

WORKPLACE AUTHORITY

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WORKPLACE AUTHORITY

Section 1: Agency overview and resources

1.1 STRATEGIC DIRECTION

The Workplace Authority promotes an understanding of the Commonwealth workplace relations legislation by making available general advice and guidance about the operation of the legislation. It also provides advice and assistance to employers, employees and organisations on their rights and obligations under the legislation.

In accordance with the *Workplace Relations Act 1996*, the Workplace Authority is responsible for accepting lodgement of workplace agreements and determining whether these agreements pass the no-disadvantage test. The Workplace Authority is also responsible for regulating a number of other aspects of agreement making.

1.2 AGENCY RESOURCE STATEMENT

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

Table 1.1: Workplace Authority resource statement —Budget estimates for 2008-09 as at Budget May 2008

	Estimate of prior year amounts available in	+	Proposed at Budget	=	Total Estimate	Estimated Appropriation Available
	2008-09 \$'000		2008-09 \$'000		2008-09 \$'000	2007-08 \$'000
Ordinary Annual Services						
Departmental outputs						
Departmental outputs	20,783		113,137 ¹		133,920	130,145
s31 Relevant agency receipts	0		0 ³		0	0
Total	20,783		113,137		133,920	130,145
Total ordinary annual services	A		113,137		133,920	130,145
Other services						
Departmental non-operating						
Equity injections	0		3,423 ²		3,423	14,521
Previous years' outputs						
Total	0		3,423		3,423	14,521
Administered non-operating						
Administered Assets and Liabilities	0		0		0	0
Total other services	B		3,423		3,423	14,521
Total Available Annual Appropriations						
	20,783⁴		116,560		137,343	144,666
Total resourcing						
A+B+C+D	20,783		116,560		137,343	144,666
Less appropriations drawn from annual or special appropriations above and credited to special accounts						
Total net resourcing for Workplace Authority⁵	20,783		116,560		137,343	144,666

1. Appropriation Bill (No.1) 2008-09.
2. Appropriation Bill (No.2) 2008-09.
3. s31 Relevant Agency receipts — estimate.
4. Estimated adjusted balance carried from previous year for Annual Appropriations.
5. The total available departmental operating appropriation (outputs) will not equal the total of all outputs in the Outcome Resource Statements as they budget for estimated appropriation attributable to outcomes and not the total available. For reconciliation see Table 3.1.1.

1.3 BUDGET MEASURES

The Workplace Authority does not have any new measures since the 2007-08 Additional Estimates. Measures appearing in Budget Paper No. 2 are those which were included in Workplace Authority's Portfolio Additional Estimates Statements 2007-08.

Section 2: Outcomes and planned performance

2.1 OUTCOMES AND PERFORMANCE INFORMATION

The Australian Government requires agencies to measure their intended and actual performance in terms of outcomes. Government outcomes are the results, impacts or consequences of actions by the Government on the Australian community. Agencies are required to identify the output groups which demonstrate their contribution to Government outcomes over the coming year.

The Workplace Authority has one outcome and is described below by output groups, specifying the performance indicators and targets used to assess and monitor the performance in achieving government outcomes.

2.1.1 Outcome 1: Employers and employees are informed of all aspects of workplace relations under Commonwealth workplace relations laws, and agreement making meets the requirements of those laws.

Outcome 1 Strategy

Key strategies for the Workplace Authority in 2008-09 are:

- Providing a single national point of contact for accurate and timely advice on the federal workplace relations system
- Providing an efficient and effective system for the lodgement of workplace agreements
- Assessing workplace agreements against the no-disadvantage test in a consistent, accurate and timely manner.

Major initiatives for 2008-09 are:

- Ongoing review and continuous improvement of policy, procedures and systems supporting the assessment of workplace agreements under the no-disadvantage test to achieve more effective and efficient processing
- Finalisation of assessment of workplace agreements under the fairness test.

Outcome 1 Resource statement

Table 2.1 provides additional detail of Budget appropriations and the total resourcing for Outcome 1.

Table 2.1: Total resources for Outcome 1

	2008-09 Total estimate of Available Resources \$'000	2007-08 Estimated actual \$'000
Outcome 1: Employers and employees are informed of all aspects of workplace relations under Commonwealth workplace relations laws, and agreement making meets the requirements of those laws.		
Output Group 1.1:		
Departmental Outputs		
Workplace relations education and information services	71,532	84,400
Revenues from other sources (s.31)		
Special Accounts	0	0
Subtotal for Output Group 1.1	71,532	84,400
Output Group 1.2:		
Departmental Outputs		
Agreement Assessment	41,605	45,745
Revenues from other sources (s.31)		
Special Accounts	0	0
Subtotal for Output Group 1.2	41,605	45,745
Total resources for Outcome 1	113,137	130,145
Average staffing level (number)	695	729

Note: Departmental Appropriation splits and totals, by outcome and output, are indicative estimates and may change in the course of the budget year as government priorities change.

