

ATTORNEY-GENERAL'S DEPARTMENT

Section 1: Agency overview and resources

1.1 STRATEGIC DIRECTION STATEMENT

The Attorney-General's Department is the central policy and coordinating department of the Attorney-General's portfolio.

The Department delivers programmes and policies to maintain and improve Australia's law and justice framework, strengthen national security and emergency management, and provide support for arts and culture.

In 2014–15 the Department will focus on the following priority areas:

- facilitating the recognition of rights and responsibilities and the preservation of a free society
- ensuring an efficient and effective justice system, including by reducing regulation
- pursuing a national approach to fighting and preventing crime, including through a coordinated response to organised crime and criminal gangs
- delivering improved counter-terrorism and national security
- providing national leadership in disaster resilience and emergency management
- encouraging participation in Australia's arts and culture and greater private sector support for the arts
- supporting development of, and consultation on, a proposal to recognise Aboriginal and Torres Strait Islander peoples in the Constitution.

The Department will continue to work closely and cooperatively with its portfolio agencies, other government agencies (Commonwealth, state, territory and local government), advisory bodies, training institutions, businesses, professional associations, community organisations and citizens in achieving its objectives.

The Department will continue to strengthen its relationship with citizens and business, its capacity to effectively deliver on the Australian Government's commitments, the efficiency, quality and agility of its services, and its ability to identify and address future challenges.

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: Agency resource statement—Budget estimates for 2014–15 as at Budget May 2014

	Estimate of prior year amounts available in 2014–15 \$'000	+ Proposed at Budget 2014–15 \$'000	= Total estimate 2014–15 \$'000	Actual available appropriation 2013–14 \$'000
ORDINARY ANNUAL SERVICES¹				
Departmental appropriation				
Prior year departmental appropriation ²	40,197	–	40,197	32,513
Departmental appropriation ^{3, 4}	–	241,391	241,391	239,369
s 31 relevant agency receipts ⁵	–	113,263	113,263	106,008
Total	40,197	354,654	394,851	377,890
Administered expenses				
Outcome 1 ^{4, 6}	–	470,030	470,030	525,293
Outcome 2 ^{4, 6}	–	211,205	211,205	133,615
Payments to CAC Act bodies ⁷	–	439,103	439,103	270,813
Total	–	1,120,338	1,120,338	929,721
Total ordinary annual services	40,197	1,474,992	1,515,189	1,307,611
OTHER SERVICES⁸				
Administered expenses				
Specific payments to states, ACT, NT and local government				
Outcome 1	–	5,712	5,712	5,000
Total	–	5,712	5,712	5,000
Departmental non-operating				
Prior year departmental appropriation ²	1,483	–	1,483	1,483
Equity injections	–	590	590	6,920
Total	1,483	590	2,073	8,403
Administered non-operating				
Prior year administered appropriation ²	25,622	–	25,622	25,622
Administered assets and liabilities	–	28,660	28,660	124,404
Payments to CAC Act bodies ⁷	–	31,515	31,515	8,601
Total	25,622	60,175	85,797	158,627
Total other services	27,105	66,477	93,582	172,030
Total available annual appropriations	68,786	1,541,469	1,608,771	1,479,642

Table 1.1: Agency resource statement—Budget estimates for 2014–15 as at Budget May 2014 (continued)

	Estimate of prior year amounts available in 2014–15 \$'000	+ Proposed at Budget 2014–15 \$'000	= Total estimate 2014–15 \$'000	Actual available appropriation 2013–14 \$'000
SPECIAL APPROPRIATIONS				
Special appropriations limited by criteria/entitlement				
<i>Law Officers Act 1964</i>	–	450	450	450
<i>Social Security (Administration) Act 1999—Australian Victims of Terrorism Overseas Payment</i>	–	7,060	7,060	29,057
<i>Social Security (Administration) Act 1999</i>	–	265	265	13,000
Total special appropriations	C	7,775	7,775	42,507
Total appropriations excluding special accounts	68,786	1,549,244	1,616,546	1,522,149
SPECIAL ACCOUNTS				
Opening balance ⁹	–	7,565	7,565	10,946
Appropriation receipts		1,927	1,927	500
Non-appropriation receipts to special accounts	–	47,804	47,804	9,122
Total special accounts	D	57,296	57,296	20,568
Total resourcing (A+B+C+D)	67,302	1,606,540	1,673,842	1,542,717
Less appropriations drawn from annual or special appropriations above and credited to special accounts appropriation and non-appropriation receipts and/or CAC Act bodies through annual appropriations	–	(472,545)	(472,545)	(279,914)
Total net resourcing for agency	67,302	1,133,995	1,201,297	1,262,803

CAC Act = *Commonwealth Authorities and Companies Act 1997*.

All figures are GST exclusive.

1. Appropriation Bill (No. 1) 2014–15.
2. Estimated adjusted balance carried forward from previous years.
3. Includes an amount of \$9.735m in 2014–15 for the departmental capital budget (see Table 3.2.5 for further details). For accounting purposes this amount has been designated as 'contributions by owners'.
4. Includes funding provided through the 2013–14 Supplementary Additional Estimates.
5. Section 31 relevant agency receipts—estimate. Includes estimated reimbursement from the Department of Defence for the administration of the Defence Abuse Response Taskforce of \$67.751m in 2014–15 and \$62.194m in 2013–14.
6. Includes an amount of \$2.531m in 2014–15 for the administered capital budget, an amount of \$0.866m for Outcome 1 and an amount of \$1.665m for Outcome 2 (see Table 3.2.10 for further details). For accounting purposes these amounts have been designated as 'contributions by owners'.
7. For details, see third-party payments table below.
8. Appropriation Bill (No. 2) 2014–15.
9. Estimated opening balance for special accounts. For further information on special accounts, see Table 3.1.2.

