

# FAIR WORK AUSTRALIA

<b>Section 1: Agency overview and resources</b> .....	<b>1</b>
1.1 Strategic Direction Statement.....	1
1.2 Agency Resource Statement.....	3
1.3 Budget Measures.....	4
<b>Section 2: Outcomes and planned performance</b> .....	<b>5</b>
2.1 Outcomes and performance information .....	5
<b>Section 3: Explanatory tables and budgeted financial statements</b> .....	<b>10</b>
3.1 Explanatory tables .....	10
3.2 Budgeted Financial Statements.....	11



## **FAIR WORK AUSTRALIA**

### **Section 1: Agency overview and resources**

#### **1.1 STRATEGIC DIRECTION STATEMENT**

Fair Work Australia (FWA) was established by the *Fair Work Act 2009* and commenced operations on 1 July 2009. FWA was one of two institutions established to administer the provisions of the *Fair Work Act 2009* (the Act) and to provide a balanced framework for cooperative and productive workplace relations that promote economic prosperity and social inclusion. The Act also establishes the Office of the Fair Work Ombudsman to undertake compliance, education and advice functions.

FWA consists of a President, Deputy Presidents, Commissioners and Minimum Wage Panel members. FWA also has a General Manager and administrative staff who exercise powers and functions under the Act.

FWA has the power to vary awards, make minimum wage orders, approve agreements, resolve workplace and other disputes, determine unfair dismissal claims and make orders in relation to such things as good faith bargaining and industrial action. FWA performs its functions and exercises its powers in a manner that is:

- efficient
- adequately serves the needs of employers and employee
- fair and just
- quick, informal and avoids unnecessary technicalities
- open and transparent
- promotes harmonious and cooperative workplace relations.

FWA's newly developed strategic plan has the overarching strategic goal of meeting FWA's statutory functions effectively through independent, respected, efficient workplace relations services.

The strategy has four goals:

- provide effective service delivery and support to Members of FWA; the Fair Work Legislation
- provide effective service delivery and assistance to clients of FWA;

*Fair Work Australia Budget Statements – Overview & resources*

- provide effective support to the General Manager to meet functions under the Fair Work Act and the Registered Organisations Act;
- be an effective, high performing, accountable APS agency.

The Plan was launched in April 2012 and will continue into 2012-13.

FWA will continue work with the respective state industrial commissions to implement the national workplace relations system in accordance with the bi-lateral arrangements.

A memorandum of understanding between FWA and FWO is in place to aid the seamless delivery of services to clients regardless of whether the initial point of contact is with FWA or FWO. The two agencies will continue to work cooperatively to meet this objective.

A research program continues to support the minimum wage function with research projects to be completed or to be commissioned in 2012-13.

Processes for the management of lodgements particularly unfair dismissals and approval of agreements will continue to be reviewed and refined.



### 1.3 BUDGET MEASURES

Budget measures relating to Fair Work Australia are detailed in Budget Paper No. 2 and are summarised below.

**Table 1.2: Agency 2012-13 Budget Measures**

Program	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000
<b>Expense measures</b>					
Application of Efficiency Dividend					
Departmental expenses	-	(1,921)	(1,891)	(1,914)	(1,933)
<b>Total</b>	-	<b>(1,921)</b>	<b>(1,891)</b>	<b>(1,914)</b>	<b>(1,933)</b>
<b>Total expense measures</b>					
Departmental	-	(1,921)	(1,891)	(1,914)	(1,933)
<b>Total</b>	-	<b>(1,921)</b>	<b>(1,891)</b>	<b>(1,914)</b>	<b>(1,933)</b>
<b>Capital measures</b>					
Application of Efficiency Dividend					
Departmental capital	-	(281)	(88)	(628)	(648)
<b>Total</b>	-	<b>(281)</b>	<b>(88)</b>	<b>(628)</b>	<b>(648)</b>
<b>Total capital measures</b>					
Departmental	-	(281)	(88)	(628)	(648)
<b>Total</b>	-	<b>(281)</b>	<b>(88)</b>	<b>(628)</b>	<b>(648)</b>

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 which contribute to Government outcomes over the Budget and forward years.

Each outcome is described below together with its related programs, specifying the performance indicators and targets used to assess and monitor the performance of Fair Work Australia in achieving Government outcomes.

