

AUSTRALIAN BUREAU OF STATISTICS

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AUSTRALIAN BUREAU OF STATISTICS

Section 1: Entity overview and resources

1.1 STRATEGIC DIRECTION STATEMENT

The Australian Bureau of Statistics (ABS) seeks to inform a prosperous and dynamic Australia by realising the full potential of our partnerships, our people, and the nation's statistical capability and assets. The ABS is Australia's official national statistical entity, providing key official statistics on a wide range of economic, environmental and social issues.

The ABS's legislated functions include:

- operating as a central statistical authority for the Australian Government and providing statistical services for State and Territory Governments;
- collecting, compiling, analysing and disseminating statistics and related information; and
- coordinating the statistical operations of official bodies with particular regard to:
 - the avoidance of duplication of statistical information;
 - the attainment of compatibility and integration of statistics compiled by official bodies;
 - the maximum utilisation of information available to official bodies for statistical purposes;
 - the development of standards for statistics and ensuring that official bodies comply with them;
 - the provision of advice and assistance to official bodies on the production and use of statistics; and
 - liaison with international organisations on statistical issues.

The ABS will achieve its outcome through three key priority areas:

- statistical delivery: continue to produce high-quality, relevant official statistics to support decision-making, research and discussion by governments and the community;

- statistical partnership: engage and partner with national and international organisations to build improved national and international statistical systems and strong statistical capability; and
- statistical infrastructure: develop and implement flexible and robust statistical and information infrastructure to meet the changing needs of statistical users, data providers and producers of statistics.

These key priority areas focus the ABS's work programme. Key external drivers of, and challenges for, the ABS work programme include the:

- need to reflect rapid change and real world complexity in trusted official statistics;
- opportunity for linked data and longitudinal data to provide new insights to help respond to complex issues facing governments, business and society;
- need to reduce the burden on businesses and households through better use of existing data sets held by government and businesses;
- need to transform the way the ABS engages with users, providers and producers of statistics in a digital world, including delivery of a primarily on-line Census of Population and Housing in 2016 and increasing demand for integrated, flexible and accessible statistical information;
- increasing demand for open data, including improving access to confidentialised microdata; and
- continuing need to maintain the trust and privacy of providers.

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: Australian Bureau of Statistics Resource Statement — Budget estimates for 2015-16 as at Budget May 2015

	<i>Actual Available Appropriation 2014-15 \$'000</i>	Estimate of prior year amounts available in 2015-16 \$'000	Proposed at 2015-16 Budget \$'000	Total 2015-16 estimate \$'000
Ordinary annual services (a)				
Departmental appropriation				
Prior year appropriations (b)	-	62,823	-	62,823
Departmental appropriation (c)	342,770		428,565	428,565
s74 Retained revenue receipts (d)	43,774		44,153	44,153
Total	386,544	62,823	472,718	535,541
Departmental non-operating				
Equity injections (e)	5,328		32,699	32,699
Total	5,328	-	32,699	32,699
Total available annual appropriations	391,872	62,823	505,417	568,240

(a) Appropriation Bill (No.1) 2015-16.

(b) Estimated adjusted balance carried forward from previous year.

(c) Includes an amount of \$20.8 million in 2015-16 for the Departmental Capital Budget (refer to Table 3.2.5 for further details).

(d) Estimated Retained revenue receipts under section 74 of the PGPA Act.

(e) Appropriation Bill (no. 2) 2015-16.

1.3 BUDGET MEASURES

Budget measures relating to the ABS are detailed in Budget Paper No. 2 and are summarised below.

