

PORTFOLIO BUDGET STATEMENTS 2010-11

DEPARTMENT OF THE HOUSE OF REPRESENTATIVES

**BUDGET INITIATIVES AND EXPLANATIONS
APPROPRIATIONS SPECIFIED BY OUTCOMES
AND PROGRAMS BY AGENCY**

BUDGET RELATED PAPER NO. 1.19A

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Speaker of the House of Representatives

Harry Jenkins MP

PARLIAMENT HOUSE

CANBERRA 2600

Honourable Members

I hereby submit Portfolio Budget Statements in support of the 2010-11 Budget for the Department of the House of Representatives.

These statements have been developed, and are submitted to the House of Representatives, as a statement on the outcomes for the department.

I present these statements to provide accountability to the House and, through it, the public.

Yours sincerely

A handwritten signature in black ink, appearing to read 'H. Jenkins'.

HARRY JENKINS

Speaker

10 May 2010

Abbreviations and conventions

The following notation may be used:

NEC/nec	not elsewhere classified
..	nil
na	not zero, but rounded to zero
nfp	not applicable (unless otherwise specified)
\$m	not for publication
\$m	\$ million
\$b	\$ billion

Figures in tables and in the text may be rounded. Figures in text are generally rounded to one decimal place, whereas figures in tables are generally rounded to the nearest thousand. Discrepancies in tables between totals and sums of components are due to rounding.

Enquiries

Should you have any enquiries regarding this publication please contact Kay Saunders, Chief Financial Officer, Department of the House of Representatives on (02) 6277 4448.

A copy of this document can be located on the Australian Parliament House website at: <http://www.aph.gov.au> and also on the Australian Government Budget website at: <http://www.budget.gov.au>.

**USER GUIDE
TO THE
PORTFOLIO BUDGET STATEMENTS**

USER GUIDE

The purpose of the 2010-11 Portfolio Budget Statements (PB Statements) is to inform Members of Parliament of the allocation of resources to the outcome of the Department. The Department receives resources from the annual appropriations acts, (including standing appropriations and special accounts), and revenue from other sources.

A key role of the PB Statements is to facilitate the understanding of proposed annual appropriations in the Appropriation (Parliamentary Departments) Bill No. 1 2010-11. In this sense the PB Statements are Budget related papers and are declared by the Appropriation Acts to be 'relevant documents' to the interpretation of the Acts according to section 15AB of the *Acts Interpretation Act 1901*.

The PB Statements provide information, explanation and justification to enable Parliament to understand the purpose of each outcome proposed in the Bill.

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DEPARTMENT OVERVIEW

THE DEPARTMENT OF THE HOUSE OF REPRESENTATIVES

DEPARTMENTAL RESPONSIBILITIES

The Department is one of three Parliamentary Departments supporting the Australian Parliament.

The Department's purpose, as set out in its Corporate Plan, is:

To support the House of Representatives to fulfil its role as a representative and legislative body by providing effective advice and services of the highest possible standard.

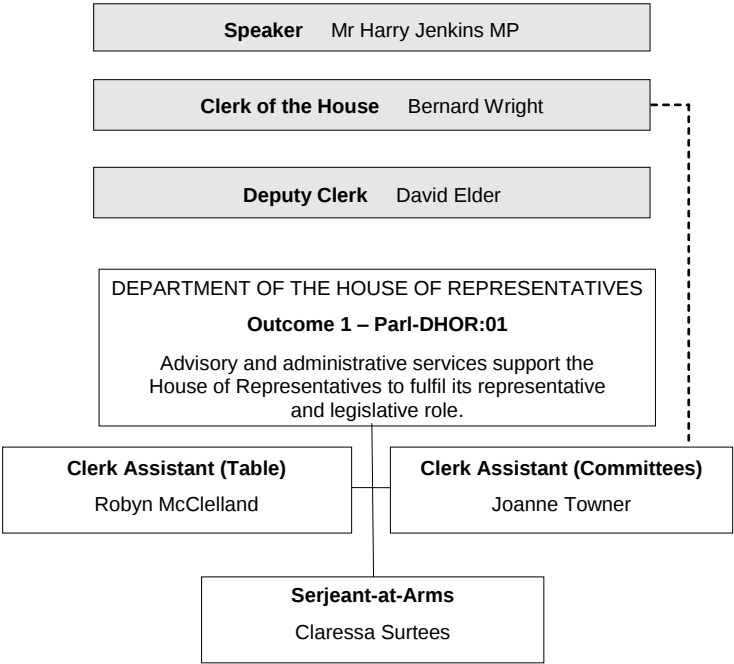
The Department provides services to help ensure:

- the House of Representatives Chamber and Main Committee operate effectively;
- Parliamentary committees operate effectively;
- Members receive appropriate services to fulfil their parliamentary duties;
- international and regional relationships with other Parliaments, parliamentary bodies and organisations are maintained; and
- the community understands, and interacts with, the work of the House of Representatives and the Commonwealth Parliament.