**Outcome 1: Simple, fair and flexible workplace relations for employees and employers through the exercise of powers to set and vary minimum wages and modern awards, facilitate collective bargaining, approve agreements and deal with disputes.**

#### Outcome 1 Strategy

FWA has a single planned outcome. Key strategies toward achieving the Fair Work Australia outcome in 2012-13 are:

- Provide effective assistance to Fair Work Australia Members to meet the objects of the *Fair Work Act 2009*.
- Implement processes and systems to support the exercise of new and/or changed powers under the *Fair Work Act 2009*.
- Develop and provide information to promote public understanding of the functions and activities of Fair Work Australia.
- Undertake research activities to support minimum wage process.
- Carry out regulatory functions under the *Fair Work Act 2009* and *Fair Work (Registered Organisations) Act 2009*.

**Outcome Expense Statement**

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

**Table 2.1: Budgeted Expenses and Resources for Outcome 1**

	2011-12	2012-13
<b>Outcome 1: Simple, fair and flexible workplace relations for employees and employers through the excise of powers to set and vary minimum wages and modern awards, facilitate collective bargaining, approve agreements and deal with disputes.</b>	Estimated actual expenses \$'000	Estimated expenses \$'000
<b>Program 1.1: Other Departmental FWA</b>		
Departmental expenses		
Departmental appropriation <sup>1</sup>	72,947	74,549
Expenses not requiring appropriation in the Budget year <sup>2</sup>	6,225	1,996
<b>Total for Program 1.1</b>	<b>79,172</b>	<b>76,545</b>
<b>Outcome 1 Totals by appropriation type</b>		
Departmental expenses		
Departmental appropriation <sup>1</sup>	72,947	74,549
Expenses not requiring appropriation in the Budget year <sup>2</sup>	6,225	1,996
<b>Total expenses for Outcome 1</b>	<b>79,172</b>	<b>76,545</b>
	2011-12	2012-13
<b>Average Staffing Level (number)</b>	<b>343</b>	<b>343</b>

<sup>1</sup> Departmental Appropriation combines "Ordinary annual services (Appropriation Bill No. 1)" and "Revenue from independent sources (s31)".

<sup>2</sup> Expenses not requiring appropriation in the Budget year is made up of Depreciation Expense, Amortisation Expense, Makegood Expense, Audit Fees.



## Contributions to Outcome 1

### Program 1: Dispute resolution, minimum wages, orders and approval of agreements.

#### Program 1 objective

To exercise powers under the *Fair Work Act 2009*:

- in accordance with the objects of the Act
- in a manner that is efficient, fair and just, quick, informal and avoids unnecessary technicalities, open and transparent and promotes harmonious and cooperative workplace relations.

Linked to:

Fair Work Australia and the Office of the Fair Work Ombudsman are created under the *Fair Work Act 2009*. Fair Work Australia and the Office of the Fair Work Ombudsman have cooperative approaches to the delivery of services to employees, employers and organisations.

#### Program 1 expenses

The functions of Fair Work Australia are prescribed by legislation and while a number of the functions of Fair Work Australia have previously been undertaken by other institutions, the processes implemented by Fair Work Australia may be new and/or changed under the *Fair Work Act 2009*.

	2011-12 Revised budget \$'000	2012-13 Budget \$'000	2013-14 Forw ard year 1 \$'000	2014-15 Forw ard year 2 \$'000	2015-16 Forw ard year 3 \$'000
Annual departmental expenses:					
Departmental item	72,947	74,549	73,348	74,272	75,023
Expenses not requiring appropriation in the Budget year <sup>1</sup>	6,225	1,996	1,997	1,997	97
<b>Total program expenses</b>	<b>79,172</b>	<b>76,545</b>	<b>75,345</b>	<b>76,269</b>	<b>75,120</b>

<sup>1</sup> Expenses not requiring appropriation in the Budget year is made up of Depreciation Expense and Amortisation Expense.

