

ADMINISTRATIVE APPEALS TRIBUNAL

Section 1: Entity overview and resources

1.1 STRATEGIC DIRECTION STATEMENT

The Administrative Appeals Tribunal (AAT) conducts independent merits review of administrative decisions made by Australian Government ministers, departments and agencies and, in limited circumstances, state and territory government and non-government bodies. It can review decisions made under more than 400 Acts and legislative instruments. The most common types of decisions reviewed relate to migration and refugee visas, family assistance and social security, child support, Commonwealth workers' compensation, taxation and veterans' entitlements. The AAT also reviews decisions made under the National Disability Insurance Scheme.

The Immigration Assessment Authority, a separate office within the AAT, provides a fast-track review process in relation to certain decisions to refuse protection visas.

The AAT provides its services throughout Australia from registries located in the state capital cities, in Canberra and on Norfolk Island.

In 2017-18 and the forward years, the AAT will continue to pursue initiatives under the following strategic priorities:

- creating an integrated, national tribunal following the amalgamation of the AAT with the Migration Review Tribunal, the Refugee Review Tribunal and the Social Security Appeals Tribunal on 1 July 2015
- improving the efficiency and effectiveness of the AAT's review processes, including maximising the use of technology
- nurturing relationships and partnerships through effective engagement
- making the best use of resources and building capacity.

A key challenge for the AAT in 2017-18 will be managing the significantly higher number of applications lodged in 2016-17. The number of applications relating to decisions made under the National Disability Insurance Scheme is also expected to grow as the roll-out of the full scheme continues.

1.2 ENTITY RESOURCE STATEMENT

Table 1.1 shows the total funding from all sources available to the AAT for its operations and to deliver programs and services on behalf of the government.

Table 1.1 is prepared on a resourcing (that is, appropriations and cash available) basis, while the outcome expenses table in section 2 and the financial statements in section 3 are prepared on an accrual basis.

Table 1.1: Entity resource statement—Budget estimates for 2017–18 as at Budget May 2017

	2016–17 Estimated actual \$'000	2017–18 Estimate \$'000
DEPARTMENTAL		
Annual appropriations—ordinary annual services(a)		
Prior year appropriations available(b)	71,374	71,395
Departmental appropriation(c)	142,136	156,013
Section 74 retained revenue receipts(d)	1,177	1,177
Departmental capital budget(e)	4,075	3,801
Annual appropriations—other services—non-operating(f)		
Equity injection	18,343	–
Total departmental resourcing	237,105	232,386
ADMINISTERED		
Total administered special appropriations(g)	6,400	6,400
Total administered resourcing	6,400	6,400
Total net resourcing for entity	243,505	238,786
	2016–17	2017–18
Average staffing level (number)(h)	517	610

Prepared on a resourcing (that is, appropriations and cash available) basis.

Note: All figures are GST exclusive and may not match figures in the cash flow statement.

(a) Appropriation Bill (No. 1) 2017–18.

(b) Estimated balance carried forward from previous year for annual appropriations.

(c) Excludes the departmental capital budget.

(d) Estimated retained revenue receipts under section 74 of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act).

(e) Departmental capital budgets are not separately identified in Appropriation Bill (No. 1) and form part of ordinary annual services items. See Table 3.5 for further details. For accounting purposes, this amount is designated as 'contributions by owners'.

(f) Appropriation Act (No. 2) 2016–17.

(g) Repayments not provided for under any other appropriation under section 77 of the PGPA Act.

(h) Average staffing level numbers exclude tribunal members.

1.3 BUDGET MEASURES

Budget measures announced since the 2016–17 Mid-Year Economic and Fiscal Outlook (MYEFO) relating to the AAT are detailed in Budget Paper No. 2 and are summarised in Part 1 of Table 1.2.