Table 1.2: Australian Bureau of Statistics 2015-16 Budget measures

Part 1: Measures announced since the 2014-15 Mid-Year Economic and Fiscal Outlook (MYEFO)

	Programme	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000
Expense measures						
Norfolk Island Reform	1.1	-	252	236	-	-
Australian Bureau of Statistics – business transformation	1.1	(9,000)	20,800	151,900	(5,000)	(7,700)
Total Expenses measures		(9,000)	21,052	152,136	(5,000)	(7,700)
Capital measures						
Australian Bureau of Statistics – business transformation	1.1	(13,300)	(2,400)	4,600	14,300	4,700
Total Capital measures		(13,300)	(2,400)	4,600	14,300	4,700
Revenue measures						
Australian Bureau of Statistics – business transformation	1.1	(1,600)	(3,600)	(4,100)	(3,300)	-
Total Revenue measures		(1,600)	(3,600)	(4,100)	(3,300)	-

Prepared on a Government Finance Statistics (fiscal) basis.

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

	Programme	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000
Expenses Measures						
Communication and Public Affairs Functions - targeted savings	1.1	(50)	(100)	(99)	(100)	-
Total Expenses Measures		(50)	(100)	(99)	(100)	-

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 programmes are the primary vehicle by which government entities achieve the intended results of their outcome statements. Entities are required to identify the programmes which contribute to government outcomes over the Budget and forward years.

The outcome of the Australian Bureau of Statistics is described below together with its programme, specifying the performance indicators and targets used to assess and monitor the performance in achieving government outcomes.

Outcome 1: Informed decision-making, research and discussion within governments and the community by leading the collection, analysis and provision of high quality, objective and relevant statistical information

Outcome 1 strategy

The ABS seeks to deliver this outcome through continued high-quality statistical delivery, providing national and international statistical leadership and improved statistical infrastructure.

The ABS will deliver high-quality, relevant official statistics by:

- ensuring Australia's official statistics address the most important issues for decision-makers and the community;
- ensuring official statistics are accessible, timely, comprehensive and transparent;
- actively engaging and building relationships with providers and users to ensure informed use of official statistics and relevance of official solutions; and
- implementing national and international statistics standards and frameworks.

The ABS will improve statistical partnerships by:

- actively engaging with providers and users to enhance our understanding of and actively respond to their environments and needs within available resources;
- influencing the development of international statistical frameworks and systems;

- engaging with users and the Australian community to build domestic statistical capability;
- developing statistical capability in selected parts of Asia and the Pacific region; and
- working with other information producers to:
 - champion whole-of-government statistical data integration to provide insights to complex questions facing governments, business and the community, and maximising the benefits of existing data collections while maintaining privacy;
 - support improvements to data quality and coherence; and
 - provide guidance on the appropriate use of statistical standards and frameworks.

The ABS will improve statistical infrastructure by:

- ensuring investment in official statistics is implemented effectively by transforming its statistical infrastructure to support a digital economy, improve efficiency and respond effectively to change; and
- continuing to expand digital initiatives to meet changing user, provider and producer needs and expectations.

Outcome expense statement

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

Table 2.1: Budgeted expenses for Outcome 1

Outcome 1: Informed decision-making, research and discussion within governments and the community by leading the collection, analysis and provision of high quality, objective and relevant statistical information	2014-15 Estimated actual expenses \$'000	2015-16 Estimated expenses \$'000
Programme 1.1: Australian Bureau of Statistics		
Departmental expenses		
Departmental appropriation (a)	364,976	452,188
Expenses not requiring appropriation in the Budget year (b)	30,380	36,822
Total for programme 1.1	395,356	489,010
Average staffing level (number)	2,580	2,670

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

(b) Expenses not requiring appropriation in the Budget year are made up of depreciation expenses, amortisation expenses, and makegood expenses.

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: Australian Bureau of Statistics

Programme objective

The ABS has the following objectives:

- decision-making, research and discussion are underpinned by relevant statistical information;
- high-quality statistical information is available to inform Australia's most important issues;
- continued cooperation and support of providers;
- trust in official statistics is maintained;
- statistical capability is improved within Australia and Asia and the Pacific region to support informed decision-making and progress the national and global statistical systems; and
- statistical and information infrastructure is developed to better support Australia's long-term statistical needs.

Programme expenses

The increase in expenses in 2015-16 and 2016-17 is predominately due to the cyclical nature of activities for the 2016 Census of Population and Housing (2016 Census), in addition to reengineering ABS business processes and ICT infrastructure (Critical Statistical Infrastructure Project – CSIP).

