

Section 3: Explanatory tables and budgeted financial statements

Section 3 presents explanatory tables and budgeted financial statements which provide a comprehensive snapshot of agency finances for the 2012-13 budget year. It explains how budget plans are incorporated into the financial statements and provides further details of the reconciliation between appropriations and program expenses, 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 years¹

	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000
Outcome 2:					
Program 2.4					
Trade Training Centres in Schools Program		(32,522)	(45,369)	-	-
Outcome 3:					
Program 3.1					
Connecting People with Jobs	(1,200)	1,200	-	-	-
Total Movement of Administered Funds	(1,200)	(31,322)	(45,369)	-	-

¹ Figures displayed as a negative (-) represent a decrease in funds and a positive reflect an increase in 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 FMA Act 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

		Opening balance 2012-13 2011-12	Receipts 2012-13 2011-12	Payments 2012-13 2011-12	Adjustments 2012-13 2011-12	Closing balance 2012-13 2011-12
	Outcome	\$'000	\$'000	\$'000	\$'000	\$'000
Aboriginal Tutorial Assistance	2	909	35	(5)	-	939
Superannuation Special Account - s20 FMA Act Det 2003/05 (A)		879	35	(5)	-	909
National Youth Affairs Research Scheme Special Account - s20 FMA Act Det 2006/45 (A)	2	400 400	240 240	(240) (240)	-	400 400
Department of Education, Employment and Workplace Relations Services for Other Entities and Trust Moneys Special Account - s20 FMA Act Det 2008/14 (A)	5	5,202 5,202	-	-	-	5,202 5,202
EIF Education Portfolio Special Account - s21 FMA Act [National-building Funds Act 2008] (A)	5	-	-	-	-	-
Australian International Marketing of Education (D)		-	8,000	(8,000)	-	-
Total Special Accounts 2012-13 Budget estimate		6,511	275	(245)	-	6,541
<i>Total Special Accounts 2011-12 estimate actual</i>		6,481	115,606	(115,576)	-	6,511

(A) = Administered

(D) = Departmental

3.1.3 Australian Government Indigenous Expenditure

Table 3.1.3: Australian Government Indigenous Expenditure

Outcome	Appropriations				Other \$'000	Total \$'000	Program
	Bill No. 1 \$'000	Bill No. 2 \$'000	Special approp \$'000	Total approp \$'000			
	Department of Education, Employment and Workplace Relations						
Outcome 1							
Administered 2012-13	72,358	-	-	72,358	-	72,358	1.1
<i>Administered 2011-12</i>	<i>65,300</i>	-	-	<i>65,300</i>	-	<i>65,300</i>	
Departmental 2012-13	13,781	-	-	13,781	-	13,781	
<i>Departmental 2011-12</i>	<i>13,423</i>	-	-	<i>13,423</i>	-	<i>13,423</i>	
Total outcome 2012-13	86,139	-	-	86,139	-	86,139	
<i>Total outcome 2011-12</i>	<i>78,723</i>	-	-	<i>78,723</i>	-	<i>78,723</i>	
Outcome 2							
Administered 2012-13	39,479	-	418,762	458,241	5	458,246	
<i>Administered 2011-12</i>	<i>48,790</i>	-	<i>449,623</i>	<i>498,413</i>	<i>5</i>	<i>498,418</i>	2.2, 2.3,
Departmental 2012-13	7,736	-	-	7,736	-	7,736	2.12
<i>Departmental 2011-12</i>	<i>8,306</i>	-	-	<i>8,306</i>	-	<i>8,306</i>	
Total outcome 2012-13	47,215	-	418,762	465,977	5	465,982	
<i>Total outcome 2011-12</i>	<i>57,096</i>	-	<i>449,623</i>	<i>506,719</i>	<i>5</i>	<i>506,724</i>	
Outcome 3							
Administered 2012-13	172,576	-	-	172,576	-	172,576	3.2
<i>Administered 2011-12</i>	<i>157,713</i>	-	-	<i>157,713</i>	-	<i>157,713</i>	
Departmental 2012-13	10,457	-	-	10,457	-	10,457	
<i>Departmental 2011-12</i>	<i>10,078</i>	-	-	<i>10,078</i>	-	<i>10,078</i>	
Total outcome 2012-13	183,033	-	-	183,033	-	183,033	
<i>Total outcome 2011-12</i>	<i>167,791</i>	-	-	<i>167,791</i>	-	<i>167,791</i>	
Total administered 2012-13	284,413	-	418,762	703,175	5	703,180	
<i>Total administered 2011-12</i>	<i>271,803</i>	-	<i>449,623</i>	<i>721,426</i>	<i>5</i>	<i>721,431</i>	
Total departmental 2012-13	31,974	-	-	31,974	-	31,974	
<i>Total departmental 2011-12</i>	<i>31,807</i>	-	-	<i>31,807</i>	-	<i>31,807</i>	
Total AGIE 2012-13	316,387	-	418,762	735,149	5	735,154	
<i>Total AGIE 2011-12</i>	<i>303,610</i>	<i>-</i>	<i>449,623</i>	<i>753,233</i>	<i>5</i>	<i>753,238</i>	

