

Fair Work Commission

**Entity resources and planned
performance**

FAIR WORK COMMISSION

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FAIR WORK COMMISSION

Section 1: Entity overview and resources

1.1 STRATEGIC DIRECTION STATEMENT

The Fair Work Commission was established by the *Fair Work Act 2009* (FW Act). The Commission is the independent national workplace relations tribunal responsible for administering provisions of the FW Act. The Commission also has responsibilities in relation to the registration, recognition and accountability of unions and employer organisations under the *Fair Work (Registered Organisations) Act 2009*.

The *Road Safety Remuneration Act 2012* established the Road Safety Remuneration Tribunal; an independent national tribunal with functions relating to the road transport industry. The Road Safety Remuneration Tribunal is supported by staff of the Fair Work Commission.

The Fair Work Commission consists of a President, Vice Presidents, Deputy Presidents, Commissioners and Expert Panel Members. The Fair Work Commission also has a General Manager and administrative staff.

The Fair Work Commission has the power to make and vary awards, make minimum wage orders, approve agreements, resolve workplace and other disputes, determine unfair dismissal claims, deal with applications for orders to stop or prevent workplace bullying and make orders in relation to matters such as good faith bargaining and industrial action.

The Fair Work Commission is implementing initiatives aimed at further improving fairness and access to justice; accountability; innovation and efficiency; and productivity and engagement with industry. These initiatives are set out in the publication *Future Directions II*, which is available on the Commission's website (www.fwc.gov.au).

1.2 ENTITY 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: Fair Work Commission resource statement—Budget estimates for 2015–16 as at Budget May 2015

	Actual Available Appropriation 2014–15 \$'000	Estimate of prior year amounts available in 2015–16 \$'000	Proposed at 2015–16 Budget \$'000	Total 2015–16 estimate \$'000
Ordinary annual services¹				
Departmental appropriation				
Prior year appropriations ²	36,693	34,558	-	34,558
Departmental appropriation ³	82,348	-	81,968	81,968
s74 Retained revenue receipts ⁴	1,286	-	2,429	2,429
Total	120,327	34,558	84,397	118,955
Total ordinary annual services [A]	120,327	34,558	84,397	118,955
Departmental non-operating				
Equity injections	-	-	-	-
Total	-	-	-	-
Total other services [B]	-	-	-	-
Total available annual appropriations [A+B]	120,327	34,558	84,397	118,955

Table 1.1: Fair Work Commission resource statement—Budget estimates for 2015–16 as at Budget May 2015 (continued)

	Actual Available Appropriation 2014–15 \$'000	Estimate of prior year amounts available in 2015–16 \$'000	Proposed at 2015–16 Budget \$'000	Total 2015–16 estimate \$'000
Special appropriations				
Special appropriations limited by criteria/entitlement				
<i>Public Governance, Performance and Accountability Act 2013 - s77</i> ⁵	500	-	500	500
Total special appropriations [C]	500	-	500	500
Total appropriations excluding special accounts	-	-	-	-
Special accounts	-	-	-	-
Total special accounts [D]	-	-	-	-
Total resourcing [A+B+C+D]	120,827	34,558	84,897	119,455
Less appropriations drawn from annual or special appropriations above and credited to special accounts and/or payments to corporate entities through annual appropriations	-	-	-	-
Total net resourcing for Fair Work Commission	120,827	34,558	84,897	119,455

¹ Appropriation Bill (No.1) 2015-16.

² Estimated adjusted balance carried forward from previous year.

³ Includes an amount of \$2.418 million in 2015–16 for the Departmental Capital Budget (refer to Table 3.2.5 for further details). For accounting purposes this amount has been designated as 'contributions by owners'.

⁴ Estimated Retained revenue receipts under section 74 of the PGPA Act.

⁵ Repayments not provided for under other appropriations. Amounts received on or before 30 June 2014 were repaid under section 28 of the *Financial Management and Accountability Act 1997*.

Reader note: All figures are GST exclusive.

1.3 BUDGET MEASURES

Budget measures relating to the Fair Work Commission are detailed in Budget Paper No. 2 and are summarised below.