Third-party payments from and on behalf of other agencies

	2014–15	2013–14
	\$'000	\$'000
Payments made on behalf of other agencies	3,816	3,744
Australian Public Service Commission— <i>Remuneration Tribunal Act 1973</i> (s 7)	3,816	3,744
Payments made to CAC Act bodies within the portfolio	470,618	279,414
Administered Bill 1		
Australia Council	211,764	128,786
Australian Film, Television and Radio School	24,335	18,321
Australian National Maritime Museum	22,309	10,816
National Film and Sound Archive of Australia	25,995	1,260
National Gallery of Australia	33,299	24,871
National Library of Australia	50,368	37,666
National Museum of Australia	41,590	27,853
National Portrait Gallery of Australia	11,487	7,767
Screen Australia	17,956	13,473
Total Administered Bill 1	439,103	270,813
Administered Bill 2		
Australian National Maritime Museum	1,729	1,200
National Gallery of Australia	17,004	–
National Library of Australia	9,792	7,401
National Museum of Australia	1,964	–
National Portrait Gallery of Australia	200	–
Screen Australia	826	–
Total Administered Bill 2	31,515	8,601

1.3 BUDGET MEASURES

Budget measures announced since the 2013–14 Mid-Year Economic and Fiscal Outlook (MYEFO) relating to the Department are detailed in Budget Paper No. 2 and are summarised in Part 1 of Table 1.2. MYEFO measures and other measures not previously reported in a portfolio statement are summarised in Part 2.

Table 1.2: Agency 2014–15 Budget measures

Part 1: Measures announced since the 2013–14 MYEFO

	Programme	2013–14 \$'000	2014–15 \$'000	2015–16 \$'000	2016–17 \$'000	2017–18 \$'000
Expense measures						
Smaller Government—Privacy and Freedom of Information functions—new arrangements	1.1					
Administered expenses		–	–	–	–	–
Departmental expenses		–	461	867	864	873
Total		–	461	867	864	873
2018 Gold Coast Commonwealth Games—operational support ¹	1.2					
Administered expenses		–	–	–	–	–
Departmental expenses		–	–	–	–	–
Total		–	–	–	–	–
Australian Emergency Management Institute—establish as a Virtual Institute	1.2					
Administered expenses		–	–	–	–	–
Departmental expenses		–	2,384	(1,079)	(1,082)	(1,106)
Total		–	2,384	(1,079)	(1,082)	(1,106)
Official Development Assistance—reprioritised funding ²	1.2, 1.6					
Administered expenses		–	(250)	(250)	(250)	–
Departmental expenses		–	(150)	(150)	(150)	(100)
Total		–	(400)	(400)	(400)	(100)
Schools Security Programme	1.2, 1.6					
Administered expenses		–	5,712	5,714	5,714	–
Departmental expenses		–	288	286	286	–
Total		–	6,000	6,000	6,000	–
Human Rights Education—cessation	1.3					
Administered expenses		–	(301)	(314)	(329)	(844)
Departmental expenses		–	–	–	–	–
Total		–	(301)	(314)	(329)	(844)
Legal Aid—withdrawal of additional funding	1.3					
Administered expenses		–	(15,000)	–	–	–
Departmental expenses		–	–	–	–	–
Total		–	(15,000)	–	–	–
Confiscated Assets Account—additional expenditure	1.6					
Administered expenses		–	21,500	21,500	9,000	9,000
Departmental expenses		–	–	–	–	–
Total		–	21,500	21,500	9,000	9,000
Safer Streets Programme—establishment	1.6					
Administered expenses		250	18,523	14,668	14,852	211
Departmental expenses		–	–	–	–	–
Total		250	18,523	14,668	14,852	211

Part 1: Measures announced since the 2013–14 MYEFO (continued)

	Programme	2013–14 \$'000	2014–15 \$'000	2015–16 \$'000	2016–17 \$'000	2017–18 \$'000
Expense measures (continued)						
Arts programmes—reduced funding	2.1					
Administered expenses		–	(4,381)	(4,988)	(9,791)	(14,612)
Departmental expenses		–	–	–	–	–
Total		–	(4,381)	(4,988)	(9,791)	(14,612)
Australian Ballet School student residence	2.1					
Administered expenses		–	1,000	–	–	–
Departmental expenses		–	–	–	–	–
Total		–	1,000	–	–	–
Australian Interactive Games Fund—cessation	2.1					
Administered expenses		–	(10,000)	–	–	–
Departmental expenses		–	–	–	–	–
Total		–	(10,000)	–	–	–
Creative Partnerships Australia—operational funding—continuation	2.1					
Administered expenses		–	(261)	1,842	1,875	1,909
Departmental expenses		–	–	–	–	–
Total		–	(261)	1,842	1,875	1,909
Get Reading! Programme—cessation	2.1					
Administered expenses		–	(1,600)	(1,600)	(1,600)	(1,600)
Departmental expenses		–	–	–	–	–
Total		–	(1,600)	(1,600)	(1,600)	(1,600)
Indigenous Languages Support Programme—reduced funding	2.1					
Administered expenses		–	(2,300)	(2,300)	(2,400)	(2,500)
Departmental expenses		–	–	–	–	–
Total		–	(2,300)	(2,300)	(2,400)	(2,500)
Matthew Flinders Chart	2.1					
Administered expenses		–	25	168	–	–
Departmental expenses		–	–	–	–	–
Total		–	25	168	–	–
Total expense measures						
Administered		250	12,667	34,440	17,071	(8,436)
Departmental		–	2,983	(76)	(82)	(333)
Total		250	15,650	34,364	16,989	(8,769)
Capital measures						
Smaller Government—Privacy and Freedom of Information functions—new arrangements	1.1					
Departmental capital		–	400	–	–	–
Total capital measures		–	400	–	–	–

Prepared on a Government Finance Statistics (fiscal) basis.

Note: Budget Paper No. 2 also includes the measure *Royal Commission into Trade Union Governance and Corruption—establishment*, which was published in the 2013–14 Supplementary Additional Estimates.

1. The lead agency for this measure is the Department of Health. The full measure description and package details appear in Budget Paper No. 2 under the Health portfolio. The Department will absorb its costs for this measure.

Notes to Part 1 (continued):

2. The lead agency for this measure is the Department of Foreign Affairs and Trade. The full measure description and package details appear in Budget Paper No. 2 under the Foreign Affairs and Trade portfolio. Official Development Assistance savings of \$0.400m were provided in 2013–14 and published in the 2013–14 Portfolio Additional Estimates Statements, providing total savings over five years of \$1.700m.