Table 1.2: Entity 2017–18 Budget measures

Part 1: Measures announced since the 2016–17 MYEFO

	Program	2016–17 \$'000	2017–18 \$'000	2018–19 \$'000	2019–20 \$'000	2020–21 \$'000
Expense measures						
Better Targeting of Assistance to Support Jobseekers(a)	1.1					
Departmental expenses		–	152	137	66	69
Consistent Income Treatment for Families Receiving Family Tax Benefit Part A(b)	1.1					
Departmental expenses		–	–	454	–	–
Extension and expansion of Cashless Debit Card(b)	1.1					
Departmental expenses		nfp	nfp	nfp	–	–
National Disability Insurance Scheme Quality and Safeguards Commission—establishment(b)	1.1					
Departmental expenses		–	92	92	92	–
ParentsNext—national expansion(a)	1.1					
Departmental expenses		–	–	21	15	15
Resolving the Onshore Illegal Maritime Arrival Legacy Caseload(c)	1.1					
Departmental expenses		–	8,721	9,421	9,951	71
Unlegislated Budget Repair Measures—not proceeding(d)	1.1					
Departmental expenses		–	(1,309)	(1,003)	(1,007)	(1,011)
Working Age Payments Reforms(b)	1.1					
Departmental expenses		–	–	1,840	2,237	2,248
Total expense measures		–	7,656	10,962	11,354	1,392

Prepared on a Government Finance Statistics (fiscal) basis. Figures displayed as a negative represent a decrease in funds, and figures displayed as a positive represent an increase in funds.

(a) The full measure description and package details for this measure appear in Budget Paper No. 2 under the Employment portfolio.

(b) The full measure description and package details for this measure appear in Budget Paper No. 2 under the Social Services portfolio.

(c) The full measure description and package details for this measure appear in Budget Paper No. 2 under the Immigration and Border Protection portfolio.

(d) This is a cross-portfolio measure.

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

The AAT has no other measures not previously reported in a portfolio statement.

Section 2: Outcomes and planned performance

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 entities achieve the intended results of their outcome statements. Entities are required to identify the programs that contribute to government outcomes over the budget and forward years.

The AAT's outcome is described below together with its related program.

Note

Performance reporting requirements in the Portfolio Budget Statements are part of the enhanced Commonwealth performance framework established by the *Public Governance, Performance and Accountability Act 2013*. It is anticipated that the performance criteria described in Portfolio Budget Statements will be read with broader information provided in an entity's corporate plans and annual performance statements – included in annual reports – to provide an entity's complete performance story.

The most recent corporate plan for the AAT can be found at <http://www.aat.gov.au/about-the-aat/corporate-information/corporate-and-strategic-plans>.

The most recent annual performance statement can be found at <http://www.aat.gov.au/about-the-aat/corporate-information/annual-reports/2015-16-annual-report>.

2.1 BUDGETED EXPENSES AND PERFORMANCE FOR OUTCOME 1

Outcome 1: Provide correct or preferable decisions through a mechanism of independent review of administrative decisions that is accessible, fair, just, economical, informal, quick and proportionate

Budgeted expenses for Outcome 1

Table 2.1 shows how much the AAT intends to spend (on an accrual basis) on achieving Outcome 1, broken down by program and by administered and departmental funding sources.

Table 2.1: Budgeted expenses for Outcome 1

	2016–17 Estimated actual \$'000	2017–18 Budget \$'000	2018–19 Forward estimate \$'000	2019–20 Forward estimate \$'000	2020–21 Forward estimate \$'000
Program 1.1: Administrative Appeals Tribunal					
Administered expenses					
Special appropriations(a)	9,000	9,000	9,000	9,000	9,000
Administered total	9,000	9,000	9,000	9,000	9,000
Departmental expenses					
Departmental appropriation	142,136	156,013	158,425	154,413	137,032
s 74 retained revenue receipts(b)	1,177	1,177	1,177	300	304
Expenses not requiring appropriation in the budget year(c)	7,669	7,651	7,922	5,695	5,778
Departmental total	150,982	164,841	167,524	160,408	143,114
Total expenses for Outcome 1	159,982	173,841	176,524	169,408	152,114

	2016–17	2017–18
Average staffing level (number)(d)	517	610

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

(a) Special appropriations consist of refunds of fees paid under section 77 of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act).

