

**Office of the Fair Work  
Building Industry  
Inspectorate**

**Agency Resources and Planned  
Performance**



# OFFICE OF THE FAIR WORK BUILDING INDUSTRY INSPECTORATE

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# OFFICE OF THE FAIR WORK BUILDING INDUSTRY INSPECTORATE

## Section 1: Agency overview and resources

### 1.1 STRATEGIC DIRECTION STATEMENT

The Office of the Fair Work Building Industry Inspectorate (FWBII) was established by the *Fair Work (Building Industry) Act 2012* on 1 June 2012. FWBII began operations on 1 June 2012.

In respect of the building and construction industry, FWBII is primarily responsible for:

- the provision of education, assistance and advice to industry participants regarding their rights and obligations
- inquiring into and investigating alleged breaches of relevant workplace laws
- commencing civil penalty litigation, or making submissions to the Fair Work Commission, to enforce compliance by industry participants
- referring matters to relevant authorities where appropriate in relation to:
  - *Fair Work (Building Industry) Act 2012*
  - *Fair Work Act 2009, the Fair Work (Transitional Provisions and Consequential Amendments) Act 2009 and the Independent Contractors Act 2006*
  - safety net contractual entitlements
  - awards, agreements and court and tribunal orders
  - the Building Code 2013

During 2014–15, FWBII plans to achieve the following outcome:

- enforce workplace relations laws in the building and construction industry and ensure compliance with those laws by all participants in the building and construction industry through the provision of education, assistance and advice.

## 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: Office of the Fair Work Building Industry Inspectorate resource statement – Budget estimates for 2014–15 as at Budget May 2014**

	Estimate of prior year amounts available in 2014-15 \$'000	Proposed at Budget 2014-15 \$'000	Total estimate 2014-15 \$'000	Actual available appropriation 2013-14 \$'000
<b>Ordinary annual services<sup>1</sup></b>				
<b>Departmental appropriation</b>				
Prior year departmental appropriation <sup>2</sup>	43,669		43,669	43,787
Departmental appropriation <sup>3</sup>	-	34,308	34,308	29,032
s31 Relevant agency receipts <sup>4</sup>	-	44	44	41
<b>Total</b>	<b>43,669</b>	<b>34,352</b>	<b>78,021</b>	<b>72,860</b>
<b>Total ordinary annual services</b>	<b>A</b>	<b>34,352</b>	<b>78,021</b>	<b>72,860</b>
<b>Other services</b>				
<b>Total</b>	-	-	-	-
<b>Total other services</b>	<b>B</b>	-	-	-
<b>Total available annual appropriations</b>	<b>43,669</b>	<b>34,352</b>	<b>78,021</b>	<b>72,860</b>
<b>Special appropriations</b>				
<b>Total special appropriations</b>	<b>C</b>	-	-	-
<b>Total appropriations excluding Special Accounts</b>	<b>43,669</b>	<b>34,352</b>	<b>78,021</b>	<b>72,860</b>
<b>Special Accounts</b>				
<b>Total Special Account</b>	<b>D</b>	-	-	-
<b>Total resourcing</b>	<b>A+B+C+D</b>	<b>34,352</b>	<b>78,021</b>	<b>72,860</b>
Less appropriations drawn from annual or special appropriations above and credited to special accounts and/or CAC Act bodies through annual appropriations	-	-	-	-
<b>Total net resourcing for FWBII</b>	<b>43,669</b>	<b>34,352</b>	<b>78,021</b>	<b>72,860</b>

<sup>1</sup> Appropriation Bill (No.1) 2014-15

<sup>2</sup> Estimated adjusted balance carried forward from previous year

<sup>3</sup> Includes an amount of \$0.442m in 2014-15 for the Departmental Capital Budget (refer to table 3.2.5 for further details). For accounting purposes this amount has been designated as 'contributions by owners'.

<sup>4</sup> s31 Relevant Agency receipts - estimate

Reader note: All figures are GST exclusive.