Table 2.2: Programme expenses

	2014-15 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forward estimate \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000
Annual departmental expenses:					
Departmental item	395,356	489,010	601,432	410,093	395,587
Total programme expenses	395,356	489,010	601,432	410,093	395,587

Programme 1.1 deliverables

In 2015-16 and onwards, the ABS will:

- provide a range of quality and timely statistical outputs across key economic, population and social subject matter areas that meet the needs of key users;

Australian Bureau of Statistics Budget Statements

- integrate data, as a Commonwealth integrating authority, to produce new official statistics to inform society;
- reduce respondent burden through implementation of electronic forms and seeking to maximise the use of alternative data sources;
- improve the relevance, reliability and accuracy of the ABS statistical programme by actively engaging with external stakeholders to understand their needs and implementing ongoing methodological developments and statistical standards;
- provide leadership in data integration by providing both the chair and secretariat services to the Cross Portfolio Data Integration Oversight Board;
- partner with Australian governments and other key stakeholders to ensure development and coherence of our national statistical system;
- undertake statistical capability development programmes in Australia, Asia and the Pacific region;
- provide advice and guidance on the development and implementation of statistical standards and frameworks internationally;
- continue to transform the ABS's business systems and processes in a digital environment to improve the efficiency and accessibility of the ABS's services, ensuring a central role in Australia's long-term statistical sustainability; and
- prepare and deliver a primarily digital Census in 2016.

Programme 1.1 key performance indicators

The ABS key performance indicators are as follows:

- Australia's key decisions, research and discussions continue to be underpinned by trusted official statistics;
- statistical information continues to be relevant to the needs of key stakeholders through active engagement and partnership;
- the quality and accuracy of Australia's official statistics is maintained or improved;
- Australia's leading indicators adhere to appropriate statistical standards, frameworks and methodologies to maintain quality, and support comparability in the global statistical systems;
- use of ABS data increases;

- high-quality statistical information is available to describe Australia's most important issues;
- provider cooperation is demonstrated through the achievement of target survey response rates;
- ABS commitment to reducing provider burden is demonstrated through availability of online or alternative reporting and minimisation of provider load;
- complaint resolution performance meets ABS Surveys Charter standards;
- customer service performance meets the ABS's Service Delivery Charter standards;
- Australian public sentiment about ABS statistics remains positive;
- national statistical literacy programmes effectively engage target audiences;
- effective delivery of international engagement programmes to increase the statistical capability of national statistical offices in Asia and the Pacific region;
- the ABS continues to provide and improve product, services and tools to help providers meet their obligations;
- the ABS progresses new sustainable solutions to support statistical information management; and
- the ABS is actively involved in the development of statistical frameworks, methods and standards.

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

3.1.1 Movement of administered funds between years

The ABS does not have any administered funds.

3.1.2 Special accounts

The ABS does not have any special accounts.

3.1.3 Australian Government Indigenous Expenditure

The ABS does not have any Australian Government Indigenous Expenditure.

3.2 BUDGETED FINANCIAL STATEMENTS

3.2.1 Differences in entity resourcing and financial statements

The difference between the entity level resource statement and the sum of all outcome resource statements is the expected carry-forward amount of resources for the 2015-16 budget year, including amounts related to meeting future obligations to maintain the entity's asset base and to meet employee entitlement liabilities.

3.2.2 Analysis of budgeted financial statements

Budgeted financial statements

The increase in 2015-16 and 2016-17 reflects in activity relating to the 2016 Census as part of the normal Census cycle, in addition to the Critical Statistical Infrastructure Project (CSIP).

The ABS is budgeting to breakeven in 2015-16 and the forward estimates.