Table 1.2: Fair Work Commission 2015–16 Budget measures

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

		2014–15	2015–16	2016–17	2017–18	2018–19
	Programme	\$'000	\$'000	\$'000	\$'000	\$'000
Measures						
Communications and Public Affairs						
Savings						
	1.1					
	Departmental expenses	(11)	(21)	(21)	(22)	(22)
Total		(11)	(21)	(21)	(22)	(22)
Total measures						
	Departmental	(11)	(21)	(21)	(22)	(22)
Total		(11)	(21)	(21)	(22)	(22)

Prepared on a Government Financial 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 programmes are the primary vehicle by which government agencies achieve the intended results of their outcome statements. Agencies are required to identify the programmes which contribute to government outcomes over the Budget and forward years.

Each outcome is described below together with its related programmes, specifying the performance indicators and targets used to assess and monitor the performance of the Fair Work Commission in achieving government outcomes.

Outcome 1: Simple, fair and flexible workplace relations for employees and employers through the exercise of powers to set and vary minimum wages and modern awards, facilitate collective bargaining, approve agreements and deal with disputes.

Outcome 1 strategy

The Fair Work Commission has a single planned outcome.

Outcome expenses statement

Table 2.1 provides an overview of the total expenses for Outcome 1 by programme.

Table 2.1 Budgeted expenses for Outcome 1

Outcome 1: Simple, fair and flexible workplace relations for employees and employers through the exercise of powers to set and vary minimum wages and modern awards, facilitate collective bargaining, approve agreements and deal with disputes	2014–15 Estimated actual expenses \$'000	2015–16 Estimated expenses \$'000
Programme 1.1: Dispute resolution, minimum wage setting, orders and approval of agreements		
Departmental expenses		
Departmental appropriation ¹	81,173	81,979
Expenses not requiring appropriation in the Budget year ²	3,576	4,583
Total for programme 1.1	84,749	86,562
Outcome 1 Totals by appropriation type		
Departmental expenses		
Departmental appropriation ¹	81,173	81,979
Expenses not requiring appropriation in the Budget year ²	3,576	4,583
Total expenses for Outcome 1	84,749	86,562
	2014–15	2015–16
Average staffing level (number)	339	336

¹ Departmental appropriation combines 'Ordinary annual services (Appropriation Bill No. 1)' and 'Revenue from independent sources (s 74)'.

² Expenses not requiring appropriation in the Budget year are made up of depreciation expenses, amortisation expenses, and 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.

Contributions to Outcome 1

Programme 1.1: Dispute resolution, minimum wage setting, orders and approval of agreements

Programme objective

To exercise powers under the *Fair Work Act 2009*:

- in accordance with the objects of the Act
- in a manner that is fair and just; is quick, informal and avoids unnecessary technicalities; is open and transparent; and promotes harmonious and cooperative workplace relations.

To exercise powers under the *Road Safety Remuneration Act 2012* in accordance with the objects of the Act.

Programme expenses

The functions of the Fair Work Commission and the Road Safety Remuneration Tribunal are prescribed by legislation. New and/or changed legislative requirements may impact forward year expenses.

Table 2.1.1 Programme expenses

	2014–15 Estimated actual \$'000	2015–16 Budget \$'000	2016–17 Forw ard estimate \$'000	2017–18 Forw ard estimate \$'000	2018–19 Forw ard estimate \$'000
Annual departmental expenses:					
Departmental item	81,173	81,979	81,012	81,914	83,165
Expenses not requiring appropriation in the Budget year ¹	3,576	4,583	4,584	4,584	4,584
Total programme expenses	84,749	86,562	85,596	86,498	87,749

¹ Expenses not requiring appropriation in the Budget year are made up of depreciation expenses, amortisation expenses, and audit fees.

Programme 1.1 Deliverables

The deliverables for the Fair Work Commission are:

- dispute resolution
- determining unfair dismissal applications
- minimum wage decisions
- orders relating to industrial action
- processes relating to modern awards
- approval of agreements
- regulation of registered organisations
- dealing with workplace bullying applications.

The deliverables for the Road Safety Remuneration Tribunal are:

- developing an annual work programme
- making road safety remuneration orders
- dispute resolution
- approval of road transport collective agreements
- conducting research into pay and conditions that could affect safety in the road transport industry.

Table 2.1.1.A Programme 1.1 Deliverables

Deliverables	2014–15 Estimated actual \$'000	2015–16 Budget \$'000	2016–17 Forw ard estimate \$'000	2017–18 Forw ard estimate \$'000	2018–19 Forw ard estimate \$'000
Dispute resolution, minimum w age setting, orders and approval of agreements.	81,349	82,076	81,110	82,012	83,263

Programme 1.1 Key performance indicators

The key performance indicators for the Fair Work Commission are:

- Improve or maintain the time elapsed from lodging applications to finalising conciliations in unfair dismissal applications.
- Annual wage review to be completed to enable an operative date of 1 July.
- Improve or maintain the time taken to list applications relating to industrial action.
- Improve or maintain the agreement approval time.
- 95 per cent of financial reports required to be lodged by registered organisations under the *Fair Work (Registered Organisations) Act 2009* are assessed for compliance within 40 working days.