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

	2013–14	2014–15	2015–16	2016–17	2017–18
Programme	\$'000	\$'000	\$'000	\$'000	\$'000
Measures					
Efficiency Dividend— a further temporary increase of 0.25 per cent					
1.1, 1.2, 2.1					
Departmental expenses	–	(607)	(1,197)	(1,685)	(1,699)
Total measures	–	(607)	(1,197)	(1,685)	(1,699)

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 agencies achieve the intended results of their outcome statements. Agencies are required to identify the programmes that contribute to government outcomes over the budget and forward years.

The Department's outcomes are described below together with their related programmes, specifying the performance indicators and targets used to assess and monitor the performance of the Department in achieving government outcomes.

Outcome 1: A just and secure society through the maintenance and improvement of Australia's law and justice framework and its national security and emergency management system

Outcome 1 strategy

The Department assists the Australian Government to meet its policy objectives by:

- protecting and promoting the rule of law
- building a safe, secure and resilient Australia.

Outcome 1 expense statement

Table 2.1.1 provides an overview of the total expenses for Outcome 1, by programme.

Table 2.1.1: Budgeted expenses for Outcome 1

	2013–14 Estimated actual expenses \$'000	2014–15 Estimated expenses \$'000
Outcome 1: A just and secure society through the maintenance and improvement of Australia's law and justice framework and its national security and emergency management system		
Programme 1.1: Attorney-General's Department Operating Expenses—Civil Justice and Legal Services		
Departmental expenses		
Departmental appropriation ¹	158,047	159,540
Expenses not requiring appropriation in the budget year ²	180	169
Total for Programme 1.1	158,227	159,709
Programme 1.2: Attorney-General's Department Operating Expenses—National Security and Criminal Justice		
Departmental expenses		
Departmental appropriation ¹	154,180	154,825
Expenses not requiring appropriation in the budget year ³	26,820	23,578
Total for Programme 1.2	181,000	178,403
Programme 1.3: Justice Services		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	114,127	91,608
Special appropriations	450	450
Total for Programme 1.3	114,577	92,058
Programme 1.4: Family Relationships		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	161,405	165,895
Total for Programme 1.4	161,405	165,895
Programme 1.5: Indigenous Law and Justice		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	105,720	74,893
Total for Programme 1.5	105,720	74,893
Programme 1.6: National Security and Criminal Justice		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	42,176	42,349
Other services (Appropriation Bill No. 2)	5,000	5,712
Special appropriations	29,057	7,060
Special accounts	7,895	44,419
Expenses not requiring appropriation in the budget year ⁴	1,872	1,635
Total for Programme 1.6	86,000	101,175
Programme 1.7: Australian Government Disaster Financial Support Payments		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	2,000	15
Special appropriations	13,000	265
Expenses not requiring appropriation in the budget year ⁵	14,880	3,603
Total for Programme 1.7	29,880	3,883
Programme 1.8: Royal Commissions		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	97,096	94,404
Expenses not requiring appropriation in the budget year ⁴	7,016	12,217
Total for Programme 1.8	104,112	106,621

Table 2.1.1: Budgeted expenses for Outcome 1 (continued)

	2013–14 Estimated actual expenses \$'000	2014–15 Estimated expenses \$'000
Outcome 1: A just and secure society through the maintenance and improvement of Australia's law and justice framework and its national security and emergency management system		
Outcome 1 totals by appropriation type		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	522,524	469,164
Other services (Appropriation Bill No. 2)	5,000	5,712
Special appropriations	42,507	7,775
Special accounts	7,895	44,419
Expenses not requiring appropriation in the budget year	8,888	13,852
Departmental expenses		
Departmental appropriation	312,227	314,365
Expenses not requiring appropriation in the budget year	27,000	23,747
Total expenses for Outcome 1	926,041	879,034

	2013–14	2014–15
Average staffing level (number)⁶	1,419	1,456

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

1. Departmental appropriation combines 'Ordinary annual services (Appropriation Bill No. 1)' and 'Revenue from independent sources (s 31)'.
2. Expenses not requiring appropriation in the budget year are made up of resources received free of charge.
3. Expenses not requiring appropriation in the budget year are made up of resources received free of charge of \$0.305m and depreciation and amortisation expenses of \$23.273m notionally allocated against programme 1.2.
4. Expenses not requiring appropriation in the budget year are made up of depreciation and amortisation expenses.
5. Expenses not requiring appropriation in the budget year are made up of concessions on loan advances.
6. The Department's average staffing level estimates comprise the ongoing core Department and terminating programmes comprising the Royal Commissions, the Defence Abuse Response Taskforce, special security events and the new measures for Schools Security and Safer Streets, as outlined below:

	Average staffing level		
	2013–14	2014–15	Change
Core Department			
Outcome 1	1,129	1,074	(55)
Outcome 2 ¹	133	158	25
Total core Department	1,262	1,232	(30)
Royal Commissions (Outcome 1)			
Royal Commission into Institutional Responses to Child Sexual Abuse	130	181	51
Royal Commission into the Home Insulation Programme	10	–	(10)
Royal Commission into Trade Union Governance and Corruption	11	27	16
Total Royal Commissions	151	208	57
Defence Abuse Response Taskforce (Outcome 1)	123	135	12
Special security events (Outcome 1)	16	30	14
Schools Security and Safer Streets (Outcome 1)	–	9	9
Total	1,552	1,614	62

1. The 2014–15 average staffing level estimate for Outcome 2 includes the full-year effect of the transfer of responsibilities for cultural affairs and support for the arts to the Department under the Administrative Arrangements Order of 18 September 2013.

Contributions to Outcome 1

Programme 1.1: Attorney-General's Department Operating Expenses—Civil Justice and Legal Services

Programme 1.1 objective

This programme contributes to Outcome 1 by:

- protecting and promoting the rule of law
- building a safe, secure and resilient Australia.

Programme 1.1 expenses

The decrease in expenses over the forward estimates is primarily due to the completion of the Royal Commission into Trade Union Governance and Corruption in 2014–15 and the completion of the Defence Abuse Response Taskforce and the Royal Commission into Institutional Responses to Child Sexual Abuse in 2015–16.

