses not requiring appropriation in the budget year	3,066	4,249	4,163	4,333	4,332
Total program expenses	**51,851**	**81,492**	**77,192**	**71,833**	**73,005**

Program 1.1 deliverables

1.1.1: An efficient information and registry service

- Timely and relevant information given to clients about options to deal with unmanageable debt and insolvency processes.
- Assessment of applications for personal insolvency administrations and the issuance of notices for commencement of insolvency proceedings.
- Maintenance of a register of personal insolvency administrations (National Personal Insolvency Index) which supports the community to make informed commercial decisions.

1.1.2: An effective regulatory framework for insolvency practitioners

- Planned inspection program covering all personal insolvency practitioners finds generally high standards of practice and no systemic issues.
- Review of decisions by, and complaints against, insolvency practitioners.
- Registration and de-registration of insolvency practitioners to maintain high standards in practice.

1.1.3: Administration of insolvent estates where private insolvency practitioners are not appointed

- Reports provided to debtors, creditors and bankrupts.
- Collection of monies to facilitate payment of dividends to creditors.
- Ensuring that bankrupts comply with their statutory responsibilities.
- Quality investigation of the financial affairs of the bankrupt.

1.1.4: Investigation of Bankruptcy Act offences

- Investigation of alleged offences under the Bankruptcy Act.

1.1.5: Administration of proceeds of crime property

- Control and administration of property pursuant to court orders.
- Maintenance of the Confiscated Assets Account in accordance with relevant requirements.

Program 1.1 key performance indicators

1.1.1: An efficient information and registry service

- Website information is current and accurate. Periodic educational publications, seminars and training occurs for stakeholders.
- New applications are assessed and registered in a timely manner in order to maintain the integrity of the National Personal Insolvency Index.
- The National Personal Insolvency Index is current and accurate, supporting commercial decision making.

1.1.2: An effective regulatory framework for insolvency practitioners

- Achievement of target inspection program.
- Complaints are handled and statutory reviews completed within 60 days.
- Only suitably qualified people are registered as insolvency practitioners.

1.1.3: Administration of insolvent estates where private insolvency practitioners are not appointed

- Quality reports are issued as required by the Bankruptcy Act and standards.
- Personal insolvencies are managed efficiently and effectively with appropriate investigations and quality outcomes.
- Realisations are achieved and dividends paid in a timely manner.

1.1.4: Investigation of Bankruptcy Act offences

- Alleged non-compliance and misconduct are addressed in a timely manner, risk-based strategies are employed to address breaches of the Bankruptcy Act and material offences are referred for prosecution action.

1.1.5: Administration of proceeds of crime property

- Action is taken to identify, locate, secure and achieve control or dispose of property in accordance with timeframes contained in court orders, or in any event as soon as practicable after receipt of court orders.

Program 1.2: Operation of a National Register of Security Interests in Personal Property

Program 1.2 objective

ITSA will:

- operate a national online Personal Property Securities (PPS) Register as required under the *Personal Property Securities Act 2009*, and
- provide information about the PPS Register and searching of the PPS Register through ITSA's National Service Centre.

Program 1.2 expenses

ITSA's expenditure reflects the fees and charges raised from transactions and activities relating to the administration of the PPS Register. The fees and charges include an allowance for the repayment of funding provided in the 2010–11 and 2011–12 budgets for the completion of the establishment of the PPS Register. That funding was provided on the basis that it will be repaid over the first four years of operation of the PPS Register.

	2012–13 Revised budget $'000	2013–14 Budget $'000	2014–15 Forward year 1 $'000	2015–16 Forward year 2 $'000	2016–17 Forward year 3 $'000
Annual departmental expenses					
Revenue from independent sources (sections 30 & 31)	34,886	37,471	39,724	41,618	44,594
Total program expenses	**34,886**	**37,471**	**39,724**	**41,618**	**44,594**

Program 1.2 components

1.2.1: A Personal Property Securities (PPS) Register and registry services

The national online PPS Register, supported by ITSA's National Service Centre, provides for businesses and individuals to register their security interests over personal property. The PPS Register also allows businesses and individuals to search the register for any security interests that may exist over property they may be interested in purchasing or dealing with.

	2012–13 Revised budget $'000	2013–14 Budget $'000	2014–15 Forward year 1 $'000	2015–16 Forward year 2 $'000	2016–17 Forward year 3 $'000
Component 1.2.1					
Annual departmental expenses					
Revenues from independent sources (sections 30 & 31)	34,886	37,471	39,724	41,618	44,594
Total component expenses	**34,886**	**37,471**	**39,724**	**41,618**	**44,594**

Program 1.2 deliverables

1.2.1: A Personal Property Securities (PPS) Register and registry services

- Operation of an online register of personal property securities which supports informed decision making when dealing with personal property.
- Provision of registry services to facilitate searching of the register by those who are unable to register or search online.

Program 1.2 key performance indicators

1.2.1: A Personal Property Securities (PPS) Register and registry services

- The PPS Register is easily and readily accessible.
- Client satisfaction with the information and registry services as measured by periodic client feedback mechanisms.

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 2013–14 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, special accounts and trust moneys.

3.1 EXPLANATORY TABLES

3.1.1 Movement of administered funds between years

ITSA has not moved any administered funds between years.

3.1.2 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 *Financial Management and Accountability Act 1997* or under separate enabling legislation. Table 3.1.2(a) shows the expected additions (receipts) and reductions (payments) for each account used by ITSA. ITSA also holds trust moneys which are not public moneys, given its trustee role.

Table 3.1.2(a): Estimates of special account flows and balances

	Outcome	Opening balance 2013–14 *2012–13* $'000	Receipts 2013–14 *2012–13* $'000	Payments 2013–14 *2012–13* $'000	Adjustments 2013–14 *2012–13* $'000	Closing balance 2013–14 *2012–13* $'000
Common Investment Fund Equalisation Account—*Bankruptcy Act 1966* s 20G (S)[1]	1	1,369	650	650	–	1,369
	1	*1,369*	*650*	*650*	–	*1,369*
Confiscated Assets Account—*Proceeds of Crime Act 2002* s 295 (A)[2]	1	76,791	24,500	28,800	–	72,491
	1	*55,591*	*24,500*	*3,300*	–	*76,791*
Confiscated Assets Special Account—*Proceeds of Crime Act 1987* s 34A (A)[3]	*1*	*33*	–	–	–	*33*
	1	*33*	–	–	–	*33*
Services for Other Entities and Trust Moneys—*Financial Management Accountability Act 1997* s 20 (S)	1	174	500	500	–	174
	1	*174*	*500*	*500*	–	*174*
Total special accounts 2013–14 Budget estimate		**78,367**	**25,650**	**29,950**	**–**	**74,067**
Total special accounts 2012–13 estimated actual		*57,167*	*25,650*	*4,450*	–	*78,367*

Notes to Table 3.1.2(a):

(A) = Administered; (S) = special public money.

1. The Common Investment Fund Equalisation Account contains interest earned on the Common Investment Fund (moneys received by the Official Trustee when administering bankrupt estates) and is paid to the Consolidated Revenue Fund on a regular basis (usually monthly).

2. The Confiscated Assets Account contains the net proceeds of the sale of assets confiscated under the *Proceeds of Crime Act 2002*. The minister may approve these funds to be expended on measures for crime prevention, law enforcement and drug-related programs. In accordance with the budget measure *Addressing gang violence and organised crime—waterfront taskforces*, there will be a payment of $5.600m in 2013–14.

3. The Confiscated Assets Special Account contains the net proceeds of the sale of assets confiscated under the *Proceeds of Crime Act 1987*. The minister may approve these funds to be expended on measures for crime prevention, law enforcement and drug-related programs.

ITSA fulfils the Official Trustee role under both bankruptcy and proceeds of crime legislation. As a result, it controls assets in a trustee capacity. Assets held in a trustee capacity by the Official Trustee (a separate body corporate) are not public assets or public moneys, nor does the expenditure of moneys held in that capacity amount to special appropriations. Where those assets are realised as part of the administration of bankruptcies, the proceeds are paid into the Common Investment Fund Account (also not public moneys) for subsequent distribution to creditors.

Table 3.1.2(b): Estimates of trust money cash flows and balances

	Outcome	Opening balance 2013–14 *2012–13* $'000	Receipts 2013–14 *2012–13* $'000	Payments 2013–14 *2012–13* $'000	Adjustments 2013–14 *2012–13* $'000	Closing balance 2013–14 *2012–13* $'000
Common Investment Fund Account—*Bankruptcy Act 1966*[1]	1	12,297	151,000	155,000	–	8,297
	1	*17,501*	*153,645*	*158,849*	–	*12,297*
Total trust moneys 2013–14 Budget estimate		**12,297**	**151,000**	**155,000**	**–**	**8,297**
Total trust moneys 2012–13 estimated actual		*17,501*	*153,645*	*158,849*	–	*12,297*

1. The Common Investment Fund Account holds all moneys (other than moneys to which section 20B(8), Division 2 of the *Bankruptcy Act 1966* applies) held by the Official Trustee under the Bankruptcy Act. Moneys in that account are invested under section 20D of the Bankruptcy Act. The movements in the account disclosed in the table include the rollover of investments in 2012–13 and 2013–14.

3.1.3 Australian Government Indigenous expenditure

ITSA has no Indigenous-specific expenses.

3.2 BUDGETED FINANCIAL STATEMENTS

3.2.1 Differences in agency resourcing and financial statements

There is no material difference between the agency resourcing and financial statements.

3.2.2 Analysis of budgeted financial statements

Departmental

There are two key items impacting on the departmental financial statements which create variances between years:

- The 2013–14 Budget provides a demand-driven funding model for ITSA through a resource agreement agreed with the Department of Finance and Deregulation. The resource agreement is based on a continuation of trends in levels of personal insolvency activity evident in the last 10 financial years. Under the resource agreement the financial impacts in the forward years will change according to emerging trends in numbers of personal insolvencies.
- From January 2012, ITSA started the administration of the national PPS Register as required under the *Personal Property Securities Act 2009*. ITSA retains the fees and charges raised to fund operational costs of the PPS function. Fees and charges include an allowance for the future replacement of PPS assets, and include an allowance for the repayment of funding provided in the 2010–11 and 2011–12 budgets for the completion of the establishment of the PPS Register. The funding was provided on the basis that it will be repaid over the first four years of operation of the PPS Register. The repayment represents a return of capital, and is included in the departmental statement of changes in equity (Table 3.2.3). As fees and charges are being raised to fund a return of capital in the first four years of operation, ITSA generates surpluses in these years, followed by a return to a nil surplus in 2015–16 (see Table 3.2.1).

Administered

Changes in revenue over the budget and forward years are in recognition of changes in the bankruptcy workloads.

3.2.3 Budgeted financial statements tables

Departmental

Table 3.2.1: Comprehensive income statement (showing net cost of services) for the period ended 30 June

	Estimated actual 2012–13 $'000	Budget estimate 2013–14 $'000	Forward estimate 2014–15 $'000	Forward estimate 2015–16 $'000	Forward estimate 2016–17 $'000
EXPENSES					
Employee benefits	35,375	36,346	36,062	37,231	38,813
Supplier expenses	37,184	39,754	42,182	44,715	45,951
Depreciation and amortisation	10,862	14,049	15,458	16,193	17,823
Finance costs	16	14	14	12	12
Total expenses	**83,437**	**90,163**	**93,716**	**98,151**	**102,599**
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	47,217	49,840	49,218	43,185	46,239
Total own-source revenue	**47,217**	**49,840**	**49,218**	**43,185**	**46,239**
Gains					
Other	213	222	222	226	226
Total gains	**213**	**222**	**222**	**226**	**226**
Total own-source income	**47,430**	**50,062**	**49,440**	**43,411**	**46,465**
Net cost of (contribution by) services	**36,007**	**40,101**	**44,276**	**54,740**	**56,134**
Revenue from government	44,119	47,039	48,353	50,633	52,028
Surplus (deficit) attributable to the Australian Government	**8,112**	**6,938**	**4,077**	**(4,107)**	**(4,106)**
OTHER COMPREHENSIVE INCOME					
Changes in asset revaluation surplus	–	–	–	–	–
Total other comprehensive income	**–**	**–**	**–**	**–**	**–**
Total comprehensive income (loss)	**8,112**	**6,938**	**4,077**	**(4,107)**	**(4,106)**
Total comprehensive income (loss) attributable to the Australian Government	**8,112**	**6,938**	**4,077**	**(4,107)**	**(4,106)**

Note: Impact of net cash appropriation arrangements	2012–13 $'000	2013–14 $'000	2014–15 $'000	2015–16 $'000	2016–17 $'000
Total comprehensive income (loss) excluding depreciation/amortisation expenses previously funded through revenue appropriations	**10,965**	**10,965**	**8,018**	**–**	**–**
Less depreciation/amortisation expenses previously funded through revenue appropriations	2,853	4,027	3,941	4,107	4,106
Total comprehensive income (loss) as per the statement of comprehensive income	**8,112**	**6,938**	**4,077**	**(4,107)**	**(4,106)**

Prepared on Australian Accounting Standards basis.

