

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

1.1 STRATEGIC DIRECTION STATEMENT

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 *Independent Contractors Act 2006* and the *Fair Work Act 2009* in relation to the building and construction industry.

The Office of the Australian Building and Construction Commissioner (ABCC) has prime responsibility for the following matters in respect of the building and construction industry:

- Investigating suspected contraventions of the *Building and Construction Industry Improvement Act 2005*, the *Independent Contractors Act 2006*, the *Fair Work Act 2009*, workplace agreements, orders and awards.
- Instituting proceedings against industry participants contravening the relevant Acts, agreements, orders and awards.
- Intervening in matters before Fair Work Australia 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.
- 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.

ABCC Budget Statements – Overview & resources

During 2011-12, the ABCC planned to achieve the following outcomes:

- the workplace relations conduct of industry participants is lawful
- participants who engage in unlawful conduct are held accountable for their actions
- an increased level of compliance with the National Code.

Challenges impacting on the ABCC outcomes during 2011-12 were:

- to maintain the momentum of reform during a transition period to new regulatory arrangements
- the continued disregard some industry participants display towards the legal rights of others.

Subject to any Ministerial determinations providing otherwise, the ABCC will cease operations on, or around, 1 June 2012 in accordance with the *Fair Work (Building Industry) Act 2012*. The staff, assets, liabilities and Departmental appropriations of the ABCC will transfer to the Office of the Fair Work Building Industry Inspectorate (FWBII) on the commencement date of the *Fair Work (Building Industry) Act 2012*.

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 administered and departmental classification.

**Table 1.1: Office of the Australian Building and Construction Commissioner
Resource Statement — Budget Estimates for 2012-13 as at Budget May 2012**

	Estimate of prior + year amounts available in 2012-13 \$'000	Proposed at Budget = 2012-13 \$'000	Total estimate 2012-13 \$'000	Actual available appropriation 2011-12 \$'000
Ordinary annual services				
Departmental appropriation				
Prior year departmental appropriation	-	-	-	36,006
Departmental appropriation	-	-	-	64
Total	-	-	-	36,070
Total ordinary annual services	A	-	-	36,070
Other services				
Departmental non- operating				
Equity injections				
Total	-	-	-	-
Total other services	B	-	-	-
Total available annual appropriations	-	-	-	36,070
Special appropriations				
Total special appropriations	C	-	-	-
Total appropriations excluding Special Accounts	-	-	-	36,070
Special Accounts				
Opening balance	-	-	-	-
Total Special Account	D	-	-	-
Total resourcing	-	-	-	36,070
A+B+C+D				
Less appropriations drawn from annual or special appropriations above and credited to special accounts and/or CAC Act bodies through annual appropriations	-	-	-	-
Total net resourcing for the Office of the Australian Building and Construction Commissioner	-	-	-	36,070

All figures are GST exclusive.

1.3 BUDGET MEASURES

Budget measures relating to the Office of the Australian Building and Construction Commissioner are detailed in Budget Paper No. 2 and are summarised below.

**Table 1.2: Office of the Australian Building and Construction Commissioner
2012-13 Budget measures**

	Program	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000
Expense measures (if applicable)						
Efficiency Dividend - increase in the rate	1.1					
Departmental expenses		-	(848)	(857)	(865)	(875)
Total		-	(848)	(857)	(865)	(875)
Total expense measures						
Departmental		-	(848)	(857)	(865)	(875)
Total		-	(848)	(857)	(865)	(875)
Capital measures (if applicable)						
Efficiency Dividend - increase in the rate	1.1					
Departmental capital		-	(170)	(29)	(112)	(113)
Total		-	(170)	(29)	(112)	(113)
Total capital measures						
Departmental		-	(170)	(29)	(112)	(113)
Total		-	(170)	(29)	(112)	(113)

Prepared on a Government Finance Statistics (fiscal) basis.