Contributions to Outcome 1

Output Group 1.1: Workplace relations education and information services	
<p>The provision of workplace relations advice and information through the Workplace Infoline and Workplace Authority website.</p> <p>Components of Output Group 1.1:</p> <ul style="list-style-type: none"> • Departmental Outputs 	
Key Performance Indicators	2008-09 Target
<p>The extent to which the provision of information and advice regarding the workplace relations system is useful, timely and accurate.</p>	<p>Target:</p> <ul style="list-style-type: none"> - 80 per cent of calls to the Contact Centre are resolved at the first point of contact. - Contact Centre operations are benchmarked against industry standards. - Information provided to callers to the Workplace Infoline is accurate in at least 95 per cent of cases (samples used for internal measurement and assessment). - Feedback concerning content on the Workplace Authority website is acknowledged within 5 working days.
<p>The extent to which the provision of information services is accessible to the Australian public.</p>	<p>Target:</p> <ul style="list-style-type: none"> - All Contact Centre Services (including the Translating and Interpreting Service) are operational 99 per cent of advertised hours. - Website is available 99 per cent of the time. - All complaints concerning the accessibility of the information service are responded to within 20 business days.

Workplace Authority Budget Statements – Outcomes and performance

Output Group 1.2: Agreement Assessment	
<p>Assessment of workplace agreements lodged with the Workplace Authority under the no-disadvantage test and finalisation of assessment of workplace agreements under the fairness test.</p> <p>Components of Output Group 1.2:</p> <ul style="list-style-type: none"> • Departmental Outputs 	
Key Performance Indicators	2008-09 Target
The extent to which there is adherence to legislative requirements and policy in the assessment of workplace agreements.	<p>Target:</p> <ul style="list-style-type: none"> - The number of reconsiderations decreases over the financial year 2008-09.
The extent to which workplace agreements are assessed in a timely manner.	<p>Target:</p> <ul style="list-style-type: none"> - Where all the required information is available, 80 per cent of agreements are finalised within 20 working days of the receipt of the agreement. - Assessment of pre-transition workplace agreements (against the fairness test) are concluded by 31 December 2008.

Section 3: Explanatory tables and budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of agency finances for the budget year 2008-09. It explains how budget plans are incorporated into the financial statements and provides further details of movements in administered funds, special accounts and government Indigenous expenditure.

3.1 EXPLANATORY TABLES

3.1.1 Reconciliation of total available appropriation and outcomes

The Agency Resource Statement (Table 1.1) details the total available 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, generally depreciation 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 2009-10 Budget year, including amounts related to meeting future obligations to maintain the agency's asset base and to meet employee entitlement liabilities.

Table 3.1.1: Reconciliation of total available appropriation and outcomes

	\$'000
Total available departmental operating appropriation (outputs)	133,920
Less estimated payments in 2008-09	105,688
Estimated departmental outputs carried-forward and available for 2009-10 (outputs)	28,232

1. The 'total available departmental operating appropriation (outputs)' is equal to the carry-forward estimate +budget appropriation +estimated s.31 receipts included in the Agency Resource Statement (Table 1.1). The 'total attributed in outcome resource statements' is the amounts included and budgeted for in the agency Outcome Resource Statements (Table 2.1). The net effect of subtracting the amounts attributable to outcomes from the total available will result in the initial estimate of the carry-forward amount for the 2009-10 Budget year.

3.1.2 Movement of administered funds between years

The Workplace Authority has no administered activity. For this reason Table 3.1.2 is not presented.

3.1.3 Special Accounts

The Workplace Authority has no Special Accounts. For this reason Table 3.1.3 is not presented.

3.1.4 Australian Government Indigenous Expenditure

The Workplace Authority has no Australian Government Indigenous Expenditure. For this reason Table 3.1.4 is not presented.

3.2 BUDGETED FINANCIAL STATEMENTS

3.2.1 Differences in agency resourcing and financial statements

3.2.2 Analysis of budgeted financial statements

Income Statement

The Workplace Authority is budgeting for a break-even operating result for 2008-09, with total revenue and expenses of \$113.1 million. The \$113.1 million in expenditure is the total cost of delivering the agreed outputs by the Workplace Authority and the major operating cost items are salaries (52 per cent), suppliers (42 per cent) and depreciation (6 per cent). These costs are all met by Revenues from Government as the Workplace Authority has no own source revenues or expenses.

