

## 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 2011-12 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<sup>1</sup>**

	2010-11	2011-12	2012-13	2013-14	2014-15
	\$'000	\$'000	\$'000	\$'000	\$'000
Outcome 1:					
Program 1.1					
<b>Support for the Child Care System</b>	<b>(14,037)</b>	<b>11,082</b>	<b>2,955</b>	-	-
Outcome 2:					
Program 2.3					
<b>Schools Support</b>	<b>(27,696)</b>	<b>7,285</b>	<b>20,161</b>	-	-
Program 2.5					
<b>Digital Education</b>	<b>(23,600)</b>	<b>13,600</b>	<b>6,000</b>	<b>4,000</b>	-
Program 2.7					
<b>Education Infrastructure</b>	<b>(5,255)</b>	<b>5,255</b>	-	-	-
Outcome 3:					
Program 3.1					
<b>Higher Education Support</b>	<b>(211,815)</b>	<b>63,980</b>	<b>72,835</b>	<b>75,000</b>	-
Program 3.5					
<b>VET National Support</b>	<b>(62,960)</b>	<b>60,060</b>	<b>2,900</b>	-	-
Outcome 4:					
Program 4.1					
<b>Jobs Fund</b>	<b>(14,500)</b>	<b>14,500</b>	-	-	-
<b>Total Movement of Administered Funds</b>	<b>(359,863)</b>	<b>175,762</b>	<b>104,851</b>	<b>79,000</b>	-

<sup>1</sup> Figures displayed as a negative (-) represent a decrease in funds and a positive reflect an increase in funds

### 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 Department of Education, Employment and Workplace Relations.

**Table 3.1.2: Estimates of Special Account Flows and Balances**

	Outcome	Opening	Receipts	Payments	Adjustments	Closing
		balance				balance
		2011-12	2011-12	2011-12	2011-12	2011-12
		2010-11	2010-11	2010-11	2010-11	2010-11
		\$'000	\$'000	\$'000	\$'000	\$'000
Aboriginal Tutorial Assistance	2	862	35	(5)	-	892
Superannuation Special		825	35	(5)	7	862
Account - s20 FMA Act						
Det 2003/05 (A)						
National Youth Affairs	2	514	240	(240)	-	514
Research Scheme Special		514	240	(240)	-	514
Account - s20 FMA Act						
Det 2006/45 (A)						
Department of Education, Employment and Workplace Relations Services for Other Entities and Trust Moneys	3	3,243	-	-	-	3,243
Special Account - s20 FMA Act Det 2008/14 (A)		3,243	-	-	-	3,243
EIF Education Portfolio Special	3	-	484,272	(484,272)	-	-
Account - s21 FMA Act		-	405,001	(405,001)	-	-
[National-building Funds Act 2008] (A)						
Australian International Marketing of Education (D)		-	8,000	(8,000)	-	-
		-	8,000	(8,000)	-	-
<b>Total Special Accounts</b>						
<b>2011-12 Budget estimate</b>		<b>4,619</b>	<b>492,547</b>	<b>(492,517)</b>	<b>-</b>	<b>4,649</b>
<i>Total Special Accounts</i>						
<i>2010-11 estimate actual</i>		<i>4,582</i>	<i>413,276</i>	<i>(413,246)</i>	<i>7</i>	<i>4,619</i>