	2013–14 Estimated actual \$'000	2014–15 Budget \$'000	2015–16 Forward estimate \$'000	2016–17 Forward estimate \$'000	2017–18 Forward estimate \$'000
Annual departmental expenses ¹	158,047	159,540	94,725	71,762	68,047
Expenses not requiring appropriation in the budget year ²	180	169	252	245	237
Total programme expenses	158,227	159,709	94,977	72,007	68,284

1. Includes expenses for the Defence Abuse Response Taskforce of \$62.194m in 2013–14, \$67.751m in 2014–15 and \$7.799m in 2015–16.

2. Expenses not requiring appropriation in the budget year are made up of resources received free of charge.

Programme 1.1 deliverables

- Provide timely and quality legal and legal policy advice to the Australian Government through the Attorney-General on major government initiatives through the Cabinet process, particularly in the areas of constitutional law, administrative law, international law, native title, human rights, secrecy, privacy, freedom of information and private international law.
- Coordinate whole-of-government activities and provide legal and legal policy advice in relation to the constitutional recognition of Indigenous Australians.
- Provide timely and quality international law advice and legal services to the Australian Government through the Attorney-General.
- Conduct international litigation and arbitration on behalf of the Australian Government, including defending international actions brought against tobacco plain packaging, and defending arbitration and litigation brought by Timor-Leste.
- Better coordinate the provision of legal services throughout the Commonwealth.
- Ensure copyright law and regulation provides a framework that supports and promotes commercial activity.
- Develop and implement reforms to the National Classification Scheme, to ensure better provision of more consistent classification information across platforms, particularly in the context of the digital environment.
- Support the efficient functioning of the economy through fair and effective legal frameworks for personal insolvency, electronic transactions and personal property securities.
- Implement reform of the legal system to maximise innovation, productivity and efficiencies in business and government, streamlining civil procedures with other countries and progressing domestic choice of law reforms.
- Improve collaboration between the Commonwealth family law system and the state and territory child protection systems to contribute to achieving the best outcomes for children, including initiatives to share and enhance effective and promising practice.
- Improve the operation of federal courts and tribunals, and support an independent judiciary including through reforms to administration, structure and funding arrangements and consideration of cost-recovery models to assist federal courts to make more efficient use of available resources, including through the use of technology.
- Develop streamlined and integrated family support services to ensure that support for separated families and their children is responsive and accessible, and that those families and their children with more complex needs receive early and appropriate interventions.

Programme 1.1 deliverables (continued)

- As the Australian central authority for intercountry adoption under the Hague Convention, establish and manage Australia's intercountry adoption arrangements, including through supporting reform of the model for intercountry adoption and establishing new country programmes (as appropriate).
- Improve the operation of the Commonwealth Marriage Celebrants Programme through the implementation of cost recovery, an online celebrant portal, a dedicated phone service, enhanced education and guidance materials and strengthened application, performance review and complaints handling mechanisms.
- Build capability to resolve legal issues, without resort to litigation, by increased access to coordinated education, information, support services and representation across the justice system.
- Informed by the relevant findings of the National Partnership Agreement review and the Productivity Commission report into access to justice arrangements, ensure that legal assistance is of a high quality, targeted to those most in need, cost-effective, coordinated with other service provision and done in collaboration across the legal assistance sector.
- Protect and promote human rights and freedoms, including through reforms to section 18C of the *Racial Discrimination Act 1975* and through facilitating a review of Commonwealth laws for consistency with common law rights.
- Ensure federal privacy and information law and regulation is appropriate, particularly in relation to the digital environment.
- Achieve faster and better outcomes in native title including through improvements in agreement-making, promoting good governance and economic sustainability in agreements and improving the efficiency of the native title system.
- Contribute to improving community safety and strengthening the rule of law in Indigenous communities through cooperation with the Department of the Prime Minister and Cabinet as lead agency.
- Support the independent Defence Abuse Response Taskforce, including appropriate secretariat, operational and legal support.
- Provide administrative support to Royal Commissions.

Programme 1.1 key performance indicators

- Accurate, timely and high-quality legal and policy advice.
- Effective management of civil justice and legal services programmes.

**Programme 1.2: Attorney-General's Department Operating Expenses—
National Security and Criminal Justice**

Programme 1.2 objective

This programme contributes to Outcome 1 by:

- protecting and promoting the rule of law
- building a safe, secure and resilient Australia.

Linked to: Bureau of Meteorology, Programme 1.1.

Programme 1.2 expenses

The decrease in estimates from 2014–15 to 2016–17 is due to the completion of a range of measures, primarily special events measures – *Cricket World Cup – assistance, Asian Football Cup – assistance* and *Australia to host the Group of 20 in 2014* – and the impact of the *Australian Emergency Management Institute – establish as a Virtual Institute* measure.

	2013–14 Estimated actual \$'000	2014–15 Budget \$'000	2015–16 Forward estimate \$'000	2016–17 Forward estimate \$'000	2017–18 Forward estimate \$'000
Annual departmental expenses	154,180	154,825	144,848	136,648	140,766
Expenses not requiring appropriation in the budget year ¹	26,820	23,578	21,851	22,015	17,811
Total programme expenses	181,000	178,403	166,699	158,663	158,577

1. Expenses not requiring appropriation in the budget year are made up of resources received free of charge of \$0.305m and depreciation and amortisation expenses of \$23.273m.

Programme 1.2 deliverables

- Combat criminal activity in the online environment, including through the implementation of an Australian Cybercrime Online Reporting Network.
- Strengthen the Australian Government's approach to identity security, to improve trust and confidence in the online environment and support the growing number of services that make use of new and emerging information and communication technologies.
- Implement the commercial offering of the Document Verification Service to the private sector to assist the sector's compliance with client identification obligations under various legislation designed to combat terrorism and organised criminal activity.
- Further develop effective and fair national security and criminal laws informed by the Council of Australian Governments' counter-terrorism laws review and the National Security Legislation Monitor.
- Ensure a coordinated, collaborative and priority-driven approach to combating organised crime including in relation to unexplained wealth, illicit drugs and firearms.