The Speaker, Mr Harry Jenkins, MP, has accountability obligations to the House of Representatives for the Department. The Clerk of the House of Representatives, Mr. Bernard Wright, is responsible for managing the Department.

The Department works with the Department of the Senate, the Department of Parliamentary Services, the Office of the Governor-General and relevant government agencies to ensure the outcomes of parliamentary proceedings are processed and recorded accurately and on time.

Figure 1: Department structure and outcome



DEPARTMENTAL RESOURCES

Table 1 shows the total new resources provided to the portfolio in the 2010-11 budget year, by agency.

Table 1: Departmental Resources 2010-11

	Appropriation			Receipts	Total
	Bill No. 1 \$m	Bill No. 2 \$m	Special ¹ \$m	\$m	\$m
Department of the House of Representatives					
Departmental appropriations	22.387	-	-	0.831	23.218
Portfolio total	22.387	-	-	0.831	23.218
Resources available within portfolio:					23.218

¹ In previous years the Department reported Special Appropriations relating to third party payments made on behalf of other agencies. Under the Finance Minister's Orders the Department is not required to report these amounts within this table. Further information regarding these payments can be found at the bottom of Table 1.1 on page 10.

Department of the House of Representatives

**Agency resources and planned
performance**

DEPARTMENT OF THE HOUSE OF REPRESENTATIVES

Section 1: Agency overview and resources

1.1 STRATEGIC DIRECTION STATEMENT

The Department is committed to the delivery of high standards of service to the House of Representatives, its committees and Members; to the wider parliament; and to the public in the face of a changing economic environment. Our priorities remain closely linked with improving our ability to serve clients; developing our people; sustaining our systems, processes and resources; and maintaining strong relationships within the department, the parliament and beyond. The Department must continue to innovate to keep pace with technological change to sustain the quality of our service delivery and as a means of continuous improvement. As the Department pointed out to the Joint Committee of Public Accounts and Audit in relation to its inquiry into the effects of the efficiency dividend on small agencies, the pressure on the Department's budget was limiting the scope for innovation and change.

The Department's activity levels reflect the parliamentary cycle, with significant variations in activity over the three years of a parliament. An election will be held in 2010-11, and as a consequence there will be a reduction in the operations of the chamber and parliamentary committees before and immediately after the election period. However, once the 43rd Parliament has met the Department will see an increase in activity levels. The savings made in financial year 2009-10 have taken the immediate pressure off the Department's budget. However, the budgetary position remains under considerable pressure in the forward years. On current levels of funding for the forward years (2011-12 to 2013-14), the Department will need to continue to adopt a conservative approach to the use of resources as it enters the 43rd Parliament and will also need to examine its service levels and program deliverables.

The Department has instituted a common service arrangement, to provide payroll services for the Department of Parliamentary Services and the transition is expected to be completed by July 2010. Other common services will be examined to identify further opportunities for cooperation with the other parliamentary departments. Within the budgetary parameters set for the Department, there will continue to be a focus on technological innovation as a means of enhancing our effectiveness in supporting the House of Representatives. This will include providing on-line access to key Departmental publications as far as possible. However, with the expected budgetary pressure, all areas of the Department's operations potentially will come under examination to find savings.

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 departmental classification.

Table 1.1: Department of the House of Representatives Resource Statement — Budget estimates for 2010-11 as at Budget May 2010

	Estimate of prior + year amounts available in 2010-11 \$'000	Proposed at Budget = 2010-11 \$'000	Total estimate 2010-11 \$'000	Actual available appropriation 2009-10 \$'000
Ordinary annual services¹				
Departmental appropriation				
Prior year departmental appropriation ²	8,963	-	8,963	8,963
Departmental appropriation ³	-	22,387	22,387	22,188
s31 Relevant agency receipts ⁴	-	825	825	421
Total	8,963	23,212	32,175	31,572
Outcome 1 - Advisory and administrative services support the House of Representatives to fulfil its representative and legislative role.				
Total annual appropriations excluding Special Accounts	A 8,963	23,212	32,175	31,572

Table 1.1: Department of the House of Representatives Resource Statement — Budget estimates for 2010-11 as at Budget May 2010 (continued)