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 Forward estimate \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000
EXPENSES					
Employee benefits	271,139	325,927	461,303	284,398	273,226
Suppliers	93,337	125,761	105,281	90,848	87,514
Depreciation and amortisation	30,380	36,822	34,348	34,347	34,347
Other expenses	500	500	500	500	500
Total expenses	395,356	489,010	601,432	410,093	395,587
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	41,075	41,000	41,000	41,000	41,000
Other	2,699	3,153	2,753	1,904	1,913
Total own-source revenue	43,774	44,153	43,753	42,904	42,913
Gains					
Sale of assets	100	100	100	100	100
Other	120	120	120	120	120
Total gains	220	220	220	220	220
Total own-source income	43,994	44,373	43,973	43,124	43,133
Net cost of/(contribution by) services	351,362	444,637	557,459	366,969	352,454
Revenue from Government	321,461	407,815	523,111	332,622	318,107
Surplus/(deficit) attributable to the Australian Government	(29,901)	(36,822)	(34,348)	(34,347)	(34,347)
Total comprehensive income/(loss)	(29,901)	(36,822)	(34,348)	(34,347)	(34,347)
Total comprehensive income/(loss) attributable to the Australian Government	(29,901)	(36,822)	(34,348)	(34,347)	(34,347)
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.	479	-	-	-	-
less depreciation/amortisation expenses previously funded through revenue appropriations	30,380	36,822	34,348	34,347	34,347
Total comprehensive income/(loss) - as per the statement of comprehensive income	(29,901)	(36,822)	(34,348)	(34,347)	(34,347)

Prepared on a Government Finance Statistics (fiscal) basis.

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

	2014-15 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forward estimate \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	660	660	660	660	660
Trade and other receivables	66,348	66,348	66,348	66,348	66,348
Other financial assets	510	510	510	510	510
Total financial assets	67,518	67,518	67,518	67,518	67,518
Non-financial assets					
Property, plant and equipment	37,610	47,843	60,162	55,550	47,157
Intangibles	68,729	75,123	90,604	103,971	106,850
Other non-financial assets	10,259	10,259	10,259	10,259	10,259
Total non-financial assets	116,598	133,225	161,025	169,780	164,266
Assets held for sale					
Total assets	184,116	200,743	228,543	237,298	231,784
LIABILITIES					
Payables					
Suppliers	13,495	13,495	13,495	13,495	13,495
Other payables	54,352	54,352	54,352	54,352	54,352
Total payables	67,847	67,847	67,847	67,847	67,847
Lease Incentives					
Lease Incentives	2,500	2,500	2,500	2,500	2,500
Total interest bearing liabilities	2,500	2,500	2,500	2,500	2,500
Provisions					
Employee provisions	88,629	88,629	88,629	88,629	88,629
Other provisions	6,481	6,481	6,481	6,481	6,481
Total provisions	95,110	95,110	95,110	95,110	95,110
Liabilities included in disposal groups held for sale					
Total liabilities	165,457	165,457	165,457	165,457	165,457
Net assets	18,659	35,286	63,086	71,841	66,327
EQUITY*					
Contributed equity	156,514	209,963	272,111	315,213	344,046
Reserves	24,093	24,093	24,093	24,093	24,093
Retained surplus (accumulated deficit)	(161,948)	(198,770)	(233,118)	(267,465)	(301,812)
Total Equity	18,659	35,286	63,086	71,841	66,327

*'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 2015-16)

	Retained earnings \$'000	Asset revaluation reserve \$'000	Other reserves \$'000	Contributed equity/ capital \$'000	Total equity \$'000
Opening balance as at 1 July 2015					
Balance carried forward from previous period	(161,948)	24,093	-	156,514	18,659
Adjusted opening balance	(161,948)	24,093	-	156,514	18,659
Comprehensive income					
Surplus/(deficit) for the period	(36,822)	-	-	-	(36,822)
Total comprehensive income	(36,822)	-	-	-	(36,822)
of which:					
Attributable to the Australian Government	-	-	-	-	-
Attributable to non-controlling interest	-	-	-	-	-
Transactions with owners					
Contributions by owners					
Equity Injection - Appropriation	-	-	-	32,699	32,699
Departmental Capital Budget (DCB)	-	-	-	20,750	20,750
Sub-total transactions with owners	-	-	-	53,449	53,449
Estimated closing balance as at 30 June 2016	(198,770)	24,093	-	209,963	35,286