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

	Estimated actual 2012–13 $'000	Budget estimate 2013–14 $'000	Forward estimate 2014–15 $'000	Forward estimate 2015–16 $'000	Forward estimate 2016–17 $'000
ASSETS					
Financial assets					
Cash and cash equivalents	11,143	15,176	24,498	33,332	34,469
Trade and other receivables	14,881	13,333	13,323	13,323	13,323
Total financial assets	**26,024**	**28,509**	**37,821**	**46,655**	**47,792**
Non-financial assets					
Land and buildings	3,034	3,752	3,760	3,757	4,146
Property, plant and equipment	5,083	1,957	1,969	1,704	558
Intangibles	38,548	36,576	25,717	17,053	14,741
Other	852	830	830	830	830
Total non-financial assets	**47,517**	**43,115**	**32,276**	**23,344**	**20,275**
Total assets	**73,541**	**71,624**	**70,097**	**69,999**	**68,067**
LIABILITIES					
Payables					
Suppliers	326	326	326	326	326
Other	5,090	5,158	5,186	5,186	5,186
Total payables	**5,416**	**5,484**	**5,512**	**5,512**	**5,512**
Interest-bearing liabilities					
Leases	1,003	1,003	1,003	1,003	1,003
Total interest-bearing liabilities	**1,003**	**1,003**	**1,003**	**1,003**	**1,003**
Provisions					
Employee provisions	8,642	8,764	8,780	8,780	8,780
Other provisions	663	448	448	448	448
Total provisions	**9,305**	**9,212**	**9,228**	**9,228**	**9,228**
Total liabilities	**15,724**	**15,699**	**15,743**	**15,743**	**15,743**
Net assets	**57,817**	**55,925**	**54,354**	**54,256**	**52,324**
EQUITY					
Parent entity interest					
Contributed equity	14,412	16,547	18,917	22,926	25,100
Reserves	1,031	1,031	1,031	1,031	1,031
Retained surplus (accumulated deficit)	42,374	38,347	34,406	30,299	26,193
Total parent entity interest	**57,817**	**55,925**	**54,354**	**54,256**	**52,324**
Total equity	**57,817**	**55,925**	**54,354**	**54,256**	**52,324**

Prepared on Australian Accounting Standards basis.

Table 3.2.3: Departmental statement of changes in equity—summary of movement (budget year 2013–14)

	Retained earnings $'000	Asset revaluation reserve $'000	Contributed equity/ capital $'000	Total equity $'000
Opening balance as at 1 July 2013				
Balance carried forward from previous period	42,374	1,031	14,412	57,817
Adjustment for changes in accounting policies	–	–	–	–
Adjusted opening balance	**42,374**	**1,031**	**14,412**	**57,817**
Comprehensive income				
Surplus (deficit) for the period	6,938	–	–	6,938
Total comprehensive income	**6,938**	**–**	**–**	**6,938**
Of which:				
Attributable to the Australian Government	6,938	–	–	6,938
Transactions with owners				
Distributions to owners				
Returns of capital				
Other	(10,965)	–	–	(10,965)
Contributions by owners				
Departmental capital budget	–	–	2,135	2,135
Sub-total transactions with owners	**(10,965)**	**–**	**2,135**	**(8,830)**
Estimated closing balance as at 30 June 2014	**38,347**	**1,031**	**16,547**	**55,925**
Closing balance attributable to the Australian Government	**38,347**	**1,031**	**16,547**	**55,925**

Prepared on Australian Accounting Standards basis.

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

	Estimated actual 2012–13 $'000	Budget estimate 2013–14 $'000	Forward estimate 2014–15 $'000	Forward estimate 2015–16 $'000	Forward estimate 2016–17 $'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	47,354	48,539	48,353	50,633	52,028
Sale of goods and rendering of services	47,558	50,182	49,228	43,185	46,239
Net GST received	1,157	1,459	1,335	–	1,450
Total cash received	**96,069**	**100,180**	**98,916**	**93,818**	**99,717**
Cash used					
Employees	35,111	36,224	36,046	37,231	38,813
Suppliers	40,496	41,424	43,519	46,355	47,183
Total cash used	**75,607**	**77,648**	**79,565**	**83,586**	**85,996**
Net cash from (used by) operating activities	**20,462**	**22,532**	**19,351**	**10,232**	**13,721**
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment	6,064	9,669	4,381	5,407	14,758
Total cash used	**6,064**	**9,669**	**4,381**	**5,407**	**14,758**
Net cash from (used by) investing activities	**(6,064)**	**(9,669)**	**(4,381)**	**(5,407)**	**(14,758)**
FINANCING ACTIVITIES					
Cash received					
Contributed equity	619	2,135	2,370	4,009	2,174
Total cash received	**619**	**2,135**	**2,370**	**4,009**	**2,174**
Cash used					
Other	10,965	10,965	8,018	–	–
Total cash used	**10,965**	**10,965**	**8,018**	**–**	**–**
Net cash from (used by) financing activities	**(10,346)**	**(8,830)**	**(5,648)**	**4,009**	**2,174**
Net increase (decrease) in cash held	**4,052**	**4,033**	**9,322**	**8,834**	**1,137**
Cash and cash equivalents at the beginning of the reporting period	7,091	11,143	15,176	24,498	33,332
Cash and cash equivalents at the end of the reporting period	**11,143**	**15,176**	**24,498**	**33,332**	**34,469**

Prepared on Australian Accounting Standards basis.

Table 3.2.5: Departmental capital budget statement

	Estimated actual 2012–13 $'000	Budget estimate 2013–14 $'000	Forward estimate 2014–15 $'000	Forward estimate 2015–16 $'000	Forward estimate 2016–17 $'000
NEW CAPITAL APPROPRIATIONS					
Capital budgets—Bill 1 (DCB)	2,119	2,135	2,131	2,153	2,174
Total new capital appropriations	**2,119**	**2,135**	**2,131**	**2,153**	**2,174**
Provided for:					
Purchase of non-financial assets	2,119	2,135	2,131	2,153	2,174
Total items	**2,119**	**2,135**	**2,131**	**2,153**	**2,174**
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriation—DCB[1]	2,614	3,635	2,132	2,153	2,174
Funded internally from departmental resources[2]	3,450	6,034	2,249	3,254	12,584
Total	**6,064**	**9,669**	**4,381**	**5,407**	**14,758**
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	6,064	9,669	4,381	5,407	14,758
Total cash used to acquire assets	**6,064**	**9,669**	**4,381**	**5,407**	**14,758**

Prepared on Australian Accounting Standards basis.
DCB = departmental capital budget.
1. Does not include annual finance lease costs. Includes purchases from current and previous years' departmental capital budgets.
2. Includes funding from annual and prior year appropriations and section 31 relevant agency receipts.

Table 3.2.6: Statement of asset movements (2013–14)

	Buildings $'000	Other property, plant & equipment $'000	Computer software & intangibles $'000	Total $'000
As at 1 July 2013				
Gross book value	8,088	7,966	60,899	76,953
Accumulated depreciation/ amortisation and impairment	(5,054)	(2,883)	(22,351)	(30,288)
Opening net book balance	**3,034**	**5,083**	**38,548**	**46,665**
CAPITAL ASSET ADDITIONS				
Estimated expenditure on new or replacement assets				
By purchase—appropriation ordinary annual services[1]	898	(957)	9,728	9,669
Total additions	**898**	**(957)**	**9,728**	**9,669**
Other movements				
Depreciation/amortisation expense	(825)	(99)	(13,125)	(14,049)
Total other movements	**(825)**	**(99)**	**(13,125)**	**(14,049)**
As at 30 June 2014				
Gross book value	8,986	7,009	70,627	86,622
Accumulated depreciation/ amortisation and impairment	(5,879)	(2,982)	(35,476)	(44,337)
Closing net book balance	**3,107**	**4,027**	**35,151**	**42,285**

Prepared on Australian Accounting Standards basis.

1. 'Appropriation ordinary annual services' refers to funding provided through Appropriation Bill (No. 1) 2013–14 for depreciation and amortisation expenses, departmental capital budgets or other operational expenses.

Administered

Table 3.2.7: Schedule of budgeted income and expenses administered on behalf of government (for the period ended 30 June)

	Estimated actual 2012–13 $'000	Budget estimate 2013–14 $'000	Forward estimate 2014–15 $'000	Forward estimate 2015–16 $'000	Forward estimate 2016–17 $'000
EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT					
Supplier expenses	300	25,800	20,200	300	–
Other expenses	3,000	3,000	3,000	15,000	15,000
Total expenses administered on behalf of government	**3,300**	**28,800**	**23,200**	**15,300**	**15,000**
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Taxation revenue					
Other taxes	14,059	15,017	15,382	16,382	16,925
Total taxation revenue	**14,059**	**15,017**	**15,382**	**16,382**	**16,925**
Non-taxation revenue					
Interest	618	624	624	600	611
Other revenue	48,573	50,086	51,031	52,304	43,652
Total non-taxation revenue	**49,191**	**50,710**	**51,655**	**52,904**	**44,263**
Total own-source revenue administered on behalf of government	**63,250**	**65,727**	**67,037**	**69,286**	**61,188**
Total own-source income administered on behalf of government	**63,250**	**65,727**	**67,037**	**69,286**	**61,188**
Net cost of (contribution by) services	**(59,950)**	**(36,927)**	**(43,837)**	**(53,986)**	**(46,188)**

Prepared on Australian Accounting Standards basis.
Note: The administered financial statements include the Confiscated Assets Account.

Table 3.2.8: Schedule of budgeted assets and liabilities administered on behalf of government (as at 30 June)

	Estimated actual 2012–13 $'000	Budget estimate 2013–14 $'000	Forward estimate 2014–15 $'000	Forward estimate 2015–16 $'000	Forward estimate 2016–17 $'000
ASSETS					
Financial assets					
Cash and cash equivalents	82,734	78,434	79,734	88,934	88,934
Receivables	24,196	24,195	24,195	24,195	24,195
Other	10,246	10,246	10,246	10,246	10,246
Total financial assets	**117,176**	**112,875**	**114,175**	**123,375**	**123,375**
Non-financial assets					
Other	6,224	6,224	6,224	6,224	6,224
Total non-financial assets	**6,224**	**6,224**	**6,224**	**6,224**	**6,224**
Total assets administered on behalf of government	**123,400**	**119,099**	**120,399**	**129,599**	**129,599**
LIABILITIES					
Payables					
Other	19	19	19	19	19
Total payables	**19**	**19**	**19**	**19**	**19**
Provisions					
Other	359	359	359	359	359
Total provisions	**359**	**359**	**359**	**359**	**359**
Total liabilities administered on behalf of government	**378**	**378**	**378**	**378**	**378**
Net assets/(liabilities)	**123,022**	**118,721**	**120,021**	**129,221**	**129,221**

Prepared on Australian Accounting Standards basis.
Note: The administered financial statements include the Confiscated Assets Account.