	Estimate of prior + year amounts available in 2010-11 \$'000	Proposed at Budget = 2010-11 \$'000	Total estimate 2010-11 \$'000	Actual available appropriation 2009-10 \$'000
Special Accounts				
Opening balance ⁵	2,531	-	2,531	2,551
Appropriation receipts ⁶	-	141	141	141
Non-appropriation receipts to Special Accounts	-	6	6	8
Total Special Account B	2,531	147	2,678	2,700
Total resourcing				
A+B	11,494	23,359	34,853	34,272
Less appropriations drawn from annual appropriation above and credited to special accounts	-	141	141	141
Total net resourcing for the Department of the House of Representatives	11,494	23,218	34,712	34,131

¹ Appropriation (Parliamentary Departments) Bill (No.1) 2010-11

² Estimated adjusted balance carried from previous year for annual appropriations

³ Includes an amount of \$1.3m in 2010-11 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'

⁴ s31 Relevant Agency receipts - estimate

⁵ Estimated opening balance for special accounts. For further information on special accounts see Table 3.1.1.

⁶ Appropriation receipts from Departmental annual and special appropriations for 2009-10 included above

Reader note: All figures are GST exclusive.

Third Party Payments from and on behalf of other agencies

	2010-11 \$'000	2009-10 \$'000
Payments made on behalf of the Department of Finance and Deregulation (disclosed in the respective agency Resource Statement)	2,122	2,188
Payments made on behalf of the Department of Education, Employment and Workplace Relations (disclosed in the respective agency Resource Statement)	28,723	26,372

1.3 BUDGET MEASURES

Budget measures relating to the Department are detailed in Budget Paper No. 2 and are summarised below.

Table 1.2: Agency 2010-11 Budget measures

Table 1.2 Department of the House of Representatives 2010-11 Budget Measures

	2009-10 \$m	2010-11 \$m	2011-12 \$m	2012-13 \$m	2013-14 \$m
Expense measure					
Joint Select Committee on Cyber-Safety Departmental expenses	0.064	0.076	-	-	-
Total	0.064	0.076	-	-	-

Prepared on a Government Financial Statistics (fiscal) basis

The Government has agreed that \$140,000 should be provided over two years from 2009-10 to the department to support the new Joint Select Committee on Cyber-Safety. The Committee will report on the online environment in which Australian children currently engage, the level of risk associated with cyber-safety threats, and related issues. The Committee is due to provide its final report by 11 February 2011.

1.4 DEPARTMENTAL PROGRAM FRAMEWORK

The Department has one program containing five components.

Figure 2: Program component table

2010-11 Budget year

Outcome 1: Advisory and administrative services support the House of Representatives to fulfil its representative and legislative role.

Program Component 1.1: Chamber & Main Committee
Departmental Activities: <i>Resources supporting the effective operation of the Chamber and Main Committee of the House of Representatives.</i>

Program Component 1.2: Community Awareness
Departmental Activities: <i>Resources supporting the provision of services to increase community understanding of, and interaction with the work of the House of Representatives and the Commonwealth Parliament.</i> <i>Revenue from other sources (s31)</i>

Program Component 1.3: Committee Services
Departmental Activities: <i>Resources supporting the House of Representatives and some joint committees in fulfilling their role in the parliamentary consideration of policy and legislation and the scrutiny of government.</i>

Program Component 1.4: Inter-parliamentary Relations
Departmental Activities: <i>Provision of advice and support to facilitate the conduct of the Parliament's international and regional affairs.</i>

Program Component 1.5: Members' Services
Departmental Activities: <i>Provision of advice, services and support to Members in Parliament House.</i> <i>Payment of Members' salaries and allowances.</i>

Section 2: Outcome and planned performance

2.1 OUTCOME AND PERFORMANCE INFORMATION

Parliamentary outcomes are the intended results, impacts or consequences of actions by the Parliament for the Australian community. Parliamentary agencies deliver programs which are designed to support the delivery of the stated outcomes.

The Department's outcome is described below together with its related program, specifying the performance indicators and targets used to assess and monitor performance.

Outcome 1: Advisory and administrative services support the House of Representatives to fulfil its representative and legislative role.

Outcome 1 Strategy

The *Parliamentary Service Act 1999* sets out the legal framework for a non-partisan parliamentary service to serve the Australian Parliament and provides for the management, leadership and responsibilities of parliamentary service employees. The Act establishes this department, the Department of the Senate and the Department of Parliamentary Services. The other two parliamentary departments report to the Parliament separately each year.

During 2010–11, the Department will continue its role as an advisory and service department for the Parliament, supporting the work of the House of Representatives, including its members in their parliamentary duties, its committees, and some joint committees. The Department will continue its focus on assistance to the House and the Parliament in their relations within Australia and internationally, and on the provision of information about the work of the House to the community.

Outcome Expense and Resource 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

Note: Departmental appropriation splits and totals are indicative estimates and may change in the course of the budget year as government priorities change.

