

**AUSTRALIAN BUILDING AND
CONSTRUCTION COMMISSION**

**ENTITY RESOURCES AND PLANNED
PERFORMANCE**

AUSTRALIAN BUILDING AND CONSTRUCTION COMMISSION

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AUSTRALIAN BUILDING AND CONSTRUCTION COMMISSION

Section 1: Entity overview and resources

1.1 STRATEGIC DIRECTION STATEMENT

The Australian Building and Construction Commission (ABCC) was re-established by the *Building and Construction Industry (Improving Productivity) Act 2016* (BCIIP Act) and commenced operations on 2 December 2016.

The purpose of the ABCC is to promote understanding and enforce compliance with Australia's workplace laws in the building and construction industry.

This purpose is in accordance with the agency's responsibilities under the BCIIP Act to ensure that building work is fair, efficient and productive, for the benefit of the industry and the economy as a whole.

The ABCC's main functions are to:

- provide information and resources that promote understanding and compliance
- advise and assist everyone to understand their rights and obligations
- impartially monitor and assess compliance
- use the full range of enforcement options to address non-compliance, and
- promote an impartial, flexible and high achieving agency that is focused on positive outcomes in the industry.

1.2 ENTITY RESOURCE STATEMENT

Table 1.1 shows the total funding from all sources available to the entity for its operations and to deliver programs and services on behalf of the Government.

The table summarises how resources will be applied by outcome (government strategic policy objectives) and by administered (on behalf of the Government or the public) and departmental (for the entity's operations) classification.

For more detailed information on special accounts and special appropriations, please refer to *Budget Paper No. 4 – Agency Resourcing*.

Information in this table is presented on a resourcing (that is, appropriations/cash available) basis, whilst the 'Budgeted expenses by Outcome' tables in Section 2 and the financial statements in Section 3 are presented on an accrual basis.

Table 1.1: Australian Building and Construction Commission resource statement — Budget estimates for 2019–20 as at Budget April 2019

	<i>2018–19 (a)</i> <i>Estimated</i> <i>actual</i> \$'000	2019–20 Estimate \$'000
Departmental		
Annual appropriations—ordinary annual services (b)		
Prior year appropriations available	43,602	43,083
Departmental appropriation (c)	32,280	33,162
s74 Retained revenue receipts (d)	370	370
Departmental capital budget (e)	441	440
Total departmental annual appropriations	<u>76,693</u>	<u>77,055</u>
Total departmental resourcing	76,693	77,055
Total resourcing for Australian Building and Construction Commission	76,693	77,055
	<u>2018–19</u>	<u>2019–20</u>
Average staffing level (number)	155	162

Prepared on a resourcing (that is, appropriations available) basis.

Please note: All figures shown above are GST exclusive — these may not match figures in the cash flow statement.

- (a) Annual appropriation amounts appearing for 2018–19 do not include the Appropriation Bills (No. 3) and (No. 4) 2018–2019, as they had not been enacted at the time of publication.
- (b) Appropriation Bill (No. 1) 2019–20.
- (c) Excludes departmental capital budget (DCB).
- (d) Estimated retained revenue receipts under section 74 of the PGPA Act.
- (e) Departmental capital budgets are not separately identified in Appropriation Bill (No.1) and form part of ordinary annual services items. Please refer to Table 3.5 for further details. For accounting purposes, this amount has been designated as a 'contribution by owner'.

1.3 BUDGET MEASURES

Budget measures in Part 1 relating to the Australian Building and Construction Commission are detailed in Budget Paper No. 2 and are summarised below.

Table 1.2: Entity 2019–20 Budget measures

ABCC has no measures announced since the 2018–19 MYEFO. For this reason, Part 1 of Table 1.2 is not presented.

Part 2: Other measures not previously reported in a portfolio statement

	Program	2018–19 \$'000	2019–20 \$'000	2020–21 \$'000	2021–22 \$'000	2022–23 \$'000
Expense measures (if applicable)						
Australian Building and Construction Commission — additional resources	1.1					
Departmental expenses		-	902	910	917	924
Total		-	902	910	917	924
Total expense measures						
Departmental		-	902	910	917	924
Total		-	902	910	917	924

Prepared on a Government Finance Statistics (fiscal) basis. Figures displayed as a negative (-) represent a decrease in funds and a positive (+) represent an increase in funds.

