

OFFICE OF THE AUSTRALIAN BUILDING AND CONSTRUCTION COMMISSIONER

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OFFICE OF THE AUSTRALIAN BUILDING AND CONSTRUCTION COMMISSIONER

Section 1: Agency overview and resources; variations and measures

OVERVIEW

There have been no changes to the Office of the Australian Building and Construction Commissioner (ABCC) outcomes and outputs since the 2007-08 Portfolio Budget Statements.

Table 1.1: Agency outcomes and output groups

Outcome	Description	Output groups
Outcome 1	Workplace relations laws are enforced in building and construction industry workplaces.	Output Group 1.1

ADDITIONAL ESTIMATES AND VARIATIONS TO OUTCOMES

The Australian Building and Construction Commission has the following additional estimates variations:

Departmental Outputs

The departmental output appropriation for 2007-08 has been decreased by \$3.2 million to \$29.6 million.

- A decrease of \$3.2 million for new measures announced since the 2007-08 Budget. These are outlined in Tables 1.2 and 1.4.

Table 1.2: Additional estimates and variations to outcomes – measures

	2007-08 (\$'000)	2008-09 (\$'000)	2009-10 (\$'000)	2010-11 (\$'000)
Outcome 1				
Decrease in estimates (departmental)				
Election Commitment Savings: 2 per cent Efficiency Dividend	(151)	(668)	(675)	(703)
A Fairer and Flexible Workplace Relations System	(3,000)	-	-	-
Total decrease in estimate (departmental)	(3,151)	(668)	(675)	(703)
Total variation of appropriation for outcome 1	(3,151)	(668)	(675)	(703)

Table 1.3: Additional estimates and variations to outcomes – other variations

There are no other variations for the Australian Building and Construction Commission in the 2007-08 Portfolio Additional Estimates Statements.

MEASURES — AGENCY SUMMARY

Table 1.4: Summary of measures since the 2007-08 Budget

Measure Title	Outcome	Output groups affected	2007-08 (\$'000)			2008-09 (\$'000)			2009-10 (\$'000)			2010-11 (\$'000)		
			Admin items	Dept outputs	Total	Admin items	Dept outputs	Total	Admin items	Dept outputs	Total	Admin items	Dept outputs	Total
Expense Measures														
Election Commitment Savings: 2 per cent Efficiency Dividend	1	1.1	-	(151)	(151)	-	(668)	(668)	-	(675)	(675)	-	(703)	(703)
A Fairer and Flexible Workplace Relations System	1	1.1	-	(3,000)	(3,000)	-	-	-	-	-	-	-	-	-
Total Expense Measures			-	(3,151)	(3,151)	-	(668)	(668)	-	(675)	(675)	-	(703)	(703)
Total of All Measures			-	(3,151)	(3,151)	-	(668)	(668)	-	(675)	(675)	-	(703)	(703)

BREAKDOWN OF ADDITIONAL ESTIMATES BY APPROPRIATION BILL

Table 1.5: Appropriation Bill (No. 3) 2007-08

	2006-07 available (\$'000)	2007-08 Budget (\$'000)	2007-08 revised (\$'000)	Additional estimates (\$'000)	Reduced estimates (\$'000)
DEPARTMENTAL OUTPUTS					
Outcome 1					
Workplace relations laws are enforced in building and construction industry workplaces.	32,915	32,747	29,596	-	(3,151)
Total	32,915	32,747	29,596	-	(3,151)
Total departmental	32,915	32,747	29,596	-	(3,151)

Note 1: 2006-07 available appropriation is included to allow a comparison of this 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 + DIAB + AFM - Savings - Rephasings - Other Reductions +/- Section 32

Note 2: No appropriation is provided in Appropriation Bill 3 for the agency where the total funding change across outcomes for departmental outputs is negative (where the amount shown in the 'Reduced Estimates' column is greater than the amount in the 'Additional Estimates' column).

Table 1.6: Appropriation Bill (No. 4) 2007-08

The Australian Building and Construction Commission has no Appropriation Bill (No. 4) funding.

SUMMARY OF STAFFING CHANGES

Table 1.7: Average Staffing Level (ASL)

	2007-08 Budget	2007-08 Revised	Variation
Outcome 1			
Workplace relations laws are enforced in building and construction industry workplaces	155	155	-
Total	155	155	-

OTHER RESOURCES AVAILABLE TO BE USED

There have been no changes to the Australian Building and Construction Commission's other resources available to be used since the 2007-08 Portfolio Budget Statements.

ESTIMATES OF EXPENSES FROM SPECIAL APPROPRIATIONS

The Australian Building and Construction Commission has no special appropriations in the 2007-08 financial year.