**Program 1 Deliverables**

The deliverables for Fair Work Australia are:

- dispute resolution - unfair dismissal application processing
- minimum wage decisions
- orders relating to industrial action
- processes relating to modern awards
- approval of agreements
- General Manager’s Legislative reporting requirements
- Issuing Permits

Deliverables	2011-12 Revised budget	2012-13 Budget	2013-14 Forw ard year 1	2014-15 Forw ard year 2	2015-16 Forw ard year 3
Dispute resolution, minimum wage decision, orders and approval of agreements	79,172	76,545	75,345	76,269	75,120

**Program 1 Key Performance Indicators**

The Key Performance Indicators for Fair Work Australia are:

- Improve or maintain the time elapsed from lodging applications to finalising conciliations in unfair dismissal applications.
- Annual wage review to be completed to enable an operative date of 1 July.
- Improve or maintain the time taken to list applications relating to industrial action.
- Improve or maintain the agreement approval time
- Timely General Manager’s reports
- Timely processing of permits

*Fair Work Australia Budget Statements – Outcomes & performance*

Key Performance Indicators	2011-12 Revised budget	2012-13 Budget target	2013-14 Forw ard year 1	2014-15 Forw ard year 2	2015-16 Forw ard year 3
Improve or maintain the time elapsed from lodging applications to finalising conciliations in unfair dismissal applications.*	34 days	34 days	34 days	34 days	34 days
Completion of annual wage review .	By June 11	By June 12	By June 13	By June 14	By June 15
Improve or maintain the time taken to list applications relating to industrial action.*	3 days	3 days	3 days	3 days	3 days
Improve or maintain the agreement approval	32 days	32 days	32 days	32 days	32 days
Issuing of permits	28 days	28 days	28 days	28 days	28 days

\* measured as the median number of 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 2011-12 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**

Fair Work Australia has no Administered funds. For this reason Table 3.1.1 is not presented.

#### **3.1.2 Special Accounts**

Fair Work Australia has no Special Accounts. For this reason Table 3.1.2 is not presented.

#### **3.1.3 Australian Government Indigenous Expenditure**

The 2011-12 Australian Government Indigenous Statement is not applicable because Fair Work Australia has no indigenous specific expenses. For this reason Table 3.1.3 is not presented.

## **3.2 BUDGETED FINANCIAL STATEMENTS**

### **3.2.1 Differences in agency resourcing and financial statements**

Fair Work Australia has nil difference to report.

### **3.2.2 Analysis of budgeted financial statements**

Total revenue for 2012-13 is estimated to be \$74.6 million.

Total expenses for 2012-13 are estimated to be \$76.5 million, which includes \$1.7 million for depreciation and amortisation.

Total assets for 2012-13 are estimated to be \$74.5 million, comprising \$57.5 million in financial assets and \$17 million in non-financial assets.

Total liabilities for 2012-13 are estimated to be \$24.8 million, with the primary liabilities being accrued employee entitlements which total \$15.4 million.

Fair Work Australia is budgeting for a nil change in the bank account in 2012-13 and for the three forward years.

Total equity for 2012-13 is estimated to be \$49.7 million which consists of Accumulated results which totals \$1.9 million and Contributed equity/capital which totals \$47.8 million.

### 3.2.2 Budgeted financial statements tables

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

	Estimated actual	Budget estimate	Forw ard estimate	Forw ard estimate	Forw ard estimate
	2011-12	2012-13	2013-14	2014-15	2015-16
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>EXPENSES</b>					
Employee benefits	50,418	47,819	46,047	47,080	48,522
Suppliers	27,008	27,004	27,576	27,467	26,598
Depreciation and amortisation	1,746	1,722*	1,722*	1,722*	-*
<b>Total expenses</b>	<b>79,172</b>	<b>76,545</b>	<b>75,345</b>	<b>76,269</b>	<b>75,120</b>
<b>LESS:</b>					
<b>OWN-SOURCE INCOME</b>					
<b>Own-source revenue</b>					
Other	99	99	99	99	-
<b>Total own-source revenue</b>	<b>99</b>	<b>99</b>	<b>99</b>	<b>99</b>	<b>-</b>
<b>Gains</b>					
Other	80	175	176	176	97
<b>Total gains</b>	<b>80</b>	<b>175</b>	<b>176</b>	<b>176</b>	<b>97</b>
<b>Total own-source income</b>	<b>179</b>	<b>274</b>	<b>275</b>	<b>275</b>	<b>97</b>
<b>Net cost of (contribution by) services</b>	<b>(78,993)</b>	<b>(76,271)*</b>	<b>(75,070)*</b>	<b>(75,994)*</b>	<b>(75,023)*</b>
Revenue from Government	72,947	74,549	73,348	74,272	75,023
<b>Surplus (Deficit) attributable to the Australian Government</b>	<b>(6,046)</b>	<b>(1,722)*</b>	<b>(1,722)*</b>	<b>(1,722)*</b>	<b>-*</b>
<b>OTHER COMPREHENSIVE INCOME</b>					
Changes in asset revaluation surplus	-	-	-	-	-
<b>Total other comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income</b>	<b>(6,046)</b>	<b>(1,722)*</b>	<b>(1,722)*</b>	<b>(1,722)*</b>	<b>-*</b>
<b>Total comprehensive income attributable to the Australian Government</b>	<b>(6,046)</b>	<b>(1,722)*</b>	<b>(1,722)*</b>	<b>(1,722)*</b>	<b>-*</b>

