

AUSTRALIAN BUREAU OF STATISTICS

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AUSTRALIAN BUREAU OF STATISTICS

Section 1: Agency overview and resources

1.1 STRATEGIC DIRECTION STATEMENT

The role of the Australian Bureau of Statistics (ABS) is to assist and encourage informed decision-making, research and discussion within governments and the community, by leading a high quality, objective and responsive national statistical service (NSS). The ABS is Australia's official national statistical agency, providing key official statistics on a wide range of economic, environmental and social issues.

The ABS's legislated functions include:

- operate as a central statistical authority for the Australian Government and provide statistical services for state and territory governments;
- collect, compile, analyse and disseminate statistics and related information; and
- coordinate 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 support decision-making, research and discussion by governments and the community;

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- statistical leadership: provide statistical leadership to national and international organisations to build an improved global and NSS 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 on the ABS's work program. Key external drivers of, and challenges for, the ABS work program include:

- the need to reflect rapid change and real world complexity in trusted official statistics;
- the increasing demand for evidence-based policy;
- the increasing demand for flexible and accessible statistical information;
- the need to improve the way the ABS engage with users, providers and producers of statistics in the new and emerging technological landscape, including the need to deliver a primarily digital Census of Population and Housing in 2016;
- the need to utilise and improve existing data sets held by government or other organisations to reduce provider burden, enhance Australia's statistical resources and increase coherence; and
- the continuing need to maintain the trust and privacy of providers.

1.2 AGENCY RESOURCE STATEMENT

Table 1.1 shows the total resources from the ABS.

Table 1.1: Australian Bureau of Statistics 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
Ordinary annual services				
Departmental appropriations				
Prior year departmental appropriation	22,180 ⁵	-	22,180	-
Departmental appropriation ⁴	-	330,713 ¹	330,713	330,549
Receipts from other sources (s31)	-	45,963 ³	45,963	49,388
Total ordinary annual services	A 22,180	376,676	398,856	379,937
Other services				
Departmental non-operating				
Equity injections	-	8,211 ²	8,211	429
Total other services	B -	8,211	8,211	429
Total net resourcing for the ABS (A+B)	22,180	384,887	407,067	380,366

1. Appropriation Bill (No. 1) 2013-14.

2. Appropriation Bill (No. 2) 2013-14.

3. Receipts received under section 31 (s31) of the *Financial Management and Accountability Act 1997*.

4. Includes an amount of \$20.2 million in 2013-14 for the Departmental Capital Budget (refer to Table 3.2.5 for further details).

5. Estimated adjusted balance carried forward from previous year.

1.3 BUDGET MEASURES

Budget measures relating to the ABS are summarised below.

Table 1.2: Australian Bureau of Statistics 2013-14 Budget measures

	2012-13	2013-14	2014-15	2015-16	2016-17	
Program	\$'000	\$'000	\$'000	\$'000	\$'000	
Expense measures						
Australian Bureau of Statistics						
- additional funding for Input-Output Data Tables and the Household Expenditure Survey	1.1	- 3,899	2,528	-	-	
Fire Service Levy						
- reduction ¹	1.1	(44)	(46)	(48)	(48)	
Population Census 2016						
- transition to a new model	1.1	- 11,925	17,893	5,967	(69,342)	
Statistical Infrastructure Project	1.1	- 2,125	-	-	-	
Targeted savings - public service efficiencies ²	1.1	(1,437)	(1,967)	(2,053)	(2,225)	
Total expense measures		(1,481)	15,936	18,320	3,554	(71,615)
Related capital						
Australian Bureau of Statistics						
- additional funding for Input-Output Data Tables and the Household Expenditure Survey	1.1	- 80	80	-	-	
Population Census 2016						
- transition to a new model	1.1	- 8,075	7,107	17,033	1,342	
Total related capital		- 8,155	7,187	17,033	1,342	
Total measures		(1,481)	24,091	25,507	20,587	(70,273)

1 This measure was included in the Finance and Deregulation portfolio in Budget Paper No.2, *Budget Measures 2012-13*.

2. This measure was included as a cross portfolio measure in the *Mid-Year Economic and Fiscal Outlook 2012-13*.

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

The ABS's outcome is described below, specifying the strategy, program objective, program deliverables and program key performance indicators used to assess and monitor the performance of the ABS.

Outcome 1: Informed decisions, 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;
- improving the accessibility and timeliness of Australia's official statistical information;
- ensuring relevance of official solutions and informed use of official statistics by actively building relationships with providers and users; and
- implementing national and international statistics standards and frameworks.