Outcome 1:	2009-10	2010-11
Advisory and administrative services support the House of Representatives to fulfil its representative and legislative role.	Estimated actual expenses \$'000	Estimated expenses \$'000
Program 1: Department of the House of Representatives		
Departmental expenses		
Ordinary annual services (Parliamentary Appropriation Bill No. 1)	22,188	22,387
Revenues from independent sources (s31)	421	825
Special Accounts	169	146
Expenses not requiring appropriation in the Budget year	2,800	3,000
Total for Program 1	25,578	26,358
Outcome 1 Totals by appropriation type		
Departmental expenses		
Ordinary annual services (Parliamentary Appropriation Bill No. 1)	22,188	22,387
Revenues from independent sources (s31)	421	825
Special Accounts	169	146
Expenses not requiring appropriation in the Budget year	2,800	3,000
Total expenses for Outcome 1	25,578	26,358
	2009-10	2010-11
Average Staffing Level (number)	160	158

Contributions to Outcome

Program – Department of the House of Representatives

Program objectives

- The provision of advice and services of the highest standard to support the Chamber and Main Committee.
- The provision of resources to increase community understanding of, and interaction with, the work of the House of Representatives and the Commonwealth Parliament.
- To support House of Representatives committees as well as some joint committees in fulfilling their role in the parliamentary consideration of policy and legislation and the scrutiny of government.
- To provide advice and support to facilitate the conduct of the Parliament's international and regional affairs.
- The provision of resources that support the on-going development and maintenance of staff knowledge and skills, systems and processes.
- To facilitate the payment of Members' salaries and allowances¹.
- To provide impartial and prompt advice and services to support Members in Parliament House.

¹ Linked to:

Department of Finance and Deregulation

- Program 1.2; Public Sector Superannuation Benefits
- Program 3.1; Ministerial and Parliamentary Services

Department of Education, Employment and Workplace Relations

- Program 5.3; Parliamentarians' and Judicial Office Holders' Remuneration and Entitlements

Program expenses

- Departmental activity levels are tied to the parliamentary cycle and reach their peak during the middle of each three year cycle. The Department expects that a reduction in some services will need to occur in order to remain within budget.
- The Department will continue working with the other parliamentary departments to identify areas of common corporate services that would provide opportunities to maximise efficiency and minimise expenditure.

	2009-10 Revised budget	2010-11 Budget	2011-12 Forward year 1	2012-13 Forward year 2	2013-14 Forward year 3
('000)					
Special Account Expenses:					
Inter-Parliamentary Relations Special Account	141	141	141	141	141
Services for Other Government and Non-Departmental Bodies	-	-	-	-	-
Other Trust Moneys Account - House of Representatives	28	5	5	5	5
Annual departmental expenses:					
Department of the House of Representatives	23,886	23,239	23,425	23,683	23,856
Expenses not requiring appropriation in the Budget year	2,800	3,000	3,000	3,000	3,000
Total program expenses	26,855	26,385	26,571	26,829	27,002

Program Deliverables

- Services and advice to the Speaker, Members and others in accordance with legislation and administrative decisions.
- Advice and services to enable the Chamber and Main Committee to meet and address business as scheduled. This includes processing and drafting bills, creating and processing the records and documents of the House and the collection, analysis and publication of procedural and statistical information.
- Services to increase public knowledge and awareness of and interaction with, the work of the House of Representatives and the Commonwealth Parliament. The Department's community outreach program includes a television program, website, email alert service, advertising, media liaison, seminars and other presentations. During the budget year the Department will investigate transitioning from a hard copy publication of the magazine to an on-line version. The Department will continue to support the Parliamentary Education Office, which is jointly funded by the Department and the Department of the Senate.
- Procedural, research, analytical and administrative support for the conduct of inquiries and other activities of committees.
- Advice and support to facilitate and maintain international and regional relationships with other Parliaments, parliamentary bodies and organisations. Assistance to developing Parliaments within the Asia/Pacific region through the education trust fund will continue.
- Advice and services relating to Members' salaries and allowances and certain other entitlements.
- Advice and services to Members in Parliament House relating to accommodation; computing and communication facilities and office services.
- Asset replacement activity for Members' offices within Parliament House during the budget year will include the purchase of television sets, laptop computers and multi-function printers (MFPs convenience copiers).