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

<b>Note: Impact of Net Cash Appropriation Arrangements</b>					
	2011-12	2012-13	2013-14	2014-15	2015-16
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Total Comprehensive Income (loss) less depreciation/amortisation expenses previously funded through revenue appropriations.</b>	<b>(4,300)</b>	-	-	-	-
plus depreciation/amortisation expenses previously funded through revenue appropriations <sup>1</sup>	(1,746)	(1,722)	(1,722)	(1,722)	-
<b>Total Comprehensive Income (loss) - as per the Statement of Comprehensive Income</b>	<b>(6,046)</b>	<b>(1,722)</b>	<b>(1,722)</b>	<b>(1,722)</b>	-

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

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

	Estimated actual	Budget estimate	Forw ard estimate	Forw ard estimate	Forw ard estimate
	2011-12	2012-13	2013-14	2014-15	2015-16
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash and cash equivalents	452	452	452	452	452
Trade and other receivables	57,187	57,068	56,458	58,570	58,570
<b>Total financial assets</b>	<b>57,639</b>	<b>57,520</b>	<b>56,910</b>	<b>59,022</b>	<b>59,022</b>
<b>Non-financial assets</b>					
Land and buildings	11,010	10,509	9,802	8,568	11,158
Property, plant and equipment	3,600	3,738	3,636	3,747	3,738
Intangibles	1,092	891	840	636	636
Other non-financial assets	1,858	1,858	1,858	1,858	1,858
<b>Total non-financial assets</b>	<b>17,560</b>	<b>16,996</b>	<b>16,136</b>	<b>14,809</b>	<b>17,390</b>
Assets held for sale	-	-	-	-	-
<b>Total assets</b>	<b>75,199</b>	<b>74,516</b>	<b>73,046</b>	<b>73,831</b>	<b>76,412</b>
<b>LIABILITIES</b>					
<b>Payables</b>					
Suppliers	150	94	94	94	94
Other payables	6,608	6,470	6,259	6,262	6,262
<b>Total payables</b>	<b>6,758</b>	<b>6,564</b>	<b>6,353</b>	<b>6,356</b>	<b>6,356</b>
<b>Provisions</b>					
Employee provisions	15,269	15,381	15,493	15,493	15,493
Other provisions	2,848	2,848	2,848	2,848	2,848
<b>Total provisions</b>	<b>18,117</b>	<b>18,229</b>	<b>18,341</b>	<b>18,341</b>	<b>18,341</b>
Liabilities included in disposal groups held for sale	-	-	-	-	-
<b>Total liabilities</b>	<b>24,875</b>	<b>24,793</b>	<b>24,694</b>	<b>24,697</b>	<b>24,697</b>
<b>Net assets</b>	<b>50,324</b>	<b>49,723</b>	<b>48,352</b>	<b>49,134</b>	<b>51,715</b>
<b>EQUITY*</b>					
<b>Parent entity interest</b>					
Contributed equity	46,670	47,791	48,142	50,646	53,227
Retained surplus (accumulated deficit)	3,654	1,932	210	(1,512)	(1,512)
<b>Total parent entity interest</b>	<b>50,324</b>	<b>49,723</b>	<b>48,352</b>	<b>49,134</b>	<b>51,715</b>
<b>Total Equity</b>	<b>50,324</b>	<b>49,723</b>	<b>48,352</b>	<b>49,134</b>	<b>51,715</b>