Table 3.2.9: Schedule of budgeted administered cash flows (for the period ended 30 June)

	Estimated actual 2012–13 $'000	Budget estimate 2013–14 $'000	Forward estimate 2014–15 $'000	Forward estimate 2015–16 $'000	Forward estimate 2016–17 $'000
OPERATING ACTIVITIES					
Cash received					
Interest	618	624	624	600	611
Other	51,049	52,578	53,522	52,304	43,107
Taxes	14,059	15,017	15,382	16,382	16,604
Total cash received	**65,726**	**68,219**	**69,528**	**69,286**	**60,322**
Cash used					
Net GST paid	958	966	966	–	–
Other	3,860	29,360	23,760	15,300	15,000
Total cash used	**4,818**	**30,326**	**24,726**	**15,300**	**15,000**
Net cash from (used by) operating activities	**60,908**	**37,893**	**44,802**	**53,986**	**45,322**
Net increase (decrease) in cash held	**60,908**	**37,893**	**44,802**	**53,986**	**45,322**
Cash and cash equivalents at the beginning of the reporting period	61,534	82,734	78,434	79,734	88,934
Cash to Official Public Account for:					
– Transfers to other entities (Finance—whole of government)	(39,708)	(42,193)	(43,502)	(44,786)	(45,322)
Cash and cash equivalents at the end of the reporting period	**82,734**	**78,434**	**79,734**	**88,934**	**88,934**

Prepared on Australian Accounting Standards basis.
Note: The administered financial statements include the Confiscated Assets Account.

3.2.4 Notes to the financial statements

The budgeted financial statements have been prepared on an accrual accounting basis, having regard to Statement of Accounting Concepts, and in accordance with the Finance Minister's Orders, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board.

Departmental

Revenue from government

Appropriations for departmental programs are recognised as revenue.

Employee expenses

Employee expenses consist of salaries, leave entitlements, superannuation and workers' compensation insurance.

Supplier expenses

Supplier expenses consist of consultant and contractor costs, property operating costs, legal and estate management costs and other general administrative costs.

Receivables

Receivables include appropriation receivable, GST receivable from the Australian Taxation Office, and receivables for goods and services provided.

Land and buildings

Land and buildings comprise leasehold improvements.

Property, plant and equipment

Property, plant and equipment comprise furniture and fittings, computer hardware and other office equipment. Purchases of property, plant and equipment are recognised initially at cost in the departmental balance sheet, except for purchases costing less than $2,000 which are expensed in the year of acquisition (other than where they form part of a group of similar items that are significant in total).

Property, plant and equipment are recognised at valuation, and are revalued with sufficient frequency such that the carrying amount of each asset class is not materially different at reporting date from its fair value.

Intangibles

Intangibles comprise internally developed software and purchased software for internal use. These assets are recognised at cost.

Employee provisions

Liabilities for services rendered by employees are recognised at the reporting date to the extent that they have not been settled. This includes annual leave and long service leave, but does not include sick leave.

Supplier payables

Supplier payables largely comprise accrued expenses, where services have been provided and invoices for those services are yet to be received, processed and paid.

Administered

Revenue

All administered revenue items relate to the core operating activities ITSA performs on behalf of the Commonwealth.

Administered revenue includes remuneration and fees for work done by the Official Trustee and Official Receivers under the *Bankruptcy Act 1966* and under proceeds of crime legislation. This is disclosed under non-taxation revenue.

Under the *Bankruptcy (Estate Charges) Act 1997*, interest earned on trust funds administered by all bankruptcy trustees and debt agreement administrators, and a realisations charge imposed on amounts received by all bankruptcy trustees and debt agreement administrators, are payable to the Official Public Account. These are shown under taxation revenue.

Confiscated Assets Account receipts, comprising the net proceeds from the sale of assets, are also included in administered revenue.

Expenses

Expenses comprise Confiscated Assets Account payments, including payments for crime prevention, law enforcement and drug-related programs.

OFFICE OF THE AUSTRALIAN INFORMATION COMMISSIONER

Section 1: Agency overview and resources

1.1 STRATEGIC DIRECTION STATEMENT

The Office of the Australian Information Commissioner (OAIC) is an Australian Government agency established under the *Australian Information Commissioner Act 2010.*

The three main functions of the OAIC are:

- information commissioner functions—performing strategic functions relating to information management in the Australian Government
- privacy functions—ensuring proper handling of personal information in accordance with the *Privacy Act 1988* and other legislation, and
- FOI functions—protecting the public's right of access to documents under the *Freedom of Information Act 1982* (the FOI Act).

A major challenge for the OAIC in 2013–14 is to build on work begun in 2012–13 to prepare for the reforms to the Privacy Act resulting from the *Privacy Amendment (Enhancing Privacy Protection) Act 2012*. These reforms, to commence in March 2014, represent the most significant change since the Privacy Act was enacted in 1988. The changes include new harmonised privacy principles for the public and private sectors, enhanced powers for the Commissioner, and changes to credit reporting laws.

1.2 AGENCY RESOURCE STATEMENT

Table 1.1 shows the total resources from all sources.

Table 1.1: Agency resource statement—Budget estimates for 2013–14 as at Budget May 2013

	Estimate of prior year amounts available in 2013–14 $'000	+	Proposed at Budget 2013–14 $'000	=	Total estimate 2013–14 $'000	Actual available appropriation 2012–13 $'000
ORDINARY ANNUAL SERVICES[1]						
Departmental appropriation						
Prior year departmental appropriation[2]	1,972		–		1,972	3,809
Departmental appropriation[3]	–		10,624		10,624	10,834
s 31 relevant agency receipts[4]	–		2,750		2,750	–
Total ordinary annual services	**1,972**		**13,374**		**15,346**	**14,643**
Total available annual appropriations	**1,972**		**13,374**		**15,346**	**14,643**
Total net resourcing for agency	**1,972**		**13,374**		**15,346**	**14,643**

All figures are GST exclusive.
1. Appropriation Bill (No. 1) 2013–14.
2. Estimated adjusted balance carried forward from previous year.
3. Includes an amount of $0.020m in 2013–14 for the departmental capital budget (see Table 3.2.5 for further details). For accounting purposes this amount has been designated as 'contributions by owners'.
4. Section 31 relevant agency receipts—estimate.

1.3 BUDGET MEASURES

Budget measures announced since the 2012–13 Mid-Year Economic and Fiscal Outlook (MYEFO) relating to the OAIC are detailed in Budget Paper No. 2 and are summarised in Part 1 of Table 1.2. MYEFO measures not previously reported in a portfolio statement are summarised in Part 2.

Table 1.2: Agency 2013–14 Budget measures

Part 1: Measures announced since the 2012–13 MYEFO

	Program	2012–13 $'000	2013–14 $'000	2014–15 $'000	2015–16 $'000	2016–17 $'000
Expense measures						
Attorney-General's Portfolio savings—redirection	1.1					
Departmental expenses		–	(17)	(17)	(18)	(18)
Total expense measures		**–**	**(17)**	**(17)**	**(18)**	**(18)**

Prepared on a Government Finance Statistics (fiscal) basis.

Part 2: MYEFO measures not previously reported in a portfolio statement

	Program	2012–13 $'000	2013–14 $'000	2014–15 $'000	2015–16 $'000	2016–17 $'000
Expense measures						
Targeted savings—public service efficiencies	1.1					
Departmental expenses		(37)	(54)	(45)	(42)	(5)
Total expense measures		**(37)**	**(54)**	**(45)**	**(42)**	**(5)**

Prepared on a Government Finance Statistics (fiscal) basis.

Section 2: Outcomes and planned performance

2.1 OUTCOMES AND PERFORMANCE INFORMATION

Government outcomes are the intended results, impacts or consequences of actions by the government on the Australian community. Commonwealth programs are the primary vehicle by which government agencies achieve the intended results of their outcome statements. Agencies are required to identify the programs that contribute to government outcomes over the budget and forward years.

The OAIC's outcome is described below together with its related program, specifying the performance indicators and targets used to assess and monitor the performance of the OAIC in achieving government outcomes.

Outcome 1: Provision of public access to Commonwealth Government information, protection of individuals' personal information, and performance of information commissioner, freedom of information and privacy functions

Outcome 1 strategy

In order to achieve its outcome, the OAIC will focus on its strategic goals of:

- promoting open government by encouraging proactive publication of government information and data
- participating in developing and implementing a national information policy framework
- promoting and securing the protection of personal information, and
- enhancing the OAIC's capacity to achieve its vision of 'An Australia where government information is managed as a national resource and personal information is respected and protected'.

The OAIC faces a continuing challenge to prepare for the commencement of reforms to the Privacy Act in March 2014 while managing its workload of privacy and FOI enquiries, complaints and review applications, which has continued to increase since the OAIC's establishment in 2010. The OAIC will continue to review and reassess its priorities in order to manage these factors.

Outcome 1 expense statement

Table 2.1 provides an overview of the total expenses for Outcome 1, by program.

Table 2.1: Budgeted expenses for Outcome 1

Outcome 1: Provision of public access to Commonwealth Government information, protection of individuals' personal information, and performance of information commissioner, freedom of information and privacy functions	2012–13 Estimated actual expenses $'000	2013–14 Estimated expenses $'000
Program 1.1: Complaint handling, compliance and monitoring, and education and promotion		
Departmental expenses		
Departmental appropriation[1]	13,414	13,354
Expenses not requiring appropriation in the budget year[2]	942	842
Total expenses for Outcome 1	**14,356**	**14,196**

	2012–13	2013–14
Average staffing level (number)	85	80

Note: Departmental appropriation splits and totals are indicative estimates and may change in the course of the budget year as government priorities change.
1. Departmental appropriation combines 'Ordinary annual services (Appropriation Bill No. 1)' and 'Revenue from independent sources (s 31)'.
2. Expenses not requiring appropriation in the budget year are made up of depreciation and amortisation expenses, audit fees and write-down and impairment of assets.

Contributions to Outcome 1

Program 1.1: Complaint handling, compliance and monitoring, and education and promotion

Program 1.1 objective

The OAIC's program objectives are to:

- conduct reviews of FOI decisions made by ministers and agencies
- monitor, investigate and report on agency compliance with the FOI Act
- assist agencies to review their compliance with the Information Publication Scheme
- promote awareness and understanding of the FOI Act and its objectives
- investigate complaints about compliance with the Privacy Act
- inquire into acts or practices that may be interferences with privacy
- conduct audits of the personal information handling practices of Australian Government and Australian Capital Territory Government agencies and other organisations covered by the Privacy Act
- foster public discussion and conduct educational programs to promote proactive publication, access to information and privacy protection, and
- advise on information management in Australian Government agencies.

Program 1.1 expenses

The decrease in total program expenses in 2013–14 is due to staffing changes following an organisational restructure. Expenses are forecast to rise in the forward years consistent with the anticipated growth in operating activities.

	2012–13 Revised budget $'000	2013–14 Budget $'000	2014–15 Forward year 1 $'000	2015–16 Forward year 2 $'000	2016–17 Forward year 3 $'000
Annual departmental expenses					
Departmental item	13,414	13,354	13,389	13,486	13,602
Expenses not requiring appropriation in the budget year[1]	942	842	842	842	842
Total program expenses	**14,356**	**14,196**	**14,231**	**14,328**	**14,444**

1. Expenses not requiring appropriation in the budget year are made up of depreciation and amortisation expenses, audit fees and write-down and impairment of assets.

Program 1.1 deliverables

The OAIC's program deliverables are:

- privacy and FOI complaint handling services
- privacy compliance activities
- FOI merit review services
- Information Publication Scheme agency reviews
- privacy and FOI enquiries services
- advice and assistance on information management practices across the Australian Government, and
- promotion and educational activities.

Program 1.1 key performance indicators

- Australian Government agencies comply with the requirements of the Information Publication Scheme and disclosure logs.
- Principles on open public sector information are promoted and understood across government.
- OAIC merits review and complaint handling processes meet timeliness and quality benchmarks.
- Information and education products on privacy, FOI and information policy meet stakeholder needs.
- The Information Advisory Committee and Privacy Advisory Committee are supported in their role of providing advice to the OAIC.