(A) = Administered

(D) = Departmental

### 3.1.3 Australian Government Indigenous Expenditure

**Table 3.1.3: Australian Government Indigenous Expenditure**

Outcome	Appropriations				Other \$'000	Total \$'000	Program
	Bill No. 1 \$'000	Bill No. 2 \$'000	Special approp \$'000	Total approp \$'000			
	<b>Department of Education, Employment and Workplace Relations</b>						
<b>Outcome 1</b>							
Administered 2011-12	67,399	-	-	67,399	-	67,399	1.1
<i>Administered 2010-11</i>	<i>57,894</i>	-	-	<i>57,894</i>	-	<i>57,894</i>	
Departmental 2011-12	3,775	-	-	3,775	-	3,775	
<i>Departmental 2010-11</i>	<i>3,658</i>	-	-	<i>3,658</i>	-	<i>3,658</i>	
Total outcome 2011-12	71,174	-	-	71,174	-	71,174	
<i>Total outcome 2010-11</i>	<i>61,552</i>	-	-	<i>61,552</i>	-	<i>61,552</i>	
<b>Outcome 2</b>							
Administered 2011-12	48,790	-	356,093	404,883	5	404,888	2.2,2.3,
<i>Administered 2010-11</i>	<i>51,825</i>	-	<i>353,349</i>	<i>405,174</i>	<i>5</i>	<i>405,179</i>	2.12
Departmental 2011-12	9,046	-	-	9,046	-	9,046	
<i>Departmental 2010-11</i>	<i>9,639</i>	-	-	<i>9,639</i>	-	<i>9,639</i>	
Total outcome 2011-12	57,836	-	356,093	413,929	5	413,934	
<i>Total outcome 2010-11</i>	<i>61,464</i>	-	<i>353,349</i>	<i>414,813</i>	<i>5</i>	<i>414,818</i>	
<b>Outcome 3</b>							
Administered 2011-12	15,837	-	111,871	127,708	-	127,708	3.1,3.3,
<i>Administered 2010-11</i>	<i>15,624</i>	-	<i>106,552</i>	<i>122,176</i>	-	<i>122,176</i>	3.5
Departmental 2011-12	2,540	-	-	2,540	-	2,540	
<i>Departmental 2010-11</i>	<i>2,923</i>	-	-	<i>2,923</i>	-	<i>2,923</i>	
Total outcome 2011-12	18,377	-	111,871	130,248	-	130,248	
<i>Total outcome 2010-11</i>	<i>18,547</i>	-	<i>106,552</i>	<i>125,099</i>	-	<i>125,099</i>	
<b>Outcome 4</b>							
Administered 2011-12	157,513	-	-	157,513	-	157,513	4.2
<i>Administered 2010-11</i>	<i>153,647</i>	-	-	<i>153,647</i>	-	<i>153,647</i>	
Departmental 2011-12	28,056	-	-	28,056	-	28,056	
<i>Departmental 2010-11</i>	<i>25,800</i>	-	-	<i>25,800</i>	-	<i>25,800</i>	
Total outcome 2011-12	185,569	-	-	185,569	-	185,569	
<i>Total outcome 2010-11</i>	<i>179,447</i>	-	-	<i>179,447</i>	-	<i>179,447</i>	
Total administered 2011-12	289,539	-	467,964	757,503	5	757,508	
<i>Total administered 2010-11</i>	<i>278,990</i>	-	<i>459,901</i>	<i>738,891</i>	<i>5</i>	<i>738,896</i>	
Total departmental 2011-12	43,417	-	-	43,417	-	43,417	
<i>Total departmental 2010-11</i>	<i>42,020</i>	-	-	<i>42,020</i>	-	<i>42,020</i>	
<b>Total AGIE 2011-12</b>	<b>332,956</b>	-	<b>467,964</b>	<b>800,920</b>	<b>5</b>	<b>800,925</b>	
<i>Total AGIE 2010-11</i>	<i>321,010</i>	-	<i>459,901</i>	<i>780,911</i>	<i>5</i>	<i>780,916</i>	

## **3.2 BUDGETED FINANCIAL STATEMENTS**

### **3.2.1 Analysis of budgeted financial statements**

An analysis of the Department's budgeted financial statements, which consists of the budgeted departmental financial statements and administered schedules, is provided below. The 2010-11 estimated actual is used as the comparative year for the analysis although some comments on broader trends in the forward estimates are provided.

#### **Departmental financial statements**

##### **Income Statement**

The Department's income statement reflects a deficit in 2011-12. This however is solely attributed to the depreciation expense for the year.

Expenses for 2011-12 are estimated to be \$866 million. This reflects a reduction of \$34 million from the estimated actual expense for 2010-11 and is due to the impact of budget measures and the efficiency dividend application.

##### **Balance Sheet**

The budgeted net asset position of \$196 million represents a small decrease of \$8 million over the 2010-11 estimated actual. The accumulated deficit apparent in the balance sheet represents the accounting treatment applicable to depreciation expense.

The structure of the balance sheet reflects the nature of the organisation. Key assets are office fit-out (included in land and buildings), computer and office machines (included in infrastructure, plant and equipment), and computer software (included in intangibles). The most significant liability relates to employees and the leave provisions that are accrued as a result of their employment.

#### **Administered financial statements**

##### **Income Statement**

Administered revenue for the 2011-12 budget year will be \$1.7 billion, an increase of approximately \$246 million from the 2010-11 estimated actual. This relates mainly to an increase in the non taxation revenue components associated with the valuation of the HECS-HELP receivable and the increase in the Education and Investment Fund (EIF) for the Rural and Regional Round.

Administered expenses in 2011-12 are \$42.6 billion, a decrease of \$286 million from the 2010-11 estimated actual. A decrease of \$256 million is attributed to a reduction in grants expense. The grants expense has decreased due to the finalisation of the Building the Education Revolution offset by an increase in the demand driven funding to universities and various budget measures. The other significant decrease to expenses relate to a reduction in suppliers expense of \$208 million mainly to a reduction in the Job Service Australia Productivity places programs, these are offset by spending measures for Skills Package. Subsidies expense has decreased by \$63 million, the majority of which is related the Kickstart Bonus I measure concluding. The increase in expenses primarily relates to the fair value calculation of the HECS-HELP receivable.