3.2 BUDGETED FINANCIAL STATEMENTS

3.2.2 Analysis of budgeted financial statements

An analysis of the department's budgeted financial statements, which consists of the budgeted departmental financial statements and administered schedules, is provided below. The 2011-12 estimated actual is used as the comparative year for the analysis although some comments on broader trends in the forward estimates are provided.

Departmental financial statements

Income Statement

The department's income statement reflects a deficit in 2011-12. This deficit is attributable to the depreciation expense for the year and an approved operating loss.

Expenses for 2012-13 are estimated to be \$715 million. This reflects a reduction of \$171 million from the estimated actual expense for 2011-12 and is predominantly due to the impact of budget measures, the application of efficiency dividend, and the Administrative Arrangements Orders (AAO) that took effect on 14 December 2011 which transferred the responsibility for Tertiary Education, Skills and International functions and policy to the Department of Industry, Innovation, Science, Research and Tertiary Education.

Balance Sheet

The budgeted net asset position of \$135.5 million for 2012-13 represents a decrease of \$39 million from the 2011-12 estimated actual. This is partially due to the AAO referred to above. The accumulated deficit apparent in the balance sheet represents the accounting treatment applicable to depreciation expense.

The structure of the balance sheet reflects the nature of the organisation. Key assets are office fit-out (included in land and buildings), computer and office machines (included in infrastructure, plant and equipment), and computer software (included in intangibles). The most significant liability relates to employees and the leave provisions that are accrued as a result of their employment.

Administered Statements

Income Statement

Administered revenue for the 2012-13 budget year will be \$179 million, a reduction of \$503 million from the 2011-12 estimated actual. This relates to the transfer of both the HECS-HELP program and the Education and Investment Fund program to the Department of Industry, Innovation, Science, Research and Tertiary Education as referred to above.

Administered expenses in 2012-13 are estimated to be \$31.9 billion, a decrease of \$4.7 billion from the 2011-12 estimated actual. Of this decrease \$6.2 billion is attributable to AAO, which is offset by increases related to a number of budget measures and program parameters.

Balance Sheet

The major variations apparent in the balance sheet are as a result of changes in payables, which reflect the timing of payments of personal benefits, grants and income support programs from year to year.

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	Budget estimate	Forward estimate	Forward estimate	Forward estimate
	2011-12	2012-13	2013-14	2014-15	2015-16
	\$'000	\$'000	\$'000	\$'000	\$'000
EXPENSES					
Employee benefits	564,468	491,509	507,800	499,124	498,386
Suppliers	234,471	134,045	111,198	111,983	119,432
Depreciation and amortisation	86,964	90,704	90,864	92,321	92,321
Total expenses	885,903	716,258	709,862	703,428	710,139
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	23,200	52,914	52,705	52,194	53,198
Total own-source revenue	23,200	52,914	52,705	52,194	53,198
Gains					
Other	17,460	1,700	1,700	1,700	1,700
Total gains	17,460	1,700	1,700	1,700	1,700
Total own-source income	40,660	54,614	54,405	53,894	54,898
Net cost of (contribution by) services	(845,243)	(661,644)	(655,457)	(649,534)	(655,241)
Revenue from Government	740,365	571,026	564,593	557,213	563,042
Surplus (Deficit) attributable to the Australian Government	(104,878)	(90,618)	(90,864)	(92,321)	(92,199)
Total comprehensive income (loss)	(104,878)	(90,618)	(90,864)	(92,321)	(92,199)
Total comprehensive income (loss) attributable to the Australian Government	(104,878)	(90,618)	(90,864)	(92,321)	(92,199)
Note: Impact of Net Cash Appropriation Arrangements					
	2011-12	2012-13	2013-14	2014-15	2015-16
	\$'000	\$'000	\$'000	\$'000	\$'000
Total Comprehensive Income (loss) less depreciation/amortisation expenses previously funded through revenue appropriations.	(17,914)	86	-	-	122
plus depreciation/amortisation expenses previously funded through revenue appropriations ¹	(86,964)	(90,704)	(90,864)	(92,321)	(92,321)
Total Comprehensive Income (loss) - as per the Statement of Comprehensive Income	(104,878)	(90,618)	(90,864)	(92,321)	(92,199)

