



**BUDGET**★  
**PORTFOLIO BUDGET STATEMENTS 2013-14**  
BUDGET RELATED PAPER NO. 1.19D

PARLIAMENTARY BUDGET OFFICE

BUDGET INITIATIVES AND EXPLANATIONS OF  
APPROPRIATIONS SPECIFIED BY OUTCOMES  
AND PROGRAMS BY AGENCY

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Mathew Fox, Assistant Parliamentary Budget Officer, (02) 6277 9520



**Parliament of Australia**  
**Parliamentary Budget Office**

**Phil Bowen PSM FCPA**  
**Parliamentary Budget Officer**

Senator the Hon John Hogg  
President of the Senate  
Parliament House  
CANBERRA ACT 2600

Ms Anna Burke MP  
Speaker of the House of Representatives  
Parliament House  
CANBERRA ACT 2600

Dear President and Speaker

I hereby submit Portfolio Budget Statements in support of the 2013-14 Budget for the Parliamentary Budget Office (PBO).

These statements have been developed, and are submitted to the Parliament, as a statement on the outcome for the PBO.

I present these statements to provide accountability to the Parliament and, through it, the public.

Yours sincerely

Phil Bowen

12 May 2013

## **Abbreviations and conventions**

The following notation may be used:

NEC/nec	not elsewhere classified
	nil
..	not zero, but rounded to zero
na	not applicable (unless otherwise specified)
nfp	not for publication
\$m	\$ million
\$b	\$ billion

Figures in tables and in the text may be rounded. Figures in text are generally rounded to one decimal place, whereas figures in tables are generally rounded to the nearest thousand. Discrepancies in tables between totals and sums of components are due to rounding.

## **Enquiries**

Should you have any enquiries regarding this publication please contact Jenny Jacobs, Chief Financial Officer, Parliamentary Budget Office on (02) 6277 9522.

A copy of this document can be located on the Australian Government Budget website at: <http://www.budget.gov.au>.

**USER GUIDE  
TO THE  
PORTFOLIO BUDGET STATEMENTS**

## **USER GUIDE**

The purpose of the 2013-14 Portfolio Budget Statements (PB Statements) is to inform Senators and Members of Parliament of the proposed allocation of resources to the Parliamentary Budget Office (PBO) outcome. The PBO receives resources from the annual Parliamentary Department appropriations acts and special appropriations.

A key role of the PB Statements is to facilitate the understanding of proposed annual appropriations in Appropriation Bill (Parliamentary Departments) No. 1 2013-14. In this sense the PB Statements are Budget related papers and are declared by the Appropriation Acts to be 'relevant documents' to the interpretation of the Acts according to section 15AB of the *Acts Interpretation Act 1901*.

The PB Statements provide information, explanation and justification to enable Parliament to understand the purpose of the proposed funding for the PBO outcome.

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# **DEPARTMENT OVERVIEW**



# PARLIAMENTARY BUDGET OFFICE OVERVIEW

## Departmental Responsibilities

The PBO is one of four parliamentary departments supporting the Australian Parliament.

The purpose of the PBO is to inform the Parliament by providing independent and non-partisan analysis of the budget cycle, fiscal policy and the financial implications of proposals.

The Parliamentary Budget Officer, under the Presiding Officers, is responsible for leading and managing the PBO.

As set out in the *Parliamentary Service Act 1999*, the Parliamentary Budget Officer has the following functions:

- Outside the caretaker period for a general election – to prepare policy costings on request by Senators or Members of the House of Representatives.
- During the caretaker period for a general election – to prepare policy costings on request by authorised members of Parliamentary parties or independent members.
- To prepare responses (other than policy costings) to requests relating to the budget by Senators or Members of the House of Representatives.
- To prepare submissions to inquiries of Parliamentary committees on request by such committees.
- To conduct research on, and analysis of, the budget and fiscal policy settings.

## DEPARTMENT RESOURCES

Table 1 shows the total new resources provided to the PBO in the 2013-14 budget year by agency.