Balance Sheet

In comparing the 2008-09 budget estimates with the estimated 2007-08 actual result, the net assets of the Workplace Authority are planned to increase by \$3.423 million. This increase is directly attributable to the \$3.423 million equity injection from Government, which is provided to purchase new non-financial assets. The non-financial asset base for 2008-09 of \$34.887 million is a net result and the 2007-08 actual (\$37.984 million) has been adjusted by depreciation (less \$6.520 million) and increased by purchases (\$3.423 million).

With liabilities, there is a budgeted increase of \$0.929 million in total liabilities and this is off set by a corresponding change in receivables. The remaining movement in the receivables balance (from the closing 2007-08 position) is tied to the depreciation funding of \$6.520 million, as this source of funds is not required in 2008-09 to purchase assets.

Statement of Cash Flows

The Workplace Authority is budgeting no change in its cash position for 2008-09, and cash at the close of the period will equal the opening balance of \$2.500 million.

3.2.3 Budgeted financial statements tables

**Table 3.2.1: Budgeted departmental income statement
(for the period ended 30 June)**

	Estimated actual 2007-08 \$'000	Budget Estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000
INCOME					
Revenue					
Revenues from Government	130,145	113,137	41,588	50,510	50,559
Total revenue	130,145	113,137	41,588	50,510	50,559
Gains					
Other	500	0	0	0	0
Total gains	500	0	0	0	0
Total income	130,645	113,137	41,588	50,510	50,559
EXPENSE					
Employees	66,396	58,911	20,402	25,082	24,167
Suppliers	59,292	47,706	14,080	18,317	19,432
Depreciation and amortisation	4,523	6,520	7,106	7,111	6,960
Write-down of assets and impairment of assets	434	0	0	0	0
Total expenses	130,645	113,137	41,588	50,510	50,559
Surplus/(Deficit)	0	0	0	0	0
Surplus (deficit) attributable to the Australian Government	0	0	0	0	0
Surplus (Deficit) before income tax					
Income tax expense					
Surplus/(Deficit)					
Minority interest in surplus (deficit)					
Surplus (deficit) attributable to the Australian Government	0	0	0	0	0

Prepared on Australian Accounting Standards basis.

Workplace Authority Budget Statements - Budgeted financial statements

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

	Estimated actual 2007-08 \$'000	Budget estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000
ASSETS					
Financial assets					
Cash and equivalents	2,500	2,500	2,500	2,500	2,500
Trade and other Receivables	18,283	25,732	26,546	32,702	32,551
Total financial assets	20,783	28,232	29,046	35,202	35,051
Non-financial assets					
Land and buildings	29,683	26,354	23,284	20,213	22,127
Infrastructure, plant and equipment	1,193	534	503	554	623
Intangibles	7,108	7,999	8,882	9,797	9,365
Total non-financial assets	37,984	34,887	32,669	30,564	32,115
Total assets	58,767	63,119	61,715	65,766	67,166
LIABILITIES					
Provisions					
Employees	10,520	12,424	13,088	13,904	13,904
Other	1,209	1,209	1,209	1,209	1,209
Total provisions	11,729	13,633	14,297	15,113	15,113
Payables					
Suppliers	8,500	7,525	2,623	3,224	3,224
Total payables	8,500	7,525	2,623	3,224	3,224
Total liabilities	20,229	21,158	16,920	18,337	18,337
Net assets	38,538	41,961	44,795	47,429	48,829
EQUITY*					
Parent entity interest					
Contributed equity	38,538	41,961	44,795	47,429	48,829
Total parent entity interest	38,538	41,961	44,795	47,429	48,829
Total equity	38,538	41,961	44,795	47,429	48,829
Current assets	20,783	28,232	29,046	35,202	35,051
Non-current assets	37,984	34,887	32,669	30,564	32,115
Current liabilities	15,162	15,101	10,517	11,510	11,510
Non-current liabilities	5,067	6,057	6,403	6,827	6,827

*Note: 'Equity' is the residual interest in assets after deduction of liabilities.
Prepared on Australian Accounting Standards basis.

**Table 3.2.3: Budgeted departmental statement of cash flows
(for the period ended 30 June)**

	Estimated actual 2007-08 \$'000	Budget Estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward Estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	117,229	105,688	40,774	44,354	50,710
Total cash received	117,229	105,688	40,774	44,354	50,710
Cash used					
Employees	61,175	57,007	19,738	24,266	24,167
Suppliers	50,807	48,681	21,036	20,088	26,543
Total cash used	111,982	105,688	40,774	44,354	50,710
Net cash from or (used by) operating activities	5,247	0	0	0	0
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment	18,318	3,423	2,834	2,634	1,400
Total cash used	18,318	3,423	2,834	2,634	1,400
Net cash from or (used by) investing activities	(18,318)	(3,423)	(2,834)	(2,634)	(1,400)
FINANCING ACTIVITIES					
Cash received					
Appropriations - contributed equity	15,571	3,423	2,834	2,634	1,400
Total cash received	15,571	3,423	2,834	2,634	1,400
Net cash from or (used by) financing activities	15,571	3,423	2,834	2,634	1,400
Net increase or (decrease) in cash held	2,500	0	0	0	0
Cash at the beginning of the reporting period	0	2,500	2,500	2,500	2,500
Cash at the end of the reporting period	2,500	2,500	2,500	2,500	2,500

Prepared on Australian Accounting Standards basis.

