

**PURPOSE AND STRUCTURE OF
PORTFOLIO BUDGET
STATEMENTS**

Purpose of the Portfolio Budget Statements

The purpose of the 2007-08 Portfolio Budget Statements (PB Statements) is to inform Senators and Members of Parliament of the proposed allocation of resources to Government outcomes by agencies within the portfolio. Agencies receive resources from the annual appropriations acts, special appropriations (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 Appropriation Bills No. 1 and No. 2 2007-08 (or Appropriation Bill [Parliamentary Departments] No. 1 2007-08 for the parliamentary departments). 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 Bills.

As required under section 12 of the *Charter of Budget Honesty Act 1998*, non-general government sector entities are not consolidated into the Commonwealth general government sector fiscal estimates and accordingly, these entities are not reported in the PB Statements.

Structure of the Portfolio Budget Statements

The Portfolio Budget Statements (PB Statements) are presented in three sections, aligned in several ways to the Budget Papers, as outlined below.

Part	Description
User Guide to the Portfolio Budget Statements	
	An introduction, explaining the purpose of the PB Statements, the structure of the document, and styles and conventions used.
Portfolio Overview	
	A brief overview of the portfolio. Portfolio outcomes are depicted in a chart outlining the structure of the outcomes to which the portfolio contributes. This includes a table for Australian Indigenous Expenditures for the portfolio.
Agency Budget Statements	
	For each agency within the portfolio, a budget statement is presented in five sections:
Section 1: Overview	A brief overview of the agency.
Section 2: Resources	A reconciliation of agency resourcing information from the <i>2006-07 Mid-Year Economic and Fiscal Outlook</i> to the 2007-08 Budget. Includes key changes to the agency's estimates and a table of appropriations and other revenue sources for both Administered and Departmental appropriations.
Section 3: Outcomes	A brief description of the agency's outcomes and, where applicable, Budget measures in summary form. Details the contribution of the agency's outputs to the outcome, performance information for the outcome(s), outputs and administered activities, and planned evaluations. Notes upcoming competitive tendering and contracting that is of a material or sensitive nature. Links the resources appropriated and their application to the agency's outputs and to Administered items.
Section 4: Other reporting requirements	Includes purchaser-provider and cost recovery components.
Section 5: Budgeted financial statements	The agency's budgeted financial statements in accrual format, covering the Budget year, the preceding year and three out-years.
Glossary	Explains key terms.
Index	Alphabetical guide to the PB Statements.

Portfolio Budget Statements and Budget Papers

Comprehensive information on all government decisions announced in the Budget are in Budget Paper No. 2, *Budget Measures 2007-08*. The PB Statements include Budget appropriations for this Budget in each agency's Table 2.2, 2007-08 Budget Measures.

The following chart shows the parts of PB Statements which relate to specific Budget papers.

Budget Paper	PB Statements
Budget Paper No. 1: Budget Strategy and Outlook	
Statement 1: Fiscal Strategy and Budget Priorities Overview of the fiscal and economic outlook	Portfolio structure (Agency) Overview (Agency) Resources for 2007-08
Statement 2: Fiscal Outlook Budget aggregates and variations to the fiscal balance estimates	(Agency) Resources for 2007-08
Statement 10: AAS Financial Statements Accrual financial statements for the general government sector	(Agency) Budgeted financial statements
Budget Paper No. 2: Budget Measures	
Budget revenue, expense and capital measures	(Agency) Resources for 2007-08
Budget Paper No. 3: Federal Financial Relations	
Information on the Australian Government's relations with States, Territories and local government, in particular, Specific Purpose Payments (SPPs)	(Agency) Resources for 2007-08 (Agency) Outcomes
Budget Paper No. 4: Agency Resourcing	
Resourcing for Australian Government agencies, including Appropriation Bills	(Agency) Resources for 2007-08

Departmental and Administered Distinction

Under the Australian Government's accrual-based budgeting framework, and consistent with Australian Accounting Standards, transactions that agencies decide (departmental transactions) are separately budgeted for and reported on from transactions agencies make on behalf of others (administered transactions). This ensures that the transactions decided by agencies are reported separately from other transactions in their accounts.

