

NOTES TO THE FINANCIAL STATEMENTS

The budgeted financial statements are prepared for the Budget year, the previous year and three forward years.

Estimates of Special Account Flows and Balances

This table provides for the cash flows and balances of the special accounts under the responsibility of the entity.

Departmental Financial Statements

Comprehensive Income Statement (showing net cost of services) for the period ended 30 June

This statement provides a picture of the expected financial results for the entity identifying full accrual expenses and revenues. This highlights whether the entity is operating at a sustainable level.

Budgeted Departmental Balance Sheet (as at 30 June)

This statement shows the financial position of the entity. It enables decision makers to track the management of the entity's assets and liabilities.

Departmental Statement of Changes in Equity – summary of movement (Budget year 2015-16)

This table shows the movements in equity during the Budget year.

Budgeted Departmental Statement of Cash Flows (for the period ended 30 June)

Budgeted cash flows, as reflected in the Statement of Cash Flows, provides important information on the extent and nature of cash flows by characterising them into expected cash flows from operating activities, investing activities and financing activities.

Departmental Capital Budget Statement (for the period ended 30 June)

This table shows the appropriations from Government for the purchase of capital items and purchases of non-financial assets from capital and internal sources.

Statement of Asset Movements (Budget year 2015-16)

This table shows the movements in asset classes through addition. That is, purchases and other movements, for example, depreciation and amortisation.

Purchases are reconciled in the Capital Budget Statement to the Statement of Cash Flows as described above, and include sources of funding for asset purchases and amounts received under net cash resourcing arrangements, as also described above.

Schedules of Administered Activity

Schedule of Budgeted Income and Expenses Administered on Behalf of Government (for the period ended 30 June)

The schedule identifies the revenues and expenses administered by the entity on behalf of the Government.

Schedule of Budgeted Assets and Liabilities Administered on Behalf of Government (as at 30 June)

The schedule shows the assets and liabilities administered by the entity on behalf of the Government.

Administered Capital Budget Statement (for the period ended 30 June)

The schedule shows the cash flows administered by the entity on behalf of the Government.

Schedule of Budgeted Administered Cash Flows (for the period ended 30 June)

The schedule shows the cash flows administered by the entity on behalf of the Government.

Statement of Administered Asset Movements (Budget year 2015-16)

This table shows the movements in asset classes through addition. That is, purchases and other movements, for example, depreciation and amortisation.

Purchases are reconciled in the Capital Budget Statement to the Statement of Cash Flows as described above and include sources of funding for asset purchases.

GLOSSARY

Accrual accounting	System of accounting where items are brought to account and included in the financial statements as they are earned or incurred, rather than as they are received or paid.
Accumulated depreciation	The aggregate depreciation recorded for a particular depreciating asset.
Additional Estimates	The Additional Estimates process updates estimates from the previous Budget update.
Additional Estimates Bills or Acts	Where amounts appropriated in the annual appropriation acts at Budget time are insufficient, Parliament may appropriate more funds to Portfolios through the Additional Estimates Acts. These are Appropriation Bills No. 3 and No. 4, and a separate Bill for Parliamentary Departments (Appropriations (Parliamentary Departments) Bill (No.2)). These Bills are introduced into the Parliament some time after the Budget Bills.
Administered items	Expenses, revenues, assets or liabilities managed by entities on behalf of the Australian Government. Entities do not control administered items. Administered items include grants, subsidies and benefits (for example, funding for the Pharmaceutical Benefits Scheme).
Annotated appropriation	A form of appropriation which allows an entity access to certain money it receives in payment of services. The nature and extent of the amount to be appropriated are specified in Rules under s74 of the <i>Public Governance, Performance and Accountability Act 2013</i> .
Annual appropriation	Two appropriation Bills are introduced into Parliament in May and comprise the Budget. Further Bills are introduced later in the financial year as part of the Additional Estimates process. Parliamentary Departments have their own appropriations.
Appropriation	The amount of public moneys authorised by Parliament for expenditure from Consolidated Revenue Fund (CRF). Appropriations authorise expenditure by the Australian Government for particular purposes.
ASL (Average Staffing Levels)	The average number of employees receiving salary/wages (or compensation in lieu of salary/wages) over a financial year, with adjustments for casual and part-time employees to show the full-time equivalent.
Assets	Future economic benefits controlled by an entity as a result of past transactions or past events.