Section 2: Outcomes and planned performance

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 entities achieve the intended results of their outcome statements. Entities 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. The following provides detailed information on expenses for each outcome and program, further broken down by funding source.

Note:

Performance reporting requirements in the Portfolio Budget Statements are part of the enhanced Commonwealth performance framework established by the *Public Governance, Performance and Accountability Act 2013*. It is anticipated that the performance criteria described in Portfolio Budget Statements will be read with broader information provided in an entity's corporate plans and annual performance statements – included in Annual Reports – to provide an entity's complete performance story.

The most recent corporate plan for Australian Building and Construction Commission can be found at: <https://www.abcc.gov.au/about/plans-and-reports/our-corporate-plan>.

The most recent annual performance statement can be found at: <https://www.abcc.gov.au/about/plans-and-reports/annual-reports/abcc-annual-report-2017-18>.

2.1 BUDGETED EXPENSES AND PERFORMANCE FOR OUTCOME

Outcome 1: Enforce workplace relations law in the building and construction industry and ensure compliance with those laws by all participants in the building and construction industry through the provision of education, assistance and advice.

Budgeted expenses for Outcome 1

This table shows how much the entity intends to spend (on an accrual basis) on achieving the outcome, broken down by program, as well as by Administered and Departmental funding sources.

Table 2.1.1: Budgeted expenses for Outcome 1

	2018–19 Estimated actual \$'000	2019–20 Budget \$'000	2020–21 Forward estimate \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000
Program 1.1: Education, compliance and enforcement					
Departmental expenses					
Departmental appropriation	32,280	33,162	33,903	34,725	35,249
s74 Retained revenue receipts (a)	370	370	370	370	370
Expenses not requiring appropriation in the Budget year (b)	1,340	1,340	1,219	1,099	1,099
Departmental total	33,990	34,872	35,492	36,194	36,718
Total expenses for program 1.1	33,990	34,872	35,492	36,194	36,718
Outcome 1 Totals by appropriation type					
Departmental expenses					
Departmental appropriation	32,280	33,162	33,903	34,725	35,249
s74 Retained revenue receipts (a)	370	370	370	370	370
Expenses not requiring appropriation in the Budget year (b)	1,340	1,340	1,219	1,099	1,099
Departmental total	33,990	34,872	35,492	36,194	36,718
Total expenses for Outcome 1	33,990	34,872	35,492	36,194	36,718
	2018–19	2019–20			
Average staffing level (number)	155	162			

- (a) Estimated expenses incurred in relation to receipts retained under section 74 of the PGPA Act.
 (b) Expenses not requiring appropriation in the Budget year are made up of depreciation expenses, amortisation expenses, make good expenses, audit fees.

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

Table 2.1.2: Performance criteria for Outcome 1

Table 2.1.2 below details the performance criteria for each program associated with Outcome 1. It also summarises how each program is delivered and where 2019–20 Budget measures have created new programs or materially changed existing programs.

Outcome 1 — Enforce workplace relations laws in the building and construction industry and ensure compliance with those laws by all participants in the building and construction industry through the provision of education, assistance and advice.		
Program 1.1 — Education, compliance and enforcement To educate building industry participants in order to promote compliance with workplace laws.		
Purposes	The purpose of the ABCC is to promote understanding and enforce compliance with Australia's workplace laws in the building and construction industry. This purpose is in accordance with its responsibilities under the <i>Building and Construction Industry (Improving Productivity) Act 2016</i> , to ensure that building work is fair, efficient and productive, for the benefit of the industry and the economy as a whole.	
Delivery	<ul style="list-style-type: none"> • Provide information and resources that promote understanding and compliance. • Advise and assist everyone to understand their rights and obligations. • Impartially monitor and assess compliance. • Use the full range of enforcement options to address non-compliance. • Promote an impartial, flexible and high achieving agency that is focused on positive outcomes in the industry. 	
Performance information		
Year	Performance criteria (a)	Targets
2018–19	Surveyed stakeholders indicate that tools and resources provided by ABCC have improved their understanding of workplace rights and responsibilities.	75% Assessment: On track.
	Number of formal presentations delivered to stakeholders.	150 Assessment: On track.
	Surveyed stakeholders are satisfied or highly satisfied with the quality and timeliness of advice and assistance provided.	80% Assessment: On track.
	Number of activities to improve compliance with designated building laws and the Building Codes.	450 Assessment: On track.
	Average time taken to commence civil penalty proceeding.	<12 months Assessment: On track.
2019–20	Surveyed stakeholders indicate that tools and resources provided by ABCC have improved their understanding of workplace rights and responsibilities.	80%
	Number of formal presentations delivered to stakeholders.	175