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

	Retained earnings	Asset revaluation reserve	Other reserves	Contributed equity/capital	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Opening balance as at 1 July 2012</b>					
Balance carried forward from previous period	3,654	-	-	46,670	50,324
<b>Adjusted opening balance</b>	<b>3,654</b>	<b>-</b>	<b>-</b>	<b>46,670</b>	<b>50,324</b>
<b>Comprehensive income</b>					
Surplus (deficit) for the period	(1,722)	-	-	-	(1,722)
<b>Total comprehensive income</b>	<b>1,932</b>	<b>-</b>	<b>-</b>	<b>46,670</b>	<b>48,602</b>
of which:					
Attributable to the Australian Government	1,932	-	-	46,670	48,602
<b>Transactions with owners</b>					
<b>Contributions by owners</b>					
Departmental Capital Budget (DCBs)	-	-	-	1,121	1,121
<b>Sub-total transactions with owners</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,121</b>	<b>1,121</b>
Transfers between equity components	-	-	-	-	-
<b>Estimated closing balance as at 30 June 2013</b>	<b>1,932</b>	<b>-</b>	<b>-</b>	<b>47,791</b>	<b>49,723</b>

**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
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Appropriations	85,274	73,858	74,066	72,369	75,234
Other	367	369	99	99	-
<b>Total cash received</b>	<b>85,641</b>	<b>74,227</b>	<b>74,165</b>	<b>72,468</b>	<b>75,234</b>
<b>Cash used</b>					
Employees	50,298	47,693	46,047	47,080	48,522
Suppliers	26,363	26,497	27,607	27,497	26,712
<b>Total cash used</b>	<b>76,661</b>	<b>74,190</b>	<b>73,654</b>	<b>74,577</b>	<b>75,234</b>
<b>Net cash from (used by) operating activities</b>	<b>8,980</b>	<b>37</b>	<b>511</b>	<b>(2,109)</b>	<b>-</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash received</b>					
<b>Total cash received</b>	-	-	-	-	-
<b>Cash used</b>					
Purchase of property, plant and equipment	11,194	1,158	862	395	2,581
<b>Total cash used</b>	<b>11,194</b>	<b>1,158</b>	<b>862</b>	<b>395</b>	<b>2,581</b>
<b>Net cash from (used by) investing activities</b>	<b>(11,194)</b>	<b>(1,158)</b>	<b>(862)</b>	<b>(395)</b>	<b>(2,581)</b>
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Contributed equity	2,214	1,121	351	2,504	2,581
<b>Total cash received</b>	<b>2,214</b>	<b>1,121</b>	<b>351</b>	<b>2,504</b>	<b>2,581</b>
<b>Cash used</b>					
Other	-	-	-	-	-
<b>Total cash used</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net cash from (used by) financing activities</b>	<b>2,214</b>	<b>1,121</b>	<b>351</b>	<b>2,504</b>	<b>2,581</b>
<b>Net increase (decrease) in cash held</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Cash and cash equivalents at the beginning of the reporting period	452	452	452	452	452
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>452</b>	<b>452</b>	<b>452</b>	<b>452</b>	<b>452</b>

**Table 3.2.5: Departmental Capital Budget Statement**

	Estimated actual	Budget estimate	Forw ard estimate	Forw ard estimate	Forw ard estimate
	2011-12	2012-13	2013-14	2014-15	2015-16
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>NEW CAPITAL APPROPRIATIONS</b>					
Capital budget - Bill 1 (DCB)	2,214	1,121	351	2,504	2,581
Equity injections - Bill 2	-	-	-	-	-
<b>Total new capital appropriations</b>	<b>2,214</b>	<b>1,121</b>	<b>351</b>	<b>2,504</b>	<b>2,581</b>
<b>Provided for:</b>					
Purchase of non-financial assets	2,214	1,121	351	2,504	2,581
<b>Total Items</b>	<b>2,214</b>	<b>1,121</b>	<b>351</b>	<b>2,504</b>	<b>2,581</b>
<b>PURCHASE OF NON-FINANCIAL ASSETS</b>					
Funded by capital appropriations <sup>1</sup>	1,690	212	-	-	-
Funded by capital appropriation - DCB <sup>2</sup>	7,033	946	862	395	2,581
Funded internally from departmental resources <sup>3</sup>	2,471	-	-	-	-
<b>TOTAL</b>	<b>11,194</b>	<b>1,158</b>	<b>862</b>	<b>395</b>	<b>2,581</b>
<b>RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE</b>					
Total purchases	11,194	1,158	862	395	2,581
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	-	-	-	-	-
<b>Total cash used to acquire assets</b>	<b>11,194</b>	<b>1,158</b>	<b>862</b>	<b>395</b>	<b>2,581</b>