Program - Key Performance Indicators

- Member satisfaction with the quality and timeliness of Chamber support and advisory services (target: 99 percent satisfaction rate)
- Percentage of Chamber support service standards met for sittings of the House and meetings of the Main Committee, with no significant errors (target: 100 percent)
- Percentage of bills (proposed legislation) processed within deadlines and with no significant errors (target: 100 percent)
- Member satisfaction with the quality and availability of procedural and statistical publications and support in obtaining such information (target: 90 percent satisfaction rate)
- Number of participants in community awareness programs such as seminars, school visits, subscribers to email alert service and magazine continues to increase over time.
- 90 percent satisfaction rate of committee members with advice and services provided.
- Rate of satisfaction of Presiding Officers, delegates and diplomatic representatives with arrangements for incoming and outgoing delegations. Levels of participation in parliamentary organisations and quality of policy advice. Rate of satisfaction of Parliaments in the Pacific region with the training and equipment purchases provided through the education trust fund.
- All variations to salary and allowances and salary increases are processed with an accuracy of at least 99 percent.
- Rate of satisfaction of Members and others with the provision of accommodation; computing and communication and office support services (target: 95 percent satisfaction rate).
- Number of accommodation related services provided to Members.
- Effectiveness of the program is measured through surveys, trends over time and formal and informal feedback.

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 2010-11 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

The Department has no movements of administered funds to report.

3.1.2 Special Accounts

Special accounts provide a means to set aside and record amounts used for specified purposes. Special Accounts can be created by a Finance Minister's Determination under the *Financial Management and Accountability Act 1997* or under separate enabling legislation. Table 3.1.2 shows the expected additions (receipts) and reductions (payments) for each account used by the Department.

Table 3.1.2: Estimates of Special Account Flows and Balances

		Opening balance 2010-11 2009-10	Receipts 2010-11 2009-10	Payments 2010-11 2009-10	Adjustments 2010-11 2009-10	Closing balance 2010-11 2009-10
		Outcome	\$'000	\$'000	\$'000	\$'000
Name of account						
Inter-Parliamentary Relations Special Account - FMA Act 1997 (D)	1	2,393	141	141	-	2,393
		2,393	141	141	-	2,393
Services for Other Government and Non-Department Bodies - FMA Act 1997 (D)	1	24	5	5	-	24
		45	7	28	-	24
Other Trust Moneys Account - House of Representatives - FMA Act 1997 (D)	1	114	1	-	-	115
		113	1	-	-	114
Total Special Accounts 2010-11 Budget estimate		2,531	147	146	-	2,532
Total Special Accounts 2009-10 estimate actual		2,551	149	169	-	2,531

(D) = Departmental

3.1.3 Australian Government Indigenous Expenditure

The 2010-11 Australian Government Indigenous Statement is not applicable because the Department has no indigenous specific expenses.

3.2 BUDGETED FINANCIAL STATEMENTS

3.2.1 Analysis of budgeted financial statements

Comprehensive Income Statement (Net Cost of Services)

In past years expense trends have reflected the stage of the parliamentary cycle, with employees and suppliers expenses reaching a peak in the middle year, as activity levels increase. In the 43rd Parliament, 2011-12 will see unprecedented pressure to contain expense levels whilst at the same time maintaining activity levels. The Department's operational budget has declined in real terms over time, as input costs have exceeded the revenue received from government

The combination of reduced real income and pressure on expenses is expected to result in a requirement to find savings through a combination of a reduction in staffing costs and the cessation of some services unless there is some adjustment to the Department's revenue base. While the Department will endeavour to maintain its levels of service to the Chamber, Committees and Members, the budgetary pressure will mean the Department has to reassess service levels.

The Department's own source income is increasing across the budget and forward years. This is attributed to service fees charged for the provision of payroll services to the Department of Parliamentary Services. These fees are fully off-set by increased costs to the Department in the form of employee expenses for the additional staff required to undertake this function.

Additional funding as an expense measure for the new Joint Select Committee on Cyber-Safety during 2010-11 is reflected in the employee benefits expense.

The deficit attributable to the Australian Government is a direct result of a change in funding arrangements under Operation Sunlight. Depreciation and amortisation expenses will not be funded as part of operating revenue. The Department will receive funding for capital purchases separately.¹

Departmental Balance Sheet and Cash Flow Statement

The balance sheet reflects a strengthening of asset values commencing in the budget year and flowing through the forward years. Cash reserves (budgeted as appropriation equity) will be used to fund the acquisition of replacement furniture and fittings that have exceeded their useful lives. This project is being undertaken in conjunction with the Department of the Senate which is engaging in a similar asset replacement program. Although this project had been estimated to be completed by 2011-12, the scale and scope of the project will be very dependant upon future Departmental operational funding requirements and the possible need to fund future operating losses from cash reserves.

¹ See page 27 – Departmental Capital Budget

Department of the House of Representatives Budget Statements

Other non-financial assets will be replaced, redeveloped or maintained via the normal asset replacement cycle for IT assets and other furniture items where necessary.