The ABS will provide statistical leadership by:

- developing statistical capability in Asia and the Pacific Region;
- engaging with users and the Australian community to build domestic statistical capability;

- influencing the development of international statistical frameworks and systems; and
- engaging with national statistical producers through the NSS to:
 - champion whole-of-government statistical data integration to improve Australia’s statistical assets while maintaining privacy;
 - coordinate 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 effectively targeted through the Essential Statistical Assets for Australia and related Essential Statistical Infrastructure for Australia initiatives;
- transforming statistical business systems to 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 decisions, research and discussion within governments and the community by leading the collection, analysis and provision of high quality, objective and relevant statistical information	2012-13 Estimated actual expenses \$'000	2013-14 Estimated expenses \$'000
Program 1.1: Australian Bureau of Statistics		
Departmental expenses		
Departmental appropriation	390,925	356,089
Expenses not requiring appropriation in the budget year	32,780	32,715
Total expenses for Outcome 1	423,705	388,804
	2012-13	2013-14
Average staffing level (number)¹	2,921	2,685

¹ The projected decrease of 236 between 2012-13 and 2013-14 relates to the cyclical nature of activities for the Census as well as the efficiency dividend and other savings measures.

Contributions to Outcome 1

Program 1.1: Australian Bureau of Statistics

Program 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;
- the cooperation and support of the providers continued;
- 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.

Program expenses

There is no significant change to estimates in 2013-14 and 2014-15. 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).

Table 2.2: Program expenses

	2012-13 Revised budget \$'000	2013-14 Budget \$'000	2014-15 Forward year 1 \$'000	2015-16 Forward year 2 \$'000	2016-17 Forward year 3 \$'000
Annual departmental expenses					
Departmental items	423,705	388,804	392,415	452,161	584,882
Total departmental expenses	423,705	388,804	392,415	452,161	584,882

Program deliverables

In 2013-14 and onwards, the ABS will:

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

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- improve the relevance, reliability and accuracy of the ABS statistical program by implementing ongoing methodological developments and statistical standards, and undertaking ongoing engagement with external stakeholders;
- integrate data, as a commonwealth integrating authority, to produce new official statistics to inform society;
- provide leadership in data integration by providing both the chair and secretariat services to the Cross Portfolio Data Integration Oversight Board;
- provide statistical advice and leadership to Australian governments to improve coherence within the NSS;
- undertake statistical capability development programs in Australia and the Asia-Pacific region;
- provide advice and guidance on the development and implementation of statistical standards and frameworks internationally;
- transform the ABS's business systems and processes to improve efficiency and ensure ABS's central role in Australia's long-term statistical sustainability; and
- prepare and deliver a primarily digital Census in 2016.

Program 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;
- 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 the 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;
- domestic statistical literacy programs effectively engage target audiences;
- effective delivery of international engagement programs to increase the statistical capability of national statistical offices (NSOs) in the Asia-Pacific region;
- the NSS priorities are progressed or met;
- product, services and tools are available and improved to assist providers to meet their obligations;
- the ABS progress 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 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 ABS does not have any administered funds.

3.1.2 Special accounts

Special accounts provide a means to set aside and record amounts used for specified purposes. Special accounts can be created by a Finance Minister's Determination under the *Financial Management and Accountability Act 1997* or under separate enabling legislation. Table 3.1.2 shows the expected additions (receipts) and reductions (payments) for each account used by the ABS.

Table 3.1.2: Estimates of special account cash flows and balances

		Opening balance 2013-14 2012-13	Receipts 2013-14 2012-13	Payments 2013-14 2012-13	Adjustments 2013-14 2012-13	Closing balance 2013-14 2012-13
	Outcome	\$'000	\$'000	\$'000	\$'000	\$'000
Services for Other Entities and Trust Moneys - Australian Bureau of Statistics Special Account	1	- -	- -	- -	- -	- -
Total special accounts						
2013-14 Budget estimate		-	-	-	-	-
Total special accounts 2012-13 estimate actual		-	-	-	-	-

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 agency resourcing and financial statements

The difference between the agency level resource statement and the sum of all outcome resource statements is the expected carry-forward amount of resources for the 2013-14 budget year, including amounts related to meeting future obligations to maintain the agency'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. Goods and services revenue in 2013-14 and the forward years reflects the expected services to be rendered.