Programme 1.2 deliverables (continued)

- Continue to develop and implement Commonwealth anti-corruption policy, including through continued strengthening of the Commonwealth's law enforcement integrity framework.
- Lead Australia's international engagement on anti-corruption, including through the United Nations, the G20 and the Asia-Pacific Economic Cooperation and by building capacity in our partner countries to prevent, detect and disrupt corruption.
- Develop and implement a Rule of Law Aid Strategy as part of the cross-departmental approach to international work, to advance and facilitate coordinated and effective delivery of the Department's strategic priorities and Australia's rule of law aid priorities.
- Inform strategic priority-setting across the broader national security community under the National Security Capability Plan.
- Complete and participate in the implementation of the national security fusion capability, further refine counter-terrorism capability through the Australia - New Zealand Counter-Terrorism Committee and enhance the coordination of crisis management through the Crisis Coordination Centre.
- Lead work on modernisation of telecommunication interception laws through government response to the Parliamentary Joint Committee on Intelligence and Security report of the Inquiry into Potential Reforms of Australia's National Security Legislation.
- Promote greater national focus on disaster prevention, preparedness, mitigation, response and recovery by improving information-sharing arrangements and financial reporting and assessment frameworks with state and territory governments and by implementing the National Strategy for Disaster Resilience.
- Continue to examine how best to manage cyber threats, including examination of a telecommunications sector security reform proposal.
- Ensure that governments and industry are able to plan and react to events impacting upon the integrity of critical infrastructure, and maintain public confidence in the Australian Government's ability to provide a safe and secure environment by implementing the Critical Infrastructure Resilience Strategy.
- Promote a safe and inclusive Australia by assisting individuals to disengage from violent extremist influences, help build communities that are less vulnerable to violent extremism and reduce the potential of home-grown terrorist attack by implementing the Countering Violent Extremism Strategy.

Programme 1.2 key performance indicators

- Accurate, timely and high-quality advice.
- Effective management of national security and criminal justice programmes.

Programme 1.3: Justice Services

Programme 1.3 objective

This programme contributes to Outcome 1 by:

- protecting and promoting the rule of law
- building a safe, secure and resilient Australia.

Linked to:

- Department of the Prime Minister and Cabinet, Programme 2.1: Indigenous Advancement – Jobs, Land and Economy.
- Legal aid payments to the states are made by the Treasury under the Federal Financial Relations Act.

Programme 1.3 expenses

The decrease in expenses from 2013–14 to 2014–15 is primarily due to the budget measure *Legal Aid – Withdrawal of additional funding*, which provides a savings of \$15.000m in 2014–15, and the one-off movement of funds of \$7.134m from 2011–12 to 2013–14 for the provision of legal assistance for expensive Commonwealth criminal cases. The decrease in expenses from 2015–16 to 2016–17 is primarily due to the completion of the Royal Commission into Institutional Responses to Child Sexual Abuse in 2015–16.

	2013–14 Estimated actual \$'000	2014–15 Budget \$'000	2015–16 Forward estimate \$'000	2016–17 Forward estimate \$'000	2017–18 Forward estimate \$'000
Annual administered expenses					
Payments for services under <i>Family Law Act 1975</i> and the Child Support Scheme legislation	2,093	2,153	2,200	2,247	2,281
Payments to Law Courts Limited for contributions to operating and capital expenses	3,343	3,386	3,430	3,477	3,533
Family Court of Western Australia	13,000	13,278	13,418	13,654	13,872
Payments for membership of international bodies	600	650	650	650	550
Payments for grants to Australian organisations	1,052	922	956	991	2,024
Payments for the provision of legal aid—Legal Aid Commissions	22,282	2,725	2,805	2,872	2,936
Payments for the provision of community legal services	44,607	41,619	38,138	38,852	32,687
Payments for the provision of community legal services—legal advice service supporting the Royal Commission into Institutional Responses to Child Sexual Abuse	5,000	5,000	5,000	–	–

Programme 1.3 expenses (continued)

	2013–14 Estimated actual \$'000	2014–15 Budget \$'000	2015–16 Forward estimate \$'000	2016–17 Forward estimate \$'000	2017–18 Forward estimate \$'000
Annual administered expenses (continued)					
Financial assistance towards legal costs and related expenses	4,860	5,258	5,345	5,442	5,529
Financial assistance towards legal costs and related expenses— expenses for witnesses to the Royal Commission into Institutional Responses to Child Sexual Abuse	11,632	11,632	11,632	–	–
Commonwealth Human Rights Education Programme	880	–	–	–	–
Native Title Respondents Scheme	800	1,096	554	–	–
Financial Assistance towards legal costs and related expenses— expenses for witnesses to the Royal Commission into the Home Insulation Programme	2,422	–	–	–	–
Financial assistance towards legal costs and related expenses— expenses for witnesses to the Royal Commission into Trade Union Governance and Corruption	1,556	3,889	–	–	–
Special appropriations					
<i>Law Officers Act 1964</i>	450	450	450	450	450
Total programme expenses	114,577	92,058	84,578	68,635	63,862

Programme 1.3 deliverables

- Provide services to support access to justice.

Programme 1.3 key performance indicators

- Improved access to justice.
- Effective administration of the access to justice programmes.

Programme 1.4: Family Relationships

Programme 1.4 objective

This programme contributes to Outcome 1 by:

- protecting and promoting the rule of law
- building a safe, secure and resilient Australia.

Programme 1.4 expenses

The annual increases in expenses are primarily due to indexation.

	2013–14 Estimated actual \$'000	2014–15 Budget \$'000	2015–16 Forward estimate \$'000	2016–17 Forward estimate \$'000	2017–18 Forward estimate \$'000
Annual administered expenses					
Family Relationships Services Programme	161,405	165,895	168,866	172,055	182,952
Total programme expenses	161,405	165,895	168,866	172,055	182,952

Programme 1.4 deliverables

- Provide services to support resolution of family matters.

Programme 1.4 key performance indicators

- Improved access to justice in family matters.
- Effective administration of the family relationships programmes.

Programme 1.5: Indigenous Law and Justice

Programme 1.5 objective

This programme contributes to Outcome 1 by:

- protecting and promoting the rule of law
- building a safe, secure and resilient Australia.

Linked to:

- Department of the Prime Minister and Cabinet, Programme 2.1: Indigenous Advancement—Jobs, Land and Economy.
- Department of Health, Programme 1.3: Drug Strategy.

Programme 1.5 expenses

The decrease in expenses from 2013–14 to 2014–15 is a result of the transfer of responsibilities for Indigenous law and justice functions from the Department under the Administrative Arrangements Order of 18 September 2013. The decrease in expenses from 2014–15 to 2015–16 is primarily due to the measure *Redirection of legal assistance* in the 2013–14 Portfolio Additional Estimates Statements.