Departmental

Revenues, expenses, assets and liabilities in relation to an agency or authority that are controlled by the agency. Departmental expenses include employee and supplier expenses and other administrative costs, which are incurred by the agency in providing its goods and services.

Administered

Revenues, expenses, assets and liabilities that are managed by an agency or authority on behalf of the Government according to set Government directions. Administered expenses include subsidies, grants and personal benefit payments and Administered revenues include taxes, fees, fines and excises.

Appropriations in the accrual budgeting framework

In the accrual budgeting framework, separate annual appropriations are provided for:

- Departmental price of outputs appropriations: representing the Government's funding for outputs from agencies;
- Departmental capital appropriations for investments by the Government for either additional equity or loans to agencies or payments from previous years' outputs;
- Administered expense appropriations: for the estimated administered expenses relating to an existing outcome, a new outcome or a Specific Purpose Payment to the States and Territories; and
- Administered capital appropriations: for increases in administered equity through funding non-expense administered payments.

Special appropriations fund the majority of payments from the Consolidated Revenue Fund (especially those that are entitlement driven or involve transfers to State governments). The appropriation framework is discussed further in the introduction to Budget Paper No. 4, *Agency Resourcing 2007-08*.

Components of agency financial statements

Reporting requirements for budgeted financial statements differ between agencies (for example, according to whether the agency participates in administered transactions). Therefore, not all agencies are required to report against all schedules.

The budgeted financial statements contain the estimates prepared in accordance with the requirements of the government's financial budgeting and reporting framework, including the principles of the Australian Accounting Standards and Statements of Accounting Concepts, as well as specific guidelines issued by the Department of Finance and Administration.

They show the planned financial performance for the 2007-08 Budget year and each of the forward years from 2008-09 to 2010-11. The statements also include the estimated actual for 2006-07 for comparative purposes.

The schedules included in the budgeted financial statements for 2007-08 are as follows.

Schedule	Purpose
Budgeted departmental income statement	Shows the expected financial results for the agency. Identifies full accrual expenses and revenues, which highlights whether the agency is operating at a sustainable level.
Budgeted departmental balance sheet	The financial position of the agency. It helps decision makers to track the management of assets and liabilities.
Budgeted departmental statement of cash flows	Provides information on the extent and nature of cash flows by categorising them into expected cash flows from operating activities, investing activities and financing activities.
Budgeted departmental statement of changes in equity — summary of movement	This represents the movement of parent entity (the Commonwealth) interest in the agency. The statement has been prepared to reflect the net operating result, movements of capital return and additional capital injections from the Commonwealth.
Departmental capital budget statement	Shows all planned departmental capital expenditure (capital expenditure on non-financial assets), whether funded through capital appropriations for additional equity or borrowings, or from funds from internal sources.
Departmental property, plant, equipment and intangibles — summary of movement	Shows budgeted acquisitions and disposals of non financial assets during the Budget year.

Schedule	Purpose
Schedule of budgeted income and expenses administered on behalf of government	Identifies the main revenues and expenses administered on behalf of government.
Schedule of budgeted assets and liabilities administered on behalf of government	Shows the assets and liabilities administered on behalf of government.
Schedule of budgeted administered cash flows	Shows cash flows administered on behalf of government.
Schedule of administered capital budget	Shows details of planned administered capital expenditure.
Schedule of administered property, plant, equipment and intangibles — summary of movement	Discloses details of movements in administered non financial assets.

Abbreviations and conventions

The following notation may be used:

NEC/nec	not elsewhere classified
-	nil
..	not zero, but rounded to zero
na	not applicable (unless otherwise specified)
nfp	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 Vanessa Graham, Chief Financial Officer, in the Department of Employment and Workplace Relations on (02) 6121 6725.

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

PORTFOLIO OVERVIEW

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EMPLOYMENT AND WORKPLACE RELATIONS

Portfolio responsibilities

This document provides information about the Employment and Workplace Relations portfolio, which comprises the Department of Employment and Workplace Relations (DEWR), and the following statutory agencies:

- The Office of the Australian Building and Construction Commissioner (ABCC);
- Australian Fair Pay Commission Secretariat;
- Australian Industrial Relations Commission and Australian Industrial Registry (AIRC/AIR);
- Comcare, the Safety, Rehabilitation and Compensation Commission (SRCC), and the Seafarers' Safety, Rehabilitation and Compensation Authority (Seacare Authority);
- Equal Opportunity for Women in the Workplace Agency (EOWA);
- Indigenous Business Australia (IBA); and
- Office of Workplace Services (OWS).