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

DEEWR Budget Statements – Budgeted financial statements

Table 3.2.2: Budgeted Departmental Balance Sheet (as at 30 June)

	Estimated actual	Budget estimate	Forward estimate	Forward estimate	Forward estimate
	2011-12	2012-13	2013-14	2014-15	2015-16
	\$'000	\$'000	\$'000	\$'000	\$'000
ASSETS					
Financial assets					
Cash and cash equivalents	3,990	3,990	3,990	3,990	3,990
Trade and other receivables	142,656	141,065	141,231	141,594	141,741
Other financial assets	476	476	476	476	476
Total financial assets	147,122	145,531	145,697	146,060	146,207
Non-financial assets					
Land and buildings	94,604	78,665	61,110	46,858	32,631
Property, plant and equipment	49,939	32,101	9,623	5,045	1,463
Intangibles	128,507	125,766	122,271	98,330	74,479
Other non-financial assets	28,482	28,482	28,482	28,482	28,482
Total non-financial assets	301,532	265,014	221,486	178,715	137,055
Total assets	448,654	410,545	367,183	324,775	283,262
LIABILITIES					
Payables					
Suppliers	39,086	39,086	39,086	39,086	39,086
Other payables	52,367	52,367	52,367	52,367	52,367
Total payables	91,453	91,453	91,453	91,453	91,453
Provisions					
Employee provisions	174,386	175,281	175,447	175,811	175,958
Other provisions	8,310	8,310	8,310	8,310	8,310
Total provisions	182,696	183,591	183,757	184,121	184,268
Total liabilities	274,149	275,044	275,210	275,574	275,721
Net assets	174,505	135,501	91,973	49,201	7,541
EQUITY*					
Parent entity interest					
Contributed equity	341,084	392,698	440,034	489,583	540,122
Reserves	47,331	47,331	47,331	47,331	47,331
Retained surplus (accumulated deficit)	(213,910)	(304,528)	(395,392)	(487,713)	(579,912)
Total parent entity interest	174,505	135,501	91,973	49,201	7,541
Total Equity	174,505	135,501	91,973	49,201	7,541

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

Prepared on Australian Accounting Standards basis.

Table 3.2.3: Departmental Statement of Changes in Equity — summary of movement (Budget year 2012-13)

	Retained earnings \$'000	Asset revaluation reserve \$'000	Other reserves \$'000	Contributed equity/ capital \$'000	Total equity \$'000
Opening balance as at 1 July 2012					
Balance carried forward from previous period	(213,910)	47,331	-	341,084	174,505
Adjustment for changes in accounting policies	-	-	-	-	-
Adjusted opening balance	(213,910)	47,331	-	341,084	174,505
Comprehensive income					
Surplus (deficit) for the period	(90,618)	-	-	-	(90,618)
Total comprehensive income	(90,618)	-	-	-	(90,618)
of which:					
Attributable to the Australian Government	-	-	-	-	-
Attributable to non-controlling interest*	-	-	-	-	-
Transactions with owners					
Distributions to owners					
Returns on capital:					
Dividends	-	-	-	-	-
Returns of capital:					
Other	-	-	-	-	-
Contributions by owners					
Equity Injection					
Equity Injection - Appropriation	-	-	-	6,520	6,520
Departmental Capital Budget (DCBs)	-	-	-	45,094	45,094
Sub-total transactions with owners	-	-	-	51,614	51,614
Transfers between equity components	-	-	-	-	-
Estimated closing balance as at 30 June 2013	(304,528)	47,331	-	392,698	135,501
Less: non-controlling interests	-	-	-	-	-
Closing balance attributable to the Australian Government	(304,528)	47,331	-	392,698	135,501

Prepared on Australian Accounting Standards basis.