Key performance indicators	2012–13 Revised budget	2013–14 Budget	2014–15 Forward year 1	2015–16 Forward year 2	2016–17 Forward year 3
Percentage of privacy complaints finalised within 12 months	80%	80%	80%	80%	80%
Percentage of FOI complaints finalised within 12 months	80%	80%	80%	80%	80%
Time taken from commencement to finalisation of audits/performance assessments	6 months	6 months	6 months	6 months	6 months
Percentage of Information Commissioner reviews completed in 12 months	80%	80%	80%	80%	80%

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 2013–14 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.

3.1 EXPLANATORY TABLES

3.1.1 Movement of administered funds between years

The OAIC has no administered funds.

3.1.2 Special accounts

The OAIC has no special accounts.

3.1.3 Australian Government Indigenous expenditure

The OAIC has no Indigenous-specific expenses.

3.2 BUDGETED FINANCIAL STATEMENTS

3.2.1 Differences in agency resourcing and financial statements

There is no material difference between the agency resourcing and financial statements.

3.2.2 Analysis of budgeted financial statements

Income statement

The OAIC is budgeting for an underlying break-even operating result in 2013–14 and the forward years, after taking into account unfunded depreciation and amortisation expenses. The OAIC's revenue from government has decreased from a revised 2012–13 estimate of $10.764m to $10.604m in 2013–14. This is the net result of cumulative parameter adjustments, the application of the efficiency dividend and targeted savings.

Balance sheet

In 2012–13 the OAIC has budgeted for capital expenditure of $0.020m for the maintenance of IT infrastructure, existing communication systems and leasehold improvements.

Statement of changes in equity

The departmental statement of changes in equity reflects the approved departmental capital budget funding of $0.020m.

3.2.3 Budgeted financial statements tables

Table 3.2.1: Comprehensive income statement (showing net cost of services) for the period ended 30 June

	Estimated actual 2012–13 $'000	Budget estimate 2013–14 $'000	Forward estimate 2014–15 $'000	Forward estimate 2015–16 $'000	Forward estimate 2016–17 $'000
EXPENSES					
Employee benefits	9,277	9,536	9,801	10,076	10,357
Supplier expenses	4,169	3,850	3,620	3,442	3,277
Depreciation and amortisation	810	810	810	810	810
Write-down and impairment of assets	100	–	–	–	–
Total expenses	**14,356**	**14,196**	**14,231**	**14,328**	**14,444**
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	2,750	2,750	2,750	2,750	2,750
Total own-source revenue	**2,750**	**2,750**	**2,750**	**2,750**	**2,750**
Gains					
Other	32	32	32	32	32
Total gains	**32**	**32**	**32**	**32**	**32**
Total own-source income	**2,782**	**2,782**	**2,782**	**2,782**	**2,782**
Net cost of (contribution by) services	**11,574**	**11,414**	**11,449**	**11,546**	**11,662**
Revenue from government	10,764	10,604	10,639	10,736	10,852
Surplus (deficit) attributable to the Australian Government	**810**	**810**	**810**	**810**	**810**
OTHER COMPREHENSIVE INCOME					
Changes in asset revaluation surplus	–	–	–	–	–
Total other comprehensive income	**–**	**–**	**–**	**–**	**–**
Total comprehensive income (loss)	**(810)**	**(810)**	**(810)**	**(810)**	**(810)**
Total comprehensive income (loss) attributable to the Australian Government	**(810)**	**(810)**	**(810)**	**(810)**	**(810)**

Note: Impact of net cash appropriation arrangements	2012–13 $'000	2013–14 $'000	2014–15 $'000	2015–16 $'000	2016–17 $'000
Total comprehensive income (loss) excluding depreciation/amortisation expenses previously funded through revenue appropriations	**–**	**–**	**–**	**–**	**–**
Less depreciation/amortisation expenses previously funded through revenue appropriations	810	810	810	810	810
Total comprehensive income (loss) as per the statement of comprehensive income	**(810)**	**(810)**	**(810)**	**(810)**	**(810)**

Prepared on Australian Accounting Standards basis.

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

	Estimated actual 2012–13 $'000	Budget estimate 2013–14 $'000	Forward estimate 2014–15 $'000	Forward estimate 2015–16 $'000	Forward estimate 2016–17 $'000
ASSETS					
Financial assets					
Cash and cash equivalents	722	722	722	722	722
Trade and other receivables	2,300	2,300	2,300	2,300	2,300
Total financial assets	**3,022**	**3,022**	**3,022**	**3,022**	**3,022**
Non-financial assets					
Property, plant and equipment	3,592	3,084	2,565	2,018	1,438
Intangibles	1,818	1,358	898	438	–
Other non-financial assets	41	41	41	41	41
Total non-financial assets	**5,451**	**4,483**	**3,504**	**2,497**	**1,479**
Total assets	**8,473**	**7,505**	**6,526**	**5,519**	**4,501**
LIABILITIES					
Payables					
Suppliers	752	806	855	875	885
Other payables	700	700	700	700	700
Total payables	**1,452**	**1,506**	**1,555**	**1,575**	**1,585**
Interest-bearing liabilities					
Lease incentives	1,900	1,663	1,425	1,188	950
Total interest-bearing liabilities	**1,900**	**1,663**	**1,425**	**1,188**	**950**
Provisions					
Employee provisions	2,645	2,645	2,645	2,645	2,645
Total provisions	**2,645**	**2,645**	**2,645**	**2,645**	**2,645**
Total liabilities	**5,997**	**5,814**	**5,625**	**5,408**	**5,180**
Net assets	**2,476**	**1,691**	**901**	**111**	**(679)**
EQUITY					
Parent entity interest					
Contributed equity	1,953	1,973	1,993	2,013	2,033
Retained surplus (accumulated deficit)	523	(282)	(1,092)	(1,902)	(2,712)
Total parent entity interest	**2,476**	**1,691**	**901**	**111**	**(679)**
Total equity	**2,476**	**1,691**	**901**	**111**	**(679)**

Prepared on Australian Accounting Standards basis.

Table 3.2.3: Departmental statement of changes in equity—summary of movement (budget year 2013–14)

	Retained earnings $'000	Contributed equity/ capital $'000	Total equity $'000
Opening balance as at 1 July 2013			
Balance carried forward from previous period	523	1,953	2,476
Adjustment for changes in accounting policies	5	–	5
Adjusted opening balance	**528**	**1,953**	**2,481**
Comprehensive income			
Surplus (deficit) for the period	(810)	–	(810)
Total comprehensive income	**(810)**	**–**	**(810)**
Transactions with owners			
Contributions by owners			
Departmental capital budget	–	20	20
Sub-total transactions with owners	**–**	**20**	**20**
Estimated closing balance as at 30 June 2014	**(282)**	**1,973**	**1,691**
Closing balance attributable to the Australian Government	**(282)**	**1,973**	**1,691**

Prepared on Australian Accounting Standards basis.

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

	Estimated actual 2012–13 $'000	Budget estimate 2013–14 $'000	Forward estimate 2014–15 $'000	Forward estimate 2015–16 $'000	Forward estimate 2016–17 $'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	10,764	10,604	10,639	10,736	10,852
Sale of goods and rendering of services	3,075	2,750	2,750	2,750	2,750
Net GST received	110	110	110	110	110
Section 31 receipts transferred from Official Public Account	3,533	–	–	–	–
Total cash received	**17,482**	**13,464**	**13,499**	**13,596**	**13,712**
Cash used					
Employees	10,908	10,418	10,630	10,848	11,064
Suppliers	4,891	3,046	2,869	2,748	2,648
Section 31 receipts transferred to Official Public Account	1,348	–	–	–	–
Total cash used	**17,147**	**13,464**	**13,499**	**13,596**	**13,712**
Net cash from (used by) operating activities	**335**	**–**	**–**	**–**	**–**
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment	347	20	20	20	20
Total cash used	**347**	**20**	**20**	**20**	**20**
Net cash from (used by) investing activities	**(347)**	**(20)**	**(20)**	**(20)**	**(20)**
FINANCING ACTIVITIES					
Cash received					
Contributed equity	70	20	20	20	20
Total cash received	**70**	**20**	**20**	**20**	**20**
Net cash from (used by) financing activities	**70**	**20**	**20**	**20**	**20**
Net increase (decrease) in cash held	**58**	**–**	**–**	**–**	**–**
Cash and cash equivalents at the beginning of the reporting period	664	722	722	722	722
Cash and cash equivalents at the end of the reporting period	**722**	**722**	**722**	**722**	**722**

Prepared on Australian Accounting Standards basis.

Table 3.2.5: Departmental capital budget statement

	Estimated actual 2012–13 $'000	Budget estimate 2013–14 $'000	Forward estimate 2014–15 $'000	Forward estimate 2015–16 $'000	Forward estimate 2016–17 $'000
NEW CAPITAL APPROPRIATIONS					
Capital budgets—Bill 1 (DCB)	20	20	20	20	20
Total new capital appropriations	**20**	**20**	**20**	**20**	**20**
Provided for:					
Purchase of non-financial assets	347	20	20	20	20
Total items	**347**	**20**	**20**	**20**	**20**
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriation—DCB	70	20	20	20	20
Funded internally from departmental resources[1]	277	–	–	–	–
Total	**347**	**20**	**20**	**20**	**20**
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	347	20	20	20	20
Total cash used to acquire assets	**347**	**20**	**20**	**20**	**20**

Prepared on Australian Accounting Standards basis.
DCB = departmental capital budget.
1. Includes the following sources of funding: current Bill 1 and prior year Act 1 (excluding amounts from the departmental capital budget) and section 31 relevant agency receipts.

Table 3.2.6: Statement of asset movements (2013–14)

	Property, plant & equipment $'000	Computer software & intangibles $'000	Total $'000
As at 1 July 2013			
Gross book value	4,416	2,396	6,812
Accumulated depreciation/ amortisation and impairment	(824)	(578)	(1,402)
Opening net book balance	**3,592**	**1,818**	**5,410**
CAPITAL ASSET ADDITIONS			
Estimated expenditure on new or replacement assets			
By purchase—appropriation ordinary annual services[1]	20	–	20
Total additions	**20**	**–**	**20**
Other movements			
Depreciation/amortisation expense	(350)	(460)	(810)
Other	(178)	–	(178)
Total other movements	**(528)**	**(460)**	**(988)**
As at 30 June 2014			
Gross book value	4,258	2,396	6,654
Accumulated depreciation/amortisation and impairment	(1,174)	(1,038)	(2,212)
Closing net book balance	**3,084**	**1,358**	**4,442**

Prepared on Australian Accounting Standards basis.
1. 'Appropriation ordinary annual services' refers to funding provided through Appropriation Bill (No. 1) 2013–14 for depreciation and amortisation expenses, departmental capital budgets or other operational expenses.

3.2.4 Notes to the financial statements

Basis of accounting

The budgeted financial statements have been prepared on an accrual accounting basis, having regard to Statements of Accounting Concepts, and in accordance with the Finance Minister's Orders, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board.

Revenue from government

Amounts appropriated for 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, redundancy expenses, superannuation and non-salary benefits.

Supplier expenses

Supplier expenses consist of administrative costs, consultants' costs, travel expenses and property operating expenses.

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 amounts owed to creditors.

OFFICE OF THE DIRECTOR OF PUBLIC PROSECUTIONS

Section 1: Agency overview and resources

1.1 STRATEGIC DIRECTION STATEMENT

The Office of the Director of Public Prosecutions (DPP) was established under the *Director of Public Prosecutions Act 1983.* The DPP is within the Attorney-General's portfolio but operates independently of the political process. The DPP is headed by a Director, who is appointed for a statutory term of up to seven years.

The DPP's vision and purpose is to provide a prosecution service to the Commonwealth and the people of Australia which is fair, independent, accountable, effective and efficient in order to advance social justice by deterring and discouraging breaches of Commonwealth law and ensuring that serious offenders are brought to justice.

The role of the DPP is to prosecute offences against Commonwealth law. The DPP is not an investigative agency. It prosecutes cases investigated by other agencies.