The Office of the Employment Advocate (OEA), although not a statutory agency, operates as a separate entity within the department.

Portfolio Mission and Goals

Department

The department's aims are to maximise the ability of working age Australians to participate actively in the workforce and improve the productive performance of enterprises in Australia.

To do this, the department provides the Government with high quality advice and services to achieve three outcomes:

- efficient and effective labour market assistance;
- higher productivity, higher pay workplaces; and
- increased workforce participation.

These outcomes:

- are integrally linked to the achievement of broader government economic performance, employment and social goals;
- contribute substantially to other government policy measures directed towards sustaining a fundamentally sound economy that is better able to adjust to external shocks, and designed to increase "Welfare-to-Work" incentives;
- are based on the knowledge that there is a direct link between the quality of workplace relations and employment;
- have an impact on communities, organisations, businesses and individuals in metropolitan, regional and remote areas;
- incorporate equity considerations in policy development, and through the way the department's programmes and services are implemented;
- reflect the mutual benefits of providing businesses, employers, employees and job seekers with access to electronic services delivered through the Internet, telephone, and touch screen kiosks; and
- recognise the requirements for further reform to create competitive workplaces.

The department is committed to building a high performing organisation, and places importance on:

- Our Ministers as key customers
- Serving our key clients on behalf of our Ministers
 - Job seekers
 - Indigenous communities
 - Employers and employees
- High standards of performance and accountability
- Effective people management
- Learning
- Striving to make a difference

The department's key behaviours stem directly from these values:

Responsiveness

Ethics and integrity

Service to Ministers and clients

Professionalism

Enthusiasm

Creativity

Teamwork

Portfolio Agencies

The Office of the Australian Building and Construction Commissioner

The Office of the Australian Building and Construction Commissioner was established on 1 October 2005 by the *Building and Construction Industry Improvement Act 2005*. It is an independent statutory body responsible for investigating and prosecuting breaches of the *Building and Construction Industry Improvement Act 2005*, the *Workplace Relations Act 1996* and the *Independent Contractors Act 2006* in relation to the building and construction industry.

The Australian Building and Construction Commission (ABCC) has prime responsibility for:

- investigating suspected contraventions of the *Building and Construction Industry Improvement Act 2005*, the *Workplace Relations Act 1996*, the *Independent Contractors Act 2006*, workplace agreements, orders and awards;
- instituting proceedings against industry participants contravening the relevant Acts, agreements, orders and awards;
- intervening in matters before the Australian Industrial Relations Commission or the courts that involve an industry participant or building work;
- monitoring, promoting and securing compliance with the National Code;
- providing advice and assistance to industry participants regarding their rights and obligations;
- disseminating information about the relevant Acts, the National Code and promoting appropriate standards of conduct by industry participants; and
- if appropriate, referring matters to other Commonwealth, State or Territory bodies including the Australian Competition and Consumer Commission, the Australian Taxation Office, and the Australian Federal Police.

Australian Fair Pay Commission Secretariat

The Australian Fair Pay Commission Secretariat was established by the *Workplace Relations Amendment (Work Choices) Act 2005*. It is an independent statutory body responsible for assisting the Australian Fair Pay Commission in setting federal minimum and classification wages to promote the economic prosperity of the people of Australia.

In giving effect to its purpose the Australian Fair Pay Commission Secretariat seeks to:

- support the Australian Fair Pay Commission to undertake wage reviews, by providing research and analysis, effective consultation and submission processes and monitoring and evaluation services

- undertake activities to promote public understanding of the Australian Fair Pay Commission and its functions; and
- provide effective administrative support to the Australian Fair Pay Commission.

Australian Industrial Relations Commission

The principal function of the Australian Industrial Relations Commission (AIRC) is to give effect to the legislative framework for co-operative workplace relations which promote the economic prosperity and welfare of the people of Australia. The Australian Industrial Relations Commission is an independent, national industrial tribunal established under the *Workplace Relations Act 1996*. The Commission's functions include assisting employers and employees in resolving industrial disputes; handling certain termination of employment claims; rationalising and simplifying awards; and dealing with applications about industrial action. In the performance of these functions the Commission is required to act quickly, with a minimum of legality and technicality and in the public interest.