DEEWR Budget Statements – Budgeted financial statements

**Table 3.2.4: Budgeted Departmental Statement of Cash Flows
(for the period ended 30 June)**

	Estimated actual	Budget estimate	Forw ard estimate	Forw ard estimate	Forw ard estimate
	2011-12	2012-13	2013-14	2014-15	2015-16
	\$'000	\$'000	\$'000	\$'000	\$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	767,380	572,576	564,390	556,691	562,895
Sale of goods and rendering of services	23,200	52,914	52,705	52,194	53,198
Total cash received	790,580	625,490	617,095	608,885	616,093
Cash used					
Employees	566,928	493,280	510,296	498,601	498,239
Suppliers	215,703	129,638	106,799	110,283	117,732
Total cash used	782,631	622,918	617,095	608,884	615,971
Net cash from (used by) operating activities	7,949	2,572	-	1	122
INVESTING ACTIVITIES					
Cash received					
Other	-	-	-	-	-
Total cash received	-	-	-	-	-
Cash used					
Purchase of property, plant and equipment	88,996	54,186	47,336	49,550	50,661
Total cash used	88,996	54,186	47,336	49,550	50,661
Net cash from (used by) investing activities	(88,996)	(54,186)	(47,336)	(49,550)	(50,661)
FINANCING ACTIVITIES					
Cash received					
Contributed equity	81,047	51,614	47,336	49,549	50,539
Total cash received	81,047	51,614	47,336	49,549	50,539
Cash used					
Other	-	-	-	-	-
Total cash used	-	-	-	-	-
Net cash from (used by) financing activities	81,047	51,614	47,336	49,549	50,539
Net increase (decrease) in cash held	-	-	-	-	-
Cash and cash equivalents at the beginning of the reporting period	3,990	3,990	3,990	3,990	3,990
Effect of exchange rate movements on cash and cash equivalents at the beginning of reporting period	-	-	-	-	-
Cash and cash equivalents at the end of the reporting period	3,990	3,990	3,990	3,990	3,990

Prepared on Australian Accounting Standards basis.

Table 3.2.5: Departmental Capital Budget Statement

	Estimated actual	Budget estimate	Forward estimate	Forward estimate	Forward estimate
	2011-12	2012-13	2013-14	2014-15	2015-16
	\$'000	\$'000	\$'000	\$'000	\$'000
NEW CAPITAL APPROPRIATIONS					
Capital budget - Bill 1 (DCB)	68,915	45,094	45,635	47,733	48,442
Equity injections - Bill 2	12,132	6,520	1,701	1,816	2,097
Departmental capital - special appropriation (Dept only)	-	-	-	-	-
Total new capital appropriations	81,047	51,614	47,336	49,549	50,539
Provided for:					
Purchase of non-financial assets	81,047	51,614	47,336	49,549	50,539
Other Items	-	-	-	-	-
Total Items	81,047	51,614	47,336	49,549	50,539
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations ¹	12,132	6,520	1,701	1,816	2,097
Funded by capital appropriation - DCB ²	73,914	45,094	45,635	47,733	48,442
Funded internally from departmental resources ³	2,950	2,572	-	1	122
TOTAL	88,996	54,186	47,336	49,550	50,661
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	88,996	54,186	47,336	49,550	50,661
less additions by finance lease	-	-	-	-	-
less additions by creditors / borrowings	-	-	-	-	-
plus borrowing / finance costs	-	-	-	-	-
plus Annual finance lease costs	-	-	-	-	-
less Gifted assets	-	-	-	-	-
less s32 / restructuring	-	-	-	-	-
Total cash used to acquire assets	88,996	54,186	47,336	49,550	50,661

Prepared on Australian Accounting Standards basis.

¹ Includes both current and prior Bill 2/4/6 appropriations and special capital appropriations

² Does not include annual finance lease costs. Include purchase from current and previous years' Departmental Capital Budgets (DCBs).