The key performance indicators for the Road Safety Remuneration Tribunal are:

- Road safety remuneration orders reviewed within 12 months of expiry of any preceding order.
- An annual work programme is developed.
- Research developed and submissions obtained or received are published on the website in a timely manner as appropriate.

Table 2.1.1.B Key performance indicators

Key performance indicators	2014–15 Revised Budget	2015–16 Budget	2016–17 Forward Estimate	2017–18 Forward Estimate	2018–19 Forward Estimate
Improve or maintain the time elapsed from lodging applications to finalising conciliations in unfair dismissal applications	34 Days	34 Days	34 Days	34 Days	34 Days
Annual wage review to be completed to enable an operative date of 1 July	By June 30	By June 30	By June 30	By June 30	By June 30
Improve or maintain the agreement approval time	32 Days	32 Days	32 Days	32 Days	32 Days
95 per cent of financial reports required to be lodged under the <i>Fair Work (Registered Organisations) Act 2009</i> are assessed for compliance within 40 working days	95%/40 days	95%/40 days	95%/40 days	95%/40 days	95%/40 days
Road safety remuneration orders reviewed within 12 months of expiry of any preceding order	Within 12 months	Within 12 months	Within 12 months	Within 12 months	Within 12 months
An annual work programme is developed	Annual	Annual	Annual	Annual	Annual
Research developed and submissions (subs) obtained or received are published on the website in a timely manner as appropriate	Subs 4 Days	Subs 4 Days	Subs 4 Days	Subs 4 Days	Subs 4 Days

Section 3: Explanatory tables and budgeted financial statements

Section 3 presents explanatory tables and budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2015–16 budget year. It explains how budget plans are incorporated into the financial statements and provides further details of the reconciliation between appropriations and programme expenses, movements in administered funds, special accounts and government indigenous expenditure.

3.1 EXPLANATORY TABLES

Table 3.1.1: Movement of administered funds between years

The Fair Work Commission has no administered funds. For this reason Table 3.1.1 is not presented.

Table 3.1.2: Special accounts

The Fair Work Commission has no special accounts. For this reason Table 3.1.2 is not presented.

Table 3.1.3: Australian Government Indigenous expenditure

The Fair Work Commission has no Australian Government Indigenous expenditure. 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 Fair Work Commission has nil difference to report.

3.2.2 Analysis of budgeted financial statements

The Fair Work Commission is budgeting for a deficit equal to the unappropriated depreciation and amortisation expense in 2015–16 and the three forward years.

Total revenue is estimated to be \$81.97 million in 2015–16, and total expenses to be \$86.6 million including depreciation and amortisation.

Total assets for 2015–16 are estimated to be \$68 million dollars. Non-financial assets reflect the operations of the Commission, being office fit outs, computer and office equipment, and computer software (included in intangibles). The Commission is planning asset acquisitions in the 2015–16 year primarily relating to information technology equipment, software, and minor office accommodation costs.

Total liabilities for 2015–16 are estimated to be \$29.9 million. The largest liabilities are accrued employee entitlements.

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

	2014–15 Estimated actual \$'000	2015–16 Budget \$'000	2016–17 Forw ard estimate \$'000	2017–18 Forw ard estimate \$'000	2018–19 Forw ard estimate \$'000
EXPENSES					
Employee benefits	55,067	53,037	52,392	53,213	54,247
Suppliers	26,282	29,039	28,718	28,799	29,016
Depreciation and amortisation	3,400	4,486	4,486	4,486	4,486
Total expenses	84,749	86,562	85,596	86,498	87,749
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	1,286	2,429	2,429	2,100	1,800
Total own-source revenue	1,286	2,429	2,429	2,100	1,800
Gains					
Other	176	97	98	98	98
Total gains	176	97	98	98	98
Total own-source income	1,462	2,526	2,527	2,198	1,898
Net cost of/(contribution by) services	83,287	84,036	83,069	84,300	85,851
Revenue from Government	79,887	79,550	78,583	79,814	81,365
Surplus/(deficit) attributable to the Australian Government	(3,400)	(4,486)	(4,486)	(4,486)	(4,486)
OTHER COMPREHENSIVE INCOME					
Changes in asset revaluation surplus	-	-	-	-	-
Total other comprehensive income	-	-	-	-	-
Total comprehensive income/(loss)	(3,400)	(4,486)	(4,486)	(4,486)	(4,486)
Total comprehensive income/(loss) attributable to the Australian Government	(3,400)	(4,486)	(4,486)	(4,486)	(4,486)

Prepared an Australian accounting standards basis.