### 1.3 BUDGET MEASURES

Budget measures relating to the Office of the Fair Work Building Industry Inspectorate are detailed in Budget Paper No. 2 and are summarised below.

**Table 1.2: Office of the Fair Work Building Industry Inspectorate 2014–15 Budget measures**

**Part 1: Measures announced since 2013–14 MYEFO**

	Programme	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000
<b>Expense measures</b>						
Efficiency Dividend - a further temporary increase of 0.25 per cent	1.0					
Departmental expenses		-	(88)	(175)	(263)	(189)
<b>Total</b>		-	<b>(88)</b>	<b>(175)</b>	<b>(263)</b>	<b>(189)</b>
<b>Total expense measures</b>						
Departmental expenses	1.0	-	(88)	(175)	(263)	(189)
<b>Total</b>		-	<b>(88)</b>	<b>(175)</b>	<b>(263)</b>	<b>(189)</b>

Prepared on a Government Financial 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 programmes are the primary vehicle by which government agencies achieve the intended results of their outcome statements. Agencies are required to identify the programmes which contribute to government outcomes over the Budget and forward years.

Each outcome is described below together with its related programmes, specifying the performance indicators and targets used to assess and monitor the performance of the Fair Work Building Industry Inspectorate in achieving government outcomes.

**Outcome 1: Enforce workplace relations laws in the building and construction industry and ensure compliance with those laws by all participants in the building and construction industry through the provision of education, assistance and advice.**

#### **Outcome 1 Strategy**

Key strategies towards achieving FWBII's outcome in 2014–15 are to:

- provide ready access to information on relevant workplace laws and codes of practice
- provide education, assistance and advice to industry participants
- conduct investigations into alleged breaches of workplace laws
- undertake enforcement action, including civil penalty litigation



## Outcome 1 Budgeted Expenses

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

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

<b>Outcome 1: Enforce workplace relations laws in the building and construction industry and ensure compliance with those laws by all participants in the building and construction industry through the provision of education, assistance and advice.</b>	2013-14	2014-15
	Estimated Actual Expenses \$'000	Estimated Expenses \$'000
<b>Programme 1: Education Services and Compliance Activities</b>		
Departmental Expenses		
Ordinary Annual Services (Appropriation Bill No. 1) <sup>1</sup>	28,987	33,912
Expenses not requiring Appropriation in the Budget year <sup>2</sup>	850	785
<b>Total for Programme 1</b>	<b>29,837</b>	<b>34,697</b>
<b>Outcome 1 Totals by Appropriation type</b>		
Departmental Expenses		
Ordinary Annual Services (Appropriation Bill No. 1) <sup>1</sup>	28,987	33,912
Expenses not requiring Appropriation in the Budget year <sup>2</sup>	850	785
<b>Total Expenses for Outcome 1</b>	<b>29,837</b>	<b>34,697</b>
	2013-14	2014-15
<b>Average Staffing Level (number)</b>	131	155

<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 Expenses, Amortisation Expense, Makegood Expense, Audit Fees.

## Contributions to Outcome 1

### Programme 1: Education Services and Compliance Activities

#### Programme objective

Enforce workplace relations laws in the building and construction industry and ensure compliance with those laws by all participants in the building and construction industry through the provision of education, assistance and advice.

**Table 2.1.1 Programme 1 expenses**

	2013-14 Revised budget \$'000	2014-15 Budget \$'000	2015-16 Forward year 1 \$'000	2016-17 Forward year 2 \$'000	2017-18 Forward year 3 \$'000
Annual Departmental Expenses:					
Departmental Items	28,987	33,912	33,752	33,768	24,051
Expenses not requiring Appropriation in the Budget year	850	785	402	1,081	1,251
<b>Total Departmental Expenses</b>	<b>29,837</b>	<b>34,697</b>	<b>34,154</b>	<b>34,849</b>	<b>25,302</b>

#### Programme 1 deliverables

The deliverables of the FWBII are to:

- provide information, advice and education on workplace laws to foster voluntary compliance
- investigate claims regarding alleged breaches of workplace laws and undertake targeted activities
- litigate, where necessary, to enforce compliance with workplace laws.