The Australian Industrial Registry provides administrative support to the Australian Industrial Relations Commission. It also has responsibilities relating to the registration of unions and employer associations and their financial accountability.

Australian Industrial Registry

The mission of the Australian Industrial Registry (AIR) is to facilitate the operation of the Australian workplace relations system. To carry out its mission, the Registry seeks to:

- provide effective administrative support to the Australian Industrial Relations Commission to assist it to meet the objectives of the *Workplace Relations Act 1996*;
- provide clients of the Australian Industrial Relations Commission/Australian Industrial Registry with efficient, effective and timely services that facilitate the objectives of the *Workplace Relations Act 1996*;
- comply with a regulatory framework and requirements both in relation to the *Workplace Relations Act 1996* and the public service environment; and
- provide Parliament and the Australian public with a service that is accountable and performed impartially.

Comcare and the Safety, Rehabilitation and Compensation Commission and Seafarers' Safety Rehabilitation and Compensation Authority

Comcare

Comcare works in partnership with its customers to reduce the human and financial costs of workplace injuries and disease through:

- safe and healthy workplaces;
- early and safe return to work; and
- cost effective and fair compensation.

The Safety, Rehabilitation and Compensation Commission

The Safety, Rehabilitation and Compensation Commission (SRCC) seeks improvement in occupational health and safety, rehabilitation and workers compensation in the Commonwealth jurisdiction by:

- setting targets to improve health and safety standards in workplaces;
- monitoring performance in relation to occupational health and safety, rehabilitation and compensation; and
- providing advice to the Minister on issues relating to improving occupational health and safety, rehabilitation and workers compensation.

Seafarers' Safety, Rehabilitation and Compensation Authority

The Seafarers Safety, Rehabilitation and Compensation Authority (Seacare Authority) aims to minimise the human and financial costs of workplace injury in the Australian maritime industry. The Seacare Authority pursues this objective by:

- working with the industry to provide safe and healthy workplaces;
- promoting a fair, efficient and effective scheme of rehabilitation, return to work and compensation for maritime industry employees including managing efficiently the Seafarers Safety Net Fund; and
- providing advice to the Minister on issues relating to improving occupational health and safety, rehabilitation and workers compensation.

Equal Opportunity for Women in the Workplace Agency

The Equal Opportunity for Women in the Workplace Agency's (EOWA) vision is to create an Australia where women in the workplace can achieve their greatest potential. The Agency's mission is to inspire Australian employers to create workplaces where all women feel valued and fully able to contribute by:

- providing unique leading edge knowledge and solutions;
- building strategic alliances and partnerships; and
- engaging community debate to increase the rate of change.

The planned outcome is equality of opportunity in employment for women.

Indigenous Business Australia

Indigenous Business Australia's (IBA) vision is for a nation in which Indigenous people share equitably in commercial and economic outcomes, and for Indigenous Business Australia to make a significant contribution to that outcome. Indigenous Business Australia was established by the *Aboriginal and Torres Strait Islander Commission Amendment Act 2001*. Indigenous Business Australia extends the role of the former Aboriginal and Torres Strait Commercial Development Corporation.

Indigenous Business Australia was originally created to assist and enhance Aboriginal and Torres Strait Islanders' economic advancement, primarily through facilitating Aboriginal and Torres Strait Islander equity involvement in sound commercial ventures. Under the enabling legislation, IBA is required to meet this role by accumulating and using substantial capital assets. The Act specifically requires IBA to engage in commercial activities.

With the passage of the *Aboriginal and Torres Strait Islander Act 2005* in March 2005, Indigenous Business Australia's responsibilities were expanded to include two new programmes, providing concessional loans for homes and businesses, together with business development and assistance.

A new programme was announced in the *Mid-Year Economic and Fiscal Outlook* and included as part of the 2005-06 Portfolio Additional Estimates Statement. The Home Ownership on Indigenous Land Programme provides subsidised loan and grant packages, secured by a mortgage over a long term sub-lease and supported by a guarantee from the local Indigenous Community Housing Organisation or other suitable guarantor.