	2013–14 Estimated actual \$'000	2014–15 Budget \$'000	2015–16 Forward estimate \$'000	2016–17 Forward estimate \$'000	2017–18 Forward estimate \$'000
Annual administered expenses					
Payments under the Indigenous Justice Programme	5,787	–	–	–	–
Payments for the provision of Family Violence Prevention Legal Services for Indigenous Australia	10,457	–	–	–	–
Indigenous Legal Assistance Programme	74,915	74,311	66,552	67,599	68,780
Stronger Futures in the Northern Territory—community safety and justice	13,988	–	–	–	–
Native title system	573	582	594	605	615
Total programme expenses	105,720	74,893	67,146	68,204	69,395

Programme 1.5 deliverables

- Provide services to support access to justice for Indigenous people.

Programme 1.5 key performance indicators

- Improved access to justice for Indigenous people.
- Effective administration of the access to justice programmes for Indigenous people.

Programme 1.6: National Security and Criminal Justice

Programme 1.6 objective

This programme contributes to Outcome 1 by:

- protecting and promoting the rule of law
- building a safe, secure and resilient Australia.

Linked to:

- Bureau of Meteorology, Programme 1.1.
- Natural Disaster Resilience Programme and Natural Disaster Relief payments to the states are made by the Treasury under the Federal Financial Relations Act.

Programme 1.6 expenses

Funding for the *Safer Streets Programme – establishment and Confiscated Assets Account – additional expenditure* measures in the 2014–15 Budget totals \$40.023m in 2014–15, \$36.168m in 2015–16, \$23.852m in 2016–17 and \$9.211m in 2017–18 in special account expenses.

	2013–14 Estimated actual \$'000	2014–15 Budget \$'000	2015–16 Forward estimate \$'000	2016–17 Forward estimate \$'000	2017–18 Forward estimate \$'000
Annual administered expenses					
Payments for membership of international bodies	106	106	106	106	106
Payments for grants to Australian organisations	1,577	1,580	1,580	1,580	1,580
Safer Suburbs	1,800	500	–	–	–
Australia's contribution to the International Criminal Court	6,324	7,469	7,635	7,825	8,069
Disaster Resilience Australia—Emergency Warning System Database	1,662	1,692	1,722	1,753	1,781
Disaster Resilience Australia Package	2,001	2,051	2,086	2,124	2,158
Australia – New Zealand Counter-Terrorism Committee—special fund and operating expenses	11,313	11,508	11,775	12,046	16,742
Counter-terrorism exercises	1,092	1,093	1,112	1,132	1,150
National security public information campaign	–	976	–	–	–
National aerial firefighting	14,484	14,804	14,804	14,804	14,804
Countering Violent Extremism to Prevent Terrorism	1,523	–	–	–	–
Asia-Pacific Rule of Law Aid	294	570	1,374	1,369	–

Programme 1.6 expenses (continued)

	2013–14 Estimated actual \$'000	2014–15 Budget \$'000	2015–16 Forward estimate \$'000	2016–17 Forward estimate \$'000	2017–18 Forward estimate \$'000
Specific purpose payment					
Schools Security Programme	5,000	5,712	5,714	5,714	–
Special appropriations					
<i>Social Security (Administration)</i> <i>Act 1999—Australian Victims of</i> <i>Terrorism Overseas Payment</i>	29,057	7,060	1,485	–	–
Special account expenses					
Services for Other Entities and Trust Moneys—Attorney-General's Department Special Account	7,895	44,419	37,645	25,054	10,413
Expenses not requiring appropriation in the budget year ¹	1,872	1,635	1,669	1,548	1,736
Total programme expenses	86,000	101,175	88,707	75,055	58,539

1. Expenses not requiring appropriation in the budget year are made up of depreciation and amortisation expenses.

Programme 1.6 deliverables

- Provide services to protect national security and build community resilience.

Programme 1.6 key performance indicators

- Improved community resilience.
- Improved protection of national security.
- Effective administration of the national security and criminal justice programmes.

Programme 1.7: Australian Government Disaster Financial Support Payments

Programme 1.7 objective

This programme contributes to Outcome 1 by:

- protecting and promoting the rule of law
- building a safe, secure and resilient Australia.

Programme 1.7 expenses

Expenses are for recent natural disasters.

	2013–14 Estimated actual \$'000	2014–15 Budget \$'000	2015–16 Forward estimate \$'000	2016–17 Forward estimate \$'000	2017–18 Forward estimate \$'000
Annual administered expenses					
Disaster Income Recovery Subsidy—flooding and severe weather ¹	1,000	–	–	–	–
Ex gratia assistance—New Zealand citizens	1,000	15	–	–	–
Special appropriations					
<i>Social Security (Administration) Act 1999</i>	8,000	15	–	–	–
<i>Social Security (Administration) Act 1999—Disaster Recovery Allowance</i> ¹	5,000	250	–	–	–
Expenses not requiring appropriation in the budget year ²	14,880	3,603	–	–	–
Total programme expenses	29,880	3,883	–	–	–

1. The Disaster Income Recovery Subsidy has been replaced with the revised Disaster Recovery Allowance.

2. Expenses not requiring appropriation in the budget year are made up of concessions on loan advances.

Programme 1.7 deliverables

- Provide timely and targeted one-off payments and/or income support to individuals and families affected by major disasters throughout Australia, under the Australian Government Disaster Recovery Payment and the Australian Government Disaster Recovery Allowance.
- Provide ex gratia assistance to eligible New Zealand 'non-protected' Special Category Visa (subclass 444) holders who have also been adversely affected by the disasters.
- Provide loans to states and territories at a concessional interest rate to support disaster recovery assistance to small businesses, primary producers, non-profit organisations and needy individuals, under the Natural Disaster Relief and Recovery Arrangements.

Programme 1.7 key performance indicators

- Timely and targeted relief and recovery assistance is provided.

Programme 1.8: Royal Commissions

Programme 1.8 objective

This programme contributes to Outcome 1 by:

- protecting and promoting the rule of law
- building a safe, secure and resilient Australia.