**Table 2.1.1A Programme 1 deliverables**

	2013-14 Revised budget \$'000	2014-15 Budget \$'000	2015-16 Forward year 1 \$'000	2016-17 Forward year 2 \$'000	2017-18 Forward year 3 \$'000
Deliverables					
Education, investigation, provision of advice and information services	29,837	34,697	34,154	34,849	25,302

## Programme 1 Key Performance Indicators

The key performance indicators for the FWBII are outlined in the following table and cover the key activities of education, advice and information services and investigations.

**Table 2.1.1B Programme 1 key performance indicators**

Key performance indicators	
Quality	2014–15 target
Level of satisfaction of clients with quality and timeliness of advice and assistance provided by FWBII.	75% of surveyed clients satisfied or highly satisfied
Timeliness in bringing actions against contraventions of the <i>Fair Work Act 2009</i> , the <i>Independent Contractors Act 2006</i> , the <i>Fair Work (Building Industry) Act 2012</i> , agreements, awards and orders.	File 75% of matters in court within 18 months of the complaint being lodged
Level of satisfaction of a range of industry participants with contact aimed at promoting appropriate standards of conduct.	75% of surveyed industry participants satisfied or highly satisfied

## 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 2014–15 budget year. It explains how budget plans are incorporated into the financial statements and provides further details of the reconciliation between appropriations and programme expenses, movements in administered funds, special accounts and Australian Government Indigenous expenditure.

### **3.1 EXPLANATORY TABLES**

#### **3.1.1 Movement of administered funds between years**

The Fair Work Building Industry Inspectorate has no administered funds appropriations. For this reason Table 3.1.1 is not presented.

#### **3.1.2 Special Accounts**

The Fair Work Building Industry Inspectorate has no special accounts. For this reason Table 3.1.2 is not presented.

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

The Fair Work Building Industry Inspectorate has no Australian Government Indigenous Expenditure. 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**

The Agency Resource Statement (Table 1.1) details the total appropriation available to an agency from all sources. For departmental operating appropriations (outputs) this includes carry-forward amounts as well as amounts appropriated at Budget. As agencies incur and are funded for future liabilities and employee entitlements, the total amount of departmental operating appropriation available to an agency is unlikely to be fully utilised in the Budget year. The difference between the agency resource statement and the sum of all payments made at the departmental outputs level is the expected carry-forward amount of resources for the 2014–15 Budget year, including amounts related to meeting future employee entitlement obligations.

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

The Fair Work Building Industry Inspectorate is budgeting for an operating loss equal to the unappropriated depreciation and amortisation expense of \$0.7 million for the 2014–15 financial year.

Total revenues are estimated to be \$34.0 million and total expenses \$34.7 million.

Total assets at the end of the 2014–15 financial year are estimated to be \$46.2 million. The majority of the assets represent receivables (appropriations receivable) and property fit outs. Asset acquisitions are planned in Information Technology equipment and systems and on office accommodation fit outs.

Total liabilities for 2014–15 are estimated at \$6.8 million. The largest liability item is accrued employee entitlements.