Portfolio overview

Office of Workplace Services

The Office of Workplace Services works to ensure the rights and obligations for workers and employers under the *Workplace Relations Act 1996* (the Act) are understood and enforced fairly.

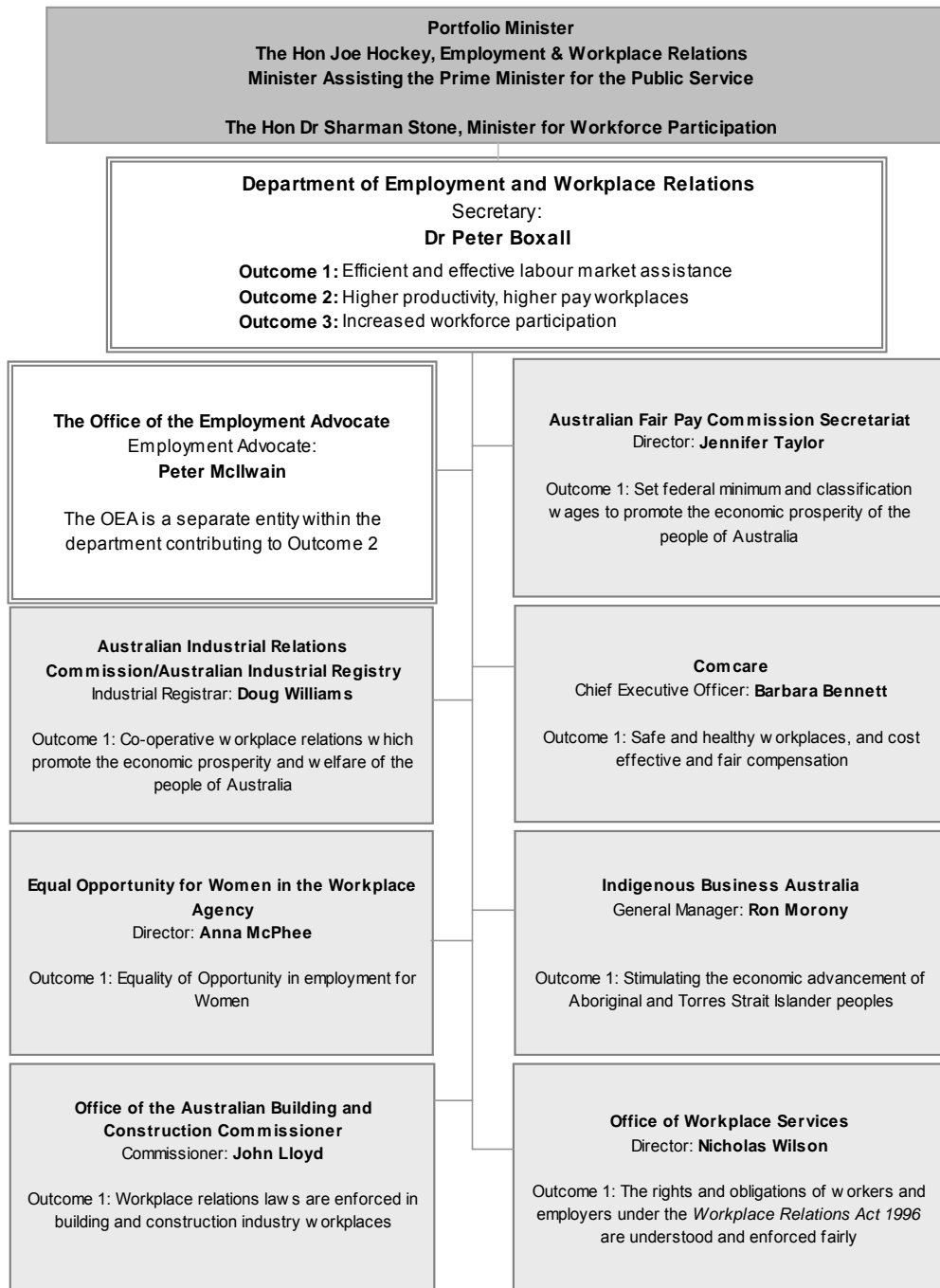
The Office of Workplace Services provides advice and assistance to employers, workers and organisations about compliance and enforcement under the Act.