**Table 1: Department Resources 2013-14**

	Appropriation			Receipts	Total
	Bill No. 1 \$m	Bill No. 2 \$m	Special \$m	\$m	\$m
<b>Parliamentary Budget Office</b>					
Departmental appropriations	7,702	-	-	-	7,702
<b>Total:</b>					<b>7,702</b>
	<b>Resources available within department:</b>				<b>7,702</b>

# **Parliamentary Budget Office**

## **Agency Resources and Planned Performance**



# PARLIAMENTARY BUDGET OFFICE

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# PARLIAMENTARY BUDGET OFFICE

## Section 1: Agency Overview and Resources

### 1.1 STRATEGIC DIRECTION STATEMENT

The PBO, as an independent and non-partisan institution, engages with the Parliament to help improve the integrity of the policy development process, better inform public policy debates and strengthen budget and fiscal policy transparency.

To support the 2013-14 Portfolio Budget Statements and in accordance with section 64Q of the *Parliamentary Service Act 1999*, the Parliamentary Budget Officer, in consultation with the Joint Committee of Public Accounts and Audit, will prepare a work plan for the PBO setting out:

- the priorities of the PBO for the 2013-14 financial year, and
- protocols for the allocation of the resources of the PBO during the financial year.

The PBO's 2013-14 work plan will be released before 1 October 2013.

Ahead of the release of the 2013-14 work plan, section 2 of the 2013-14 Portfolio Budget Statements provides detail on the PBO's outcome and planned performance.

There are two measures for the 2013-14 Budget affecting the PBO detailed at section 1.3 - Budget Measures.

## 1.2 AGENCY RESOURCE STATEMENT

Table 1.1 shows the total resources from all sources. The table summarises how resources will be applied by outcome and by administered and departmental classification.

**Table 1.1: Parliamentary Budget Office Resource Statement — Budget Estimates for 2013-14 as at Budget May 2013**

	Estimate of prior year amounts available in 2013-14 \$'000	Proposed at Budget = 2013-14 \$'000	Total estimate 2013-14 \$'000	Actual available appropriation 2012-13 \$'000
<b>Ordinary annual services<sup>1</sup></b>				
<b>Departmental appropriation</b>				
Departmental appropriation	1,881	7,702	9,583	6,063
<b>Total</b>	<b>1,881</b>	<b>7,702</b>	<b>9,583</b>	<b>6,063</b>
<b>Total ordinary annual services</b>	<b>A 1,881</b>	<b>7,702</b>	<b>9,583</b>	<b>6,063</b>
<b>Other services</b>				
<b>Total other services</b>	<b>B -</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total available annual appropriations</b>	<b>1,881</b>	<b>7,702</b>	<b>9,583</b>	<b>6,063</b>
<b>Special appropriations</b>				
<b>Special appropriations limited by amount</b>				
<i>Parliamentary Service Act 1999</i>	6,000	-	6,000	6,000
<b>Total special appropriations</b>	<b>C 6,000</b>	<b>-</b>	<b>6,000</b>	<b>6,000</b>
<b>Total appropriations excluding Special Accounts</b>	<b>7,881</b>	<b>7,702</b>	<b>15,583</b>	<b>12,063</b>
<b>Special Accounts</b>				
<b>Total Special Account</b>	<b>D -</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total resourcing</b>				
A+B+C+D	<b>7,881</b>	<b>7,702</b>	<b>15,583</b>	<b>12,063</b>
Less appropriations drawn from annual or special appropriations above and credited to special accounts and/or CAC Act bodies through annual appropriations	-	-	-	-
<b>Total net resourcing for the Parliamentary Budget Office</b>	<b>7,881</b>	<b>7,702</b>	<b>15,583</b>	<b>12,063</b>

<sup>1</sup> Appropriation (Parliamentary Departments) Bill (No.1) 2013-14.  
Reader note: All figures are GST exclusive.