### 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 2013-14 \$'000	Budget estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000
<b>EXPENSES</b>					
Employee benefits	17,018	22,569	23,050	23,595	13,238
Suppliers	12,025	11,399	10,758	10,229	10,869
Depreciation and amortisation	794	729	346	1,025	1,195
<b>Total expenses</b>	<b>29,837</b>	<b>34,697</b>	<b>34,154</b>	<b>34,849</b>	<b>25,302</b>
<b>LESS:</b>					
<b>OWN-SOURCE INCOME</b>					
<b>Revenue</b>					
Other revenue	44	46	47	49	49
<b>Total revenue</b>	<b>44</b>	<b>46</b>	<b>47</b>	<b>49</b>	<b>49</b>
<b>Gains</b>					
Resources free of charge	56	56	56	56	56
<b>Total gains</b>	<b>56</b>	<b>56</b>	<b>56</b>	<b>56</b>	<b>56</b>
<b>Total own-source income</b>	<b>100</b>	<b>102</b>	<b>103</b>	<b>105</b>	<b>105</b>
<b>Net cost of services</b>	<b>29,737</b>	<b>34,595</b>	<b>34,051</b>	<b>34,744</b>	<b>25,197</b>
Revenue from Government	28,943	33,866	33,705	33,719	24,002
<b>Surplus (Deficit) attributable to the Australian Government</b>	<b>(794)</b>	<b>(729)</b>	<b>(346)</b>	<b>(1,025)</b>	<b>(1,195)</b>
<b>Total comprehensive income attributable to the Australian Government</b>	<b>(794)</b>	<b>(729)</b>	<b>(346)</b>	<b>(1,025)</b>	<b>(1,195)</b>

**Note: Impact of Net Cash Appropriation Arrangements**

	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000
<b>Total comprehensive income (loss) excluding depreciation/ amortisation expenses previously funded through revenue appropriations</b>	-	-	-	-	-
less depreciation/amortisation expenses previously funded through revenue appropriations	794	729	346	1,025	1,195
<b>Total comprehensive income (loss) - as per the Statement of Comprehensive Income</b>	<b>(794)</b>	<b>(729)</b>	<b>(346)</b>	<b>(1,025)</b>	<b>(1,195)</b>

Prepared on Australian Accounting Standards basis.

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

	Estimated actual	Budget estimate	Forward estimate	Forward estimate	Forward estimate
	2013-14	2014-15	2015-16	2016-17	2017-18
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash and cash equivalents	566	568	650	650	650
Trade and other receivables	44,252	44,230	39,988	40,247	40,247
<b>Total financial assets</b>	<b>44,818</b>	<b>44,798</b>	<b>40,638</b>	<b>40,897</b>	<b>40,897</b>
<b>Non-financial assets</b>					
Land and buildings	889	445	3,055	2,522	2,077
Property, plant and equipment	110	292	813	671	572
Intangibles	0	85	630	473	278
Other non-financial assets	621	621	621	621	621
<b>Total non-financial assets</b>	<b>1,620</b>	<b>1,443</b>	<b>5,119</b>	<b>4,287</b>	<b>3,548</b>
<b>Total assets</b>	<b>46,438</b>	<b>46,241</b>	<b>45,757</b>	<b>45,184</b>	<b>44,445</b>
<b>LIABILITIES</b>					
<b>Payables</b>					
Suppliers	1,803	1,803	1,803	1,803	1,803
Other payables	1,958	2,048	1,465	1,465	1,465
<b>Total payables</b>	<b>3,761</b>	<b>3,851</b>	<b>3,268</b>	<b>3,268</b>	<b>3,268</b>
<b>Provisions</b>					
Employee provisions	3,004	3,004	3,004	3,004	3,004
<b>Total provisions</b>	<b>3,004</b>	<b>3,004</b>	<b>3,004</b>	<b>3,004</b>	<b>3,004</b>
<b>Total liabilities</b>	<b>6,765</b>	<b>6,855</b>	<b>6,272</b>	<b>6,272</b>	<b>6,272</b>
<b>Net assets</b>	<b>39,673</b>	<b>39,386</b>	<b>39,485</b>	<b>38,912</b>	<b>38,173</b>
<b>EQUITY*</b>					
<b>Parent entity interest</b>					
Contributed equity	4,736	5,178	5,623	6,075	6,531
Retained surplus (accumulated deficit)	34,937	34,208	33,862	32,837	31,642
<b>Total parent entity interest</b>	<b>39,673</b>	<b>39,386</b>	<b>39,485</b>	<b>38,912</b>	<b>38,173</b>
<b>Total Equity</b>	<b>39,673</b>	<b>39,386</b>	<b>39,485</b>	<b>38,912</b>	<b>38,173</b>