Programme 1.8 expenses

The funding across the forward estimates reflects the planned completion of the Royal Commissions.

	2013–14 Estimated actual \$'000	2014–15 Budget \$'000	2015–16 Forward estimate \$'000	2016–17 Forward estimate \$'000	2017–18 Forward estimate \$'000
Annual administered expenses ¹					
Royal Commission into Institutional Responses to Child Sexual Abuse	69,929	72,033	68,891	–	–
Royal Commission into the Home Insulation Programme	12,249	–	–	–	–
Royal Commission into Trade Union Governance and Corruption	14,918	22,371	–	–	–
Expenses not requiring appropriation in the budget year ²	7,016	12,217	15,108	–	–
Total programme expenses	104,112	106,621	83,999	–	–

1. See the programme 1.3 expenses table for funding provided for legal financial assistance and expenses for witnesses for each of the Royal Commissions. See also Table 3.2.10 for capital funding provided to the Royal Commissions.

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

Programme 1.8 deliverables

- Establish Royal Commissions and maintain their ongoing operations in order for the Commissioners to make and report findings and recommendations as set out by the terms of reference for each Royal Commission.

Programme 1.8 key performance indicators

- Reports are delivered on time in accordance with the terms of reference.
- Effective administrative support for Royal Commissions.

Outcome 2: Participation in, and access to, Australia's arts and culture through developing and supporting cultural expression

Outcome 2 strategy

The Department supports the Australian Government to achieve its arts and culture policy objectives by promoting artistic excellence, artistic integrity and respect for artistic freedom; supporting the self-confidence of Australia's cultural sector by telling Australian stories and international engagement; protecting and supporting Australia's cultural heritage; and encouraging public access to arts and culture.

The Department will continue to work closely with stakeholders to implement the government's arts and culture agenda, including:

- increasing opportunities for all Australians to learn, enjoy and participate in a wide range of cultural endeavours
- supporting activities for the Indigenous arts and crafts industry, and maintaining, reviving and developing Indigenous culture and languages
- promoting Australian literature including through incentives and recognition of excellence
- encouraging and facilitating sponsorship and philanthropic support for the cultural sector
- providing assistance and incentives to support the performing and visual arts, Australian screen production and creative industries
- administering Artbank, to help create a market for emerging artists and enhance access to contemporary Australian art.

The Department works with 12 cultural agencies within the arts portfolio. The arts portfolio includes a diverse range of programmes and agencies across the visual and performing arts, literature, Indigenous arts and languages, screen and creative industries, and collections including libraries, galleries and museums.

Outcome 2 expense statement

Table 2.1.2 provides an overview of the total expenses for Outcome 2, by programme.

Table 2.1.2: Budgeted expenses for Outcome 2

	2013–14 Estimated actual expenses \$'000	2014–15 Estimated expenses \$'000
Outcome 2: Participation in, and access to, Australia's arts and culture through developing and supporting cultural expression		
Programme 2.1: Arts and Cultural Development		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	131,930	209,540
Special accounts	500	500
Expenses not requiring appropriation in the budget year ¹	2,390	3,654
Departmental expenses		
Departmental appropriation ²	21,261	26,683
Special accounts	3,672	4,263
Expenses not requiring appropriation in the budget year ³	305	335
Total expenses for Outcome 2	160,058	244,975
	2013–14	2014–15
Average staffing level (number)⁴	133	158

1. Expenses not requiring appropriation in the budget year are made up of depreciation and amortisation expenses.

2. Departmental appropriation combines 'Ordinary annual services (Appropriation Bill No. 1)' and 'Revenue from independent sources (s 31)'.

3. Expenses not requiring appropriation in the budget year are made up of resources received free of charge of \$0.063m and depreciation and amortisation expenses of \$0.272m.

4. The 2014–15 average staffing level estimate includes the full-year effect of the transfer of responsibilities for cultural affairs and support for the arts to the Department under the Administrative Arrangements Order of 18 September 2013.

Contributions to Outcome 2

Programme 2.1: Arts and Cultural Development

Programme 2.1 objective

To administer a range of activities that support excellence in the arts and culture, develop and promote access to cultural activities, support Australian screen production, and protect Australia's movable cultural heritage.

Cultural development

- Increase access to the arts in regional and remote Australia through support for community and capacity building arts and culture activities and encourage sustainable cultural development.
- Support the provision of elite training and development opportunities across a range of artforms.
- Support the development and promotion of Australia's national collections.
- Support the Australian performing and visual arts, screen and creative industries through provision of funding assistance, incentives and the resale royalty scheme.
- Recognise individual excellence in Australian literature through the Prime Minister's Literary Awards.
- Regulate the export and import of significant Australian and international movable cultural heritage to ensure protection of the most significant Australian items and the return of movable cultural heritage material of other countries illegally imported into Australia.

Indigenous arts, culture, languages and repatriation

- Build a more sustainable and ethical Indigenous visual arts industry.
- Support the preservation, revitalisation and strengthening of Indigenous culture through support for Indigenous languages centres and community-based languages and culture projects.
- Facilitate the return of Aboriginal and Torres Strait Islander ancestral remains and secret sacred objects from Australian institutions, and Aboriginal and Torres Strait Islander ancestral remains from overseas institutions, to their community of origin.
- Increase Indigenous Australians' participation and employment in arts and culture.

Linked to: Department of the Prime Minister and Cabinet, Programme 2.1: Indigenous Advancement – Culture and Capability.

Programme 2.1 expenses					
The increase in expenses from 2013–14 to 2014–15 is primarily due to the transfer of responsibilities for cultural affairs and support for the arts to the Department under the Administrative Arrangements Order of 18 September 2013. The full-year effect of the transfer of functions is included in 2014–15. The reduction in expenses over the forward estimates is due to measures in the 2014–15 Budget that provide additional funding of \$6.558m and savings of \$59.672m over four years.					
	2013–14 Estimated actual \$'000	2014–15 Budget \$'000	2015–16 Forward estimate \$'000	2016–17 Forward estimate \$'000	2017–18 Forward estimate \$'000
Annual administered expenses					
Arts and Cultural Development	131,930	209,540	189,446	206,618	181,865
Special accounts	500	500	500	500	500
Expenses not requiring appropriation in the budget year ¹	2,390	3,654	3,137	2,765	2,740
Annual departmental expenses					
Programme support	21,261	26,683	27,102	27,464	28,108
Special accounts	3,672	4,263	4,445	4,628	4,821
Expenses not requiring appropriation in the budget year ²	305	335	404	471	559
Total programme expenses	160,058	244,975	225,034	242,446	218,593

1. Expenses not requiring appropriation in the budget year are made up of depreciation and amortisation expenses.

2. Expenses not requiring appropriation in the budget year are made up of resources received free of charge of \$0.063m and depreciation and amortisation expenses of \$0.272m.