### 1.3 BUDGET MEASURES

Budget measures in Part 1 relating to the PBO are detailed in Budget Paper No. 2 and are summarised below.

**Table 1.2: Parliamentary Budget Office 2013-14 Budget measures**

**Part 1: Measures announced since the 2012-13 MYEFO**

	2012-13 \$'000	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000
<b>Expense measures (if applicable)</b>					
Enhanced capability and functions					
Departmental expenses	128	983	989	1,428	1,006
<b>Total</b>	<b>128</b>	<b>983</b>	<b>989</b>	<b>1,428</b>	<b>1,006</b>
<b>Total expense measures</b>					
Departmental	128	983	989	1,428	1,006
<b>Total</b>	<b>128</b>	<b>983</b>	<b>989</b>	<b>1,428</b>	<b>1,006</b>

Prepared on a Government Finance Statistics (fiscal) basis.

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

	2012-13 \$'000	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000
<b>Measures (if applicable)</b>					
Targeted savings - public service efficiencies					
Departmental expenses	(20)	(31)	(23)	(20)	(18)
<b>Total</b>	<b>(20)</b>	<b>(31)</b>	<b>(23)</b>	<b>(20)</b>	<b>(18)</b>
<b>Total measures</b>					
Departmental	(20)	(31)	(23)	(20)	(18)
<b>Total</b>	<b>(20)</b>	<b>(31)</b>	<b>(23)</b>	<b>(20)</b>	<b>(18)</b>

- The full measure description and package details appear in Budget Paper No. 2 under the Parliamentary Budget Office.  
Prepared on a Government Financial Statistics (fiscal) basis.

## Section 2: Outcome and planned performance

### 2.1 OUTCOME AND PERFORMANCE INFORMATION

Parliamentary outcomes are the intended results, impacts or consequences of actions by the Parliament for the Australian community.

The PBO outcome is described below, specifying the performance indicators and targets used to assess and monitor the performance of the PBO. This performance information will be further detailed in the PBO's 2013-14 work plan.

**Outcome 1:**  
**To inform the Parliament by providing independent and non-partisan analysis of the budget cycle, fiscal policy and the financial implications of proposals.**

#### Outcome Expense Statement

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

**Table 2.1.1: Budgeted Expenses for Outcome 1**

<b>Outcome 1: To inform the Parliament by providing independent and non-partisan analysis of the budget cycle, fiscal policy and the financial implications of proposals</b>	2012-13 Estimated actual expenses \$'000	2013-14 Estimated expenses \$'000
<b>Outcome 1 Totals by appropriation type</b>		
Departmental expenses		
Departmental appropriation <sup>1</sup>	5,134	7,544
Expenses not requiring appropriation in the Budget year <sup>2</sup>	152	334
<b>Total expenses for Outcome 1</b>	<b>5,286</b>	<b>7,878</b>
<b>Average Staffing Level (number)</b>	<b>14</b>	<b>39</b>

<sup>1</sup> Departmental Appropriation is the 'Ordinary annual services (Appropriation (Parliamentary Departments) Bill (No. 1))'.

<sup>2</sup> Expenses not requiring appropriation in the Budget year is made up of depreciation expense, amortisation expense, and resources received free of charge.

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

### Program: Parliamentary Budget Office

#### Program Objective

The PBO's objective is to inform the Parliament by providing independent and non-partisan analysis of the budget cycle, fiscal policy and the financial implications of proposals.

#### Program Expenses

The estimates reflect the additional funding for the PBO announced in the 2013-14 budget to enhance the capabilities and functions of the PBO. This funding includes an additional \$0.5 million in 2013-14 and 2015-16 to allow the PBO to augment its analytical capability and permanent workforce with specialist contractors and other short-term engagements in the lead-up to a general election.

In addition, the estimates reflect the PBO's use of its special appropriation in 2013-14 and across the forward estimates. Of note is the expenditure in 2013-14 which relates to the PBO's permanent accommodation and secure information technology network projects.