Table 3.2.1 Comprehensive income statement (showing net cost of services) for the period ended 30 June (continued)

Note: Impact of net cash appropriation arrangements

	2014–15 \$'000	2015–16 \$'000	2016–17 \$'000	2017–18 \$'000	2018–19 \$'000
Total comprehensive income/(loss) excluding depreciation/amortisation expenses previously funded through revenue appropriations.	-	-	-	-	-
less depreciation/amortisation expenses previously funded through revenue appropriations ¹	3,400	4,486	4,486	4,486	4,486
Total comprehensive income/(loss) - as per the statement of comprehensive income	(3,400)	(4,486)	(4,486)	(4,486)	(4,486)

¹ 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 3.2.5 Departmental Capital Budget Statement.

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

	2014–15 Estimated actual \$'000	2015–16 Budget \$'000	2016–17 Forw ard estimate \$'000	2017–18 Forw ard estimate \$'000	2018–19 Forw ard estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	433	433	433	433	433
Trade and other receivables	35,246	35,246	35,246	35,246	35,246
Total financial assets	35,679	35,679	35,679	35,679	35,679
Non-financial assets					
Land and buildings	20,303	18,605	17,498	16,388	15,371
Property, plant and equipment	7,722	6,210	5,072	4,261	3,281
Intangibles	1,812	2,954	3,134	3,014	2,994
Other non-financial assets	4,588	4,588	4,588	4,588	4,588
Total non-financial assets	34,425	32,357	30,292	28,251	26,234
Assets held for sale	-	-	-	-	-
Total assets	70,104	68,036	65,971	63,930	61,913
LIABILITIES					
Payables					
Suppliers	1,819	1,819	1,819	1,819	1,819
Other payables	9,122	9,122	9,122	9,122	9,122
Total payables	10,941	10,941	10,941	10,941	10,941
Provisions					
Employee provisions	18,864	18,864	18,864	18,864	18,864
Other provisions	96	96	96	96	96
Total provisions	18,960	18,960	18,960	18,960	18,960
Liabilities included in disposal groups held for sale	-	-	-	-	-
Total liabilities	29,901	29,901	29,901	29,901	29,901
Net assets	40,203	38,135	36,070	34,029	32,012
EQUITY*					
Parent entity interest					
Contributed equity	41,174	43,592	46,013	48,458	50,927
Reserves	-	-	-	-	-
Retained surplus (accumulated deficit)	(971)	(5,457)	(9,943)	(14,429)	(18,915)
Total parent entity interest	40,203	38,135	36,070	34,029	32,012
Total Equity	40,203	38,135	36,070	34,029	32,012

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

Prepared on an Australian accounting standards basis.

Table 3.2.3 Budgeted statement of changes in equity—summary of movement (Budget Year 2015–16)

	Retained earnings	Asset revaluation reserve	Other reserves	Contributed equity/capital	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance as at 1 July 2015					
Balance carried forward from previous period	(971)	-	-	41,174	40,203
Adjusted opening balance	(971)	-	-	41,174	40,203
Comprehensive income					
Surplus/(deficit) for the period	(4,486)	-	-	-	(4,486)
Total comprehensive income	(4,486)	-	-	-	(4,486)
of which:					
Attributable to the Australian Government	(4,486)	-	-	-	(4,486)
Transactions with owners					
Contributions by owners					
Departmental Capital Budget (DCB)	-	-	-	2,418	2,418
Sub-total transactions with owners	-	-	-	2,418	2,418
Transfers between equity components	-	-	-	-	-
Estimated closing balance as at 30 June 2016	(5,457)	-	-	43,592	38,135

Prepared on Australian accounting standards basis.