Section 2: Outcomes and planned performance

2.1 OUTCOMES AND PERFORMANCE INFORMATION

Government outcomes are the intended results, impacts or consequences of actions by the Government on the Australian community. Commonwealth programs are the primary vehicle by which government agencies achieve the intended results of their outcome statements. Agencies are required to identify the programs which contribute to Government outcomes over the Budget and forward years.

Each outcome is described below together with its related programs, specifying the performance indicators and targets used to assess and monitor the performance of the ABCC in achieving Government outcomes.

Outcome 1: Workplace relations laws are enforced in building and construction industry workplaces
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Outcome 1 Strategy

Key strategies towards achieving the ABCC's outcomes in 2011-12 were to:

- Inform and educate industry participants through a variety of mediums about their rights and obligations.
- Provide an active and accessible team of investigators to respond quickly to complaints of unlawful conduct.
- Undertake legal proceedings in a timely manner to ensure those contravening the law are held accountable for their actions.

Outcome Expense Statement

Table 2.1 provides an overview of the total expenses for outcome 1 by program.

Table 2.1: Budgeted Expenses for Outcome 1

Outcome 1: Workplace relations laws are enforced in building and construction industry workplaces	2011-12 Estimated actual expenses \$'000	2012-13 Estimated expenses \$'000
Program 1.1: Workplace relations laws are enforced in building and construction industry workplaces		
Departmental expenses		
Departmental appropriation ¹	30,820	-
Expenses not requiring appropriation in the Budget year ²	1,268	-
Total for Program 1.1	32,088	-
Outcome 1 Totals by appropriation type		
Departmental expenses		
Departmental appropriation ¹	30,820	-
Expenses not requiring appropriation in the Budget year ²	1,268	-
Total expenses for Outcome 1	32,088	-
Average Staffing Level (number) ³	155	-

¹ Departmental Appropriation combines "Ordinary annual services (Appropriation Bill No. 1)" and "Revenue from independent sources (s31)".

² Expenses not requiring appropriation in the Budget year is made up of Depreciation Expense, Amortisation Expense, Makegood Expense, Audit Fees.

³ On 1 June 2012 the ABCC was abolished and new a new agency was created in its place. Although the FWBII was operational with staff in 2011-12 the ASL count is shown against ABCC.

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

	2011-12 Revised budget \$'000	2012-13 Budget \$'000	2013-14 Forw ard year 1 \$'000	2014-15 Forw ard year 2 \$'000	2015-16 Forw ard year 3 \$'000
Annual departmental expenses:					
Departmental Appropriation	30,820	-	-	-	-
Expenses not requiring appropriation in the Budget year ¹	1,268	-	-	-	-
Total program expenses	32,088	-	-	-	-

¹ Expenses not requiring appropriation in the Budget year is made up of Depreciation Expense, Amortisation Expense, Makegood Expense, Audit Fees.

Contributions to Outcome 1

Program 1.1: Workplace relations laws are enforced in building and construction industry workplaces

Program objective

The objective of the ABCC is to achieve the following:

- workplace relations conduct of industry participants is lawful
- participants who engage in unlawful conduct are held accountable for their actions
- an improved level of knowledge of building industry participants about their rights and obligations.

Program expenses

- The ABCC has not identified any significant trends, changes or variances in the program expenses over the forward years.

Program 1.1 Deliverables	
Deliverable	2011-12 Target
Level of satisfaction of clients with quality and timeliness of advice and assistance provided by the ABCC.	75 per cent of surveyed clients satisfied or highly satisfied
Timeliness in bringing actions against contraventions of the <i>Building and Construction Industry Improvement Act 2005</i> , the <i>Independent Contractors Act 2006</i> and the <i>Fair Work Act 2009</i> , agreements, awards and orders.	75 per cent of cases commenced within 18 months of receipt of complaint
Level of satisfaction of a range of industry participants with contact aimed at promoting appropriate standards of conduct.	75 per cent of surveyed industry participants satisfied or highly satisfied

Program 1.1 Key Performance Indicators

- The building and construction industry's workplace relations are conducted in a lawful manner. The rates of industrial disruption and lawlessness do not depart from all industry figures.
- The industry's workplace relations are fair for all parties and facilitate the adoption of more efficient and productive practices.