**Table 2.1.2: Budgeted Program Expenses**

	2012-13 Revised budget \$'000	2013-14 Budget \$'000	2014-15 Forw ard year 1 \$'000	2015-16 Forw ard year 2 \$'000	2016-17 Forw ard year 3 \$'000
Special Appropriations:					
<i>Parliamentary Service Act 1999 s64D</i>	-	-	250	250	250
Annual departmental expenses	5,134	7,544	7,116	7,618	7,250
Expenses not requiring appropriation in the Budget year <sup>1</sup>	152	334	337	340	343
<b>Total program expenses</b>	<b>5,286</b>	<b>7,878</b>	<b>7,703</b>	<b>8,208</b>	<b>7,843</b>

<sup>1</sup> Expenses not requiring appropriation in the Budget year is made up of depreciation expense, amortisation expense, and resources received free of charge.

#### Program Deliverables

The PBO will:

- undertake policy costings and budget analyses, outside of the caretaker period, in response to requests from Senators and Members
- during the caretaker period, respond to requests for publicly-announced policies to be costed by the PBO in accordance with the requirements of the *Parliamentary Service Act 1999* and the *Charter of Budget Honesty Act 1998*
- undertake its self-initiated work program to promote a better understanding of the budget and fiscal policy settings, and
- continue to place the PBO on a fully-operational footing with the capacity to

fulfil its mandate to the Australian Parliament.

**Program Key Performance Indicators**

The PBO's outputs are:

- high quality
- timely
- relevant, and
- useful to Parliamentary stakeholders.

Indicators of performance include:

- satisfaction from Parliamentary stakeholders, and
- independent and transparent processes are followed.

## **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 2013-14 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**

The PBO does not have any administered funding.

#### **3.1.2 Special Accounts**

The PBO does not have any Special Accounts.

#### **3.1.3 Australian Government Indigenous Expenditure**

The PBO does not have any Australian Government Indigenous Expenditure.

## **3.2 BUDGETED FINANCIAL STATEMENTS**

### **3.2.1 Differences in Agency Resourcing and Financial Statements**

There are no material differences between the agency resourcing table and the financial statements.

### **3.2.2 Analysis of Budgeted Financial Statements**

The PBO is budgeting for a surplus of \$1.0 million for 2012-13 and \$2.7 million in 2013-14. This is reflective of the establishment phase of the PBO including recognising the use of funds from the PBO's special appropriation as revenue in 2013-14 to complete its accommodation and secure information technology network projects which will be capitalised rather than expensed.

From 2014-15 onwards the PBO is budgeting for a break-even operating result, after non-appropriated expenses such as depreciation are removed.

The PBO has a sound financial position and has sufficient cash reserves to fund provisions and payables, and asset replacement, as they fall due.



### 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
	2012-13	2013-14	2014-15	2015-16	2016-17
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>EXPENSES</b>					
Employee benefits	2,560	5,885	5,899	6,050	6,213
Suppliers	2,704	1,790	1,601	1,955	1,427
Depreciation and amortisation	22	203	203	203	203
<b>Total expenses</b>	<b>5,286</b>	<b>7,878</b>	<b>7,703</b>	<b>8,208</b>	<b>7,843</b>
<b>LESS:</b>					
<b>OWN-SOURCE INCOME</b>					
<b>Own-source revenue</b>					
Sale of goods and rendering of services	130	131	134	137	140
<b>Total own-source income</b>	<b>130</b>	<b>131</b>	<b>134</b>	<b>137</b>	<b>140</b>
<b>Net cost of (contribution by) services</b>	<b>5,156</b>	<b>7,747</b>	<b>7,569</b>	<b>8,071</b>	<b>7,703</b>
Revenue from Government	6,191	10,493	7,370	7,871	7,512
<b>Surplus (Deficit) attributable to the Australian Government</b>	<b>1,035</b>	<b>2,746</b>	<b>(199)</b>	<b>(200)</b>	<b>(191)</b>
<b>OTHER COMPREHENSIVE INCOME</b>					
Total other comprehensive income	-	-	-	-	-
<b>Total comprehensive income (loss)</b>	<b>1,035</b>	<b>2,746</b>	<b>(199)</b>	<b>(200)</b>	<b>(191)</b>
<b>Total comprehensive income (loss) attributable to the Australian Government</b>	<b>1,035</b>	<b>2,746</b>	<b>(199)</b>	<b>(200)</b>	<b>(191)</b>