(b) Estimated retained revenue receipts under section 74 of the PGPA Act. This includes write-down and impairment of assets.

(c) Expenses not requiring appropriation in the budget year are made up of depreciation and amortisation expenses, make-good expenses, Australian National Audit Office audit fees, notional contributions under the Judges' Pension Scheme and a portion of the AAT's occupancy cost of the Commonwealth Law Courts buildings in Brisbane and Hobart.

(d) Average staffing level numbers exclude tribunal members.

Performance criteria for Outcome 1

Table 2.2 details the performance criteria for the program associated with Outcome 1. It also summarises how the program is delivered.

Table 2.2: Performance criteria for Outcome 1

Outcome 1: Provide correct or preferable decisions through a mechanism of independent review of administrative decisions that is accessible, fair, just, economical, informal, quick and proportionate		
Program 1.1: Administrative Appeals Tribunal		
The AAT provides administrative justice and contributes to improving the quality of government decision-making by reviewing administrative decisions in accordance with the <i>Administrative Appeals Tribunal Act 1975</i> .		
Delivery	Providing review of administrative decisions for people and organisations who apply for review of decisions that affect their interests.	
Performance information		
Year	Performance criteria	Targets
2016–17	Number of applications finalised	50,670 (target will not be met due to the lower than expected number of applications relating to decisions made under the National Disability Insurance Scheme)
	Proportion of applications finalised within 12 months of lodgement	75% (on track to meet target)
2017–18	Number of applications finalised	44,410
	Proportion of applications finalised within 12 months of lodgement	75%
2018–19 to 2020–21	Number of applications finalised	2018–19: 45,050 2019–20: 45,614 2020–21: 43,262
	Proportion of applications finalised within 12 months of lodgement	2018–19: 75% 2019–20: 75% 2020–21: 75%
Purposes	<p>The role of the AAT 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. Merits review of an administrative decision involves considering afresh the facts, law and policy relating to that decision. We decide what is the correct or preferable decision based on the material before us and may affirm, vary or set aside the decision under review.</p> <p>The AAT's objective is set out in section 2A of the <i>Administrative Appeals Tribunal Act 1975</i>. In carrying out our functions, the AAT must pursue the objective of providing a mechanism of review of administrative decisions that:</p> <ul style="list-style-type: none"> • is accessible • is fair, just, economical, informal and quick • is proportionate to the importance and complexity of the matter • promotes public trust and confidence in the decision-making of the Tribunal. <p>The AAT provides administrative justice for individuals and organisations seeking to challenge decisions that affect their interests and, more broadly, contributes to improving the quality of government decision-making.</p>	

Section 3: Budgeted financial statements

This section presents budgeted financial statements that provide a comprehensive snapshot of entity finances for the 2017–18 Budget year, including the impact of budget measures and resourcing.

3.1 DIFFERENCES BETWEEN ENTITY RESOURCING AND FINANCIAL STATEMENTS

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

3.2 ANALYSIS OF BUDGETED FINANCIAL STATEMENTS

Changes to the departmental budgeted financial statements since the 2016–17 Portfolio Additional Estimates Statements include funding for new measures and indexation changes across the forward years.