**Balance Sheet**

Total assets administered on behalf of the Government are forecast to increase by approximately \$1.85 billion to \$21.3 billion from the 2010-11 estimated actual. This increase is mainly due to an increase in the fair value of HECS-HELP receivable as further loans are made.

Administered liabilities have increased by \$103 million from the 2010-11 estimated actual due to an increase in the provision for unfunded university superannuation offset by a reduction in personal benefits payable.

### 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
	2010-11	2011-12	2012-13	2013-14	2014-15
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>EXPENSES</b>					
Employee benefits	518,420	544,136	558,528	568,748	561,972
Supplier expenses	299,776	235,331	205,645	184,827	188,934
Grants	-	-	-	-	-
Depreciation and amortisation	82,001	86,972*	90,509*	90,584*	92,040*
<b>Total expenses</b>	<b>900,197</b>	<b>866,439</b>	<b>854,682</b>	<b>844,159</b>	<b>842,946</b>
<b>LESS:</b>					
<b>OWN-SOURCE INCOME</b>					
<b>Own-source revenue</b>					
Sale of goods and rendering of services	45,700	23,200	23,200	23,200	23,200
Other	2,438	-	-	-	-
<b>Total own-source revenue</b>	<b>48,138</b>	<b>23,200</b>	<b>23,200</b>	<b>23,200</b>	<b>23,200</b>
<b>Gains</b>					
Sale of assets	-	-	-	-	-
Other	17,458	17,460	17,460	17,460	17,460
<b>Total gains</b>	<b>17,458</b>	<b>17,460</b>	<b>17,460</b>	<b>17,460</b>	<b>17,460</b>
<b>Total own-source income</b>	<b>65,596</b>	<b>40,660</b>	<b>40,660</b>	<b>40,660</b>	<b>40,660</b>
<b>Net cost of (contribution by) services</b>	<b>(834,601)</b>	<b>(825,779)*</b>	<b>(814,022)*</b>	<b>(803,499)*</b>	<b>(802,286)*</b>
Revenue from Government	737,608	738,893	723,599	712,915	710,246
<b>Surplus (Deficit)</b>	<b>(96,993)</b>	<b>(86,886)</b>	<b>(90,423)</b>	<b>(90,584)</b>	<b>(92,040)</b>
<b>Surplus (Deficit) attributable to the Australian Government</b>	<b>(96,993)</b>	<b>(86,886)*</b>	<b>(90,423)*</b>	<b>(90,584)*</b>	<b>(92,040)*</b>
<b>Total comprehensive income attributable to the Australian Government</b>	<b>(96,993)</b>	<b>(86,886)*</b>	<b>(90,423)*</b>	<b>(90,584)*</b>	<b>(92,040)*</b>
<b>*Note: Reconciliation of comprehensive income attributable to the agency</b>					
	2010-11	2011-12	2012-13	2013-14	2014-15
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Total Comprehensive Income (loss) Attributable to the Australian Government</b>	<b>(96,993)</b>	<b>(86,886)</b>	<b>(90,423)</b>	<b>(90,584)</b>	<b>(92,040)</b>
plus non-appropriated expenses depreciation and amortisation expenses	82,001	86,972*	90,509*	90,584*	92,040*
<b>Total Comprehensive Income (loss) Attributable to the agency</b>	<b>(14,992)</b>	<b>86</b>	<b>86</b>	<b>-</b>	<b>-</b>

Prepared on Australian Accounting Standards basis.

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

	Estimated actual	Budget estimate	Forward estimate	Forward estimate	Forward estimate
	2010-11	2011-12	2012-13	2013-14	2014-15
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash and cash equivalents	3,102	3,102	3,102	3,102	3,102
Trade and other receivables	154,485	152,061	152,764	152,597	152,804
Investments accounted for under the equity method	-	-	-	-	-
Other investments	-	-	-	-	-
Tax assets	-	-	-	-	-
Other	565	565	565	565	565
<b>Total financial assets</b>	<b>158,152</b>	<b>155,728</b>	<b>156,431</b>	<b>156,264</b>	<b>156,471</b>
<b>Non-financial assets</b>					
Land and buildings	110,105	97,566	85,062	71,867	59,842
Property, plant and equipment	66,901	69,232	62,954	58,817	52,286
Investment property	-	-	-	-	-
Intangibles	120,114	123,620	129,813	134,872	139,379
Inventories	449	449	449	449	449
Other	24,812	24,812	24,812	24,812	24,812
<b>Total non-financial assets</b>	<b>322,381</b>	<b>315,679</b>	<b>303,090</b>	<b>290,817</b>	<b>276,768</b>
Assets held for sale	-	-	-	-	-
<b>Total assets</b>	<b>480,533</b>	<b>471,407</b>	<b>459,521</b>	<b>447,081</b>	<b>433,239</b>
<b>LIABILITIES</b>					
<b>Payables</b>					
Suppliers	28,050	26,648	26,648	26,648	26,648
Grants	-	-	-	-	-
Dividends	-	-	-	-	-
Other	51,678	51,678	51,678	51,678	51,678
<b>Total payables</b>	<b>79,728</b>	<b>78,326</b>	<b>78,326</b>	<b>78,326</b>	<b>78,326</b>
<b>Interest bearing liabilities</b>					
Loans	-	-	-	-	-
Leases	-	-	-	-	-
Deposits	-	-	-	-	-
Other	-	-	-	-	-
<b>Total interest bearing liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Provisions</b>					
Employee provisions	189,907	190,197	190,814	190,647	190,854
Other	7,181	7,181	7,181	7,181	7,181
<b>Total provisions</b>	<b>197,088</b>	<b>197,378</b>	<b>197,995</b>	<b>197,828</b>	<b>198,035</b>
Liabilities included in disposal groups held for sale	-	-	-	-	-
<b>Total liabilities</b>	<b>276,816</b>	<b>275,704</b>	<b>276,321</b>	<b>276,154</b>	<b>276,361</b>
<b>Net assets</b>	<b>203,717</b>	<b>195,703</b>	<b>183,200</b>	<b>170,927</b>	<b>156,878</b>