Prepared on Australian Accounting Standards basis.

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

	Estimated actual	Budget estimate	Forw ard estimate	Forw ard estimate	Forw ard estimate
	2012-13	2013-14	2014-15	2015-16	2016-17
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash and cash equivalents	153	338	370	402	352
Trade and other receivables	1,728	1,600	1,600	1,600	1,600
<b>Total financial assets</b>	<b>1,881</b>	<b>1,938</b>	<b>1,970</b>	<b>2,002</b>	<b>1,952</b>
<b>Non-financial assets</b>					
Property, plant and equipment	59	1,965	1,852	1,739	1,718
Intangibles	-	810	720	630	540
<b>Total non-financial assets</b>	<b>59</b>	<b>2,775</b>	<b>2,572</b>	<b>2,369</b>	<b>2,258</b>
<b>Total assets</b>	<b>1,940</b>	<b>4,713</b>	<b>4,542</b>	<b>4,371</b>	<b>4,210</b>
<b>LIABILITIES</b>					
<b>Provisions</b>					
Employee provisions	905	932	960	989	1,019
<b>Total provisions</b>	<b>905</b>	<b>932</b>	<b>960</b>	<b>989</b>	<b>1,019</b>
<b>Total liabilities</b>	<b>905</b>	<b>932</b>	<b>960</b>	<b>989</b>	<b>1,019</b>
<b>Net assets</b>	<b>1,035</b>	<b>3,781</b>	<b>3,582</b>	<b>3,382</b>	<b>3,191</b>
<b>EQUITY*</b>					
Retained surplus (accumulated deficit)/ surplus	1,035	3,781	3,582	3,382	3,191
<b>Total Equity</b>	<b>1,035</b>	<b>3,781</b>	<b>3,582</b>	<b>3,382</b>	<b>3,191</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 2013-14)**

	Retained earnings	Asset revaluation reserve	Other reserves	Contributed equity/ capital	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Opening balance as at 1 July 2013</b>					
Balance carried forward from previous period	1,035	-	-	-	1,035
<b>Adjusted opening balance</b>	<b>1,035</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,035</b>
<b>Comprehensive income</b>					
Surplus (deficit) for the period	2,746	-	-	-	2,746
<b>Total comprehensive income</b>	<b>2,746</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,746</b>
of which:					
Attributable to the Australian Government	2,746	-	-	-	2,746
<b>Estimated closing balance as at 30 June 2014</b>	<b>3,781</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,781</b>
<b>Closing balance attributable to the Australian Government</b>	<b>3,781</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,781</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
	2012-13	2013-14	2014-15	2015-16	2016-17
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Appropriations	4,463	10,621	7,370	7,871	7,512
Other	696	-	-	-	-
<b>Total cash received</b>	<b>5,159</b>	<b>10,621</b>	<b>7,370</b>	<b>7,871</b>	<b>7,512</b>
<b>Cash used</b>					
Employees	2,351	5,858	5,871	6,021	6,183
Suppliers	2,574	1,659	1,467	1,818	1,287
<b>Total cash used</b>	<b>4,925</b>	<b>7,517</b>	<b>7,338</b>	<b>7,839</b>	<b>7,470</b>
<b>Net cash from (used by) operating activities</b>	<b>234</b>	<b>3,104</b>	<b>32</b>	<b>32</b>	<b>42</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash used</b>					
Purchase of property, plant and equipment	81	2,919	-	-	92
<b>Total cash used</b>	<b>81</b>	<b>2,919</b>	<b>-</b>	<b>-</b>	<b>92</b>
<b>Net cash from (used by) investing activities</b>	<b>(81)</b>	<b>(2,919)</b>	<b>-</b>	<b>-</b>	<b>(92)</b>
<b>FINANCING ACTIVITIES</b>					
<b>Net cash from (used by) financing activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net increase (decrease) in cash held</b>	<b>153</b>	<b>185</b>	<b>32</b>	<b>32</b>	<b>(50)</b>
Cash and cash equivalents at the beginning of the reporting period	-	-	-	-	-
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>153</b>	<b>185</b>	<b>32</b>	<b>32</b>	<b>(50)</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
	2012-13	2013-14	2014-15	2015-16	2016-17
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>PURCHASE OF NON-FINANCIAL ASSETS</b>					
Funded internally from					
Departmental Appropriation	81	-	-	-	92
Special Appropriation	-	2,919	-	-	-
<b>TOTAL</b>	<b>81</b>	<b>2,919</b>	<b>-</b>	<b>-</b>	<b>92</b>
<b>RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE</b>					
Total purchases	81	2,919	-	-	92
<b>Total cash used to acquire assets</b>	<b>81</b>	<b>2,919</b>	<b>-</b>	<b>-</b>	<b>92</b>