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

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

<sup>3</sup> Includes the following sources of funding:

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

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

	Buildings \$'000	Other property, plant and equipment \$'000	Computer software and intangibles \$'000	Total \$'000
<b>As at 1 July 2012</b>				
Gross book value	24,538	5,662	1,892	32,092
Accumulated depreciation/amortisation and impairment	(13,528)	(2,062)	(800)	(16,390)
<b>Opening net book balance</b>	<b>11,010</b>	<b>3,600</b>	<b>1,092</b>	<b>15,702</b>
<b>CAPITAL ASSET ADDITIONS</b>				
<b>Estimated expenditure on new or replacement assets</b>				
By purchase - appropriation ordinary annual services <sup>2</sup>	219	840	99	1,158
Disposals <sup>3</sup>	(359)	(635)	(629)	(1,623)
<b>Total additions</b>	<b>(140)</b>	<b>205</b>	<b>(530)</b>	<b>(465)</b>
<b>Other movements</b>				
Depreciation/amortisation expense	(720)	(702)	(300)	(1,722)
Disposals	359	635	629	1,623
<b>Total other movements</b>	<b>(361)</b>	<b>(67)</b>	<b>329</b>	<b>(99)</b>
<b>As at 30 June 2013</b>				
Gross book value	24,398	5,867	1,362	31,627
Accumulated depreciation/amortisation and impairment	(13,889)	(2,129)	(471)	(16,489)
<b>Closing net book balance</b>	<b>10,509</b>	<b>3,738</b>	<b>891</b>	<b>15,138</b>

<sup>1</sup> "Appropriation equity" refers to equity injections or Administered Assets and Liabilities appropriations provided through Appropriation Bill (No.2) 2012-13, including CDABs.

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

<sup>3</sup> Net proceeds may be returned to the OPA.

**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	Forw ard estimate	Forw ard estimate	Forw ard estimate
	2011-12	2012-13	2013-14	2014-15	2015-16
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
Employee benefits	-	-	-	-	-
Suppliers	-	-	-	-	-
<b>Total expenses administered on behalf of Government</b>	-	-	-	-	-
<b>LESS:</b>					
<b>OWN-SOURCE INCOME</b>					
Own-source revenue	-	-	-	-	-
Taxation revenue	-	-	-	-	-
<b>Total taxation revenue</b>	-	-	-	-	-
<b>Non-taxation revenue</b>					
Other revenue	582	582	582	582	-
<b>Total non-taxation revenue</b>	<b>582</b>	<b>582</b>	<b>582</b>	<b>582</b>	-
<b>Total own-source revenues administered on behalf of Government</b>	<b>582</b>	<b>582</b>	<b>582</b>	<b>582</b>	-
<b>Gains</b>	-	-	-	-	-
<b>Total gains administered on behalf of Government</b>	-	-	-	-	-
<b>Total own-sourced income administered on behalf of Government</b>	-	-	-	-	-
<b>Net Cost of (contribution by) services</b>	-	-	-	-	-
<b>Surplus (Deficit)</b>	<b>582</b>	<b>582</b>	<b>582</b>	<b>582</b>	-
<b>OTHER COMPREHENSIVE INCOME</b>					
Changes in asset revaluation surplus	-	-	-	-	-
<b>Total other comprehensive income</b>	-	-	-	-	-
<b>Total comprehensive income (loss)</b>	<b>582</b>	<b>582</b>	<b>582</b>	<b>582</b>	-

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

Fair Work Australia has no administered assets and liabilities. For this reason Table 3.2.8 is not presented.