Liabilities consist mainly of provisions for employee entitlements. These amounts are forecast to increase in line with salary increases.

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 2009-10 \$'000	Budget estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000	Forward estimate 2012-13 \$'000	Forward estimate 2013-14 \$'000
EXPENSES					
Employee benefits	16,059	16,712	16,811	16,980	17,160
Supplier expenses	9,377	8,227	8,214	8,403	8,396
Depreciation and amortisation	1,250	1,300	1,400	1,300	1,300
Write-down and impairment of assets	-	-	-	-	-
Losses from asset sales	-	-	-	-	-
Total expenses	26,686	26,239	26,425	26,683	26,856
LESS:					
OWN-SOURCE INCOME					
Revenue					
Sale of goods and rendering of services	421	825	857	880	898
Total revenue	421	825	857	880	898
Gains					
Sale of assets	27	27	88	88	88
Other	2,800	3,000	3,000	3,000	3,000
Total gains	2,827	3,027	3,088	3,088	3,088
Total own-source income	3,248	3,852	3,945	3,968	3,986
Net cost of (contribution by) services					
Revenue from Government	22,188	21,087	21,080	21,415	21,570
Surplus (Deficit) attributable to the Australian Government	(1,250)	(1,300)	(1,400)	(1,300)	(1,300)
OTHER COMPREHENSIVE INCOME					
Changes in asset revaluation reserves	-	-	-	-	-
Total other comprehensive income	-	-	-	-	-
Total comprehensive income	-	-	-	-	-
Total comprehensive income attributable to the Australian Government	-	-	-	-	-
Note: Reconciliation of operating result attributable to the department					
	2009-10 \$'000	2010-11 \$'000	2011-12 \$'000	2012-13 \$'000	2012-13 \$'000
Operating result attributable to the Australian Government	(1,250)	(1,300)	(1,400)	(1,300)	(1,300)
plus non-appropriated expenses depreciation and amortisation expenses	1,250	1,300	1,400	1,300	1,300
Operating result attributable to the Department	-	-	-	-	-

Prepared on Australian Accounting Standards basis.

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

	Estimated actual 2009-10 \$'000	Budget estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000	Forward estimate 2012-13 \$'000	Forward estimate 2013-14 \$'000
ASSETS					
Financial assets					
Cash and equivalents	135	131	135	151	135
Trade and other receivables	11,500	7,326	3,012	2,508	2,508
Tax assets					
Total financial assets	11,635	7,457	3,147	2,659	2,643
Non-financial assets					
Property, plant and equipment	3,229	6,603	9,474	9,119	8,735
Intangibles	1,071	1,885	3,423	4,231	4,399
Other	102	102	102	102	102
Total non-financial assets	4,402	8,590	12,999	13,452	13,236
Total assets	16,037	16,047	16,146	16,111	15,879
LIABILITIES					
Payables					
Suppliers	115	115	115	115	115
Other	592	652	657	652	549
Total payables	707	767	772	767	664
Provisions					
Employee provisions	4,300	4,350	4,350	4,350	4,350
Total provisions	4,300	4,350	4,350	4,350	4,350
Total liabilities	5,007	5,117	5,122	5,117	5,014
Net assets	11,030	10,930	11,024	10,994	10,865
EQUITY*					
Parent entity interest					
Contributed equity	-16,133	-14,833	-13,433	-12,133	-10,832
Reserves	11,659	11,659	11,659	11,659	11,659
Retained surplus (accumulated deficit)	15,376	14,076	12,676	11,376	10,076
Total parent entity interest	10,902	10,902	10,902	10,902	10,903
Total equity	10,902	10,902	10,902	10,902	10,903

* '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 2010-11)

	Retained earnings	Asset revaluation reserve	Other reserves	Contributed equity/ capital	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance as at 1 July 2010					
Balance carried forward from previous period	15,376	11,659	-	- 16,133	10,902
Adjustment for changes in accounting policies	-	-	-	-	-
Adjusted opening balance	15,376	11,659	-	- 16,133	10,902
Comprehensive income					
Comprehensive income recognised directly in equity:					
Gain/loss on revaluation of property	-	-	-	-	-
Sub-total comprehensive income	-	-	-	-	-
Surplus (deficit) for the period	- 1,300	-	-	-	- 1,300
Total comprehensive income recognised directly in equity	14,076	11,659	-	- 16,133	9,602
Transactions with owners					
<i>Distributions to owners</i>					
Returns on capital					
Dividends	-	-	-	-	-
Returns of capital					
Restructuring	-	-	-	-	-
Other	-	-	-	-	-
<i>Contributions by owners</i>					
Appropriation (equity injection)	-	-	-	-	-
Appropriation (departmental capital budget)	-	-	-	1,300	1,300
Other	-	-	-	-	-
Sub-total transactions with owners	-	-	-	1,300	1,300
Transfers between equity components	-	-	-	-	-
Estimated closing balance as at 30 June 2011	14,076	11,659	-	- 14,833	10,902

Prepared on Australian Accounting Standards basis.