3.3 BUDGETED FINANCIAL STATEMENTS TABLES

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

	2016–17 Estimated actual \$'000	2017–18 Budget \$'000	2018–19 Forward estimate \$'000	2019–20 Forward estimate \$'000	2020–21 Forward estimate \$'000
EXPENSES					
Employee benefits	114,634	126,247	127,763	119,465	104,673
Suppliers	30,058	32,304	33,221	35,613	33,033
Depreciation and amortisation	6,290	6,290	6,540	5,330	5,408
Total expenses	150,982	164,841	167,524	160,408	143,114
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	1,177	1,177	1,177	300	304
Total own-source revenue	1,177	1,177	1,177	300	304
Gains					
Other	1,379	1,361	1,382	365	370
Total gains	1,379	1,361	1,382	365	370
Total own-source income	2,556	2,538	2,559	665	674
Net (cost of)/contribution by services	(148,426)	(162,303)	(164,965)	(159,743)	(142,440)
Revenue from government	142,136	156,013	158,425	154,413	137,032
Surplus/(deficit) attributable to the Australian Government	(6,290)	(6,290)	(6,540)	(5,330)	(5,408)
Total comprehensive income/(loss) attributable to the Australian Government	(6,290)	(6,290)	(6,540)	(5,330)	(5,408)

Note: Impact of net cash appropriation arrangements

	2016–17 \$'000	2017–18 \$'000	2018–19 \$'000	2019–20 \$'000	2020–21 \$'000
Total comprehensive income/(loss) excluding depreciation/amortisation expenses previously funded through revenue appropriations	–	–	–	–	–
Less depreciation/amortisation expenses previously funded through revenue appropriations	6,290	6,290	6,540	5,330	5,408
Total comprehensive income/(loss) as per the statement of comprehensive income	(6,290)	(6,290)	(6,540)	(5,330)	(5,408)

Prepared on Australian Accounting Standards basis.

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

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	489	489	489	489	489
Trade and other receivables	72,444	72,465	72,474	72,474	72,474
Total financial assets	72,933	72,954	72,963	72,963	72,963
Non-financial assets					
Land and buildings	37,636	48,886	46,986	52,848	50,930
Property, plant and equipment	3,408	2,855	2,746	3,234	3,762
Intangibles	1,917	1,731	1,078	1,030	910
Other non-financial assets	546	546	546	546	546
Total non-financial assets	43,507	54,018	51,356	57,658	56,148
Total assets	116,440	126,972	124,319	130,621	129,111
LIABILITIES					
Payables					
Suppliers	1,899	1,899	1,899	1,899	1,899
Other payables	25,018	25,039	25,048	25,048	25,048
Total payables	26,917	26,938	26,947	26,947	26,947
Provisions					
Employee provisions	20,189	20,189	20,189	20,189	20,189
Other provisions	2,330	2,330	2,330	2,330	2,330
Total provisions	22,519	22,519	22,519	22,519	22,519
Total liabilities	49,436	49,457	49,466	49,466	49,466
Net assets	67,004	77,515	74,853	81,155	79,645
EQUITY					
Parent entity interest					
Contributed equity	73,374	90,175	94,053	105,685	109,583
Reserves	5,141	5,141	5,141	5,141	5,141
Retained surplus/(accumulated deficit)	(11,511)	(17,801)	(24,341)	(29,671)	(35,079)
Total parent entity interest	67,004	77,515	74,853	81,155	79,645
Total equity	67,004	77,515	74,853	81,155	79,645

Prepared on Australian Accounting Standards basis.

Table 3.3: Departmental statement of changes in equity—summary of movement (budget year 2017–18)

	Retained earnings \$'000	Asset revaluation reserve \$'000	Contributed equity/ capital \$'000	Total equity \$'000
Opening balance as at 1 July 2017				
Balance carried forward from previous period	(11,511)	5,141	73,374	67,004
Adjustment for changes in accounting policies	–	–	–	–
Adjusted opening balance	(11,511)	5,141	73,374	67,004
Comprehensive income				
Surplus/(deficit) for the period	(6,290)	–	–	(6,290)
Total comprehensive income	(6,290)	–	–	(6,290)
Of which:				
Attributable to the Australian Government	(6,290)	–	–	(6,290)
Transactions with owners				
Contributions by owners				
Equity injection	–	–	13,000	13,000
Departmental capital budget	–	–	3,801	3,801
Sub-total transactions with owners	–	–	16,801	16,801
Estimated closing balance as at 30 June 2018	(17,801)	5,141	90,175	77,515
Closing balance attributable to the Australian Government	(17,801)	5,141	90,175	77,515

Prepared on Australian Accounting Standards basis.