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 2012-13 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

Administered funds can be provided for a specified period, for example under annual Appropriation Acts. Funds not used in the specified period with the agreement of the Finance Minister may be moved to a future year. Table 3.1.1 shows the movement of administered funds approved between years.

Table 3.1.1: Movement of Administered Funds between years

The ABCC has no Administered funds. For this reason Table 3.1.1 is not presented.

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 FMA Act or under separate enabling legislation. Table 3.1.2 shows the expected additions (receipts) and reductions (payments) for each account used by the ABCC.

Table 3.1.2: Estimates of Special Account Flows and Balances

The ABCC has no Special accounts. For this reason Table 3.1.2 is not presented.

3.1.3 Australian Government Indigenous Expenditure

The 2012-13 Australian Government Indigenous Statement is not applicable because the ABCC has no indigenous specific expenses. For this reason Table 3.1.3 is not presented.

3.2 BUDGETED FINANCIAL STATEMENTS

3.2.1 Differences in agency resourcing and financial statements

The ABCC does not have any significant differences to report.

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	Budget estimate	Forw ard estimate	Forw ard estimate	Forw ard estimate
	2011-12	2012-13	2013-14	2014-15	2015-16
	\$'000	\$'000	\$'000	\$'000	\$'000
EXPENSES					
Employee benefits	17,446	-	-	-	-
Suppliers	13,426	-	-	-	-
Depreciation and amortisation	1,216	-	-	-	-
Total expenses	32,088	-	-	-	-
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Other	116	-	-	-	-
Total own-source revenue	116	-	-	-	-
Net cost of (contribution by) services	(31,972)	-	-	-	-
Revenue from Government	30,756	-	-	-	-
Surplus (Deficit) attributable to the Australian Government	(1,216)	-	-	-	-
OTHER COMPREHENSIVE INCOME					
Total comprehensive income (loss) attributable to the Australian Government	(1,216)	-	-	-	-
Note: Impact of Net Cash Appropriation Arrangements					
	2011-12	2012-13	2013-14	2014-15	2015-16
	\$'000	\$'000	\$'000	\$'000	\$'000
Total Comprehensive Income (loss) less depreciation/amortisation expenses previously funded through revenue appropriations.	-	-	-	-	-
plus depreciation/amortisation expenses previously funded through revenue appropriations ¹	(1,216)	-	-	-	-
Total Comprehensive Income (loss) - as per the Statement of Comprehensive Income	(1,216)	-	-	-	-

Prepared on Australian Accounting Standards basis.

Table 3.2.2: Budgeted Departmental Balance Sheet (as at 30 June)

	Estimated actual	Budget estimate	Forw ard estimate	Forw ard estimate	Forw ard estimate
	2011-12	2012-13	2013-14	2014-15	2015-16
	\$'000	\$'000	\$'000	\$'000	\$'000
ASSETS					
Financial assets					
Cash and cash equivalents	-	-	-	-	-
Trade and other receivables	-	-	-	-	-
Total financial assets	-	-	-	-	-
Non-financial assets					
Land and buildings	-	-	-	-	-
Property, plant and equipment	-	-	-	-	-
Intangibles	-	-	-	-	-
Total non-financial assets	-	-	-	-	-
Total assets	-	-	-	-	-
LIABILITIES					
Payables					
Suppliers	-	-	-	-	-
Total payables	-	-	-	-	-
Provisions					
Employee provisions	-	-	-	-	-
Other provisions	-	-	-	-	-
Total provisions	-	-	-	-	-
Total liabilities	-	-	-	-	-
Net assets	-	-	-	-	-
EQUITY*					
Parent entity interest					
Contributed equity	-	-	-	-	-
Retained surplus (accumulated deficit)	-	-	-	-	-
Total parent entity interest	-	-	-	-	-
Total Equity	-	-	-	-	-

"Equity" is the residual interest in assets after the deduction of liabilities.