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

	Estimated actual 2009-10 \$'000	Budget estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000	Forward estimate 2012-13 \$'000	Forward estimate 2013-14 \$'000
OPERATING ACTIVITIES					
Cash received					
Goods and services	421	825	857	880	898
Appropriations	22,188	21,087	21,080	21,415	21,570
Total cash received	22,609	21,912	21,937	22,295	22,468
Cash used					
Employees	16,090	16,712	16,811	16,890	17,160
Suppliers	5,164	5,251	5,230	5,597	5,432
Total cash used	21,254	21,963	22,041	22,487	22,592
Net cash from (used by) operating activities	1,355	-51	-104	-192	-124
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of property, plant and equipment	87	47	108	108	108
Capital Budget - Bill 1	-	1,300	1,400	1,400	1,301
Previous years' outputs - Bill 2	31	-	-	-	-
Appropriation equity	-	4,208	4,467	504	-
Total cash received	118	5,555	5,975	2,012	1,409
Cash used					
Purchase of property, plant and equipment	1,566	5,508	5,867	1,804	1,301
Total cash used	1,566	5,508	5,867	1,804	1,301
Net cash from (used by) investing activities	-1,448	47	108	208	108
Net increase (decrease) in cash held	-93	-4	4	16	-16
Cash and cash equivalents at the beginning of the reporting period	228	135	131	135	151
Cash and cash equivalents at the end of the reporting period	135	131	135	151	135

Prepared on Australian Accounting Standards basis.

Department of the House of Representatives Budget Statements

Table 3.2.5: Departmental Capital Budget Statement

	Estimated actual 2009-10 \$'000	Budget estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000	Forward estimate 2012-13 \$'000	Forward estimate 2013-14 \$'000
CAPITAL APPROPRIATIONS					
Capital budget - Bill 1 (DCB)	-	1,300	1,400	1,300	1,301
Previous years' outputs - Bill 2	31	-	-	-	-
Total capital appropriations	31	1,300	1,400	1,300	1,301
Total new capital appropriations					
Represented by:					
Purchase of non-financial assets	31	1,300	1,400	1,300	1,301
Total Items	31	1,300	2,700	2,601	1,301
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriation - DCB ¹	-	1,300	1,400	1,300	1,301
Funded internally from departmental resources ²	1,566	4,208	4,467	504	-
TOTAL	1,566	5,508	5,867	1,804	1,301
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	1,566	5,508	5,867	1,804	1,301
Total cash used to acquire assets	1,566	5,508	5,867	1,804	1,301

¹ Does not include annual finance lease costs. Includes purchases from current and previous years Departmental Capital Budgets.

² Includes the following sources of funding:

- annual and prior year appropriations
- donations and contributions
- gifts
- internally developed assets
- s31 relevant agency receipts (for FMA agencies only)

Prepared on Australian Accounting Standards basis.

Table 3.2.6: Statement of Asset Movements (2010-11)

	Other infrastructure, plant and equipment \$'000	Heritage and cultural assets \$'000	Intangibles \$'000	Total \$'000
As at 1 July 2010				
Gross book value	3,000	289	3,077	6,366
Accumulated depreciation/amortisation and impairment	60	-	2,006	2,066
Opening net book balance	2,940	289	1,071	4,300
CAPITAL ASSET ADDITIONS				
Estimated expenditure on new or replacement assets				
By purchase - appropriation equity	4,208	-	-	4,208
By purchase - appropriation ordinary annual services	236	-	1,064	1,300
Total additions	4,444	-	1,064	5,508
Other movements				
Assets held for sale or in a disposal group held for sale				
Depreciation/amortisation expense	1,050	-	250	1,300
Disposals [#]	20	-	-	20
Other	-	-	-	-
As at 30 June 2011				
Gross book value	7,424	289	4,141	11,854
Accumulated depreciation/amortisation and impairment	1,110	-	2,256	3,366
Closing net book balance	6,314	289	1,885	8,488

[#] Proceeds may be returned to the OPA
Prepared on Australian Accounting Standards basis.

3.2.4 Notes to the financial statements

BASIS OF ACCOUNTING

The preceding budgeted financial statements tables represent estimates by the Department of results that will be reported in year-end annual financial statements for the current year, budget year and forward estimates years. The basis of accounting for the year-end reports is that required under the *Finance Minister's Orders (Reporting requirements)* and Australian Accounting Standards.