The DPP has as its outcome the maintenance of law and order for the Australian community through an independent and ethical prosecution service in accordance with the Prosecution Policy of the Commonwealth.

1.2 AGENCY RESOURCE STATEMENT

Table 1.1 shows the total resources from all sources.

Table 1.1: Agency resource statement—Budget estimates for 2013–14 as at Budget May 2013

	Estimate of prior year amounts available in 2013–14 $'000	+	Proposed at Budget 2013–14 $'000	=	Total estimate 2013–14 $'000	Actual available appropriation 2012–13 $'000
ORDINARY ANNUAL SERVICES[1]						
Departmental appropriation						
Prior year departmental appropriation[2]	68,146		–		68,146	68,146
Departmental appropriation[3]	–		81,794		81,794	91,087
s 31 relevant agency receipts[4]	–		3,450		3,450	3,450
Total ordinary annual services	**68,146**		**85,244**		**153,390**	**162,683**
Total available annual appropriations	**68,146**		**85,244**		**153,390**	**162,683**
SPECIAL ACCOUNTS						
Opening balance	–		–		–	–
Receipts	–		–		–	–
Total special accounts	**–**		**–**		**–**	**–**
Total net resourcing for agency	**68,146**		**85,244**		**153,390**	**162,683**

All figures are GST exclusive.
1. Appropriation Bill (No. 1) 2013–14.
2. Estimated adjusted balance carried forward from previous year.
3. Includes an amount of $2.677m in 2013–14 for the departmental capital budget (see Table 3.2.5 for further details). For accounting purposes this amount has been designated as 'contributions by owners'. Responsibility for the majority of litigation under the *Proceeds of Crimes Act 2002* has now transferred from the DPP to the Australian Federal Police with ongoing funding of $1.750m per year.
4. Section 31 relevant agency receipts—estimate.

1.3 BUDGET MEASURES

Budget measures announced since the 2012–13 Mid-Year Economic and Fiscal Outlook (MYEFO) relating to the DPP are detailed in Budget Paper No. 2 and are summarised in Part 1 of Table 1.2. MYEFO measures not previously reported in a portfolio statement are summarised in Part 2.

Table 1.2: Agency 2013–14 Budget measures

Part 1: Measures announced since the 2012–13 MYEFO

	Program	2012–13 $'000	2013–14 $'000	2014–15 $'000	2015–16 $'000	2016–17 $'000
Expense measures						
Attorney-General's Portfolio savings—redirection	1.1					
Departmental expenses		–	(127)	(128)	(124)	(123)
Total expense measures		**–**	**(127)**	**(128)**	**(124)**	**(123)**

Prepared on a Government Finance Statistics (fiscal) basis.

Part 2: MYEFO measures not previously reported in a portfolio statement

	Program	2012–13 $'000	2013–14 $'000	2014–15 $'000	2015–16 $'000	2016–17 $'000
Expense measures						
Targeted savings—public service efficiencies	1.1					
Departmental expenses		(317)	(448)	(380)	(346)	(318)
Fire Services Levy—reduction	1.1					
Departmental expenses		(13)	(14)	(14)	(14)	(14)
Total expense measures		**(330)**	**(462)**	**(394)**	**(360)**	**(332)**

Prepared on a Government Finance Statistics (fiscal) basis.

Section 2: Outcomes and planned performance

2.1 OUTCOMES AND PERFORMANCE INFORMATION

Government outcomes are the intended results, impacts or consequences of actions by the government on the Australian community. Commonwealth programs are the primary vehicle by which government agencies achieve the intended results of their outcome statements. Agencies are required to identify the programs that contribute to government outcomes over the budget and forward years.

The DPP's outcome is described below together with its related program, specifying the performance indicators and targets used to assess and monitor the performance of the DPP in achieving government outcomes.

Outcome 1: Maintenance of law and order for the Australian community through an independent and ethical prosecution service in accordance with the Prosecution Policy of the Commonwealth

Outcome 1 strategy

The DPP's key strategies and initiatives towards achieving Outcome 1 within the resources allocated to the office are to:

- continue conducting cases ethically, professionally and efficiently
- recruit, develop and retain high-quality staff
- provide appropriate professional assistance to referring agencies
- continuously improve its performance, and
- actively contribute to law reform and whole-of-government criminal justice initiatives as appropriate.

Outcome 1 expense statement

Table 2.1 provides an overview of the total expenses for Outcome 1, by program.

Table 2.1: Budgeted expenses for Outcome 1

Outcome 1: Maintenance of law and order for the Australian community through an independent and ethical prosecution service in accordance with the Prosecution Policy of the Commonwealth	2012–13 Estimated actual expenses $'000	2013–14 Estimated expenses $'000
Program 1.1: An independent service to prosecute alleged offences against the criminal law of the Commonwealth, in appropriate matters, in a manner which is fair and just and to ensure that offenders, where appropriate, are deprived of the proceeds and benefits of criminal activity		
Departmental expenses		
Departmental appropriation[1]	94,154	82,567
Expenses not requiring appropriation in the budget year[2]	5,316	4,201
Total expenses for Outcome 1	**99,470**	**86,768**

	2012–13	2013–14
Average staffing level (number)	500	423

Note: Departmental appropriation splits and totals are indicative estimates and may change in the course of the budget year as government priorities change.
1. Departmental appropriation combines 'Ordinary annual services (Appropriation Bill No. 1)' and 'Revenue from independent sources (s 31)'.
2. Expenses not requiring appropriation in the budget year are made up of services received free of charge, depreciation and amortisation.

Contributions to Outcome 1

Program 1.1: An independent service to prosecute alleged offences against the criminal law of the Commonwealth, in appropriate matters, in a manner which is fair and just and to ensure that offenders, where appropriate, are deprived of the proceeds and benefits of criminal activity

Program 1.1 objective

To maintain a fair, safe and just society where the laws of the Commonwealth are respected and maintained and there is public confidence in the justice system. This will be achieved by:

- applying the highest ethical standards to prosecutions and proceeds of crime action
- applying the highest professional standards of competence, commitment and hard work to prosecutions and proceeds of crime action
- maintaining the DPP's prosecutorial independence, and
- providing a high-quality, timely, efficient and cost-effective prosecution service.

Program 1.1 expenses

Responsibility for the majority of litigation under the *Proceeds of Crimes Act 2002* has transferred from the DPP to the Australian Federal Police, including the transfer of ongoing funding of $1.750m per year.

Funding provided in previous budgets to prosecute crew and organisers of people smuggling ventures ceases on 30 June 2013. The DPP was appropriated $8.767m in 2012–13 for these prosecutions.

	2012–13 Revised budget $'000	2013–14 Budget $'000	2014–15 Forward year 1 $'000	2015–16 Forward year 2 $'000	2016–17 Forward year 3 $'000
Annual departmental expenses					
Ordinary annual services (Appropriation Bill No. 1)	90,704	79,117	78,240	75,304	76,074
Revenue from independent sources (s 31)	3,450	3,450	3,450	3,450	3,450
Expenses not requiring appropriation in the budget year[1]	5,316	4,201	4,201	4,202	4,203
Total program expenses	**99,470**	**86,768**	**85,891**	**82,956**	**83,727**

1. Expenses not requiring appropriation in the budget year are made up of services received free of charge, depreciation and amortisation.

Program 1.1 deliverables

To achieve the program objectives over the budget and forward years, the DPP will continue to deliver effective and timely prosecution services.

Deliverables	2012–13 Revised budget	2013–14 Budget	2014–15 Forward year 1	2015–16 Forward year 2	2016–17 Forward year 3
Number of matters progressed[1]	7,300	6,500			

1. The number of matters to be progressed for the forward years is not able to be determined at this stage.

Program 1.1 key performance indicators

The key performance indicator focuses on providing public confidence in the justice system, through the provision of effective and timely prosecution services.

Key performance indicators	2012–13 Revised budget	2013–14 Budget	2014–15 Forward year 1	2015–16 Forward year 2	2016–17 Forward year 3
Prosecution resulting in conviction	90%	90%	90%	90%	90%

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 2013–14 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 Movement of administered funds between years

The DPP has no administered funds.

3.1.2 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 *Financial Management and Accountability Act 1997* or under separate enabling legislation. The DPP's special account will be abolished with effect from 2013–14. Table 3.1.2 is included here as the final reporting requirement for this account.

Table 3.1.2: Estimates of special account flows and balances

	Outcome	Opening balance 2013–14 *2012–13* $'000	Receipts 2013–14 *2012–13* $'000	Payments 2013–14 *2012–13* $'000	Adjustments 2013–14 *2012–13* $'000	Closing balance 2013–14 *2012–13* $'000
Services for Other Entities and Trust Moneys— FMA Act s 20 (A)[1]	1	–	–	–	–	–
	1	–	–	–	–	–
Total special accounts 2013–14 Budget estimate		**–**	**–**	**–**	**–**	**–**
Total special accounts 2012–13 estimated actual		–	–	–	–	–

(A) = Administered.
1. The purpose of this account is to disburse amounts held in trust or otherwise for the benefit of a person other than the Commonwealth.

3.1.3 Australian Government Indigenous expenditure

The DPP has no Indigenous-specific expenses.

3.2 BUDGETED FINANCIAL STATEMENTS

3.2.1 Differences in agency resourcing and financial statements

There is no material difference between the agency resourcing and financial statements.

3.2.2 Analysis of budgeted financial statements

The DPP's budgeted operating revenue for 2013–14 has decreased by $2.352m since the 2012–13 Portfolio Budget Statements (from $84.919m to $82.567m). The net decrease is due to:

- the transfer of responsibility for the majority of litigation under the *Proceeds of Crime Act 2002* from the DPP to the Australian Federal Police (a decrease of $1.750m)
- targeted savings for public service efficiencies (a decrease of $0.448m)
- other departmental efficiencies and wage-cost indexation (a decrease of $0.454m), and
- an estimated change to own-source revenue (an increase of $0.300m).

The DPP's appropriation from government has decreased from $90.704m in 2012–13 to $79.117m in 2013–14, a reduction of $11.587m or 12.7%. This is primarily due to the ceasing of funding for the prosecution of organisers of people smuggling ventures of $8.767m and a reduction of $0.746m in tax compliance prosecution funding.

For the forward estimates period, the main impact on appropriation is the cessation of $3.675m in tax compliance prosecution funding, from 30 June 2015.

3.2.3 Budgeted financial statements tables

Table 3.2.1: Comprehensive income statement (showing net cost of services) for the period ended 30 June

	Estimated actual 2012–13 $'000	Budget estimate 2013–14 $'000	Forward estimate 2014–15 $'000	Forward estimate 2015–16 $'000	Forward estimate 2016–17 $'000
EXPENSES					
Employee benefits	58,236	49,874	49,150	47,321	47,721
Supplier expenses	35,862	32,637	32,484	31,377	31,747
Depreciation and amortisation	4,802	3,687	3,687	3,688	3,689
Other	570	570	570	570	570
Total expenses	**99,470**	**86,768**	**85,891**	**82,956**	**83,727**
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	3,450	3,450	3,450	3,450	3,450
Other	434	434	434	434	434
Total own-source revenue	**3,884**	**3,884**	**3,884**	**3,884**	**3,884**
Gains					
Other	80	80	80	80	80
Total gains	**80**	**80**	**80**	**80**	**80**
Total own-source income	**3,964**	**3,964**	**3,964**	**3,964**	**3,964**
Net cost of (contribution by) services	**95,506**	**82,804**	**81,927**	**78,992**	**79,763**
Revenue from government	90,704	79,117	78,240	75,304	76,074
Surplus (deficit) attributable to the Australian Government	**(4,802)**	**(3,687)**	**(3,687)**	**(3,688)**	**(3,689)**
OTHER COMPREHENSIVE INCOME					
Changes in asset revaluation surplus	–	–	–	–	–
Total other comprehensive income	**–**	**–**	**–**	**–**	**–**
Total comprehensive income (loss)	**(4,802)**	**(3,687)**	**(3,687)**	**(3,688)**	**(3,689)**
Total comprehensive income (loss) attributable to the Australian Government	**(4,802)**	**(3,687)**	**(3,687)**	**(3,688)**	**(3,689)**

Note: Impact of net cash appropriation arrangements	2012–13 $'000	2013–14 $'000	2014–15 $'000	2015–16 $'000	2016–17 $'000
Total comprehensive income (loss) excluding depreciation/amortisation expenses previously funded through revenue appropriations	**–**	**–**	**–**	**–**	**–**
Less depreciation/amortisation expenses previously funded through revenue appropriations	4,802	3,687	3,687	3,688	3,689
Total comprehensive income (loss) as per the statement of comprehensive income	**(4,802)**	**(3,687)**	**(3,687)**	**(3,688)**	**(3,689)**

Prepared on Australian Accounting Standards basis.