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 Forward estimate \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	318,461	407,815	523,111	332,622	318,107
Sale of goods and rendering of services	41,075	41,000	41,000	41,000	41,000
Net GST received	6,256	7,528	3,325	5,349	4,747
Other	2,699	3,153	2,753	1,904	1,913
Total cash received	368,491	459,496	570,189	380,875	365,767
Cash used					
Employees	269,139	325,927	461,303	284,398	273,226
Suppliers	98,473	133,169	108,486	96,077	92,141
Other	500	500	500	500	500
Total cash used	368,112	459,596	570,289	380,975	365,867
Net cash from/(used by) operating activities	379	(100)	(100)	(100)	(100)
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of property, plant and equipment	100	100	100	100	100
Total cash received	100	100	100	100	100
Cash used					
Purchase of property, plant and equipment	30,161	53,449	62,148	43,102	28,833
Total cash used	30,161	53,449	62,148	43,102	28,833
Net cash from/(used by) investing activities	(30,061)	(53,349)	(62,048)	(43,002)	(28,733)
FINANCING ACTIVITIES					
Cash received					
Contributed equity	26,637	53,449	62,148	43,102	28,833
Total cash received	26,637	53,449	62,148	43,102	28,833
Net cash from/(used by) financing activities	26,637	53,449	62,148	43,102	28,833
Net increase/(decrease) in cash held	(3,045)	-	-	-	-
Cash and cash equivalents at the beginning of the reporting period	660	660	660	660	660
Cash and cash equivalents at the end of the reporting period	660	660	660	660	660

Prepared on Australian Accounting Standards basis.

Table 3.2.5: Departmental capital budget (DCB) statement

	2014-15 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forward estimate \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000
NEW CAPITAL APPROPRIATIONS					
Capital budget - Bill 1 (DCB)	21,309	20,750	20,442	20,354	20,491
Equity injections - Bill 2	5,328	32,699	41,706	22,748	8,342
Total new capital appropriations	26,637	53,449	62,148	43,102	28,833
<i>Provided for:</i>					
<i>Purchase of non-financial assets</i>	26,637	53,449	62,148	43,102	28,833
<i>Total Items</i>	26,637	53,449	62,148	43,102	28,833
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations (a)	5,444	32,699	41,706	22,748	8,342
Funded by capital appropriation - DCB (b)	24,354	20,750	20,442	20,354	20,491
Funded internally from departmental resources (c)	363	-	-	-	-
TOTAL	30,161	53,449	62,148	43,102	28,833
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	30,161	53,449	62,148	43,102	28,833
Total cash used to acquire assets	30,161	53,449	62,148	43,102	28,833

(a) Includes both current Bill 2 and prior Act 2/4/6 appropriations and special capital appropriations.

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

(c) Includes s74 Retained revenue receipts.

Prepared on Australian Accounting Standards basis.

Table 3.2.6: Statement of asset movements — (Budget year 2015-16)

	Other property, plant and equipment \$'000	Computer software and intangibles \$'000	Total \$'000
As at 1 July 2015			
Gross book value	74,711	215,543	290,254
Accumulated depreciation/amortisation and impairment	(37,101)	(146,814)	(183,915)
Opening net book balance	37,610	68,729	106,339
Capital asset additions			
Estimated expenditure on new or replacement assets			
By purchase - appropriation equity (a)	12,260	20,439	32,699
By purchase - appropriation ordinary annual services (b)	15,716	5,034	20,750
By purchase - other	-	-	-
Total additions	27,976	25,473	53,449
Other movements			
Depreciation/amortisation expense	(17,743)	(19,079)	(36,822)
Total other movements	(17,743)	(19,079)	(36,822)
As at 30 June 2016			
Gross book value	102,687	241,016	343,703
Accumulated depreciation/amortisation and impairment	(54,844)	(165,893)	(220,737)
Closing net book balance	47,843	75,123	122,966

(a) 'Appropriation equity' refers to equity injections appropriations provided through Appropriation Bill (No. 2) 2015-16.