\* '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 2014–15)**

	Retained earnings	Asset revaluation reserve	Other reserves	Contributed equity/capital	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Opening balance as at 1 July 2014</b>	34,937	-	-	4,736	39,673
Balance carried forward from previous period	-	-	-	-	-
<b>Adjusted opening balance</b>	34,937	-	-	4,736	39,673
<b>Income and expense</b>					
Surplus (deficit) for the period	(729)	-	-	-	(729)
<b>Total income and expense recognised directly in equity</b>	(729)	-	-	-	(729)
<b>Transactions with owners</b>					
<i>Contribution by owners</i>					
Appropriation (equity injection)	-	-	-	-	-
Departmental Capital Budget (DCBs)	-	-	-	442	442
<b>Sub-total transactions with owners</b>	-	-	-	442	442
<b>Estimated closing balance as at 30 June 2015</b>	<b>34,208</b>	-	-	<b>5,178</b>	<b>39,386</b>

Prepared on Australian Accounting Standards basis.



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

	Estimated actual	Budget estimate	Forward estimate	Forward estimate	Forward estimate
	2013-14	2014-15	2015-16	2016-17	2017-18
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Appropriations	28,798	33,954	33,018	33,460	24,002
Other	-	-	-	49	49
<b>Total cash received</b>	<b>28,798</b>	<b>33,954</b>	<b>33,018</b>	<b>33,509</b>	<b>24,051</b>
<b>Cash used</b>					
Employees	16,183	21,702	22,801	23,595	13,238
Suppliers	12,459	12,161	7,393	10,173	10,813
<b>Total cash used</b>	<b>28,642</b>	<b>33,863</b>	<b>30,194</b>	<b>33,768</b>	<b>24,051</b>
<b>Net cash from (or used by) operating activities</b>	<b>156</b>	<b>91</b>	<b>2,824</b>	<b>(259)</b>	<b>-</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash received</b>					
Other	-	-	-	-	-
<b>Total cash received</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash used</b>					
Purchase of property, plant and equipment	15	552	4,022	193	456
<b>Total cash used</b>	<b>15</b>	<b>552</b>	<b>4,022</b>	<b>193</b>	<b>456</b>
<b>Net cash from (or used by) investing activities</b>	<b>(15)</b>	<b>(552)</b>	<b>(4,022)</b>	<b>(193)</b>	<b>(456)</b>
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Appropriations - contributed equity	160	463	1,280	452	456
<b>Total cash received</b>	<b>160</b>	<b>463</b>	<b>1,280</b>	<b>452</b>	<b>456</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 (or used by) financing activities</b>	<b>160</b>	<b>463</b>	<b>1,280</b>	<b>452</b>	<b>456</b>
<b>Net increase (or decrease) in cash held</b>	<b>301</b>	<b>2</b>	<b>82</b>	<b>-</b>	<b>-</b>
Cash at the beginning of the reporting period	265	566	568	650	650
<b>Cash at the end of the reporting period</b>	<b>566</b>	<b>568</b>	<b>650</b>	<b>650</b>	<b>650</b>

Prepared on Australian Accounting Standards basis.

**Table 3.2.5: Departmental capital budget statement**

	Estimated actual	Budget estimate	Forward estimate	Forward estimate	Forward estimate
	2013-14	2014-15	2015-16	2016-17	2017-18
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>NEW CAPITAL APPROPRIATIONS</b>					
Capital budget - Bill 1 (DCB)	118	442	445	452	456
<b>Total new capital appropriations</b>	<b>118</b>	<b>442</b>	<b>445</b>	<b>452</b>	<b>456</b>
<b>Provided for:</b>					
Purchase of non-financial assets	118	442	445	452	456
<b>Total Items</b>	<b>118</b>	<b>442</b>	<b>445</b>	<b>452</b>	<b>456</b>
<b>PURCHASE OF NON-FINANCIAL ASSETS</b>					
Funded by capital appropriation - DCB <sup>1</sup>	15	552	1,606	193	456
Funded internally from departmental resources <sup>2</sup>	-	-	2,416	-	-
<b>TOTAL</b>	<b>15</b>	<b>552</b>	<b>4,022</b>	<b>193</b>	<b>456</b>
<b>RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE</b>					
Total purchases	15	552	4,022	193	456
<b>Total cash used to acquire assets</b>	<b>15</b>	<b>552</b>	<b>4,022</b>	<b>193</b>	<b>456</b>