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

	Estimated actual	Budget estimate	Forw ard estimate	Forw ard estimate	Forw ard estimate
	2010-11	2011-12	2012-13	2013-14	2014-15
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>EQUITY*</b>					
<b>Parent entity interest</b>					
Contributed equity	260,117	338,989	416,909	495,220	573,211
Reserves	35,778	35,778	35,778	35,778	35,778
Retained surplus (accumulated deficit)	(92,178)	(179,064)	(269,487)	(360,071)	(452,111)
<b>Total parent entity interest</b>	<b>203,717</b>	<b>195,703</b>	<b>183,200</b>	<b>170,927</b>	<b>156,878</b>
<b>Attributed to Non-Controlling Interest*</b>					
Contributed equity	-	-	-	-	-
Reserves	-	-	-	-	-
Retained earnings	-	-	-	-	-
<b>Total non-controlling interest</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Equity</b>	<b>203,717</b>	<b>195,703</b>	<b>183,200</b>	<b>170,927</b>	<b>156,878</b>

\* '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 2011-12)**

	Retained earnings	Asset revaluation reserve	Other reserves	Contributed equity/capital	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Opening balance as at 1 July 2011</b>					
Balance carried forward from previous period	(92,178)	35,778	-	260,117	203,717
Adjustment for changes in accounting policies	-	-	-	-	-
<b>Adjusted opening balance</b>	(92,178)	35,778	-	260,117	203,717
<b>Comprehensive income</b>					
Other comprehensive income	-	-	-	-	-
Surplus (deficit) for the period	(86,886)	-	-	-	(86,886)
<b>Total comprehensive income</b>	(86,886)	-	-	-	(86,886)
of which:					
Attributable to the Australian Government	-	-	-	-	-
Attributable to non-controlling interest*	-	-	-	-	-
<b>Transactions with owners</b>					
<i>Distributions to owners</i>					
Returns on capital:					
Dividends	-	-	-	-	-
Returns of capital:					
Restructuring	-	-	-	(1,400)	(1,400)
Other	-	-	-	-	-
<i>Contributions by owners</i>					
Contribution/(Distribution) of Equity	-	-	-	-	-
Appropriation (equity injection)	-	-	-	11,357	11,357
Departmental Capital Budget (DCBs)	-	-	-	68,915	68,915
Other	-	-	-	-	-
Restructuring	-	-	-	-	-
<b>Sub-total transactions with owners</b>	-	-	-	78,872	78,872
Transfers between equity components	-	-	-	-	-
<b>Estimated closing balance as at 30 June 2012</b>	(179,064)	35,778	-	338,989	195,703
Less: non-controlling interests *	-	-	-	-	-
<b>Closing balance attributable to the Australian Government</b>					