The Office of Workplace Services has increased powers to enforce compliance with workplace agreements and awards, including former State instruments, the Australian Fair Pay and Conditions Standard, and the requirements of the Act generally. Employees and employers will be able to bring claims to the independent agency for assistance with enforcement and, if necessary, prosecution for breaches. In addition, Office of Workplace Services workplace inspectors will undertake an increased number of targeted education and compliance campaigns to further protect the rights of workers and to inform employers of their obligations.

Appropriations and variations at the portfolio level

Employment and Workplace Relations portfolio appropriations for 2007-08 are estimated to be \$26.5 billion, a decrease of \$0.4 billion from the 2006-07 Portfolio Budget Statements. Administered appropriations account for 93 per cent of portfolio appropriations and primarily comprise income support payments for working age individuals and outcome payments, made under the Job Network programme. The remaining 7 per cent of portfolio appropriations are departmental appropriations, which are provided to fund operating and service delivery activities.

Figure 1: Portfolio structure and outcomes



Australian Government Indigenous Expenditure (AGIE) – Employment and Workplace Relations Portfolio

Table 1: Australian Government Indigenous Expenditure — portfolio level

Outcome	Appropriations				Other	Total
	Bill	Bill	Special	Total		
	No. 1	No. 2	Approp	Approp		
	\$'000	\$'000	\$'000	\$'000		
(A)	(B)	(C)	(D)	(E)	(F)=(D)+(E)	
Department of Employment and Workplace Relations						
Outcome 1						
Administered 2007-08	117,189	-	-	117,189	-	117,189
<i>Administered 2006-07</i>	<i>70,785</i>	-	-	<i>70,785</i>	-	<i>70,785</i>
Departmental 2007-08	28,986	-	-	28,986	-	28,986
<i>Departmental 2006-07</i>	<i>29,343</i>	-	-	<i>29,343</i>	-	<i>29,343</i>
Total Outcome 2007-08	146,175	-	-	146,175	-	146,175
<i>Total Outcome 2006-07</i>	<i>100,128</i>	-	-	<i>100,128</i>	-	<i>100,128</i>
Outcome 3						
Administered 2007-08	492,647	-	-	492,647	-	492,647
<i>Administered 2006-07</i>	<i>522,000</i>	-	-	<i>522,000</i>	-	<i>522,000</i>
Departmental 2007-08	47,615	2,142	-	49,757	-	49,757
<i>Departmental 2006-07</i>	<i>34,041</i>	<i>504</i>	-	<i>34,545</i>	-	<i>34,545</i>
Total Outcome 2007-08	540,262	2,142	-	542,404	-	542,404
<i>Total Outcome 2006-07</i>	<i>556,041</i>	<i>504</i>	-	<i>556,545</i>	-	<i>556,545</i>
Indigenous Business Australia						
Administered 2007-08	-	-	-	-	-	-
<i>Administered 2006-07</i>	-	-	-	-	-	-
Departmental 2007-08	36,765	37,599	-	74,364	124,923	199,287
<i>Departmental 2006-07</i>	<i>32,794</i>	<i>57,090</i>	-	<i>89,884</i>	<i>148,425</i>	<i>238,309</i>
Total Outcome 2007-08	36,765	37,599	-	74,364	124,923	199,287
<i>Total Outcome 2006-07</i>	<i>32,794</i>	<i>57,090</i>	-	<i>89,884</i>	<i>148,425</i>	<i>238,309</i>
Portfolio						
Total Administered 2007-08	609,836	-	-	609,836	-	609,836
<i>Total Administered 2006-07</i>	<i>592,785</i>	-	-	<i>592,785</i>	-	<i>592,785</i>
Total Departmental 2007-08	113,366	39,741	-	153,107	124,923	278,030
<i>Total Departmental 2006-07</i>	<i>96,178</i>	<i>57,594</i>	-	<i>153,772</i>	<i>148,425</i>	<i>302,197</i>
Total AGIE 2007-08	723,202	39,741	-	762,943	124,923	887,866
<i>Total AGIE 2006-07</i>	<i>688,963</i>	<i>57,594</i>	<i>-</i>	<i>746,557</i>	<i>148,425</i>	<i>894,982</i>