ESTIMATES OF SPECIAL ACCOUNT FLOWS

The Australian Building and Construction Commission has no special account flows in the 2007-08 financial year.

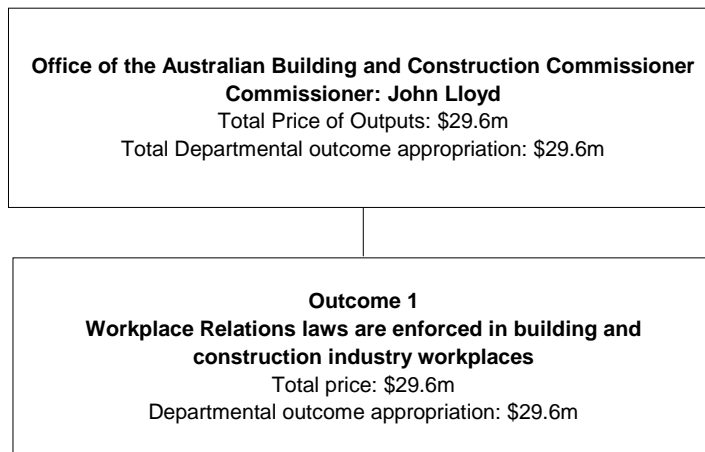
Section 2: Revisions to agency outcomes

OUTCOMES, ADMINISTERED ITEMS AND OUTPUTS

Table 1.1 ‘Agency outcomes and outputs groups’ lists the outcome statement and output group for the Australian Building and Construction Commission.

There have been no changes to the Australian Building and Construction Commission’s outcome and output structure since the 2007-08 Portfolio Budget Statements.

Figure 2: Outcome and output structure for Outcome 1



Outcome 1

Departmental Outputs

The departmental output appropriation for Outcome 1 in 2007-08 has decreased by \$3.2 million to \$29.6 million. The change is primarily a result of:

- A decrease of \$0.2 million relating to the measure Election Commitment Savings: 2 per cent Efficiency Dividend;
- A decrease of \$3.0 million relating to the measure *A Fairer and Flexible Workplace Relations System*.

There has been no change to the Outcome 1 estimated net annotated appropriation (Section 31) receipts for 2007-08.

Revised performance information — 2007-08

There has been no change to the performance information for Outcome 1 since the 2007-08 Portfolio Budget Statements. The Price of Outputs has been revised to \$29.623 million.

Section 3: Budgeted financial statements

ANALYSIS OF BUDGETED FINANCIAL STATEMENTS

An analysis of the primary causes of movements in the financial statements from those published in the 2007-08 Portfolio Budget Statements (PBS) is provided below.

BUDGETED FINANCIAL STATEMENTS

Departmental financial statements

Budgeted departmental income statement

The Australian Building and Construction Commission is budgeting for a break-even result in 2007-08 and the three forward years.

Total revenue is estimated to be \$29.6 million, a decrease of \$3.2 million from the 2007-08 Budget estimates. The decrease is due to:

- A decrease of \$0.2 million relating to the measure Election Commitment Savings: 2 per cent Efficiency Dividend;
- A decrease of \$3.0 million relating to the measure *A Fairer and Flexible Workplace Relations System*.

Budgeted departmental balance sheet

The budgeted net asset position for 2007-08 of \$24.4 million represents an increase of \$9.0 million from the 2007-08 Budget estimates. The increase is due to:

- An increase in financial assets of \$12.2 million – attributable to an adjustment to the opening balance to reflect the actual 2006-07 results;
- A decrease in non-financial assets of \$0.7 million – attributable to an adjustment to the opening balance to reflect the actual 2006-07 results;
- An increase to employee/other provisions of \$2.5 million – attributable to an adjustment to the opening balance to reflect the actual 2006-07 results.

Budgeted departmental statement of cash flows

The budgeted cash at the end of the reporting period for 2007-08 of \$1.4 million represents an increase of \$0.2 million from the 2007-08 Budget estimates. The increase

is attributable to an adjustment to the opening balance to reflect the actual 2006-07 results.

Departmental statement of changes in equity — summary of movement

The budgeted total equity at the end of the reporting period for 2007-08 of \$24.4 million represents an increase of \$9.0 million from the 2007-08 Budget estimates. The increase is attributable to an adjustment to the opening balance to reflect the actual 2006-07 results.

Departmental capital budget statement

The capital budget statement has been amended to reflect actual 2006-07 results.

Departmental property, plant, equipment and intangibles — summary of movement

The property, plant, equipment and intangibles - summary of movement has been amended to reflect actual 2006-07 results.