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
	2010-11	2011-12	2012-13	2013-14	2014-15
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Goods and services	45,700	23,200	23,200	23,200	23,200
Appropriations	768,011	739,379	719,563	709,749	706,705
Interest	-	-	-	-	-
Dividends	-	-	-	-	-
Net GST received	-	-	-	-	-
Other	2,438	-	-	-	-
<b>Total cash received</b>	<b>816,149</b>	<b>762,579</b>	<b>742,763</b>	<b>732,949</b>	<b>729,905</b>
<b>Cash used</b>					
Employees	521,929	546,461	560,901	571,830	564,632
Suppliers	280,913	216,118	181,862	161,119	165,273
Borrow ing costs	-	-	-	-	-
Net GST paid	-	-	-	-	-
Other	-	-	-	-	-
<b>Total cash used</b>	<b>802,842</b>	<b>762,579</b>	<b>742,763</b>	<b>732,949</b>	<b>729,905</b>
<b>Net cash from (used by) operating activities</b>	<b>13,307</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash received</b>					
Proceeds from sales of property, plant and equipment	-	-	-	-	-
Proceeds from sales of financial instruments	-	-	-	-	-
Investments	-	-	-	-	-
Other	-	-	-	-	-
<b>Total cash received</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash used</b>					
Purchase of property, plant and equipment	60,101	37,544	32,371	33,758	33,990
Purchase of financial instruments	-	-	-	-	-
Investments	-	-	-	-	-
Other	35,904	42,728	45,549	44,553	44,001
<b>Total cash used</b>	<b>96,005</b>	<b>80,272</b>	<b>77,920</b>	<b>78,311</b>	<b>77,991</b>
<b>Net cash from (used by) investing activities</b>	<b>(96,005)</b>	<b>(80,272)</b>	<b>(77,920)</b>	<b>(78,311)</b>	<b>(77,991)</b>

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

	Estimated actual	Budget estimate	Forw ard estimate	Forw ard estimate	Forw ard estimate
	2010-11	2011-12	2012-13	2013-14	2014-15
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Contributed equity	83,574	80,272	77,920	78,311	77,991
Proceeds from issuing financial instruments	-	-	-	-	-
Other	-	-	-	-	-
<b>Total cash received</b>	<b>83,574</b>	<b>80,272</b>	<b>77,920</b>	<b>78,311</b>	<b>77,991</b>
<b>Cash used</b>					
Repayments of borrowings	-	-	-	-	-
Dividends paid	-	-	-	-	-
Other	-	-	-	-	-
<b>Total cash used</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net cash from (used by) financing activities</b>	<b>83,574</b>	<b>80,272</b>	<b>77,920</b>	<b>78,311</b>	<b>77,991</b>
<b>Net increase (decrease) in cash held</b>	<b>876</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Cash and cash equivalents at the beginning of the reporting period	2,226	3,102	3,102	3,102	3,102
Effect of exchange rate movements on cash and cash equivalents at the beginning of reporting period	-	-	-	-	-
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>2,226</b>	<b>3,102</b>	<b>3,102</b>	<b>3,102</b>	<b>3,102</b>

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
	2010-11	2011-12	2012-13	2013-14	2014-15
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>CAPITAL APPROPRIATIONS</b>					
Capital budget - Bill 1 (DCB)	77,657	68,915	76,674	77,456	77,687
Equity injections - Bill 2	5,917	11,357	1,246	855	304
Loans - Bill 2	-	-	-	-	-
Departmental capital - special appropriation (Dept only) <sup>1</sup>	-	-	-	-	-
<b>Total capital appropriations</b>	<b>83,574</b>	<b>80,272</b>	<b>77,920</b>	<b>78,311</b>	<b>77,991</b>
<b>Total new capital appropriations</b>					
<b>Represented by:</b>					
Purchase of non-financial assets	83,574	80,272	77,920	78,311	77,991
Annual finance lease costs	-	-	-	-	-
Other Items	-	-	-	-	-
<b>Total Items</b>	<b>83,574</b>	<b>80,272</b>	<b>77,920</b>	<b>78,311</b>	<b>77,991</b>
<b>PURCHASE OF NON-FINANCIAL ASSETS</b>					
Funded by capital appropriations	5,917	11,357	1,246	855	304
Funded by capital appropriation - DCB <sup>1</sup>	77,657	68,915	76,674	77,456	77,687
Funded by finance leases	-	-	-	-	-
Funded internally from departmental resources <sup>2</sup>	12,431	-	-	-	-
<b>TOTAL</b>	<b>96,005</b>	<b>80,272</b>	<b>77,920</b>	<b>78,311</b>	<b>77,991</b>
<b>RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE</b>					
Total purchases	96,005	80,272	77,920	78,311	77,991
less additions by finance lease	-	-	-	-	-
less additions by creditors / borrow ings	-	-	-	-	-
plus borrow ing / finance costs	-	-	-	-	-
plus Annual finance lease costs	-	-	-	-	-
less Gifted assets	-	-	-	-	-
less s32 / restructuring	-	-	-	-	-
<b>Total cash used to acquire assets</b>	<b>96,005</b>	<b>80,272</b>	<b>77,920</b>	<b>78,311</b>	<b>77,991</b>

Prepared on Australian Accounting Standards basis.

<sup>1</sup> Does not include annual finance lease costs. Include purchase from current and previous years Departmental Capital Budgets.