**Table 3.2.9: Schedule of Budgeted Administered 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
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Other	582	582	582	582	-
<b>Total cash received</b>	<b>582</b>	<b>582</b>	<b>582</b>	<b>582</b>	-
<b>Cash used</b>					
Other	-	-	-	-	-
<b>Total cash used</b>	-	-	-	-	-
<b>Net cash from (used by) operating activities</b>	<b>582</b>	<b>582</b>	<b>582</b>	<b>582</b>	-
<b>INVESTING ACTIVITIES</b>					
<b>Cash received</b>					
Other	-	-	-	-	-
<b>Total cash received</b>	-	-	-	-	-
<b>Cash used</b>					
Other	-	-	-	-	-
<b>Total cash used</b>	-	-	-	-	-
<b>Net cash from (used by) investing activities</b>	-	-	-	-	-
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Other	-	-	-	-	-
<b>Total cash received</b>	-	-	-	-	-
<b>Cash used</b>					
Other	-	-	-	-	-
<b>Total cash used</b>	-	-	-	-	-
<b>Net cash from (used by) financing activities</b>	-	-	-	-	-
<b>Net increase (decrease) in cash held</b>	-	-	-	-	-
Cash to Official Public Account for:					
- Other	582	582	582	582	-
<b>Cash and cash equivalents at end of reporting period</b>	-	-	-	-	-

**Table 3.2.10: Schedule of Administered Capital Budget**

Fair Work Australia has no administered capital budget. For this reason Table 3.2.10 is not presented.

**Table 3.2.11: Schedule of Asset Movements — Administered**

Fair Work Australia has no administered assets and liabilities. For this reason Table 3.2.11 is not presented.

### **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; and
- 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.

#### **Departmental Revenue from Government**

Revenue from government represents the purchase of outputs from Fair Work Australia 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, variations and measures.

#### **Departmental Revenue from Other Sources**

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

#### **Departmental Expenses – Employees**

This item will represent 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 will represent payments to suppliers for goods and services.

#### **Departmental Expenses – Depreciation and Amortisation**

Property, plant and equipment assets are written-off to their estimated residual values over their estimated useful lives to Fair Work Australia using, in all cases, the straight-line method of depreciation.

Property plant and equipment assets will be depreciated over their useful lives between three and ten years. Leasehold improvements will be amortised on a straight-line basis over the lesser of the estimated useful life of the improvements or the unexpired period of the lease.

Forward estimates of depreciation expense have been made using forecasts of net capital acquisition requirements over the forward years.

**Departmental Assets – Financial Assets – Receivables**

Receivables represent amounts which will be owing to Fair Work Australia for goods and services it has provided to external parties and cash reserves held in the Official Public Account.

**Departmental Assets – Non-Financial Assets**

These items represent future economic benefits that Fair Work Australia will consume in producing outputs. Apart from re-valued assets, the reported value represents the purchase price paid, less depreciation incurred to date in using that asset from the transferring agencies.

Land and Buildings, and Infrastructure, Plant and Equipment will initially be brought to account at cost, except for purchases costing less than \$10,000 for leasehold improvements and \$2,000 for all other classes, which will be expensed in the year of acquisition (other than where they form part of the group of similar items which are significant in total).

Computer software, disclosed in the Departmental Balance Sheet as Intangibles, will be expensed in the year of acquisition except for purchases or internally developed software costing more than \$2,000 which are capitalised at cost.

Fair Work Australia will annually reassess and adjust the values of Land and Buildings (leasehold improvements), Infrastructure, Plant and Equipment.

**Departmental Liabilities – Provisions – Employees**

Provision will be made for Fair Work Australia liability for employee entitlements arising from services rendered by Fair Work Australia Commission Members and Fair Work Australia employees to balance date. This liability will encompass unpaid wages and salaries, annual and long service leave and Judges' leave. No provision will be made for sick leave.

The liability for leave expected to be settled within 12 months is to be measured at the nominal amount.

Other employee entitlements payable later than one year will be estimated at the present value of the expected future cash outflows in relation to those entitlements. Attrition rates and pay rises through promotion and wage/salary agreements will be taken into account.



*Fair Work Australia Budget Statements – Budgeted financial statements*