³ Includes the following sources of funding:

- current and prior year Bill 1/3/5 appropriations (excluding amounts from the DCB).
- internally developed assets
- s31 relevant agency receipts (for FMA agencies only)

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

	Land	Buildings	Other property, plant and equipment	Computer software and intangibles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
As at 1 July 2012					
Gross book value	1,123	120,598	169,181	310,544	601,446
Accumulated depreciation/amortisation and impairment	-	(27,117)	(119,242)	(182,037)	(328,396)
Opening net book balance	1,123	93,481	49,939	128,507	273,050
CAPITAL ASSET ADDITIONS					
Estimated expenditure on new or replacement assets					
By purchase - appropriation equity ¹	-	-	-	-	-
By purchase - appropriation ordinary annual services ²	-	10,626	6,945	36,615	54,186
By purchase - other	-	-	-	-	-
By finance lease	-	-	-	-	-
Total additions	-	10,626	6,945	36,615	54,186
Other movements					
Assets held for sale or in a disposal group held for sale	-	-	-	-	-
Depreciation/amortisation expense	-	(26,565)	(24,783)	(39,356)	(90,704)
Disposals ³					
From disposal of entities or operations (including restructuring)	-	-	-	-	-
Other	-	-	-	-	-
Total other movements	-	(26,565)	(24,783)	(39,356)	(90,704)
As at 30 June 2013					
Gross book value	1,123	131,224	176,126	347,159	655,632
Accumulated depreciation/amortisation and impairment	-	(53,682)	(144,025)	(221,393)	(419,100)
Closing net book balance	1,123	77,542	32,101	125,766	236,532

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) 2012-13, including CDABs.

² "Appropriation ordinary annual services" refers to funding provided through Appropriation Bill (No.1) 2012-13 for depreciation / amortisation expenses, DCBs or other operational expenses.

³ Net proceeds may be returned to the OPA.

DEEWR Budget Statements – Budgeted financial statements

Table 3.2.7: Schedule of Budgeted Income and Expenses Administered on behalf of Government (for the period ended 30 June)

	Estimated actual	Budget estimate	Forward estimate	Forward estimate	Forward estimate
	2011-12	2012-13	2013-14	2014-15	2015-16
	\$'000	\$'000	\$'000	\$'000	\$'000
EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT					
Suppliers	2,797,969	2,572,845	2,734,105	2,676,957	2,647,662
Subsidies	719,603	226,738	228,008	229,444	230,907
Personal benefits	20,505,961	19,732,459	20,845,886	20,512,755	21,456,262
Grants	11,871,656	9,384,484	9,827,454	10,509,834	11,490,327
Write-down and impairment of assets	354,328	31,974	32,974	25,095	26,990
Other expenses	355,542	-	-	-	-
Total expenses administered on behalf of Government	36,605,059	31,948,500	33,668,427	33,954,085	35,852,148
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Taxation revenue					
Other taxes	152,423	152,423	152,423	152,423	152,423
Total taxation revenue	152,423	152,423	152,423	152,423	152,423
Non-taxation revenue					
Interest	389,536	2,908	2,601	2,272	1,860
Other revenue	140,453	23,735	22,225	22,225	22,223
Total non-taxation revenue	529,989	26,643	24,826	24,497	24,083
Total own-source revenues administered on behalf of Government	682,412	179,066	177,249	176,920	176,506
Net Cost of (contribution by) services					
Surplus (Deficit)	(35,922,647)	(31,769,434)	(33,491,178)	(33,777,165)	(35,675,642)
OTHER COMPREHENSIVE INCOME					
Changes in asset revaluation surplus	-	-	-	-	-
Total other comprehensive income	-	-	-	-	-
Total comprehensive income (loss)	(35,922,647)	(31,769,434)	(33,491,178)	(33,777,165)	(35,675,642)

Prepared on Australian Accounting Standards basis.

DEEWR Budget Statements – Budgeted financial statements

Table 3.2.8: Schedule of Budgeted Assets and Liabilities Administered on behalf of Government (as at 30 June)