<sup>1</sup> Does not include annual finance lease costs. Include purchase from current and previous years' Departmental Capital Budgets (DCBs).

<sup>2</sup> Includes the following sources of funding:

- current Bill 1 and prior year Act 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

Prepared on Australian Accounting Standards basis.

**Table 3.2.6: Statement of non-financial asset movements – departmental (2014–15)**

	Infrastructure,			Total \$'000
	Land and Buildings \$'000	Plant & Equipment \$'000	Intangibles \$'000	
<b>as at 1 July 2014</b>				
Gross book value	7,769	590	794	9,153
Accumulated depreciation/amortisation	(6,880)	(480)	(794)	(8,154)
<b>Opening net book balance</b>	<b>889</b>	<b>110</b>	<b>-</b>	<b>999</b>
<b>CAPITAL ASSET ADDITIONS</b>				
<b>Estimated expenditure on new or replacement assets</b>				
by purchase or internally developed	99	353	100	552
<b>Sub-total</b>	<b>99</b>	<b>353</b>	<b>100</b>	<b>552</b>
<b>Other Movements</b>				
Depreciation/amortisation expense	(543)	(171)	(15)	(729)
<b>as at 30 June 2015</b>				
Gross book value	7,868	943	894	9,705
Accumulated depreciation/amortisation	(7,423)	(651)	(809)	(8,883)
<b>Closing net book balance</b>	<b>445</b>	<b>292</b>	<b>85</b>	<b>822</b>

Prepared on Australian Accounting Standards basis.

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

The FWBII has no budgeted administered income or expenses. For this reason Table 3.2.7 is not presented.

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

The FWBII has no budgeted administered assets or 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)**

The FWBII has no budgeted administered cash flows. For this reason Table 3.2.9 is not presented.

**Table 3.2.10: Schedule of administered capital budget**

The FWBII has no administered capital budget. For this reason Table 3.2.10 is not presented.

**Table 3.2.11: Schedule of non-financial asset movements - administered**

The FWBII has no administered non-financial assets. 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.

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.

#### **Agency Revenue from government**

Revenue from government represents the purchase of outputs from the FWBII by the government.

#### **Agency Revenue – Own Source Income**

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

#### **Agency 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.

#### **Agency Expenses – Suppliers**

This item represents payments to suppliers for goods and services.

#### **Agency Expenses – Depreciation and Amortisation**

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

#### **Agency Assets – Financial Assets – Cash**

Cash represents notes and coins held and deposits at call with a bank or financial institution.

#### **Agency Assets – Financial Assets – Receivables**

Receivables represent amounts owing to FWBII for cash reserves held in the Official Public Account and prepayments.

**Agency Assets – Non-Financial Assets**

These items represent future economic benefits that the FWBII will consume in producing outputs.

Property, plant and equipment and intangibles are brought to account at cost, except for purchases costing less than \$50,000 for internally developed computer software, less than \$20,000 for leasehold improvements and less than \$2,000 for all other classes, which are expensed in the year of acquisition (other than where they form part of a group of similar items which are significant in total).

Following initial recognition at cost property, 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.

**Agency Liabilities – Provisions – Employees**

Provision has been made for the FWBII's liability for employee entitlements arising from services rendered by employees to balance date. This liability encompasses unpaid wages and salaries, 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 twelve months are measured at the nominal amount.

**Agency 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).