Outcome 1 — Enforce workplace relations laws in the building and construction industry and ensure compliance with those laws by all participants in the building and construction industry through the provision of education, assistance and advice.		
Program 1.1 — Education, compliance and enforcement		
To educate building industry participants in order to promote compliance with workplace laws.		
	Surveyed stakeholders are satisfied or highly satisfied with the quality and timeliness of advice and assistance provided.	80%
	Number of activities to improve compliance with designated building laws and the Building Codes.	450
	Average time taken to commence civil penalty proceeding.	<12 months
2020–21 and beyond	As per 2019–20.	As per 2019–20.
Material changes to Program 1.1 resulting from the following measures: Nil		

Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2019–20 budget year, including the impact of budget measures and resourcing on financial statements.

3.1 BUDGETED FINANCIAL STATEMENTS

3.1.1 Differences between entity resourcing and financial statements

The ABCC has nil difference to report.

The Agency Resource Statement (Table 1.1) details the total appropriation available to an agency from all sources. For departmental operating appropriations (outputs) this includes carry-forward amounts as well as amounts appropriated at Budget. As agencies incur and are funded for future liabilities and employee entitlements, the total amount of departmental operating appropriation available to an agency is unlikely to be fully utilised in the Budget year. The difference between the agency resource statement and the sum of all payments made at the departmental outputs level is the expected carry-forward amount of resources for the 2019–20 Budget year, including amounts related to meeting future employee entitlement obligations.

3.1.2 Explanatory notes and analysis of budgeted financial statements

The Australian Building and Construction Commission is budgeting for an operating loss equal to the unappropriated depreciation and amortisation expense of \$1.3 million for the 2019–20 financial year.

Total revenues are estimated to be \$33.6 million and total expenses \$34.9 million.

Total assets at the end of the 2019–20 financial year are estimated to be \$48.6 million. The majority of the assets represent receivables (appropriations receivable) and property fit outs. Asset acquisitions are planned in Information Technology equipment and systems.

Total liabilities for 2019–20 are estimated at \$5.6 million. The largest liability item is accrued employee entitlements.

3.2. BUDGETED FINANCIAL STATEMENTS TABLES

Table 3.1: Comprehensive income statement (showing net cost of services) for the period ended 30 June

	2018–19 Estimated actual \$'000	2019–20 Budget \$'000	2020–21 Forward estimate \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000
EXPENSES					
Employee benefits	18,936	19,981	20,147	20,667	20,674
Suppliers	13,749	13,586	14,161	14,463	14,980
Depreciation and amortisation (a)	1,305	1,305	1,184	1,064	1,064
Total expenses	33,990	34,872	35,492	36,194	36,718
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Other	405	405	405	405	405
Total own-source revenue	405	405	405	405	405
Total own-source income	405	405	405	405	405
Net (cost of)/contribution by services	(33,585)	(34,467)	(35,087)	(35,789)	(36,313)
Revenue from Government	32,280	33,162	33,903	34,725	35,249
Surplus/(deficit) attributable to the Australian Government	(1,305)	(1,305)	(1,184)	(1,064)	(1,064)
OTHER COMPREHENSIVE INCOME					
Changes in asset revaluation surplus	-	-	-	-	-
Total other comprehensive income	-	-	-	-	-
Total comprehensive income/(loss)	(1,305)	(1,305)	(1,184)	(1,064)	(1,064)
Total comprehensive income/(loss) attributable to the Australian Government	(1,305)	(1,305)	(1,184)	(1,064)	(1,064)
Note: Impact of net cash appropriation arrangements					
	2018–19 \$'000	2019–20 \$'000	2020–21 \$'000	2021–22 \$'000	2022–23 \$'000
Total comprehensive income/(loss) excluding depreciation/amortisation expenses previously funded through revenue appropriations	-	-	-	-	-
less depreciation/amortisation expenses previously funded through revenue appropriations (a)	1,305	1,305	1,184	1,064	1,064
Total comprehensive income/(loss) —as per the statement of comprehensive income	(1,305)	(1,305)	(1,184)	(1,064)	(1,064)