This basis of accounting has been applied in general terms to the estimates contained in the above budgeted financial statements tables.

GLOSSARY

Term	Meaning
Activities	The actions/functions performed by the department to deliver government policies.
Actual available appropriation	The total appropriations available to the department for 2009-10 as at the 2010-11 Budget. It includes all appropriations made available to the department in the year (+/- section 32 transfers, formal reductions, Advance to the Finance Minister and movement of funds). It is to be the same as the comparator figure included in the Appropriation Bills, and as such provides a comparison with the appropriation proposed for the budget year.
Agency	Generic term for Australian General Government Sector entities, including those governed by the FMA Act or CAC Act and the High Court of Australia.
Appropriation	An amount of public money parliament authorises for spending (i.e. funds to be withdrawn from the CRF). Parliament makes laws for appropriating money under the Annual Appropriation Acts.
Consolidated Revenue Fund (CRF)	The principal operating fund from which money is drawn to pay for the activities of the government. Section 81 of the Australian constitution provides that all revenue raised or monies received by the Executive Government forms one consolidated revenue fund from which appropriations are made for the purposes of the Australian Government
Commonwealth Program List	The official Australian government list as contained in the Central Budget Management System. Agencies must report performance of these programs in their PB Statements.
Departmental Item	The resources (assets, liabilities, revenues and expenses) that agency Chief Executive Officers control directly. This includes outsourced activities funded and controlled by the agency. Examples of departmental items include agency running costs, accrued employee entitlements and net appropriations. A departmental item is a component of a departmental program.

Glossary continued

Estimated Actual Expenses	Details of the current year's estimated final figures as included in the Budget documentation. As the Budget is released in May each year, but the financial year does not close off until 30 June, the current year numbers that are used for comparison with Budget amounts can only be estimates.
Expenses not requiring appropriation in the Budget year	Expenses not involving a cash flow impact are not included within the calculation of an appropriation. An example of such an event is goods or services received free of charge that are then expensed: eg ANAO audit expenses – the ANAO does not charge for audit services however the expense must be recognised. Similarly, bad debts are recognised as an expense but are not recognised for the purpose of calculating appropriation amounts to be sought from Parliament.
Financial Management and Accountability Act 1997 (FMA Act)	The FMA Act sets out the financial management, accountability and audit obligations of agencies (including departments) that are financially part of the Commonwealth (and form part of the General Government Sector)
Forward Estimates Period	The three years following the budget year. For example if 2010-11 is the budget year, 2011-12 is forward year 1, 2012-13 is forward year 2 and 2013-14 is forward year 3. This period does not include the current or budget year.
Government Finance Statistics (GFS)	A reporting framework that is a specialised statistical system designed to support economic analysis of the public sector. It allows for comprehensive assessments of the economic impact of government and is consistent with international statistical standards of the International Monetary Fund and the System of National Accounts.
Measure	A new policy or savings decision of the government with financial impacts on the government's underlying cash balance; fiscal balance; operating balance; headline cash balance; net debt or net worth. Such proposals are normally made in the context of the annual Budget, and are typically published in Budget Paper No. 2, in the Mid-Year Economic and Fiscal Outlook (MYEFO) and in the Pre-election Economic and Fiscal Outlook (PEFO)

Glossary continued

Official Public Account (OPA)	The OPA is the Australian Government's central bank account held within the Reserve Bank of Australia. The OPA reflects the operations of the Consolidated Revenue Fund.
Outcome	An outcome is the intended result, consequence or impact of Government actions on the Australian community.
Outcome Statement	An outcome statement articulates the intended results, activities and target group of an Australian Government agency. An outcome statement serves three main purposes within the financial framework: • to explain and control the purposes for which annual appropriations are approved by the Parliament for use by agencies; • to provide a basis for annual budgeting, including (financial) reporting against the use of appropriated funds; and • to measure and assess agency and program (non-financial) performance in contributing to Government policy objectives.
Portfolio Budget Statements (PB Statements)	Budget related paper detailing budget initiatives and explanations of appropriations specified by outcome and program by each agency within a portfolio.
Program	Activity that delivers benefits, services or transfer payments to individuals, industry and/or the community as a whole, with the aim of achieving the intended result specified in an outcome statement.
Program Support	The departmental running costs allocated to the program. This is funded as part of the department's annual appropriation.
System of National Accounts (SNA)	The 1993 System of National Accounts (1993 SNA) is a comprehensive, consistent and flexible set of macroeconomic accounts to meet the needs of government and private sector analysts, policy-makers, and decision-takers. It was prepared jointly by the International Monetary Fund, the European Union, the Organisation for Economic Cooperation and Development, the United Nations, and the World Bank.