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

	2016–17 Estimated actual \$'000	2017–18 Budget \$'000	2018–19 Forward estimate \$'000	2019–20 Forward estimate \$'000	2020–21 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	141,762	157,882	162,010	158,491	138,343
Sale of goods and rendering of services	1,177	1,177	1,177	300	304
Total cash received	142,939	159,059	163,187	158,791	138,647
Cash used					
Employees	114,168	127,491	130,325	122,483	105,643
Suppliers	28,771	31,568	32,862	36,308	33,196
Total cash used	142,939	159,059	163,187	158,791	138,839
Net cash from/(used by) operating activities	–	–	–	–	(192)
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment and intangibles	9,418	16,801	3,878	11,632	3,898
Total cash used	9,418	16,801	3,878	11,632	3,898
Net cash from/(used by) investing activities	(9,418)	(16,801)	(3,878)	(11,632)	(3,898)
FINANCING ACTIVITIES					
Cash received					
Contributed equity	9,418	16,801	3,878	11,632	3,898
Total cash received	9,418	16,801	3,878	11,632	3,898
Net cash from/(used by) financing activities	9,418	16,801	3,878	11,632	3,898
Net increase/(decrease) in cash held	–	–	–	–	(192)
Cash and cash equivalents at the beginning of the reporting period	489	489	489	489	489
Cash and cash equivalents at the end of the reporting period	489	489	489	489	297

Prepared on Australian Accounting Standards basis.

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

	2016–17 Estimated actual \$'000	2017–18 Budget \$'000	2018–19 Forward estimate \$'000	2019–20 Forward estimate \$'000	2020–21 Forward estimate \$'000
NEW CAPITAL APPROPRIATIONS					
Capital budget—Bill 1 (DCB)	4,075	3,801	3,878	3,880	3,898
Equity injections—Bill 2	18,343	–	–	7,752	–
Total new capital appropriations	22,418	3,801	3,878	11,632	3,898
Provided for:					
Purchase of non-financial assets	22,418	3,801	3,878	11,632	3,898
Total items	22,418	3,801	3,878	11,632	3,898
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations(a)	5,343	13,000	–	7,752	–
Funded by capital appropriation—DCB(b)	4,075	3,801	3,878	3,880	3,898
Total purchases of non-financial assets	9,418	16,801	3,878	11,632	3,898
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	9,418	16,801	3,878	11,632	3,898
Total cash used to acquire assets	9,418	16,801	3,878	11,632	3,898

Prepared on Australian Accounting Standards basis.

DCB = departmental capital budget.

(a) Includes current Bill 2 and prior year Act 2, 4 and 6 appropriations and special capital appropriations.

(b) Does not include annual finance lease costs. Includes purchases from current and previous years' DCBs.

Table 3.6: Statement of asset movements (budget year 2017–18)

	Buildings \$'000	Other property, plant & equipment \$'000	Computer software & intangibles \$'000	Total \$'000
As at 1 July 2017				
Gross book value	38,986	5,201	5,064	49,251
Accumulated depreciation/amortisation and impairment	(1,350)	(1,793)	(3,147)	(6,290)
Opening net book balance	37,636	3,408	1,917	42,961
CAPITAL ASSET ADDITIONS				
Estimated expenditure on new or replacement assets				
By purchase—appropriation equity(a)	13,000	–	–	13,000
By purchase—appropriation ordinary annual services(b)	100	1,240	2,461	3,801
Total additions	13,100	1,240	2,461	16,801
Other movements				
Depreciation/amortisation expense	(1,850)	(1,793)	(2,647)	(6,290)
Total other movements	(1,850)	(1,793)	(2,647)	(6,290)
As at 30 June 2018				
Gross book value	52,086	6,441	7,525	66,052
Accumulated depreciation/amortisation and impairment	(3,200)	(3,586)	(5,794)	(12,580)
Closing net book balance	48,886	2,855	1,731	53,472

Prepared on Australian Accounting Standards basis.