Available appropriation	Available appropriation is used to allow a comparison of the current year's appropriation with what was made available for use in the previous year. Available appropriation is the amount available to be drawn down, and is equal to: Budget appropriation + Additional Estimates appropriation + Advance to the Finance Minister (AFM) - Savings - Rephasings - Other Reductions +/- Section 74.
Budget measure	A decision by Cabinet or Ministers in the Budget process that has resulted in a change in expenditure in the current year and or the forward years. <u>See also cross-Portfolio Budget measure.</u>
Capital expenditure	Expenditure by an entity on non-financial assets, for example purchasing a building.
Cross-Portfolio Budget measure	This is a <u>Budget measure</u> which affects outcomes administered in a number of Portfolios.
Capital Budget Statement	A statement of the entity's estimated capital funding, through Appropriation Act No. 1 Departmental Capital Budget funding or Appropriation Act No. 2 equity injection funding and the entity's estimated expenditures on non-financial assets.
Departmental items	Assets, liabilities, revenues and expenses which are controlled by the entity in providing its outputs. Departmental items would generally include computers, plant and equipment assets used by entities in providing goods and services and most employee expenses, supplier costs and other administrative expenses incurred.
Departmental Capital Budget	Departmental Capital Budget funding appropriated to non-corporate PGPA Act entities through their Appropriation Act 1 Departmental appropriation, for the ongoing replacement of Departmental assets which cost less than \$10 million.
Depreciation	An expense recognised systematically for the purpose of allocating the depreciable amount of a depreciable asset over its useful life.
Efficiency dividend	An annual deduction of a percentage of running costs from an entity's budget, which acts as both an incentive to efficiency and a quantification of some of the efficiency gains made by an entity in the previous year.
Equity or net assets	Residual interest in the assets of an entity after deduction of its liabilities.
Expense	The value of resources consumed or lost during the reporting period.
Fair value	Fair values are prices in arm's length transactions between willing buyers and sellers in an active market.

Forward estimates	A system of rolling three year financial estimates. After the Budget is passed, the first year of the forward estimates becomes the base for next year's Budget bid, and another out year is added to the forward estimates.
Historical cost	The original cost of acquisition of an asset, including any costs associated with acquisition. Under AASB 116 <i>Property, Plant and Equipment</i> are required to be reported initially at the cost of acquisition (historical cost). The Australian Government's financial reporting requirements issued under the Finance Minister's Orders require the revaluation of noncurrent assets with sufficient regularity to ensure that the carrying amount of assets does not differ materially from fair value as at reporting date.
Liabilities	Future sacrifices of economic benefits that an entity is presently obliged to make to other entities as a result of past transactions or other past events.
MYEFO	Mid-Year Economic and Fiscal Outlook
Operating result	Equals income less expenses.
Outcomes	Outcomes are the results of events, actions or circumstances including in particular, the impact of the Australian Government on the Australian community. Outcomes may be linked with both the outputs of entities using the departmental expenses under their control, and with the administered expenses which entities manage on behalf of the Australian Government. Planned outcomes represent the changes desired by Government. The achievement of actual outcomes is assessed and reported in the Annual Report.
PGPA Act	<i>Public Governance, Performance and Accountability Act 2013</i> An Act about the governance, performance and accountability of, and the use and management of public resources by, the Commonwealth, Commonwealth entities and Commonwealth companies, and for related purposes.
Performance indicators	A concise list of indicators, which are used to measure entity effectiveness in achieving the Government's outcomes. Indicators must be measurable, but may be qualitative or quantitative. Indicators in the Portfolio Budget Statements are reported in the Annual Report for the same year. Outcomes are generally measured by performance indicators relating to effectiveness and equity, but may include efficiency and access indicators.
Portfolio Budget Statements	Statements prepared by Portfolios to explain the Budget appropriations in terms of outcomes and programmes.

Price Parameter Adjustment	Expenses are indexed by a price parameter for anticipated increases in costs over the estimates period. Changes in indexation are annotated to each outcome as 'Price parameter adjustment' or 'Application of indexation parameters'.
Programmes	Commonwealth programmes deliver benefits, services or transfer payments to individuals, industry/business or the community as a whole, and are the primary vehicles for Government entities to achieve the intended results of their outcome statements. Commencing from the 2009-10 Budget, entities are required to report to Parliament by programme.
Quality	Relates to the characteristics by which customers or stakeholders judge a product or service. Assessment of quality involves the use of information gathered from a range of sources including customers and stakeholders.
Quantity	A measure of how many, or how much, of a product or service is produced. Quantities specified in the Portfolio Budget Statements are usually estimates based on the best available evidence. Entities report on actual quantities in their annual reports.
Revenue	Total value of resources earned or received during the reporting period.
Special account	A special account is an appropriation mechanism that notionally sets aside an amount within the Consolidated Revenue Fund (CRF) to be expended for specific purposes. The amount of appropriation that may be drawn from the CRF by means of a special account is limited to the balance of each special account. Special accounts are not bank accounts. However, amounts forming the balance of a special account may be held in the Official Public Account, an entity official bank account or by an outsider authorised in a manner consistent with the PGPA Act.
Special appropriation	Special appropriations are provisions within an Act, other than the annual appropriation Acts, that authorise expenditure for particular purposes. Special appropriations may state a maximum amount that is appropriated for the particular purpose or may specify the legislative criteria that will determine the amount to be paid.
Strategic Direction Statement	The Strategic Direction Statement explains the year ahead for the entity, focussing on the items of most importance, recognising the major budget decisions affecting the entity, the major on-going functions, new function and significant partnership arrangements, as well as upcoming challenges in the years ahead.