Prepared on Australian Accounting Standards basis.

**Table 3.2.6: Statement of Asset Movements (2013-14)**

	Land	Buildings	Other property, plant and equipment	Heritage and cultural	Investment property	Computer software and intangibles	L&B, IP&E held for sale	Other	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>As at 1 July 2013</b>									
Gross book value			81						81
Accumulated depreciation/amortisation and impairment			(22)						(22)
<b>Opening net book balance</b>	-	-	<b>59</b>	-	-	-	-	-	<b>59</b>
<b>CAPITAL ASSET ADDITIONS</b>									
<b>Estimated expenditure on new or replacement assets</b>									
By purchase - special appropriation			2,019			900			2,919
<b>Total additions</b>	-	-	<b>2,019</b>	-	-	<b>900</b>	-	-	<b>2,919</b>
<b>Other movements</b>									
Depreciation/amortisation expense			(113)			(90)			(203)
<b>Total other movements</b>	-	-	<b>(113)</b>	-	-	<b>(90)</b>	-	-	<b>(203)</b>
<b>As at 30 June 2014</b>									
Gross book value			2,100			900			3,000
Accumulated depreciation/amortisation and impairment			(135)			(90)			(225)
<b>Closing net book balance</b>	-	-	<b>1,965</b>	-	-	<b>810</b>	-	-	<b>2,775</b>

Prepared on Australian Accounting Standards basis.

### **3.2.4 Notes to the Financial Statements**

The financial statements contain estimates prepared in accordance with the requirements of the Australian Government's financial budgeting and reporting framework, including Australian Accounting Standards, as well as specific guidelines issued by the Department of Finance and Deregulation.

The financial statements have been prepared on an accrual and fair value basis and are in accordance with the historical cost convention, with the exception of employee entitlements.

#### **Budgeted financial statements**

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

Agency assets, liabilities, revenue and expenses are those which are controlled by the agency. Agency expenses include employee and supplier expenses and other administrative costs, which are incurred by the agency in providing its goods and services to the Australian Parliament.

The Parliamentary Budget Office does not have any administered transactions.

#### **Budgeted comprehensive income statement**

Under the net cash appropriation framework the PBO receives an output appropriation to meet budgeted expenses (except depreciation). The output appropriation is recognised in revenue.

The PBO receives a special appropriation for the establishment of the agency. The special appropriation is recognised in revenue in the year the funds are spent or committed. The associated expense is recognised in the statement of comprehensive income except where the PBO has purchased assets which are recognised in the balance sheet.