The ABS is budgeting for an operating loss of \$7.5 million for 2012-13. The operating loss is due to the cyclical nature of Census funding together with a low rate of staff attrition in both 2011-12 and 2012-13. The ABS is budgeting for a departmental break-even operating result for 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)**

	Estimated actual 2012-13 \$'000	Budget estimate 2013-14 \$'000	Forward estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000
EXPENSES					
Employee benefits	290,253	266,395	265,234	310,847	462,521
Supplier	99,672	89,194	93,972	103,992	87,513
Depreciation and amortisation	32,780	32,715	32,709	36,822	34,348
Other	1,000	500	500	500	500
Total expenses	423,705	388,804	392,415	452,161	584,882
LESS:					
OWN-SOURCE INCOME					
Revenue					
Sale of goods and rendering of services	70,703	45,963	34,000	35,000	35,000
Total revenue	70,703	45,963	34,000	35,000	35,000
Gains					
Sale of assets	100	100	100	100	100
Other gains	120	120	120	120	120
Total gains	220	220	220	220	220
Total own-source income	70,923	46,183	34,220	35,220	35,220
Net cost of (contribution by) services	352,782	342,621	358,195	416,941	549,662
Appropriation revenue	312,502	310,523	325,845	380,119	515,314
Surplus (deficit) attributable to the Australian Government	(40,280)	(32,098)	(32,350)	(36,822)	(34,348)
Note: Impact of Net Cash Appropriation Arrangements					
	2012-13 \$'000	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000
Total Comprehensive Income (loss) less depreciation/amortisation expenses previously funded through revenue appropriations	(7,500)	617	359	-	-
plus depreciation/amortisation expenses previously funded through revenue appropriations	(32,780)	(32,715)	(32,709)	(36,822)	(34,348)
Total Comprehensive Income (loss) - as per the Statement of Comprehensive Income	(40,280)	(32,098)	(32,350)	(36,822)	(34,348)

Prepared on Australian Accounting Standards basis.

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

	Estimated actual 2012-13 \$'000	Budget estimate 2013-14 \$'000	Forward estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000
ASSETS					
Financial assets					
Cash and equivalents	4,845	4,845	4,845	4,845	4,845
Trade and other receivables	28,072	26,399	29,399	29,399	29,399
Total financial assets	32,917	31,244	34,244	34,244	34,244
Non-financial assets					
Infrastructure, plant and equipment	48,087	48,493	45,622	48,120	39,883
Intangibles	71,020	67,379	66,725	65,862	62,585
Other non-financial assets	9,200	9,200	9,200	9,200	9,200
Total non-financial assets	128,307	125,072	121,547	123,182	111,668
Total assets	161,224	156,316	155,791	157,426	145,912
LIABILITIES					
Interest bearing liabilities					
Leases	4,931	4,931	4,931	4,931	4,931
Total interest bearing liabilities	4,931	4,931	4,931	4,931	4,931
Provisions					
Employees	84,677	87,273	89,273	89,273	89,273
Other	6,418	6,418	6,418	6,418	6,418
Total provisions	91,095	93,691	95,691	95,691	95,691
Payables					
Suppliers	21,345	18,100	19,100	19,100	19,100
Other	15,036	14,474	14,474	14,474	14,474
Total payables	36,381	32,574	33,574	33,574	33,574
Total liabilities	132,407	131,196	134,196	134,196	134,196
Net assets	28,817	25,120	21,595	23,230	11,716
EQUITY					
Contributed equity	101,476	129,877	158,702	197,159	219,993
Reserves	23,605	23,605	23,605	23,605	23,605
Retained surpluses or accumulated deficits	(96,264)	(128,362)	(160,712)	(197,534)	(231,882)
Total equity	28,817	25,120	21,595	23,230	11,716
Current assets	62,534	60,631	60,427	61,061	56,595
Non-current assets	98,690	95,685	95,364	96,365	89,317
Current liabilities	65,897	65,295	66,788	66,788	66,788
Non-current liabilities	66,510	65,901	67,408	67,408	67,408

Prepared on Australian Accounting Standards basis.

**Table 3.2.3: Budgeted departmental statement of cash flows
(for the period ended 30 June)**

	Estimated actual 2012-13 \$'000	Budget estimate 2013-14 \$'000	Forward estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000
OPERATING ACTIVITIES					
Cash received					
Goods and services	49,388	45,963	34,000	35,000	35,000
Appropriations	360,405	314,896	322,845	380,119	515,314
Net GST received	6,949	6,686	6,256	7,528	3,325
Total cash received	416,742	367,545	363,101	422,647	553,639
Cash used					
Employees	294,519	264,360	263,234	310,847	462,521
Suppliers	109,283	92,320	90,597	101,153	83,413
Net GST paid	9,649	9,386	8,511	10,247	7,305
Other cash used	500	500	500	500	500
Total cash used	413,951	366,566	362,842	422,747	553,739
Net cash from or (used by) operating activities	2,791	979	259	(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	21,367	29,480	29,184	38,457	22,834
Total cash used	21,367	29,480	29,184	38,457	22,834
Net cash from or (used by) investing activities	(21,267)	(29,380)	(29,084)	(38,357)	(22,734)
FINANCING ACTIVITIES					
Cash received					
Appropriations - contributed equity	18,476	28,401	28,825	38,457	22,834
Total cash received	18,476	28,401	28,825	38,457	22,834
Net cash from or (used by) financing activities	18,476	28,401	28,825	38,457	22,834
Net increase or (decrease) in cash held	-	-	-	-	-
Cash at the beginning of the reporting period	4,845	4,845	4,845	4,845	4,845
Cash at the end of the reporting period	4,845	4,845	4,845	4,845	4,845