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

	Estimated actual 2012–13 $'000	Budget estimate 2013–14 $'000	Forward estimate 2014–15 $'000	Forward estimate 2015–16 $'000	Forward estimate 2016–17 $'000
ASSETS					
Financial assets					
Cash and cash equivalents	230	230	230	230	230
Trade and other receivables	68,767	68,767	68,767	68,767	68,767
Total financial assets	**68,997**	**68,997**	**68,997**	**68,997**	**68,997**
Non-financial assets					
Land and buildings	6,320	6,320	6,320	6,321	6,323
Property, plant and equipment	4,799	4,799	4,799	4,799	4,799
Intangibles	2,168	2,168	2,168	2,168	2,168
Other non-financial assets	879	879	879	879	879
Total non-financial assets	**14,166**	**14,166**	**14,166**	**14,167**	**14,169**
Total assets	**83,163**	**83,163**	**83,163**	**83,164**	**83,166**
LIABILITIES					
Payables					
Suppliers	4,821	4,821	4,821	4,821	4,821
Other payables	1,511	1,511	1,511	1,511	1,511
Total payables	**6,332**	**6,332**	**6,332**	**6,332**	**6,332**
Interest-bearing liabilities					
Other interest-bearing liabilities	520	520	520	520	520
Total interest-bearing liabilities	**520**	**520**	**520**	**520**	**520**
Provisions					
Employee provisions	19,591	18,678	18,738	19,300	19,879
Other provisions	4,675	4,675	4,675	4,675	4,675
Total provisions	**24,266**	**23,353**	**23,413**	**23,975**	**24,554**
Total liabilities	**31,118**	**30,205**	**30,265**	**30,827**	**31,406**
Net assets	**52,045**	**52,958**	**52,898**	**52,337**	**51,760**
EQUITY					
Parent entity interest					
Contributed equity	(2,643)	2,677	1,950	1,965	2,000
Reserves	15,292	15,292	15,292	15,292	15,292
Retained surplus (accumulated deficit)	39,396	34,989	35,656	35,080	34,468
Total parent entity interest	**52,045**	**52,958**	**52,898**	**52,337**	**51,760**
Total equity	**52,045**	**52,958**	**52,898**	**52,337**	**51,760**

Prepared on Australian Accounting Standards basis.

Table 3.2.3: Departmental statement of changes in equity—summary of movement (budget year 2013–14)

	Retained earnings $'000	Asset revaluation reserve $'000	Contributed equity/ capital $'000	Total equity $'000
Opening balance as at 1 July 2013				
Balance carried forward from previous period	39,396	15,292	(2,643)	52,045
Adjustment for changes in accounting policies	(720)	–	2,643	1,923
Adjusted opening balance	**38,676**	**15,292**	**–**	**53,968**
Comprehensive income				
Surplus (deficit) for the period	(3,687)	–	–	(3,687)
Total comprehensive income	**(3,687)**	**–**	**–**	**(3,687)**
Transactions with owners				
Contributions by owners				
Departmental capital budget	–	–	2,677	2,677
Sub-total transactions with owners	**–**	**–**	**2,677**	**2,677**
Estimated closing balance as at 30 June 2014	**34,989**	**15,292**	**2,677**	**52,958**
Closing balance attributable to the Australian Government	**34,989**	**15,292**	**2,677**	**52,958**

Prepared on Australian Accounting Standards basis.

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

	Estimated actual 2012–13 $'000	Budget estimate 2013–14 $'000	Forward estimate 2014–15 $'000	Forward estimate 2015–16 $'000	Forward estimate 2016–17 $'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	89,148	77,327	76,651	72,371	73,461
Sale of goods and rendering of services	3,450	3,450	3,450	3,450	3,450
Net GST received	2,941	2,979	2,880	2,933	3,183
Other	3,029	3,068	2,967	514	434
Total cash received	**98,568**	**86,824**	**85,948**	**79,268**	**80,528**
Cash used					
Employees	54,921	52,009	51,741	49,293	45,461
Suppliers	42,921	34,245	33,637	29,405	34,497
Other	570	570	570	570	570
Total cash used	**98,412**	**86,824**	**85,948**	**79,268**	**80,528**
Net cash from (used by) operating activities	**156**	**–**	**–**	**–**	**–**
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment	527	2,677	1,950	1,965	1,998
Total cash used	**527**	**2,677**	**1,950**	**1,965**	**1,998**
Net cash from (used by) investing activities	**(527)**	**(2,677)**	**(1,950)**	**(1,965)**	**(1,998)**
FINANCING ACTIVITIES					
Cash received					
Contributed equity	383	2,677	1,950	1,965	1,998
Total cash received	**383**	**2,677**	**1,950**	**1,965**	**1,998**
Net cash from (used by) financing activities	**383**	**2,677**	**1,950**	**1,965**	**1,998**
Net increase (decrease) in cash held	**12**	**–**	**–**	**–**	**–**
Cash and cash equivalents at the beginning of the reporting period	218	230	230	230	230
Cash and cash equivalents at the end of the reporting period	**230**	**230**	**230**	**230**	**230**

Prepared on Australian Accounting Standards basis.

Table 3.2.5: Departmental capital budget statement

	Estimated actual 2012–13 $'000	Budget estimate 2013–14 $'000	Forward estimate 2014–15 $'000	Forward estimate 2015–16 $'000	Forward estimate 2016–17 $'000
NEW CAPITAL APPROPRIATIONS					
Capital budgets—Bill 1 (DCB)	383	2,677	1,950	1,965	1,998
Total new capital appropriations	**383**	**2,677**	**1,950**	**1,965**	**1,998**
Provided for:					
Purchase of non-financial assets	383	2,677	1,950	1,965	1,998
Total items	**383**	**2,677**	**1,950**	**1,965**	**1,998**
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriation—DCB[1]	527	2,677	1,950	1,965	1,998
Total	**527**	**2,677**	**1,950**	**1,965**	**1,998**
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	527	2,677	1,950	1,965	1,998
Total cash used to acquire assets	**527**	**2,677**	**1,950**	**1,965**	**1,998**

Prepared on Australian Accounting Standards basis.
DCB = departmental capital budget.
1. Does not include annual finance lease costs. Includes purchases from current and previous years' departmental capital budgets.

Table 3.2.6: Statement of asset movements (2013–14)

	Buildings $'000	Other property, plant & equipment $'000	Computer software & intangibles $'000	Total $'000
As at 1 July 2013				
Gross book value	41,107	13,958	3,762	58,827
Accumulated depreciation/ amortisation and impairment	(34,787)	(9,159)	(1,594)	(45,540)
Opening net book balance	**6,320**	**4,799**	**2,168**	**13,287**
CAPITAL ASSET ADDITIONS				
Estimated expenditure on new or replacement assets				
By purchase—appropriation ordinary annual services[1]	2,188	472	17	2,677
Total additions	**2,188**	**472**	**17**	**2,677**
Other movements				
Depreciation/amortisation expense	(1,996)	(1,250)	(441)	(3,687)
Other	(2,778)	(602)	(22)	(3,402)
Total other movements	**(4,774)**	**(1,852)**	**(463)**	**(7,089)**
As at 30 June 2014				
Gross book value	40,325	14,606	4,181	59,112
Accumulated depreciation/ amortisation and impairment	(34,005)	(9,807)	(2,013)	(45,825)
Closing net book balance	**6,320**	**4,799**	**2,168**	**13,287**

Prepared on Australian Accounting Standards basis.

1. 'Appropriation ordinary annual services' refers to funding provided through Appropriation Bill (No. 1) 2013–14 for depreciation and amortisation expenses, departmental capital budgets or other operational expenses.

3.2.4 Notes to the financial statements

Basis of accounting

The budgeted financial statements have been prepared on an accrual accounting basis, having regard to Statements of Accounting Concepts, and in accordance with the Finance Minister's Orders, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board.

The financial statements for budget estimates are prepared on the same basis as the annual audited financial statements. The audited statements include a full set of notes to explain all line items (available at www.cdpp.gov.au/Publications/AnnualReports).

Revenue from government

Amounts appropriated 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, redundancy expenses, superannuation and non-salary benefits.

Supplier expenses

Supplier expenses consist of administrative costs, consultants' costs, travel expenses, property operating expenses and legal expenses.

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 entitlement, property lease and make-good provisions and amounts owed to creditors.

OFFICE OF PARLIAMENTARY COUNSEL

Section 1: Agency overview and resources

1.1 STRATEGIC DIRECTION STATEMENT

The Office of Parliamentary Counsel (OPC) was established by the *Parliamentary Counsel Act 1970*. The role of OPC is to produce high-quality, timely legislative drafting that meets the government's needs for clear and accessible legislation, and is responsive to government priorities. OPC does not interpret, nor does it provide advice on, Commonwealth legislation.

OPC is responsible for drafting all principal legislation, all regulations and a range of legislative instruments for the Australian Government. OPC is also responsible for the publication of Commonwealth legislation through ComLaw and the Federal Register of Legislative Instruments.

In line with the recommendations of the Strategic Review of Small and Medium Agencies in the Attorney-General's Portfolio, the legislative drafting and publishing functions in the Attorney-General's Department were transferred to OPC on 1 October 2012. The associated funding transfer from the Attorney-General's Department to OPC under section 32 of the *Financial Management and Accountability Act 1997* is included in these statements.

There has been a change to OPC's outcome statement to include the transferred functions. OPC's revised outcome is provided in section 2.

OPC will continue to be responsive to government priorities through:

- continuing to maintain a high standard of legislative drafting capability, in particular by providing substantial drafting training to its employees and by engaging in continuous improvement of drafting techniques
- continuing to progress work on practical measures to improve the clarity and accessibility of Commonwealth primary and subordinate legislation
- continuing to encourage a high standard of legislative drafting proposals by providing advice to other agencies on legislative projects and by training staff of policy agencies who might be responsible for giving drafting instructions to OPC
- maintaining free online access to up-to-date Commonwealth laws through ComLaw, and
- continuing to work with other agencies to manage the sunsetting of legislative instruments.

1.2 AGENCY RESOURCE STATEMENT

Table 1.1 shows the total resources from all sources.

Table 1.1: Agency resource statement—Budget estimates for 2013–14 as at Budget May 2013

	Estimate of prior year amounts available in 2013–14 $'000	+	Proposed at Budget 2013–14 $'000	=	Total estimate 2013–14 $'000	Actual available appropriation 2012–13 $'000
ORDINARY ANNUAL SERVICES[1]						
Departmental appropriation						
Prior year departmental appropriation[2]	9,444		–		9,444	6,199
Departmental appropriation[3]	–		16,327		16,327	15,772
s 31 relevant agency receipts[4]	–		5,361		5,361	4,079
Total ordinary annual services	**9,444**		**21,688**		**31,132**	**26,050**
Total net resourcing for agency	**9,444**		**21,688**		**31,132**	**26,050**

All figures are GST exclusive.
1. Appropriation Bill (No. 1) 2013–14.
2. Estimated adjusted balance carried forward from previous year.
3. Includes an amount of $0.288m in 2013–14 for the departmental capital budget (see Table 3.2.5 for further details). For accounting purposes this amount has been designated as 'contributions by owners'.
4. Section 31 relevant agency receipts—estimate. Includes an amount of $0.533m in 2013–14 for cost-recovered ComLaw depreciation.