(a) From 2010–11, the Government introduced net cash appropriation arrangements where Bill 1 revenue appropriations for the depreciation/amortisation expenses of non-corporate Commonwealth entities (and select corporate Commonwealth entities) were replaced with a separate capital budget (the Departmental Capital Budget, or DCB) provided through Bill 1 equity appropriations. For information regarding DCBs, please refer to Table 3.5 Departmental Capital Budget Statement.

Prepared on Australian Accounting Standards basis.

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

	2018–19 Estimated actual \$'000	2019–20 Budget \$'000	2020–21 Forward estimate \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	301	301	301	301	301
Trade and other receivables	42,952	42,642	41,935	41,717	41,617
Total financial assets	43,253	42,943	42,236	42,018	41,918
Non-financial assets					
Land and buildings	4,558	3,402	3,360	3,051	2,142
Property, plant and equipment	556	482	518	458	884
Intangibles	825	1,500	1,472	1,441	1,410
Other non-financial assets	288	288	288	288	288
Total non-financial assets	6,227	5,672	5,638	5,238	4,724
Total assets	49,480	48,615	47,874	47,256	46,642
LIABILITIES					
Payables					
Suppliers	803	803	803	803	803
Other payables	849	849	849	849	849
Total payables	1,652	1,652	1,652	1,652	1,652
Provisions					
Employee provisions	3,831	3,831	3,831	3,831	3,831
Other provisions	69	69	69	69	69
Total provisions	3,900	3,900	3,900	3,900	3,900
Total liabilities	5,552	5,552	5,552	5,552	5,552
Net assets	43,928	43,063	42,322	41,704	41,090
EQUITY*					
Parent entity interest					
Contributed equity	5,964	6,404	6,847	7,293	7,743
Reserves	-	-	-	-	-
Retained surplus (accumulated deficit)	37,964	36,659	35,475	34,411	33,347
Total parent entity interest	43,928	43,063	42,322	41,704	41,090
Total equity	43,928	43,063	42,322	41,704	41,090

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

Prepared on Australian Accounting Standards basis.

**Table 3.3: Departmental statement of changes in equity—summary of movement
(Budget year 2019–20)**

	Retained earnings	Contributed equity/ capital	Total equity
	\$'000	\$'000	\$'000
Opening balance as at 1 July 2019			
Balance carried forward from previous period	37,964	5,964	43,928
Adjusted opening balance	37,964	5,964	43,928
Comprehensive income			
Surplus/(deficit) for the period	(1,305)		(1,305)
Total comprehensive income	(1,305)	-	(1,305)
of which:			
Attributable to the Australian Government	(1,305)	-	(1,305)
Transactions with owners			
Contributions by owners			
Departmental Capital Budget (DCB)	-	440	440
Sub-total transactions with owners	-	440	440
Estimated closing balance as at 30 June 2020	36,659	6,404	43,063
Less: non-controlling interests			-
Closing balance attributable to the Australian Government	36,659	6,404	43,063

Prepared on Australian Accounting Standards basis.