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

	2014–15 Estimated actual \$'000	2015–16 Budget \$'000	2016–17 Forw ard estimate \$'000	2017–18 Forw ard estimate \$'000	2018–19 Forw ard estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	79,774	79,550	78,583	79,814	81,365
Other	1,286	2,429	2,429	2,100	1,800
Total cash received	81,060	81,979	81,012	81,914	83,165
Cash used					
Employees	55,067	53,037	52,392	53,213	54,247
Suppliers	26,103	28,942	28,620	28,701	28,918
Total cash used	81,170	81,979	81,012	81,914	83,165
Net cash from/(used by) operating activities	(110)	-	-	-	-
INVESTING ACTIVITIES					
Cash received					
Other	-	-	-	-	-
Total cash received	-	-	-	-	-
Cash used					
Purchase of property, plant and equipment	2,340	2,418	2,421	2,445	2,469
Total cash used	2,340	2,418	2,421	2,445	2,469
Net cash from/(used by) investing activities	(2,340)	(2,418)	(2,421)	(2,445)	(2,469)
FINANCING ACTIVITIES					
Cash received					
Contributed equity	2,450	2,418	2,421	2,445	2,469
Total cash received	2,450	2,418	2,421	2,445	2,469
Cash used					
Other	-	-	-	-	-
Total cash used	-	-	-	-	-
Net cash from/(used by) financing activities	2,450	2,418	2,421	2,445	2,469
Net increase/(decrease) in cash held	-	-	-	-	-
Cash and cash equivalents at the beginning of the reporting period	433	433	433	433	433
Cash and cash equivalents at the end of the reporting period	433	433	433	433	433

Prepared on Australian accounting standards basis.

Table 3.2.5 Departmental capital budget statement (for the period ended 30 June)

	2014–15 Estimated actual \$'000	2015–16 Budget \$'000	2016–17 Forw ard estimate \$'000	2017–18 Forw ard estimate \$'000	2018–19 Forw ard estimate \$'000
NEW CAPITAL APPROPRIATIONS					
Capital budget - Bill 1 (DCB)	2,450	2,418	2,421	2,445	2,469
Equity injections - Bill 2	-	-	-	-	-
Total new capital appropriations	2,450	2,418	2,421	2,445	2,469
<i>Provided for:</i>					
<i>Purchase of non-financial assets</i>	2,450	2,418	2,421	2,445	2,469
Total Items	2,450	2,418	2,421	2,445	2,469
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations ¹	-	-	-	-	-
Funded by capital appropriation - DCB ²	2,340	2,418	2,421	2,445	2,469
Funded internally from departmental resources ³	-	-	-	-	-
TOTAL	2,340	2,418	2,421	2,445	2,469
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	2,340	2,418	2,421	2,445	2,469
Total cash used to acquire assets	2,340	2,418	2,421	2,445	2,469

¹ Includes both current Bill 2 and prior Act 2/4/6 appropriations and special capital appropriations.

² Does not include annual finance lease costs. Include purchases from current and previous years' Departmental Capital Budgets (DCBs).

³ Includes the following sources of funding:

- current Bill 1 and prior year Act 1/3/5 appropriations (excluding amounts from the DCB)
- donations and contributions
- gifts
- internally developed assets
- s 74 Retained revenue receipts
- proceeds from the sale of assets.

Prepared on Australian accounting standards basis.

Table 3.2.6 Statement of asset movements (2015–16)

	Buildings \$'000	Other property, plant and equipment \$'000	Computer software and intangibles \$'000	Total \$'000
As at 1 July 2015				
Gross book value	26,221	10,549	4,068	40,838
depreciation/amortisation and impairment	(5,918)	(2,827)	(2,256)	(11,001)
Opening net book balance	20,303	7,722	1,812	29,837
Capital asset additions				
Estimated expenditure on new or replacement assets				
By purchase - appropriation equity ¹	178	778	1,462	2,418
Total additions	178	778	1,462	2,418
Other movements				
Depreciation/amortisation expense	(1,876)	(2,290)	(320)	(4,486)
Total other movements	(1,876)	(2,290)	(320)	(4,486)
As at 30 June 2016				
Gross book value	26,399	11,327	5,530	43,256
Accumulated depreciation/amortisation and impairment	(7,794)	(5,117)	(2,576)	(15,487)
Closing net book balance	18,605	6,210	2,954	27,769

¹ "Appropriation equity" refers to equity injections appropriations provided through Appropriation Bill (No. 2) 2015-16, including CDABs.