**Table 3.1: Budgeted departmental income statement
(for the period ended 30 June)**

	Actual 2006-07 \$'000	Revised budget 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000
INCOME					
Revenue					
Revenues from Government	32,915	29,596	32,708	33,090	34,456
Goods and services	-	-	-	-	-
Interest	-	-	-	-	-
Other	60	27	27	27	27
Total revenue	32,975	29,623	32,735	33,117	34,483
Total income	32,975	29,623	32,735	33,117	34,483
EXPENSE					
Employees	11,871	17,691	18,516	19,480	20,486
Suppliers	10,131	10,489	12,738	12,088	12,468
Depreciation and amortisation	890	1,443	1,481	1,549	1,529
Write-down of assets and impairment of assets	-	-	-	-	-
Other	-	-	-	-	-
Total expenses	22,892	29,623	32,735	33,117	34,483
Operating result from continuing operations	10,083	-	-	-	-
Net surplus or (deficit) attributable to the Australian Government	10,083	-	-	-	-

Table 3.2: Budgeted departmental balance sheet (as at 30 June)

	Actual 2006-07 \$'000	Revised budget 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000
ASSETS					
Financial assets					
Cash	401	1,433	2,907	4,255	5,725
Receivables	22,455	22,455	22,455	22,455	22,455
Other	369	369	369	369	369
Total financial assets	23,225	24,257	25,731	27,079	28,549
Non-financial assets					
Land and buildings	8,234	7,241	6,248	5,255	4,262
Infrastructure, plant and equipment	344	294	219	305	294
Intangibles	412	612	366	106	(167)
Other	252	258	261	266	271
Total non-financial assets	9,242	8,405	7,094	5,932	4,660
Total assets	32,467	32,662	32,825	33,011	33,209
LIABILITIES					
Payables					
Suppliers	955	975	985	997	1,010
Other payables	-	-	-	-	-
Total payables	955	975	985	997	1,010
Provisions					
Employees	2,991	3,166	3,319	3,493	3,678
Other	4,140	4,140	4,140	4,140	4,140
Total provisions	7,131	7,306	7,459	7,633	7,818
Total liabilities	8,086	8,281	8,444	8,630	8,828
EQUITY*					
Parent entity interest					
Contributed equity	6,565	6,565	6,565	6,565	6,565
Reserves	-	-	-	-	-
Retained surpluses or accumulated deficits	17,816	17,816	17,816	17,816	17,816
Total equity	24,381	24,381	24,381	24,381	24,381
Current assets	23,477	24,515	25,992	27,344	28,819
Non-current assets	8,990	8,147	6,833	5,667	4,390
Current liabilities	4,191	4,292	4,377	4,473	4,576
Non-current liabilities	3,895	3,989	4,067	4,157	4,252

**Table 3.3: Budgeted departmental statement of cash flows
(for the period ended 30 June)**

	Actual 2006-07 \$'000	Revised budget 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	24,717	29,596	32,708	33,090	34,456
Other	1,816	10	10	10	10
Total cash received	26,533	29,606	32,718	33,100	34,466
Cash used					
Employees	10,639	16,129	16,907	17,776	18,690
Suppliers	11,639	11,844	14,170	13,595	14,054
Other	-	-	-	-	-
Total cash used	22,278	27,973	31,077	31,371	32,744
Net cash from or (used by) operating activities	4,255	1,633	1,641	1,729	1,722
INVESTING ACTIVITIES					
Cash received					
Other	-	-	-	-	-
Total cash received	-	-	-	-	-
Cash used					
Purchase of property, plant and equipment	4,025	600	167	382	252
Purchase of intangibles	-	-	-	-	-
Other	-	-	-	-	-
Total cash used	4,025	600	167	382	252
Net cash from or (used by) investing activities	(4,025)	(600)	(167)	(382)	(252)
Net increase or (decrease) in cash held	230	1,033	1,474	1,347	1,470
Cash at the beginning of the reporting period	171	401	1,434	2,908	4,255
Cash at the end of the reporting period	401	1,434	2,908	4,255	5,725

Table 3.4: Departmental statement of changes in equity — summary of movement (Budget year 2007-08)

	Accumulated results \$'000	Asset revaluation reserve \$'000	Other reserves \$'000	Contributed equity/ capital \$'000	Total equity \$'000
Opening balance as at 1 July 2007					
Balance carried forward from previous period	17,816	-	-	6,565	24,381
Opening balance adjustment	-	-	-	-	-
Adjusted opening balance	17,816	-	-	6,565	24,381
Income and expense					
Income and expenses recognised directly in equity:					
Gain/loss on revaluation of property	-	-	-	-	-
Sub-total income and expense	17,816	-	-	6,565	24,381
Net operating result	-	-	-	-	-
Total income and expenses recognised directly in equity	17,816	-	-	6,565	24,381
Transactions with owners					
<i>Distributions to owners</i>					
Returns of capital					
Restructuring	-	-	-	-	-
Other	-	-	-	-	-
<i>Contribution by owners</i>					
Appropriation (equity injection)	-	-	-	-	-
Other					
Restructuring	-	-	-	-	-
Sub-total transactions with owners	-	-	-	-	-
Transfers between equity components	-	-	-	-	-
Closing balance as at 30 June 2008	17,816	-	-	6,565	24,381