	Estimated actual	Budget estimate	Forw ard estimate	Forw ard estimate	Forw ard estimate
	2011-12	2012-13	2013-14	2014-15	2015-16
	\$'000	\$'000	\$'000	\$'000	\$'000
ASSETS					
Financial assets					
Cash and cash equivalents	200	200	200	200	200
Trade and other receivables	897,698	833,770	749,245	726,435	759,843
Other investments	21,812	21,812	21,812	21,812	21,812
Total financial assets	919,710	855,782	771,257	748,447	781,855
Non-financial assets					
Inventories	1	1	1	1	1
Other non-financial assets	3,917	3,626	3,626	3,657	3,690
Total non-financial assets	3,918	3,627	3,627	3,658	3,691
Total assets administered on behalf of Government	923,628	859,409	774,884	752,105	785,546
LIABILITIES					
Payables					
Suppliers	97,599	97,599	97,599	97,599	97,599
Subsidies	21,756	21,756	21,756	21,756	21,756
Personal benefits	990,713	1,106,003	1,149,696	1,179,866	1,289,886
Grants	59,795	59,795	59,795	59,795	59,795
Other payables	2,262,210	2,287,980	2,299,019	2,320,072	2,305,336
Total payables	3,432,073	3,573,133	3,627,865	3,679,088	3,774,372
Interest bearing liabilities					
Loans	57,409	57,409	57,409	57,409	57,409
Total interest bearing liabilities	57,409	57,409	57,409	57,409	57,409
Total liabilities administered on behalf of Government	3,489,482	3,630,542	3,685,274	3,736,497	3,831,781
Net assets/(liabilities)	(2,565,854)	(2,771,133)	(2,910,390)	(2,984,392)	(3,046,235)

Prepared on Australian Accounting Standards basis.

DEEWR Budget Statements – Budgeted financial statements

**Table 3.2.9: Schedule of Budgeted Administered Cash Flows
(for the period ended 30 June)**

	Estimated actual	Budget estimate	Forward estimate	Forward estimate	Forward estimate
	2011-12	2012-13	2013-14	2014-15	2015-16
	\$'000	\$'000	\$'000	\$'000	\$'000
OPERATING ACTIVITIES					
Cash received					
Interest	465,596	2,233	2,178	2,067	1,978
Taxes	152,423	152,423	152,423	152,423	152,423
Other	333,936	202,742	204,186	203,962	204,765
Total cash received	951,955	357,398	358,787	358,452	359,166
Cash used					
Grant	11,928,454	9,384,484	9,827,454	10,509,834	11,490,327
Subsidies paid	719,603	226,738	228,008	229,444	230,907
Personal benefits	20,368,153	19,636,039	20,794,361	20,445,849	21,363,468
Suppliers	2,837,070	2,671,389	2,833,766	2,778,916	2,752,105
Total cash used	35,853,280	31,918,650	33,683,589	33,964,043	35,836,807
Net cash from (used by) operating activities	(34,901,325)	(31,561,252)	(33,324,802)	(33,605,591)	(35,477,641)
INVESTING ACTIVITIES					
Cash received					
Investments associated with loan programs	1,196,103	4,744	5,744	5,744	7,722
Total cash received	1,196,103	4,744	5,744	5,744	7,722
Cash used					
Investments associated with loan programs	1,793,749	-	-	-	-
Total cash used	1,793,749	-	-	-	-
Net cash from (used by) investing activities	(597,646)	4,744	5,744	5,744	7,722
Net increase (decrease) in cash held	(35,498,971)	(31,556,508)	(33,319,058)	(33,599,847)	(35,469,919)
Cash and cash equivalents at beginning of reporting period	200	200	200	200	200
Cash from Official Public Account for:					
- Appropriations	37,486,150	31,881,858	33,646,133	33,927,428	35,801,507
Cash to Official Public Account for:					
- Appropriations	(1,987,179)	(325,350)	(327,075)	(327,581)	(331,588)
Cash and cash equivalents at end of reporting period	200	200	200	200	200

Prepared on Australian Accounting Standards basis.

3.2.4 Notes to the financial statements

Accounting Policy

The budgeted financial statements have been prepared in accordance with the requirements of the Finance Minister's Orders issued by the Minister for Finance and Deregulation.

The statements have been prepared:

- on an accrual accounting basis
- in compliance with Australian Accounting Standards and Australian Equivalents to International Financial Reporting Standards (AEIFRS) and other authoritative pronouncements of the Australian Accounting Standards Board and the Consensus Views of the Urgent Issues Group
- having regard to Statements of Accounting Concepts.

Departmental appropriation revenue

Revenue from Government represents the purchase of outputs from the department by the Government. The changes reflected in the ordinary annual appropriations are a result of those new measures and variations that are explained in Section 1: Agency overview and resources.

Departmental own source revenue

Revenue from the sale of goods and services is recognised upon the delivery of the goods or services to the customers.

Departmental gains

Services received free of charge are recognised as gains when a fair value can be reliably determined and the services would have been purchased if they had not been donated. Use of those resources is recognised as an expense.