(a) 'Appropriation equity' refers to equity injection appropriations provided through Appropriation Act (No. 2) 2016–17.

(b) 'Appropriation ordinary annual services' refers to funding provided through Appropriation Bill (No. 1) 2017–18 for depreciation and amortisation expenses, departmental capital budgets or other operational expenses.

Table 3.7: Schedule of budgeted income and expenses administered on behalf of government (for the period ended 30 June)

	2016–17 Estimated actual \$'000	2017–18 Budget \$'000	2018–19 Forward estimate \$'000	2019–20 Forward estimate \$'000	2020–21 Forward estimate \$'000
EXPENSES					
Write-down and impairment of assets	2,600	2,600	2,600	2,600	2,600
Other expenses	6,400	6,400	6,400	6,400	6,400
Total expenses administered on behalf of government	9,000	9,000	9,000	9,000	9,000
LESS:					
OWN-SOURCE INCOME					
Non-taxation revenue					
Fees and fines	28,361	28,361	25,961	25,961	25,961
Total non-taxation revenue	28,361	28,361	25,961	25,961	25,961
Total own-source income administered on behalf of government	28,361	28,361	25,961	25,961	25,961
Net (cost of)/contribution by services	19,361	19,361	16,961	16,961	16,961
Surplus/(deficit)	19,361	19,361	16,961	16,961	16,961
Total comprehensive income/(loss)	19,361	19,361	19,361	19,361	19,361

Prepared on Australian Accounting Standards basis.

Table 3.8: Schedule of budgeted assets and liabilities administered on behalf of government (as at 30 June)

	2016–17 Estimated actual \$'000	2017–18 Budget \$'000	2018–19 Forward estimate \$'000	2019–20 Forward estimate \$'000	2020–21 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	162	162	162	162	162
Trade and other receivables	2,801	2,801	2,801	2,801	2,801
Total financial assets	2,963	2,963	2,963	2,963	2,963
Total assets administered on behalf of government	2,963	2,963	2,963	2,963	2,963
LIABILITIES					
Payables					
Other payables	437	437	437	437	437
Total payables	437	437	437	437	437
Total liabilities administered on behalf of government	437	437	437	437	437
Net assets/(liabilities)	2,526	2,526	2,526	2,526	2,526

Prepared on Australian Accounting Standards basis.

Table 3.9: Schedule of budgeted administered cash flows (for the period ended 30 June)

	2016–17 Estimated actual \$'000	2017–18 Budget \$'000	2018–19 Forward estimate \$'000	2019–20 Forward estimate \$'000	2020–21 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Application fees	20,061	20,061	17,661	17,661	17,661
Total cash received	20,061	20,061	17,661	17,661	17,661
Cash used					
Refunds of application fees	6,400	6,400	6,400	6,400	6,400
Total cash used	6,400	6,400	6,400	6,400	6,400
Net cash from/(used by) operating activities	13,661	13,661	11,261	11,261	11,261
Net increase/(decrease) in cash held	13,661	13,661	11,261	11,261	11,261
Cash and cash equivalents at the beginning of the reporting period	162	162	162	162	162
Cash from Official Public Account for appropriations	6,400	6,400	6,400	6,400	6,400
Cash to Official Public Account for appropriations	(20,061)	(20,061)	(17,661)	(17,661)	(17,661)
Cash and cash equivalents at the end of the reporting period	162	162	162	162	162

Prepared on Australian Accounting Standards basis.