(b) 'Appropriation ordinary annual services' refers to funding provided through Appropriation Bill (No. 1) 2015-16 for DCBs.

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 Forward estimate \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000
OWN-SOURCE INCOME					
Other revenue	-	-	-	1,431	1,458
Total non-taxation revenue	-	-	-	1,431	1,458
Total own-sourced income administered on behalf of Government	-	-	-	1,431	1,458
Surplus/(deficit)	-	-	-	1,431	1,458

Prepared on Australian Accounting Standards basis.

Table 3.2.8: Schedule of budgeted administered cash flows (for the period ended 30 June)

	2014-15 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forward estimate \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Other	-	-	-	1,431	1,458
Total cash received	-	-	-	1,431	1,458
Net cash from/(used by) operating activities					
	-	-	-	1,431	1,458
Net increase/(decrease) in cash held					
	-	-	-	1,431	1,458
Cash to Official Public Account	-	-	-	1,431	1,458
Cash at end of reporting period	-	-	-	-	-

Prepared on Australian Accounting Standards basis.

3.2.4 Notes to the financial statements

Basis of accounting

The entity budget statements have been prepared on an accrual basis and in accordance with historical cost convention, except for certain assets, which are at valuation.

Budgeted departmental financial statements

Under the Australian Government's accrual budgeting framework, and consistent with Australian Accounting Standards, transactions that entities control (entity transactions) are budgeted and reported separately from transactions entities do not have control over (administered transactions). This ensures that entities are only held fully accountable for the transactions over which they have control.

Entity assets, liabilities, revenues and expenses in relation to an entity are those that are controlled by the entity. Entity expenses include employee and supplier expenses and other administrative costs, which are incurred by the entity in providing its goods and services.

Budgeted departmental income statement

Revenues

Appropriations

The ABS is appropriated from government for its programme.

Sale of goods and rendering of services

Revenue is derived from the sale of ABS publications and census data, as well as the provision of user-funded surveys and consultancy work. The amount of revenue

earned in any one-year is dependent upon the demand for such products and services by government entities, business and the community.

Other gains

This category includes resources received free of charge.

Expenses

Employee benefits

This includes wages and salaries, superannuation, provision for annual leave and long service leave, and workers compensation. Employee entitlements are based on leave patterns of ABS employees. Accrued salaries and employer superannuation contributions are based on daily salary expense and the number of days owing at 30 June in each budget year.

Depreciation and amortisation

Depreciable assets are written off over their estimated useful lives. Depreciation is calculated using the straight-line method, which is consistent with the consumption of the service potential of the depreciable assets of the ABS.

Budgeted departmental balance sheet

Non-financial assets — Intangibles

These include software developed in house (internally generated software).

Non-financial assets — Other

This category includes prepayments.

Lease Incentives

These include lease incentives in the form of a rent free period and/or a contribution to fitout costs. Lease incentives are recognised as a liability, which is reduced by allocating lease rental payments between rental expense and reduction of the liability. Rent free lease periods are taken up as a liability during the rent free period and amortised over the remaining term of the lease. The full amount of the lease is therefore allocated evenly over the total term of the lease.

Provisions — Employees

The liability for employee entitlements includes provision for annual leave and long service leave. No provision has been made for sick leave, as all sick leave is non-vesting.

The non-current portion of the liability for annual leave and long service leave is recognised and measured at the present value of the estimated future cash flows in respect of all employees.

Payables

Supplier and other payables reflect the amounts owed to trade and other creditors by the ABS at the end of each financial year.

Asset Valuation

The ABS has adopted fair value as a basis for valuing its leasehold improvement and plant and equipment. Valuations are conducted with sufficient frequency to ensure that the carrying amounts of assets do not differ materially from the assets' fair values as at the reporting date.