Departmental expenses – employee benefits

This item represents payments made and net increases or decreases in entitlements owed to employees for their services provided in the financial year.

Departmental expenses – suppliers

This item represents payments to suppliers for goods and services. It includes contracted payments made to Centrelink for services received.

Departmental expenses – depreciation and amortisation

Property, plant and equipment assets are written-off to their estimated residual value over their estimated useful lives to the department using the straight-line method of depreciation. Forward estimates of depreciation expense are made using forecasts of net capital acquisitions over the forward years.

Departmental assets – financial assets – receivables

Receivables represent amounts owing to the department for goods and services it has provided to external parties, cash reserves held in the Official Public Account which are recorded as receivable and prepayments.

Departmental assets – non-financial assets

These items represent future economic benefits that the department will consume in producing outputs. Following initial recognition at cost, Land and Buildings, Infrastructure, Plant and Equipment are carried at fair value less accumulated depreciation. Valuations are conducted with sufficient frequency to ensure that the carrying amount does not differ materially from the assets' fair values at reporting date.

Computer software, disclosed in the Departmental Balance Sheet as Intangibles, are expensed in the year of acquisition except for purchases of internally developed software costing more than the appropriate threshold which are capitalised at cost.

Departmental liabilities – provisions – employees

Provision has been made for the department's liability for employee entitlements arising from services rendered by employees to balance date. This liability encompasses wages and salaries that are yet to be paid, annual and long service leave. No provision is made for sick leave.

Employee entitlements payable are measured as the present value of the estimated future cash outflows to be made in respect of services provided by employees up to the reporting date. Liabilities expected to be settled within 12 months are measured at the nominal amount.

Departmental liabilities – payables – suppliers

Suppliers and other payables are recognised at amortised cost. Liabilities are recognised to the extent that the goods or services have been received (and irrespective of having been invoiced).

Administered revenue – taxation revenue

Black Coal Mining Industry Levy: Since 1993, employers have been required to pay a levy of payroll into a central fund managed by the Coal Mining Industry (Long Service Leave) Corporation.

Administered revenue – interest

This amount comprises of the fair value accounting treatment of HECS receivable. It consists of indexation on HECS receivable from student loans.

Administered revenue – Other Sources of non Taxation Revenue

This amount comprises of the Education Investment Fund Special account funds received by the department and the revenue received from HECS-HELP loan fees.

Administered expenses – grants

The Grants expenses include funding provided to the schools, vocational education and training and higher education (multi-jurisdictional) sectors.

Administered expenses – subsidies

Subsidies reflect the amount of funding estimated to be provided to employers under the Vocational Education and Training program and payments under the Indigenous Employment Program and the *Coal Mining Industry (Long Service Leave) Payroll Levy Act 1992*.

Administered expenses – personal benefits

These include payments made in respect of the Child Care Tax Rebate, Child Care Benefit, School Students Assistance, General Employee Entitlements and Redundancy Scheme payments, Parenting Payments, Newstart Allowance, Pensioner Education Supplement, Partner Allowance, Widow Allowance, Mature Age Allowance, Ex Gratia Payment, Utilities Allowance, Asbestos, Act of Grace and Modified Compliance Framework.

Administered expenses – suppliers

These comprise a range of administered programs the most significant being Job Services Australia, Disability Employment Services, Indigenous Employment, New Apprenticeship Centres, Workforce Skills Development, New Apprenticeship Access Program and the Language, Literacy and Numeracy Program.

Administered expenses – write down and impairment of assets

This relates to loans provided to students under HELP and reflects those amounts not expected to be repaid, partially offset by the amounts owed by students increasing due to the application of CPI.

Administered expenses – finance costs

This component reflects the deferral costs on loans provided to students under HELP. Deferral costs arise due to the income contingent nature of the repayment arrangement and is the cost resulting from payments being received over an extended period.

Administered assets – financial assets – receivables

The main component of the receivables is loans provided to students under HECS-HELP. The value of these loans are based on a 'fair value' which accounts for an estimate of those amounts that are not expected to be repaid as well as the cost of repayments being deferred due to the income contingent nature of the repayment arrangements. The other significant component is receivables relating to personal benefit overpayments.

Administered liabilities

This primarily comprises a grants provision for the Government share of unfunded superannuation liability in respect of university employees.

DEEWR Budget Statements – Budgeted financial statements