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)

	2014–15 Estimated actual \$'000	2015–16 Budget \$'000	2016–17 Forw ard estimate \$'000	2017–18 Forw ard estimate \$'000	2018–19 Forw ard estimate \$'000
EXPENSES					
Other expenses	-	-	-	-	-
Total expenses administered on behalf of Government	-	-	-	-	-
LESS:					
OWN-SOURCE INCOME					
Non-taxation revenue					
Other revenue	578	578	578	578	578
Total non-taxation revenue	578	578	578	578	578
Total own-source revenue administered on behalf of Government	578	578	578	578	578
Total own-sourced income administered on behalf of Government	578	578	578	578	578
Net cost of/(contribution by) services	(578)	(578)	(578)	(578)	(578)
Surplus/(deficit) before income tax	578	578	578	578	578
Income tax expense	-	-	-	-	-
Surplus/(Deficit) after income tax	578	578	578	578	578
OTHER COMPREHENSIVE INCOME					
Items not subject of subsequent reclassification to net cost of services					
Changes in asset revaluation surplus	-	-	-	-	-
Total other comprehensive income	-	-	-	-	-
Total comprehensive income/(loss)	578	578	578	578	578

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)

The Fair Work Commission has no administered assets and liabilities. 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)

	2014–15 Estimated actual \$'000	2015–16 Budget \$'000	2016–17 Forw ard estimate \$'000	2017–18 Forw ard estimate \$'000	2018–19 Forw ard estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Other	578	578	578	578	578
Total cash received	578	578	578	578	578
Cash used					
Other	-	-	-	-	-
Total cash used	-	-	-	-	-
Net cash from/(used by) operating activities	578	578	578	578	578
INVESTING ACTIVITIES					
Cash received					
Other	-	-	-	-	-
Total cash received	-	-	-	-	-
Cash used					
Other	-	-	-	-	-
Total cash used	-	-	-	-	-
Net cash from/(used by) investing activities	-	-	-	-	-
FINANCING ACTIVITIES					
Cash received					
Other	-	-	-	-	-
Total cash received	-	-	-	-	-
Cash used					
Other	-	-	-	-	-
Total cash used	-	-	-	-	-
Net cash from/(used by) financing activities	-	-	-	-	-
Net increase/(decrease) in cash held	578	578	578	578	578
Cash to Official Public Account for:					
- Other	(578)	(578)	(578)	(578)	(578)
Cash and cash equivalents at end of reporting period	-	-	-	-	-

Prepared on Australian accounting standards basis.

Table 3.2.10 Schedule of administered capital budget statement (for the period ended 30 June)

The Fair Work Commission has no administered capital budget. For this reason Table 3.2.10 is not presented.

Table 3.2.11 Statement of administered asset movements (Budget year 2015–16)

The Fair Work Commission has no administered assets and liabilities. For this reason Table 3.2.11 is not presented.

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.

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.

Departmental Revenue from Government

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

Departmental Revenue from Other Sources

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

Departmental Expenses – Employees

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

Departmental Expenses – Suppliers

This item will represent 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 using, in all cases, the straight-line method of depreciation.

Property plant and equipment assets will be depreciated over their useful lives between three and ten years. Leasehold improvements will be amortised on a

straight-line basis over the lesser of the estimated useful life of the improvements or the unexpired period of the lease.

Departmental Assets – Financial Assets – Receivables

Receivables represent amounts which will be owing to the Fair Work Commission for goods and services it has provided to external parties and cash reserves held in the Official Public Account.

Departmental Assets – Non-Financial Assets

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

Land and Buildings, and Infrastructure, Plant and Equipment will initially be brought to account at cost, except for purchases costing less than \$10,000 for leasehold improvements and \$2000 for all other classes, which will be expensed in the year of acquisition (other than where they form part of the group of similar items which are significant in total).

Computer software, disclosed in the Balance Sheet as Intangibles, will be expensed in the year of acquisition except for purchases or internally developed software costing more than \$2000 which are capitalised at cost.

The Fair Work Commission will annually reassess and adjust the values of Land and Buildings (leasehold improvements), Infrastructure, Plant and Equipment.

Departmental Liabilities – Provisions – Employees

Provision will be made for the Fair Work Commissions liability for employee entitlements arising from services rendered by the Fair Work Commission, Members and employees to balance date. This liability will encompass unpaid wages and salaries, annual and long service leave and Judges' long leave. No provision will be made for sick leave.

The liability for leave expected to be settled within 12 months is to be measured at the nominal amount.

Other employee entitlements payable later than one year will be estimated at the present value of the expected future cash outflows in relation to those entitlements. Attrition rates and pay rises through promotion and wage/salary agreements will be taken into account.