Table 3.4: Budgeted departmental statement of cash flows (for the period ended 30 June)

	2018–19 Estimated actual \$'000	2019–20 Budget \$'000	2020–21 Forward estimate \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	32,799	33,472	34,610	34,943	35,349
Net GST received	1,371	1,355	1,413	1,443	1,495
Other	370	370	370	370	370
Total cash received	34,540	35,197	36,393	36,756	37,214
Cash used					
Employees	18,936	19,981	20,147	20,667	20,674
Suppliers	13,714	13,551	14,126	14,428	14,945
Net GST paid	1,371	1,355	1,413	1,443	1,495
Total cash used	34,021	34,887	35,686	36,538	37,114
Net cash from/(used by) operating activities	519	310	707	218	100
INVESTING ACTIVITIES					
Cash received					
Other	-	-	-	-	-
Total cash received	-	-	-	-	-
Cash used					
Purchase of property, plant and equipment and intangibles	960	750	1,150	664	550
Total cash used	960	750	1,150	664	550
Net cash from/(used by) investing activities	(960)	(750)	(1,150)	(664)	(550)
FINANCING ACTIVITIES					
Cash received					
Contributed equity	441	440	443	446	450
Total cash received	441	440	443	446	450
Cash used					
Other	-	-	-	-	-
Total cash used	-	-	-	-	-
Net cash from/(used by) financing activities	441	440	443	446	450
Net increase/(decrease) in cash held	-	-	-	-	-
Cash and cash equivalents at the beginning of the reporting period	301	301	301	301	301
Cash and cash equivalents at the end of the reporting period	301	301	301	301	301

Prepared on Australian Accounting Standards basis.

Table 3.5: Departmental capital budget statement (for the period ended 30 June)

	2018–19 Estimated actual \$'000	2019–20 Budget \$'000	2020–21 Forward estimate \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000
NEW CAPITAL APPROPRIATIONS					
Capital budget—Bill 1 (DCB)	441	440	443	446	450
Total new capital appropriations	441	440	443	446	450
<i>Provided for:</i>					
Purchase of non-financial assets	441	440	443	446	450
Total items	441	440	443	446	450
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriation — DCB (a)	441	440	443	446	450
Funded internally from departmental resources (b)	519	310	707	218	100
TOTAL	960	750	1,150	664	550
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	960	750	1,150	664	550
Total cash used to acquire assets	960	750	1,150	664	550

- (a) Does not include annual finance lease costs. Includes purchases from current and previous years' Departmental capital budgets (DCBs).
- (b) Includes the following sources of funding:
- current Bill 1 and prior year Act 1/3/5 appropriations (excluding amounts from the DCB), and
 - s 74 Retained revenue receipts.

Prepared on Australian Accounting Standards basis.

Table 3.6: Statement of asset movements (Budget year 2019–20)

	Buildings	Other property, plant and equipment	Computer software and intangibles	Total
	\$'000	\$'000	\$'000	\$'000
As at 1 July 2019				
Gross book value	8,171	1,296	946	10,413
Accumulated depreciation/amortisation and impairment	(3,613)	(740)	(121)	(4,474)
Opening net book balance	4,558	556	825	5,939
Capital asset additions				
Estimated expenditure on new or replacement assets				
By purchase—appropriation ordinary annual services (a)	-	50	700	750
Total additions	-	50	700	750
Other movements				
Depreciation/amortisation expense	(1,156)	(124)	(25)	(1,305)
Total other movements	(1,156)	(124)	(25)	(1,305)
As at 30 June 2020				
Gross book value	8,171	1,346	1,646	11,163
Accumulated depreciation/ amortisation and impairment	(4,769)	(864)	(146)	(5,779)
Closing net book balance	3,402	482	1,500	5,384

(a) Appropriation ordinary annual services' refers to funding provided through Appropriation Bill (No.1) 2019–20 for depreciation/amortisation expenses, DCBs or other operational expenses.

Prepared on Australian Accounting Standards basis.

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

Australian Building and Construction Commission has no income and expenses administered on behalf of government. For this reason Table 3.7 is not presented.

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

Australian Building and Construction Commission has no administered assets and liabilities. For this reason Table 3.8 is not presented.

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

Australian Building and Construction Commission has no administered cash flows. For this reason Table 3.9 is not presented.

Table 3.10: Administered capital budget statement (for the period ended 30 June)

Australian Building and Construction Commission has no administered capital budget. For this reason Table 3.10 is not presented.

Table 3.11: Statement of administered asset movements (Budget year 2019–20)

Australian Building and Construction Commission has no administered non-financial assets. For this reason Table 3.11 is not presented.