Table 3.5: Departmental capital budget statement

	Actual	Revised	Forward	Forward	Forward
	2006-07	budget	estimate	estimate	estimate
	\$'000	2007-08	2008-09	2009-10	2010-11
	\$'000	\$'000	\$'000	\$'000	\$'000
CAPITAL APPROPRIATIONS					
Total equity injections	-	-	-	-	-
Total loans	-	-	-	-	-
Total capital appropriations	-	-	-	-	-
Represented by:					
Purchase of non-financial assets	-	-	-	-	-
Other	-	-	-	-	-
Total represented by	-	-	-	-	-
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriation	-	-	-	-	-
Funded internally by					
Departmental resources	4,025	600	167	382	252
Total	4,025	600	167	382	252

Table 3.6: Departmental property, plant, equipment and intangibles — summary of movement (Budget year 2007-08)

	Land	Buildings	Other infrastructure plant and equipment	Computer software	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
As at 1 July 2007					
Gross book value	-	9,018	495	412	9,925
Accumulated depreciation	-	784	151	-	935
Opening net book value	-	8,234	344	412	8,990
Additions:					
by purchase	-	-	100	500	600
by finance lease	-	-	-	-	-
internally developed	-	-	-	-	-
from acquisitions of entities or operations (including restructuring)	-	-	-	-	-
Revaluations and impairment through equity	-	-	-	-	-
Reclassifications	-	-	-	-	-
Depreciation/amortisation expense	-	993	150	300	1,443
Impairments recognised in operating result	-	-	-	-	-
AEIFRS adjustment	-	-	-	-	-
Disposals:					
from disposal of entities or operations (including restructuring)	-	-	-	-	-
other disposals	-	-	-	-	-
As at 30 June 2008					
Gross book value	-	9,018	595	912	10,525
Accumulated depreciation	-	1,777	301	300	2,378
Closing net book value	-	7,241	294	612	8,147

Table 3.7: Schedule of budgeted income and expenses administered on behalf of government (for the period ended 30 June)

The Australian Building and Construction Commission has no income and expenses administered on behalf of government.

Table 3.8: Schedule of budgeted assets and liabilities administered on behalf of government (as at 30 June)

The Australian Building and Construction Commission has no assets and liabilities administered on behalf of government

Table 3.9: Schedule of budgeted administered cash flows (for the period ended 30 June)

The Australian Building and Construction Commission has no administered cash flows.

Table 3.10: Schedule of administered capital budget

The Australian Building and Construction Commission has no administered capital budget.

Table 3.11: Schedule of administered property, plant, equipment and intangibles — summary of movement (Budget year 2007-08)

The Australian Building and Construction Commission has no administered property, plant, equipment or intangibles.

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.

Agency Revenue from Government

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

Agency Revenue from Other Sources

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

Agency 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.

Agency Expenses – Suppliers

This item represents payments to suppliers for goods and services.

Agency Expenses – Depreciation and Amortisation

Property, plant and equipment assets are written-off to their estimated residual values over their estimated useful lives to the Australian Building and Construction Commission 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.

Agency Assets – Financial Assets – Receivables

Receivables represent amounts owing to the Australian Building and Construction Commission for goods and services it has provided to external parties and cash reserves held in the Official Public Account.

Agency Assets – Financial Assets – Cash

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

Agency Assets – Non-Financial Assets

These items represent future economic benefits that the Australian Building and Construction Commission will consume in producing outputs. Apart from re-valued assets, the reported value represents the purchase price paid less depreciation incurred to date in using that asset.

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).

Internally developed or purchased computer software, disclosed in the Departmental Balance Sheet as Intangibles, are expensed in the year of acquisition except for purchased software costing more than \$2,000 or for internally developed software costing more than \$20,000 which are capitalised at cost.

Land and Buildings (leasehold improvements) are initially brought to account at cost, except for purchases costing less than \$20,000, which are expensed in the year of acquisition. The Australian Building and Construction Commission annually reassesses and adjusts the values of Land and Buildings (leasehold improvements), Infrastructure, Plant and Equipment.

Agency Liabilities – Provisions – Employees

Provision has been made for the Australian Building and Construction Commission'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.

Agency Liabilities – Payables – Suppliers

This item mainly comprises trade creditors and operating lease rentals.