<sup>2</sup> Includes the following sources of funding:

- annual and prior year appropriations
- internally developed assets
- s31 relevant agency receipts
- proceeds from the sale of assets

**Table 3.2.6: Statement of Asset Movements (2011-12)**

	Land	Buildings	Other property, plant and equipment	Intangibles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>As at 1 July 2011</b>					
Gross book value	1,123	218,025	175,526	359,423	754,097
Accumulated depreciation/amortisation and impairment	-	109,043	108,625	239,311	456,979
<b>Opening net book balance</b>	<b>1,123</b>	<b>108,982</b>	<b>66,901</b>	<b>120,112</b>	<b>297,118</b>
<b>CAPITAL ASSET ADDITIONS</b>					
<b>Estimated expenditure on new or replacement assets</b>					
By purchase - appropriation equity <sup>1</sup>	-	14,030	23,514	42,728	80,272
By purchase - appropriation ordinary annual services <sup>2</sup>	-	-	-	-	-
By purchase - donated funds	-	-	-	-	-
By purchase - other	-	-	-	-	-
By finance lease	-	-	-	-	-
Assets received as gifts/donations	-	-	-	-	-
From acquisition of entities or operations (including restructuring)	-	-	-	-	-
<b>Total additions</b>	<b>-</b>	<b>14,030</b>	<b>23,514</b>	<b>42,728</b>	<b>80,272</b>
<b>Other movements</b>					
Assets held for sale or in a disposal group held for sale	-	-	-	-	-
Depreciation/amortisation expense	-	26,569	21,183	39,220	86,972
Disposals <sup>3</sup>					
From disposal of entities or operations (including restructuring)	-	-	-	-	-
Other	-	-	-	-	-
<b>As at 30 June 2012</b>					
Gross book value	1,123	232,055	199,040	402,151	834,369
Accumulated depreciation/amortisation and impairment	-	135,612	129,808	278,531	543,951
<b>Closing net book balance</b>	<b>1,123</b>	<b>96,443</b>	<b>69,232</b>	<b>123,620</b>	<b>290,418</b>

<sup>1</sup> "Appropriation equity" refers to equity injections or Administered Assets and Liabilities appropriations provided through Appropriation Bill (No.2) 2011-12, including CDABs

<sup>2</sup> "Appropriation ordinary annual services" refers to funding provided through Appropriation Bill (No.1) 2011-12 for depreciation / amortisation expenses, DCBs / ACBs or other operational expenses.

<sup>3</sup> Proceeds may be returned to the OPA.

**Table 3.2.7: Schedule of budgeted income and expenses administered on behalf of Government (for the period ended 30 June)**

	Estimated actual	Budget estimate	Forw ard estimate	Forw ard estimate	Forw ard estimate
	2010-11	2011-12	2012-13	2013-14	2014-15
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>INCOME ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
<b>Revenue</b>					
<b>Taxation revenue</b>					
Other taxes, fees and fines	118,900	118,900	118,900	118,900	118,900
<b>Total taxation revenue</b>	<b>118,900</b>	<b>118,900</b>	<b>118,900</b>	<b>118,900</b>	<b>118,900</b>
<b>Non-taxation revenue</b>					
Interest	792,405	909,133	1,010,375	1,132,275	1,270,386
Other sources of non-taxation revenues	583,493	711,607	563,335	492,366	424,568
<b>Total non-taxation revenue</b>	<b>1,375,898</b>	<b>1,620,740</b>	<b>1,573,710</b>	<b>1,624,641</b>	<b>1,694,954</b>
<b>Total revenues administered on behalf of Government</b>	<b>1,494,798</b>	<b>1,739,640</b>	<b>1,692,610</b>	<b>1,743,541</b>	<b>1,813,854</b>
<b>Total income administered on behalf of Government</b>	<b>1,494,798</b>	<b>1,739,640</b>	<b>1,692,610</b>	<b>1,743,541</b>	<b>1,813,854</b>
<b>EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
Employee benefits	8,881	-	-	-	-
Supplier expenses	3,095,320	2,887,231	2,718,930	2,682,778	2,709,265
Subsidies	1,011,182	948,714	902,544	917,302	881,004
Personal benefits	20,940,456	20,963,165	20,965,714	21,935,492	22,369,004
Grants	16,576,878	16,320,615	17,104,516	17,978,883	18,897,418
Finance costs	620,046	735,004	840,436	896,194	953,562
Write-down and impairment of assets	633,882	745,966	845,839	899,551	890,624
<b>Total expenses administered on behalf of Government</b>	<b>42,886,645</b>	<b>42,600,695</b>	<b>43,377,979</b>	<b>45,310,200</b>	<b>46,700,877</b>

Prepared on Australian Accounting Standards basis.