1.3 BUDGET MEASURES

Budget measures announced since the 2012–13 Mid-Year Economic and Fiscal Outlook (MYEFO) relating to OPC are detailed in Budget Paper No. 2 and are summarised in Part 1 of Table 1.2. MYEFO measures not previously reported in a portfolio statement are summarised in Part 2.

Table 1.2: Agency 2013–14 Budget measures

Part 1: Measures announced since the 2012–13 MYEFO

	Program	2012–13 $'000	2013–14 $'000	2014–15 $'000	2015–16 $'000	2016–17 $'000
Expense measures						
Attorney-General's Portfolio savings—redirection	1.1					
Departmental expenses		–	(17)	(16)	(16)	(16)
Total expense measures		**–**	**(17)**	**(16)**	**(16)**	**(16)**

Prepared on a Government Finance Statistics (fiscal) basis.

Part 2: MYEFO measures not previously reported in a portfolio statement

	Program	2012–13 $'000	2013–14 $'000	2014–15 $'000	2015–16 $'000	2016–17 $'000
Expense measures						
Targeted savings—public service efficiencies	1.1					
Departmental expenses		(38)	(56)	(46)	(44)	(6)
Total expense measures		**(38)**	**(56)**	**(46)**	**(44)**	**(6)**

Prepared on a Government Finance Statistics (fiscal) basis.

Section 2: Outcomes and planned performance

2.1 OUTCOMES AND PERFORMANCE INFORMATION

Government outcomes are the intended results, impacts or consequences of actions by the government on the Australian community. Commonwealth programs are the primary vehicle by which government agencies achieve the intended results of their outcome statements. Agencies are required to identify the programs that contribute to government outcomes over the budget and forward years.

OPC's outcome and performance information have changed since the 2012–13 Portfolio Budget Statements. OPC's revised outcome is described below together with its related program, specifying the performance indicators and targets used to assess and monitor the performance of OPC in achieving government outcomes.

Outcome 1: A body of Commonwealth laws and instruments that give effect to intended policy, and that are coherent, readable and readily accessible, through the drafting and publication of those laws and instruments

Outcome 1 strategy

OPC contributes to meeting this outcome by:

- providing draft legislation that represents the proposals of the executive government in a form that makes them available for scrutiny, and approval or rejection, by the Parliament
- providing draft legislation that is comprehensible, workable and legally effective
- providing draft legislation that is consistent in approach to matters such as layout, formatting and basic drafting issues
- training lawyers recruited to OPC in the substantial body of legislative drafting knowledge and expertise that has been developed, and
- publishing legislation in a timely manner and in a form that ensures it is accessible to the public.

Outcome 1 expense statement

Table 2.1 provides an overview of the total expenses for Outcome 1, by program.

Table 2.1: Budgeted expenses for Outcome 1

Outcome 1: A body of Commonwealth laws and instruments that give effect to intended policy, and that are coherent, readable and readily accessible, through the drafting and publication of those laws and instruments	2012–13 Estimated actual expenses $'000	2013–14 Estimated expenses $'000
Program 1.1: Legislative drafting and publication		
Departmental expenses		
Departmental appropriation[1]	18,586	21,400
Expenses not requiring appropriation in the budget year[2]	443	475
Total expenses for Outcome 1	**19,029**	**21,875**

	2012–13	2013–14
Average staffing level (number)	96	113

Note: Departmental appropriation splits and totals are indicative estimates and may change in the course of the budget year as government priorities change.
1. Departmental appropriation combines 'Ordinary annual services (Appropriation Bill No. 1)' and 'Revenue from independent sources (s 31)'.
2. Expenses not requiring appropriation in the budget year are made up of depreciation and amortisation expenses of $0.440m and resources received free of charge (ANAO audit fees) of $0.035m.

Contributions to Outcome 1

Program 1.1: Legislative drafting and publication

Program 1.1 objectives

- To enable the government to carry out its legislative program through the drafting of all principal legislation, all regulations and a range of legislative instruments.
- To ensure Commonwealth laws are freely available and accessible to everyone through the publishing of those laws and instruments.

Program 1.1 expenses

The increase in total program expenses for 2013–14 is due to the full-year effect of funding for the transfer of the legislative drafting and publishing functions from the Attorney-General's Department to OPC on 1 October 2012. The decrease in total program expenses for 2014–15 and the forward years is due to the end of funding for the 2010–11 budget measure for additional drafting resources to support the government's taxation reform agenda.

	2012–13 Revised budget $'000	2013–14 Budget $'000	2014–15 Forward year 1 $'000	2015–16 Forward year 2 $'000	2016–17 Forward year 3 $'000
Annual departmental expenses					
Legislation	10,408	11,131	10,649	10,735	10,787
Program and project management	929	997	954	961	966
Legislative drafting capability	2,602	2,824	2,702	2,724	2,737
Standardisation and quality control of legislation	1,487	1,661	1,589	1,602	1,610
Publication	3,160	4,787	4,579	4,617	4,640
Expenses not requiring appropriation in the budget year[1]	443	475	466	464	437
Total program expenses	**19,029**	**21,875**	**20,939**	**21,103**	**21,177**

1. Expenses not requiring appropriation in the budget year are made up of depreciation and amortisation expenses and resources received free of charge (ANAO audit fees).

Program 1.1 deliverables

Legislation

- Drafting of Bills and legislative instruments in accordance with government priorities.
- Drafting of private members' Bills where resources permit.

Program and project management

- Allocation of drafting work in accordance with priorities and management of legislative projects, so as to make optimum use of drafting resources.

Legislative drafting capability

- Training lawyers recruited to OPC in legislative drafting, to ensure the long-term viability of drafting resources.
- Training potential instructors in policy development and preparation of instructions, to ensure efficient use of drafting resources and quality of legislation.
- Legislative drafters maintain and improve drafting skills and knowledge.

Standardisation and quality control of legislation

- Consistently applying drafting standards and conventions to all Bills and regulations.
- Preparation of a Statute Law Revision Bill to correct technical errors and to remove Acts that no longer have any operation.

Publication

- Timely registration of new legislative instruments on the Federal Register of Legislative Instruments in accordance with statutory requirements.
- Preparation and registration of compilations on the Federal Register of Legislative Instruments in accordance with statutory requirements.
- Electronic publication of Commonwealth Acts and electronic publication and preparation of compilations of Commonwealth Acts on ComLaw.
- Accurate and timely preparation and publication of Government Gazette notices.

Deliverables	2012–13 Revised budget	2013–14 Budget	2014–15 Forward year 1	2015–16 Forward year 2	2016–17 Forward year 3
Average rating (rating scale 1–5) received on client survey forms for overall satisfaction with the drafting process and draft legislation	≥4	≥4	≥4	≥4	≥4
Number of legislation process courses conducted during the year	≥10	≥10	≥10	≥10	≥10

Program 1.1 key performance indicators

Legislation

- Bills and legislative instruments are drafted in accordance with government priorities, and supplied in accordance with applicable deadlines.
- Private members' Bills are drafted where resources permit.
- Bills and legislative instruments reflect sponsors' policy intentions and are legally effective.

Standardisation and quality control of legislation

- Drafting standards and conventions are applied consistently to all Bills and regulations.

Publication

- New legislative instruments that are lodged for registration are registered promptly on the Federal Register of Legislative Instruments.
- Government Gazette notices are prepared and published promptly.

Key performance indicators	2012–13 Revised budget	2013–14 Budget	2014–15 Forward year 1	2015–16 Forward year 2	2016–17 Forward year 3
Proportion of client surveys that indicate draft legislation reflects sponsors' policy intentions and is legally effective	100%	100%	100%	100%	100%
Proportion of Bills and regulations where drafting standards and conventions are applied consistently	100%	100%	100%	100%	100%
Proportion of routine new legislative instruments that are registered no later than two business days after the day they are lodged for registration	97%	97%	97%	97%	97%
Proportion of urgent new legislative instruments that are registered as required by lodging agencies	100%	100%	100%	100%	100%
Proportion of routine notices received by the notified deadline that are published in the next Gazette	97%	97%	97%	97%	97%
Proportion of urgent notices that are published in the Gazette as required by lodging agencies	100%	100%	100%	100%	100%

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 2013–14 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.

3.1 EXPLANATORY TABLES

3.1.1 Movement of administered funds between years

OPC has no administered funds.

3.1.2 Special accounts

OPC has no special accounts.

3.1.3 Australian Government Indigenous expenditure

OPC has no Indigenous-specific expenses.

3.2 BUDGETED FINANCIAL STATEMENTS

3.2.1 Differences in agency resourcing and financial statements

There is no material difference between the agency resourcing and financial statements.

3.2.2 Analysis of budgeted financial statements

Income statement

OPC is budgeting for a small deficit attributable to the Australian Government in 2013–14 and the forward years. The amount of the deficit for each year is the amount of depreciation and amortisation expenses.

In 2013–14, OPC will receive $5.313m in appropriation for the function that was transferred from the Attorney-General's Department to OPC from 1 October 2012. OPC is also budgeting to receive $5.361m in independent revenue. The 2013–14 budget year is the first full year of the transfer.

In 2013–14, OPC will receive further appropriation funding for the 2010–11 budget measure for additional drafting resources to support the government's taxation reform agenda. The decrease in appropriation funding in 2014–15 is due to the end of funding for this budget measure.

Balance sheet

For 2013–14, financial assets represent 71% of total assets. These funds have been set aside for repayment of employee liabilities as and when they fall due. Intangible fixed assets represent 21% of total assets. This mainly includes the capitalisation of the development of the ComLaw system.

OPC's primary liability continues to be accrued employee entitlements. For 2013–14, the estimated liability of $6.141m represents 83% of total liabilities.

3.2.3 Budgeted financial statements tables

Table 3.2.1: Comprehensive income statement (showing net cost of services) for the period ended 30 June

	Estimated actual 2012–13 $'000	Budget estimate 2013–14 $'000	Forward estimate 2014–15 $'000	Forward estimate 2015–16 $'000	Forward estimate 2016–17 $'000
EXPENSES					
Employee benefits	14,745	16,600	15,546	15,580	15,542
Supplier expenses	3,486	4,302	4,429	4,561	4,700
Depreciation and amortisation	798	973	964	962	935
Total expenses	**19,029**	**21,875**	**20,939**	**21,103**	**21,177**
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	4,079	5,361	5,365	5,366	5,280
Total own-source revenue	**4,079**	**5,361**	**5,365**	**5,366**	**5,280**
Gains					
Other	35	35	35	35	35
Total gains	**35**	**35**	**35**	**35**	**35**
Total own-source income	**4,114**	**5,396**	**5,400**	**5,401**	**5,315**
Net cost of (contribution by) services	**14,915**	**16,479**	**15,539**	**15,702**	**15,862**
Revenue from government	14,717	16,039	15,108	15,273	15,460
Surplus (deficit) attributable to the Australian Government	**(198)**	**(440)**	**(431)**	**(429)**	**(402)**
OTHER COMPREHENSIVE INCOME					
Changes in asset revaluation surplus	–	–	–	–	–
Total other comprehensive income	**–**	**–**	**–**	**–**	**–**
Total comprehensive income (loss)	**(198)**	**(440)**	**(431)**	**(429)**	**(402)**
Total comprehensive income (loss) attributable to the Australian Government	**(198)**	**(440)**	**(431)**	**(429)**	**(402)**

Note: Impact of net cash appropriation arrangements	2012–13 $'000	2013–14 $'000	2014–15 $'000	2015–16 $'000	2016–17 $'000
Total comprehensive income (loss) excluding depreciation/amortisation expenses previously funded through revenue appropriations	**200**	**–**	**–**	**–**	**–**
Less depreciation/amortisation expenses previously funded through revenue appropriations	398	440	431	429	402
Total comprehensive income (loss) as per the statement of comprehensive income	**(198)**	**(440)**	**(431)**	**(429)**	**(402)**

Prepared on Australian Accounting Standards basis.