Prepared on Australian Accounting Standards basis.

**3.2.4: Departmental statement of changes in equity — summary of movement
(budget year 2013-14)**

	Retained surpluses \$'000	Asset revaluation reserve \$'000	Other reserves \$'000	Contributed equity/ capital \$'000	Total equity \$'000
Opening balance as at 1 July 2013					
Balance carried forward from previous period	(96,264)	23,605	-	101,476	28,817
Adjusted opening balance	(96,264)	23,605	-	101,476	28,817
Comprehensive income					
Surplus (deficit) for the period	(32,098)	-	-	-	(32,098)
Total comprehensive income recognised directly in equity	(32,098)	-	-	-	(32,098)
Transactions with owners					
<i>Contributions by owners</i>					
Appropriation (equity injection)	-	-	-	8,211	8,211
Appropriation (departmental capital budget)	-	-	-	20,190	20,190
Total transactions with owners	-	-	-	28,401	28,401
Estimated closing balance as at 30 June 2014	(128,362)	23,605	-	129,877	25,120

Prepared on Australian Accounting Standards basis.

Table 3.2.5: Departmental capital budget (DCB) statement

	Estimated actual 2012-13 \$'000	Budget estimate 2013-14 \$'000	Forward estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000
NEW CAPITAL APPROPRIATIONS					
Capital budget - Bill 1 - DCB	18,047	20,190	21,582	21,424	21,492
Total equity injections	429	8,211	7,243	17,033	1,342
Total new capital appropriations	18,476	28,401	28,825	38,457	22,834
Provided for:					
Purchase of non-financial assets	18,476	28,401	28,825	38,457	22,834
Total Items	18,476	28,401	28,825	38,457	22,834
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations	605	8,673	7,243	17,033	1,342
Funded by capital appropriation - DCB	19,169	20,190	21,582	21,424	21,492
Funded internally from departmental resources	1,593	617	359	-	-
TOTAL	21,367	29,480	29,184	38,457	22,834
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	21,367	29,480	29,184	38,457	22,834
Total cash used to acquire assets	21,367	29,480	29,184	38,457	22,834

Prepared on Australian Accounting Standards basis.

Table 3.2.6: Statement of asset movements — departmental

	Buildings \$'000	Other infrastructure, plant and equipment \$'000	Intangibles \$'000	L&B, IP&E held for sale \$'000	Total \$'000
As at 1 July 2013					
Gross book value	-	74,307	205,312	-	279,619
Accumulated depreciation/amortisation and impairment	-	26,220	134,292	-	160,512
Opening net book balance	-	48,087	71,020	-	119,107
Capital asset additions					
By purchase - appropriation equity	-	2,175	6,498	-	8,673
By purchase - departmental resource	-	-	617	-	617
By purchase - appropriation ordinary annual services	-	11,226	8,964	-	20,190
Total asset additions	-	13,401	16,079	-	29,480
Other movements					
Depreciation/amortisation expense	-	12,995	19,720	-	32,715
Total other movements	-	12,995	19,720	-	32,715
As at 30 June 2014					
Gross book value	-	87,708	221,391	-	309,099
Accumulated depreciation/amortisation and impairment	-	39,215	154,012	-	193,227
Closing net book balance	-	48,493	67,379	-	115,872

Prepared on Australian Accounting Standards basis.

3.2.4 Notes to the financial statements

Basis of accounting

The agency 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 agencies control (agency transactions) are budgeted and reported separately 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, revenues and expenses in relation to an agency are those that 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.

Budgeted departmental income statement

Revenues

Appropriations

The ABS is appropriated from government for its program.

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 agencies, 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.

Interest bearing liabilities

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 interest, 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

Australian Government agencies and authorities are required to value property, plant and equipment and other infrastructure assets using the fair value method of valuation. This essentially reflects the current cost the entity would face in replacing that asset.