**Table 3.2.8: Schedule of budgeted assets and liabilities administered on behalf of Government (as at 30 June)**

	Estimated actual	Budget estimate	Forward estimate	Forward estimate	Forward estimate
	2010-11	2011-12	2012-13	2013-14	2014-15
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>ASSETS ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
<b>Financial assets</b>					
Cash and cash equivalents	11,267	21,403	31,717	31,717	31,717
Receivables	17,624,028	19,478,171	21,690,733	23,982,866	26,344,749
Investments	1,790,783	1,780,370	1,769,958	1,769,958	1,769,958
Other financial assets	83	83	83	83	83
<b>Total financial assets</b>	<b>19,426,161</b>	<b>21,280,027</b>	<b>23,492,491</b>	<b>25,784,624</b>	<b>28,146,507</b>
<b>Non-financial assets</b>					
Inventories	1,372	1,372	1,372	1,372	1,372
Prepayments	3,481	3,665	3,661	3,694	3,728
<b>Total non-financial assets</b>	<b>4,853</b>	<b>5,037</b>	<b>5,033</b>	<b>5,066</b>	<b>5,100</b>
<b>Total assets administered on behalf of Government</b>	<b>19,431,014</b>	<b>21,285,064</b>	<b>23,497,524</b>	<b>25,789,690</b>	<b>28,151,607</b>
<b>LIABILITIES ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
<b>Payables</b>					
Suppliers	123,941	123,941	123,941	123,941	123,941
Subsidies	19,967	19,967	19,967	19,967	19,967
Personal benefits	899,807	826,883	890,648	935,039	901,089
Grants	112,987	112,983	112,983	112,983	112,983
<b>Total payables</b>	<b>1,156,702</b>	<b>1,083,774</b>	<b>1,147,539</b>	<b>1,191,930</b>	<b>1,157,980</b>
<b>Interest bearing liabilities</b>					
Loans	55,711	55,711	55,711	55,711	55,711
<b>Total interest bearing liabilities</b>	<b>55,711</b>	<b>55,711</b>	<b>55,711</b>	<b>55,711</b>	<b>55,711</b>

**Table 3.2.8: Schedule of budgeted assets and liabilities administered on behalf of Government (as at 30 June) (continued)**

	Estimated actual	Budget estimate	Forw ard estimate	Forw ard estimate	Forw ard estimate
	2010-11	2011-12	2012-13	2013-14	2014-15
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Provisions</b>					
Grants	5,209,130	5,385,228	5,567,539	5,756,324	5,951,851
<b>Total provisions</b>	<b>5,209,130</b>	<b>5,385,228</b>	<b>5,567,539</b>	<b>5,756,324</b>	<b>5,951,851</b>
<b>Total liabilities administered on behalf of Government</b>	<b>6,421,543</b>	<b>6,524,713</b>	<b>6,770,789</b>	<b>7,003,965</b>	<b>7,165,542</b>

Prepared on Australian Accounting Standards basis.



**Table 3.2.9: Schedule of budgeted administered cash flows  
(for the period ended 30 June)**

	Estimated actual	Budget estimate	Forw ard estimate	Forw ard estimate	Forw ard estimate
	2010-11	2011-12	2012-13	2013-14	2014-15
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Taxes	118,900	118,900	118,900	118,900	118,900
Interest	514,708	569,171	620,847	699,237	790,415
Other	786,810	860,506	672,925	578,052	487,554
<b>Total cash received</b>	<b>1,420,418</b>	<b>1,548,577</b>	<b>1,412,672</b>	<b>1,396,189</b>	<b>1,396,869</b>
<b>Cash used</b>					
Employees	8,881	-	-	-	-
Grant payments	16,429,551	16,167,109	16,944,563	17,812,211	18,723,749
Subsidies paid	1,011,182	948,714	902,544	917,302	881,004
Personal benefits	21,157,243	21,228,177	21,118,074	22,126,575	22,584,694
Suppliers	3,095,083	2,887,412	2,718,922	2,682,811	2,709,299
<b>Total cash used</b>	<b>41,701,940</b>	<b>41,231,412</b>	<b>41,684,103</b>	<b>43,538,899</b>	<b>44,898,746</b>
<b>Net cash from (used by) operating activities</b>	<b>(40,281,522)</b>	<b>(39,682,835)</b>	<b>(40,271,431)</b>	<b>(42,142,710)</b>	<b>(43,501,877)</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash received</b>					
Investments associated with loan programs	1,323,000	1,462,440	1,595,465	1,798,182	2,032,924
<b>Total cash received</b>	<b>1,323,000</b>	<b>1,462,440</b>	<b>1,595,465</b>	<b>1,798,182</b>	<b>2,032,924</b>