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

	Estimated actual 2012–13 $'000	Budget estimate 2013–14 $'000	Forward estimate 2014–15 $'000	Forward estimate 2015–16 $'000	Forward estimate 2016–17 $'000
ASSETS					
Financial assets					
Cash and cash equivalents	69	161	239	207	207
Trade and other receivables	9,925	9,926	10,076	10,376	10,376
Total financial assets	**9,994**	**10,087**	**10,315**	**10,583**	**10,583**
Non-financial assets					
Land and buildings	310	160	1,010	3,195	3,195
Property, plant and equipment	831	806	901	922	1,150
Intangibles	3,516	2,960	2,392	2,871	2,338
Other non-financial assets	40	178	193	183	183
Total non-financial assets	**4,697**	**4,104**	**4,496**	**7,171**	**6,866**
Total assets	**14,691**	**14,191**	**14,811**	**17,754**	**17,449**
LIABILITIES					
Payables					
Suppliers	328	334	341	348	348
Other payables	549	571	592	616	616
Total payables	**877**	**905**	**933**	**964**	**964**
Provisions					
Employee provisions	5,938	6,141	6,356	6,583	6,583
Other provisions	327	327	327	327	327
Total provisions	**6,265**	**6,468**	**6,683**	**6,910**	**6,910**
Total liabilities	**7,142**	**7,373**	**7,616**	**7,874**	**7,874**
Net assets	**7,549**	**6,818**	**7,195**	**9,880**	**9,575**
EQUITY					
Parent entity interest					
Contributed equity	5,356	5,598	6,939	10,586	11,216
Reserves	1,158	1,158	1,158	1,158	1,158
Retained surplus (accumulated deficit)	1,035	62	(902)	(1,864)	(2,799)
Total parent entity interest	**7,549**	**6,818**	**7,195**	**9,880**	**9,575**
Total equity	**7,549**	**6,818**	**7,195**	**9,880**	**9,575**

Prepared on Australian Accounting Standards basis.

Table 3.2.3: Departmental statement of changes in equity—summary of movement (budget year 2013–14)

	Retained earnings $'000	Asset revaluation reserve $'000	Contributed equity/ capital $'000	Total equity $'000
Opening balance as at 1 July 2013				
Balance carried forward from previous period	1,035	1,158	5,356	7,549
Adjustment for changes in accounting policies	–	–	–	–
Adjusted opening balance	**1,035**	**1,158**	**5,356**	**7,549**
Comprehensive income				
Surplus (deficit) for the period	(440)	–	–	(440)
Total comprehensive income	**(440)**	**–**	**–**	**(440)**
Transactions with owners				
Distributions to owners				
Returns of capital				
Other—rephasing of departmental capital budget	–	–	(46)	(46)
Other—funds set aside for future Comlaw software development	(533)	–	–	(533)
Contributions by owners				
Departmental capital budget	–	–	288	288
Sub-total transactions with owners	**(533)**	**–**	**242**	**(291)**
Estimated closing balance as at 30 June 2014	**62**	**1,158**	**5,598**	**6,818**
Closing balance attributable to the Australian Government	**62**	**1,158**	**5,598**	**6,818**

Prepared on Australian Accounting Standards basis.

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

	Estimated actual 2012–13 $'000	Budget estimate 2013–14 $'000	Forward estimate 2014–15 $'000	Forward estimate 2015–16 $'000	Forward estimate 2016–17 $'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	10,685	15,459	15,421	17,537	14,996
Sale of goods and rendering of services	4,079	5,361	5,365	5,366	5,280
Net GST received	37	–	–	–	–
Other	283	181	178	–	–
Total cash received	**15,084**	**21,001**	**20,964**	**22,903**	**20,276**
Cash used					
Employees	11,562	12,578	11,412	11,453	11,642
Suppliers	2,771	3,677	3,678	3,585	3,765
Section 31 receipts transferred to Official Public Account	3,600	4,700	4,800	4,800	4,800
Total cash used	**17,933**	**20,955**	**19,890**	**19,838**	**20,207**
Net cash from (used by) operating activities	**(2,849)**	**46**	**1,074**	**3,065**	**69**
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment	819	242	1,341	3,647	630
Total cash used	**819**	**242**	**1,341**	**3,647**	**630**
Net cash from (used by) investing activities	**(819)**	**(242)**	**(1,341)**	**(3,647)**	**(630)**
FINANCING ACTIVITIES					
Cash received					
Contributed equity	1,055	288	345	550	561
Asset/liability section 32	2,615	–	–	–	–
Total cash received	**3,670**	**288**	**345**	**550**	**561**
Net cash from (used by) financing activities	**3,670**	**288**	**345**	**550**	**561**
Net increase (decrease) in cash held	**2**	**92**	**78**	**(32)**	**–**
Cash and cash equivalents at the beginning of the reporting period	67	69	161	239	207
Cash and cash equivalents at the end of the reporting period	**69**	**161**	**239**	**207**	**207**

Prepared on Australian Accounting Standards basis.

Table 3.2.5: Departmental capital budget statement

	Estimated actual 2012–13 $'000	Budget estimate 2013–14 $'000	Forward estimate 2014–15 $'000	Forward estimate 2015–16 $'000	Forward estimate 2016–17 $'000
NEW CAPITAL APPROPRIATIONS					
Capital budgets—Bill 1 (DCB)	1,535	288	345	550	561
Total new capital appropriations	**1,535**	**288**	**345**	**550**	**561**
Provided for:					
Purchase of non-financial assets	1,535	288	345	550	561
Total items	**1,535**	**288**	**345**	**550**	**561**
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriation—DCB[1]	819	242	341	1,247	630
Funded internally from departmental resources[2]	–	–	1,000	2,400	–
Total	**819**	**242**	**1,341**	**3,647**	**630**
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	819	242	1,341	3,647	630
Total cash used to acquire assets	**819**	**242**	**1,341**	**3,647**	**630**

Prepared on Australian Accounting Standards basis.
DCB = departmental capital budget.
1. Includes funding from current and prior year appropriations.
2. Includes funding from prior year Act 1 appropriations (excluding amounts from the capital budget).

Table 3.2.6: Statement of asset movements (2013–14)

	Buildings $'000	Other property, plant & equipment $'000	Computer software & intangibles $'000	Total $'000
As at 1 July 2013				
Gross book value	1,209	1,370	7,236	9,815
Accumulated depreciation/ amortisation and impairment	(899)	(539)	(3,720)	(5,158)
Opening net book balance	**310**	**831**	**3,516**	**4,657**
CAPITAL ASSET ADDITIONS				
Estimated expenditure on new or replacement assets				
By purchase—appropriation ordinary annual services[1]	–	221	21	242
Total additions	**–**	**221**	**21**	**242**
Other movements				
Depreciation/amortisation expense	(150)	(246)	(577)	(973)
Total other movements	**(150)**	**(246)**	**(577)**	**(973)**
As at 30 June 2014				
Gross book value	1,209	1,591	7,257	10,057
Accumulated depreciation/ amortisation and impairment	(1,049)	(785)	(4,297)	(6,131)
Closing net book balance	**160**	**806**	**2,960**	**3,926**

Prepared on Australian Accounting Standards basis.
1. 'Appropriation ordinary annual services' refers to funding provided through Appropriation Bill (No. 1) 2013–14 for departmental capital budgets.

3.2.4 Notes to the financial statements

Basis of accounting

The budgeted financial statements have been prepared on an accrual accounting basis, having regard to Statements of Accounting Concepts, and in accordance with the Finance Minister's Orders, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board.

Revenue from government

Appropriations for departmental programs are recognised as revenue, with the exception of departmental capital budget appropriations which are recognised as equity.

Employee expenses

Employee expenses consist of salaries, superannuation and leave entitlements.

Supplier expenses

Supplier expenses consist of office lease, information technology, Bill printing and other administrative costs.

Cash

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

Receivables

Receivables include both trade and appropriation. Appropriation receivables are appropriations controlled by OPC but held in the Official Public Account to be drawn as required.

Non-financial assets

Purchases of property, plant and equipment are recognised initially at cost, except for purchases costing less than $1,000, which are expensed in the year of acquisition (other than where they form part of a group of similar items that are significant in total).

The Finance Minister's Orders require property, plant and equipment to be measured at fair value.

Liabilities

Supplier payables consist of trade creditor and accrued supplier expenses. Other payables consist of unearned income from training courses. Employee provisions consist of annual and long service leave liabilities and accrued salaries and superannuation. Other provisions consist of make-good provisions for the office.

Equity

Departmental capital budget appropriations are for the purchase of assets and are shown as an increase in contributed equity.

GLOSSARY

Accrual accounting	System of accounting where items are brought to account and included in the financial statements as they are earned or incurred, rather than as they are received or paid.
Accumulated depreciation	The aggregate depreciation recorded for a particular depreciating asset.
Administered items	Expenses, revenues, assets or liabilities managed by agencies on behalf of the Commonwealth. Agencies do not control administered items. Administered expenses include grants, subsidies and benefits. In many cases, administered expenses fund the delivery of third-party outputs.
Additional estimates	Where amounts appropriated at budget time are insufficient, Parliament may appropriate more funds to portfolios through the Additional Estimates Acts.
Annual appropriation	Two appropriation Bills are introduced into Parliament in May and comprise the Budget for the financial year beginning 1 July. Further Bills are introduced later in the financial year as part of the additional estimates. Parliamentary departments have their own appropriations.
Appropriation	An authorisation by Parliament to spend moneys from the Consolidated Revenue Fund for a particular purpose.
Capital expenditure	Expenditure by an agency on capital projects, for example purchasing a building.
Consolidated Revenue Fund	Section 81 of the Constitution stipulates that all revenue raised or money received by the Commonwealth forms the one Consolidated Revenue Fund (CRF). The CRF is not a bank account. The Official Public Account reflects most of the operations of the CRF.

Departmental items	Assets, liabilities, revenues and expenses that are controlled by the agency in providing its outputs. Departmental items would generally include computers, plant and equipment assets used by agencies in providing goods and services and most employee expenses, supplier costs and other administrative expenses incurred.
Depreciation	Apportionment of an asset's capital value as an expense over its estimated useful life to take account of normal usage, obsolescence or the passage of time.
Efficiency dividend	The annual reduction in funding provided for total annual net departmental appropriation of operational expenses. All agencies in the general government sector are expected to make continuing efficiency improvement in their departmental expenses.
Equity or net assets	Residual interest in the assets of an entity after deduction of its liabilities.
Expense	Total value of all of the resources consumed in producing goods and services or the loss of future economic benefits in the form of reductions in assets or increases in liabilities of an entity.
Fair value	Valuation methodology: the amount for which an asset could be exchanged, or a liability settled, between knowledgeable and willing parties in an arm's length transaction. The fair value can be affected by the conditions of the sale, market conditions and the intentions of the asset holder.
Measure	A new policy or savings decision of the government with financial impacts.
Operating result	Equals revenue less expense.
Outcomes	The Australian Government's objectives in each portfolio area. Outcomes are desired results, impacts or consequences for the Australian community as influenced by the actions of the Australian Government. Actual outcomes are the results or impacts actually achieved.

Programs	Activities that deliver benefits or 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.
Revenue	Total value of resources earned or received to cover the production of goods and services or increases in future economic benefits in the form of increases in assets or reductions in liabilities of an entity.
Special accounts	Balances existing within the Consolidated Revenue Fund (CRF) that are supported by standing appropriations (*Financial Management and Accountability Act 1997* (FMA Act), sections 20 and 21). Special accounts allow money in the CRF to be acknowledged as set aside (hypothecated) for a particular purpose. Amounts credited to a special account may only be spent for the purposes of the special account. Special accounts can only be established by a written determination of the Finance Minister (section 20 FMA Act) or through an Act of Parliament (referred to in section 21 of the FMA Act).
Special appropriations (including standing appropriations)	An amount of money appropriated by a particular Act of Parliament for a specific purpose and number of years. For special appropriations the authority to withdraw funds from the Consolidated Revenue Fund does not generally cease at the end of the financial year. Standing appropriations are a subcategory consisting of ongoing special appropriations—the amount appropriated will depend on circumstances specified in the legislation.