Prepared on Australian Accounting Standards basis.

Table 3.2.3: Departmental Statement of Changes in Equity — summary of movement (Budget year 2012-13)

	Retained earnings	Asset revaluation reserve	Other reserves	Contributed equity/capital	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance as at 1 July 2012					
Balance carried forward from previous period	-	-	-	-	-
Adjustment for changes in accounting policies	-	-	-	-	-
Adjusted opening balance	-	-	-	-	-
Comprehensive income					
Other comprehensive income	-	-	-	-	-
Surplus (deficit) for the period	-	-	-	-	-
Total comprehensive income	-	-	-	-	-
Transactions with owners					
Distributions to owners					
Other	-	-	-	-	-
Contributions by owners					
Other	-	-	-	-	-
Sub-total transactions with owners	-	-	-	-	-
Transfers between equity components	-	-	-	-	-
Estimated closing balance as at 30 June 2013	-	-	-	-	-
Closing balance attributable to the Australian Government	-	-	-	-	-

Prepared on Australian Accounting Standards basis.

**Table 3.2.4: Budgeted Departmental Statement of Cash Flows
(for the period ended 30 June)**

	Estimated actual	Budget estimate	Forw ard estimate	Forw ard estimate	Forw ard estimate
	2011-12	2012-13	2013-14	2014-15	2015-16
	\$'000	\$'000	\$'000	\$'000	\$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	30,756	-	-	-	-
Other	64	-	-	-	-
Total cash received	30,820	-	-	-	-
Cash used					
Employees	17,908	-	-	-	-
Suppliers	13,170	-	-	-	-
Total cash used	31,078	-	-	-	-
Net cash from (used by) operating activities	(258)	-	-	-	-
INVESTING ACTIVITIES					
Cash received					
Total cash received	-	-	-	-	-
Cash used					
Purchase of property, plant and equipment	567	-	-	-	-
Total cash used	567	-	-	-	-
Net cash from (used by) investing activities	(567)	-	-	-	-
FINANCING ACTIVITIES					
Cash received					
Contributed equity	567	-	-	-	-
Total cash received	567	-	-	-	-
Cash used					
Total cash used	-	-	-	-	-
Net cash from (used by) financing activities	567	-	-	-	-
Net increase (decrease) in cash held	(258)	-	-	-	-
Cash and cash equivalents at the beginning of the reporting period	258	-	-	-	-
Cash and cash equivalents at the end of the reporting period	-	-	-	-	-

Prepared on Australian Accounting Standards basis.

Table 3.2.5: Departmental Capital Budget Statement

	Estimated actual	Budget estimate	Forw ard estimate	Forw ard estimate	Forw ard estimate
	2011-12	2012-13	2013-14	2014-15	2015-16
	\$'000	\$'000	\$'000	\$'000	\$'000
NEW CAPITAL APPROPRIATIONS					
Capital budget - Bill 1 (DCB)	2,454	-	-	-	-
Total new capital appropriations	2,454	-	-	-	-
Provided for:					
Purchase of non-financial assets	2,454	-	-	-	-
Total Items	2,454	-	-	-	-
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriation - DCB ¹	567	-	-	-	-
Funded internally from departmental resources ²	-	-	-	-	-
TOTAL	567	-	-	-	-
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	567	-	-	-	-
Total cash used to acquire assets	567	-	-	-	-

Prepared on Australian Accounting Standards basis.

¹ Does not include annual finance lease costs. Include purchase from current and previous years' Departmental Capital Budgets (DCBs).