Prepared on Australian Accounting Standards basis

**Table 3.2.9: Schedule of budgeted administered cash flows  
(for the period ended 30 June) (continued)**

	Estimated actual 2010-11	Budget estimate 2011-12	Forw ard estimate 2012-13	Forw ard estimate 2013-14	Forw ard estimate 2014-15
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Cash used</b>					
Investments associated with loan programs	3,640,902	4,315,939	4,935,030	5,262,443	5,599,308
<b>Total cash used</b>	<b>3,640,902</b>	<b>4,315,939</b>	<b>4,935,030</b>	<b>5,262,443</b>	<b>5,599,308</b>
<b>Net cash from (used by) investing activities</b>	(2,317,902)	(2,853,499)	(3,339,565)	(3,464,261)	(3,566,384)
<b>Net increase (decrease) in cash held</b>	(42,599,424)	(42,536,334)	(43,610,996)	(45,606,971)	(47,068,261)
<b>Cash and cash equivalents at beginning of reporting period</b>	1,301	11,267	21,403	31,717	31,717
Cash from Official Public Account:	44,943,592	45,068,065	46,337,122	48,594,191	50,367,904
Cash to Official Public Account:	(2,334,202)	(2,521,595)	(2,715,812)	(2,987,220)	(3,299,643)
<b>Cash and cash equivalents at end of reporting period</b>	<b>11,267</b>	<b>21,403</b>	<b>31,717</b>	<b>31,717</b>	<b>31,717</b>

Prepared on Australian Accounting Standards basis.

### **3.2.4 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
- having regard to Statements of Accounting Concepts.

#### **Departmental appropriation revenue**

Revenue from Government represents the purchase of outputs from the department 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.

#### **Departmental own source revenue**

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

#### **Departmental gains**

Services received free of charge are recognised as gains when a fair value can be reliably determined and the services would have been purchased if they had not been donated. Use of those resources is recognised as an expense.

#### **Departmental expenses – employee benefits**

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

#### **Departmental expenses – suppliers**

This item represents payments to suppliers for goods and services. It includes contracted payments made to Centrelink for services received.

#### **Departmental expenses – depreciation and amortisation**

Property, plant and equipment assets are written-off to their estimated residual value over their estimated useful lives to the department 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 – receivables**

Receivables represent amounts owing to the department for goods and services it has provided to external parties, cash reserves held in the Official Public Account which are recorded as receivable and prepayments.

**Departmental assets – non-financial assets**

These items represent future economic benefits that the department will consume in producing outputs. Following initial recognition at cost, Land and Buildings, Infrastructure, 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.

Computer software, disclosed in the Departmental Balance Sheet as Intangibles, are expensed in the year of acquisition except for purchases of internally developed software costing more than the appropriate threshold which are capitalised at cost.

**Departmental liabilities – provisions – employees**

Provision has been made for the department'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).

**Administered revenue – taxation revenue**

Black Coal Mining Industry Levy: Since 1993, employers have been required to pay a levy of payroll into a central fund managed by the Coal Mining Industry (Long Service Leave) Corporation.

**Administered revenue – interest**

This amount comprises of the fair value accounting treatment of HECS receivable. It consists of indexation on HECS receivable from student loans.

**Administered revenue – Other Sources of non Taxation Revenue**

This amount comprises of the Education Investment Fund Special account funds received by the Department and the revenue received from HECS-HELP loan fees.

**Administered expenses – grants**

The Grants expenses include funding provided to the schools, vocational education and training and higher education (multi-jurisdictional) sectors.

**Administered expenses – subsidies**

Subsidies reflect the amount of funding estimated to be provided to employers under the Vocational Education and Training program and payments under the Indigenous Employment Program and the *Coal Mining Industry (Long Service Leave) Payroll Levy Act 1992*.

**Administered expenses – personal benefits**

These include payments made in respect of the Child Care Tax Rebate, Child Care Benefit, School Students Assistance, General Employee Entitlements and Redundancy Scheme payments, Parenting Payments, Newstart Allowance, Pensioner Education Supplement, Partner Allowance, Widow Allowance, Mature Age Allowance, Ex Gratia Payment, Utilities Allowance, Asbestos, Act of Grace and Modified Compliance Framework.

**Administered expenses – suppliers**

These comprise a range of administered programs the most significant being Job Services Australia, Disability Employment Services, Indigenous Employment, New Apprenticeship Centres, Workforce Skills Development, New Apprenticeship Access Program and the Language, Literacy and Numeracy Program.

**Administered expenses – write down and impairment of assets**

This relates to loans provided to students under HELP and reflects those amounts not expected to be repaid, partially offset by the amounts owed by students increasing due to the application of CPI.

**Administered expenses – finance costs**

This component reflects the deferral costs on loans provided to students under HELP. Deferral costs arise due to the income contingent nature of the repayment arrangement and is the cost resulting from payments being received over an extended period.

**Administered assets – financial assets – receivables**

The main component of the receivables is loans provided to students under HECS-HELP. The value of these loans are based on a 'fair value' which accounts for an estimate of those amounts that are not expected to be repaid as well as the cost of repayments being deferred due to the income contingent nature of the repayment arrangements. The other significant component is receivables relating to personal benefit overpayments.

**Administered liabilities**

This primarily comprises a grants provision for the Australian Government share of unfunded superannuation liability in respect of university employees.