Table 3.2.4: Departmental statement of changes in equity — summary of movement (Budget year 2008-09)

	Retained earnings	Asset revaluation reserve	Other reserves	Contributed equity/capital	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance as at 1 July 2008					
Balance carried forward from previous period	0	0	0	38,538	38,538
Adjusted opening balance	0	0	0	38,538	38,538
Income and expense	0	0	0	0	0
Sub-total income and expense	0	0	0	0	0
Surplus (deficit) for the period	0	0	0	0	0
Total income and expenses recognised directly in equity	0	0	0	0	0
Transactions with owners					
Distribution to owners	0	0	0	0	0
Contribution by owners					
Appropriation (equity injection)	0	0	0	3,423	3,423
Sub-total transactions with owners	0	0	0	3,423	3,423
Transfers between equity components	0	0	0	0	0
Estimated closing balance as at 30 June 2009	0	0	0	41,961	41,961

Prepared on Australian Accounting Standards basis.

Table 3.2.5: Schedule of budgeted income and expenses administered on behalf of Government (for the period ended 30 June)

The Workplace Authority has no budgeted administered income and expenses. For this reason Table 3.2.5 is not presented.

Table 3.2.6: Schedule of budgeted assets and liabilities administered on behalf of Government (as at 30 June)

The Workplace Authority has no budgeted administered assets and liabilities. For this reason Table 3.2.6 is not presented.

Table 3.2.7: Schedule of budgeted administered cash flows (for the period ended 30 June)

The Workplace Authority has no budgeted administered cash flows. For this reason Table 3.2.7 is not presented.

3.2.4 Notes to the financial statements

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.

Departmental Revenue from Government

Revenue from government represents the purchase of outputs from the Workplace Authority by the government. The changes reflected in the ordinary annual appropriations are a result of variations that are explained in Section 1: Agency overview and resources, variations and measures.

The Workplace Authority operates on a just in time draw-down basis that has resulted in undrawn appropriations at year end being reflected as a receivable. This receivable is available for draw-down to meet future obligations.

Gains - Other

Assets acquired at no cost or for nominal consideration are recognised as a revenue (and asset) at their fair value as at the date of acquisition.

Transactions with the Australian Government - Equity Injection

Equity injection represents an additional contribution to the Workplace Authority by the Australian Government, which is over and above the revenue from the Government for the price of outcomes. Equity injections are used entirely to fund capital expenditure and are recognised directly into equity in that period.

Departmental Expenses – Employees

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.

Departmental Expenses – Depreciation and Amortisation

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

Computing equipment assets are depreciated over their useful lives between three and seven years. Office machines are depreciated over five years (20 per cent). Leasehold improvements are 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 are made using forecasts of net capital acquisition requirements over the forward years.

Departmental Assets – Financial Assets – Receivables

Receivables represent amounts owing to the Workplace Authority 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 the Workplace Authority will consume in producing outputs. Assets are initially recognised at cost (except for assets transferred from the former Department of Employment and Workplace Relations following Workplace Authority's prescription on 1 July 2007). The Workplace Authority annually reassesses and adjusts the values of Land and Buildings (leasehold improvements), Infrastructure, Plant and Equipment.

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

Where a legal or constructive obligation exists to restore an asset back to its original condition (also known as 'make good'), the net present value of estimated restoration costs are capitalised and added to the cost of the underlying asset and depreciated over the asset's useful life. As such, a corresponding provision is recognised for the restoration obligation costs. When discounting is used, the carrying amount of the provision is adjusted to reflect the unwinding of the discount and this is recognised as a finance expense.

Computer software, disclosed in the Departmental Balance Sheet as Intangibles, are expensed in the year of acquisition except for purchases costing more than \$25,000 or internally developed software costing more than \$50,000 which are capitalised at cost.

Departmental Liabilities – Provisions – Employees

Provision has been made for the Workplace Authority'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.

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

Other employee entitlements payable later than one year have been 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 have been taken into account.

Departmental Liabilities – Payables – Suppliers

This item mainly comprises trade creditors and operating lease rentals.