² Includes the following sources of funding:

- current and prior year Bill 1/3/5 appropriations (excluding amounts from the DCB).
- donations and contributions
- gifts
- internally developed assets
- s31 relevant agency receipts (for FMA agencies only)
- proceeds from the sale of assets

Table 3.2.6: Statement of Asset Movements (2012-13)

	Buildings	Other property, plant and equipment	Computer software and intangibles	Total
	\$'000	\$'000	\$'000	\$'000
As at 1 July 2012				
Gross book value	-	-	-	-
Accumulated depreciation/amortisation and impairment	-	-	-	-
Opening net book balance	-	-	-	-
CAPITAL ASSET ADDITIONS				
Estimated expenditure on new or replacement assets				
By purchase - appropriation equity ¹	-	-	-	-
By purchase - appropriation ordinary annual services ²	-	-	-	-
By purchase - other	-	-	-	-
Total additions	-	-	-	-
Other movements				
Depreciation/amortisation expense	-	-	-	-
Disposals				
From disposal of entities or operations (including restructuring)	-	-	-	-
Other	-	-	-	-
Total other movements	-	-	-	-
As at 30 June 2013				
Gross book value	-	-	-	-
Accumulated depreciation/amortisation and impairment	-	-	-	-
Closing net book balance	-	-	-	-

Prepared on Australian Accounting Standards basis.

Table 3.2.7: Schedule of Budgeted Income and Expenses Administered on behalf of Government (for the period ended 30 June)

The ABCC has no income and expenses administered on behalf of government. For this reason Table 3.2.7 is not presented.

Table 3.2.8: Schedule of Budgeted Assets and Liabilities Administered on behalf of Government (as at 30 June)

The ABCC has no assets and liabilities administered on behalf of government. For this reason Table 3.2.8 is not presented.

Table 3.2.9: Schedule of Budgeted Administered Cash Flows (for the period ended 30 June)

The ABCC has no administered cash flows. For this reason Table 3.2.9 is not presented.

Table 3.2.10: Schedule of Administered Capital Budget

The ABCC has no administered capital budget. For this reason Table 3.2.10 is not presented.

Table 3.2.11: Schedule of Asset Movements — Administered

The ABCC has no administered assets. For this reason Table 3.2.11 is not presented.

3.2.4 Notes to the financial statements

The budgeted financial statements have been prepared in accordance with 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
- having regard to Statements of Accounting Concepts.

Departmental revenue from government

Revenue from government represents the purchase of programs from the ABCC by the government.

Departmental own source revenue

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

Departmental expenses – employee benefits

This item represents payments and net increases or decreases in entitlements owed to employees for their services rendered in the financial year.

Departmental expenses - suppliers

This item represents payments to suppliers for goods and services.

Departmental expenses – depreciation and amortisation

Property, plant and equipment assets are written-off to their estimated residual values over their estimated useful lives to the ABCC using the straight-line method of depreciation. Forward estimates of depreciation expense are made using forecasts of net capital acquisitions over the forward years.

Departmental assets – financial assets - cash

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

Departmental assets – financial assets - receivables

Receivables represent amounts owing to the ABCC for cash reserves held in the Official Public Account and prepayments.

Departmental assets – non-financial assets

These items represent future economic benefits that the ABCC will consume in producing outputs.

Property, plant and equipment and intangibles are brought to account at cost, except for purchases costing less than \$50,000 for internally developed computer software, less than \$20,000 for leasehold improvements and less than \$2,000 for all other classes, which are expensed in the year of acquisition (other than where they form part of a group of similar items that are significant in total).

Following initial recognition at cost property, plant and equipment are carried at fair value less accumulated depreciation. Valuations are conducted with sufficient frequency to ensure that the carrying amount does not differ materially from the assets' fair values at reporting date.

Departmental liabilities – provisions - employees

Provision has been made for the ABCC's liability for employee entitlements arising from services rendered by employees to balance date. This liability encompasses wages and salaries that are yet to be paid, annual and long service leave. No provision is made for sick leave.

Employee entitlements payable are measured as the present value of the estimated future cash outflows to be made in respect of services provided by employees up to the reporting date. Liabilities expected to be settled within twelve months are measured at the nominal amount.

Departmental liabilities – payables - suppliers

Suppliers and other payables are recognised at amortised cost. Liabilities are recognised to the extent that the goods or services have been received (and irrespective of having been invoiced).