Programme 2.1 deliverables

- Administer funding agreements for organisations in accordance with the Australian National Audit Office better practice and programme guidelines which assist these organisations to meet their stated objectives and reporting requirements.
- Manage the delivery of the Regional Arts Fund to support sustainable cultural development in regional and remote areas.
- Administer Indigenous arts, culture, languages, jobs package and repatriation programmes.
- Administer the Prime Minister's Literary Awards in order to increase the profile of Australian writing in the community.
- Administer the Public Lending Right and Educational Lending Right schemes to recompense eligible creators and publishers for the free, multiple use of their books in public and educational lending libraries.
- Administer the Location Offset and Post, Digital and Visual Effects offset which support screen production.
- Administer the Australian Government International Exhibitions Insurance Programme and the National Collecting Institutions Touring Outreach Programme in order to support the staging of significant exhibitions in Australia and the capacity of national collecting institutions to tour works.
- Administer the *Protection of Movable Cultural Heritage Act 1986* in accordance with legislative requirements to protect Australia's heritage of movable cultural objects.
- Implement the new scheme to protect objects on loan from overseas for temporary exhibition following the enactment of the *Protection of Cultural Objects on Loan Act 2013*.

Programme 2.1 key performance indicators

- Access to high-quality cultural experiences and skills development opportunities in regional and remote areas is maintained or increased as measured by the number of funded activities, performances and events reported by state/territory and regional/remote categories.
- Access for Aboriginal and Torres Strait Islander peoples to high-quality cultural experiences is maintained or increased as measured by the number and range of projects supported and the level of achievement of projects against key delivery requirements and programme objectives.
- Ninety-five per cent of Public Lending Right and Educational Lending Right payments are made to eligible claimants annually by 30 June.
- Sales of Prime Minister's Literary Award shortlisted or winning titles increase.
- Applications (with all supporting documentation provided) for the Location and Post, Digital and Visual Effects offsets are assessed within 15 weeks.
- One hundred per cent of applications or referrals considered under the *Protection of Movable Cultural Heritage Act 1986* are processed and considered in accordance with the requirements of the Act.
- Arts training organisations provide access to high-quality elite-level performing arts training for emerging Australian artists, including in performance, design and production, as measured by the number of participants and range of training provided.

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 2014–15 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, special accounts and government Indigenous expenditure.

3.1 EXPLANATORY TABLES

3.1.1 Movement of administered funds between years

The Department has not moved any administered funds between years.

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 Department.

Table 3.1.2: Estimates of special account flows and balances

		Opening balance 2014–15 2013–14	Receipts non-approp 2014–15 2013–14	Receipts approp 2014–15 2013–14	Payments 2014–15 2013–14	Closing balance 2014–15 2013–14
	Outcome	\$'000	\$'000	\$'000	\$'000	\$'000
Services for Other Entities and Trust Moneys—Attorney-General's Department Special Account—FMA Act s 20 (A) ¹	1 1	4,212 6,053	44,157 6,054	— —	44,419 7,895	3,950 4,212
National Cultural Heritage Account: <i>Protection of Movable Cultural Heritage Act 1986</i> s 25—	2	—	—	500	500	—
FMA Act s 21 (A)	2	—	—	500	500	—
Art Rental Special Account—FMA Act s 20	2	1,188	3,255	—	3,200	1,243
Determination 2006/18 (D)	2	1,188	2,619	—	2,619	1,188
Cultural Special Account—FMA Act s 20	2	346	392	—	419	319
Determination 2011/18 (D)	2	413	449	—	516	346
Indigenous Repatriation Special Account—FMA Act s 20	2	1,759	—	1,427	2,322	864
Determination 2005/45 (D)	2	3,184	—	—	1,425	1,759
National Collections Special Account—FMA Act s 20	2	60	—	—	48	12
Determination 2005/44 (D)	2	108	—	—	48	60
Total special accounts 2014–15 Budget estimate		7,565	47,804	1,927	50,908	6,388
<i>Total special accounts 2013–14 estimated actual</i>		<i>10,946</i>	<i>9,122</i>	<i>500</i>	<i>13,303</i>	<i>7,565</i>

(A) = Administered.

(D) = Departmental.

1. The Department makes payments on behalf of organisations such as the ACT Supreme Court (Chief Justice's salary). In these cases payments are made against moneys received from relevant organisations/jurisdictions. The Department also receives moneys and makes payments in relation to approved law enforcement initiatives under the *Proceeds of Crime Act 2002*. In 2014–15, two new measures (*Safer Streets Programme—establishment* and *Confiscated Assets Account—additional expenditure*) add \$40.023m to receipts and payments.

3.1.3 Australian Government Indigenous expenditure

The Department's contribution to Australian Government Indigenous expenditure is summarised in Table 3.1.3.

Table 3.1.3: Australian Government Indigenous expenditure (AGIE)

	Appropriations			Total approp \$'000	Other \$'000	Total \$'000	Programme
	Bill No. 1	Bill No. 2	Special approp				
	\$'000	\$'000	\$'000				
Outcome 1							
Administered 2014–15	74,311	–	–	74,311	–	74,311	1.3, 1.5
Administered 2013–14	105,689	–	–	105,689	–	105,689	1.3, 1.5
Outcome 2							
Administered 2014–15	51,144	–	–	51,144	–	51,144	2.1
Administered 2013–14	32,823	–	–	32,823	–	32,823	2.1
Total AGIE 2014–15	125,455	–	–	125,455	–	125,455	
<i>Total AGIE 2013–14</i>	<i>138,512</i>	–	–	<i>138,512</i>	–	<i>138,512</i>	

3.2 BUDGETED FINANCIAL STATEMENTS

3.2.1 Differences in agency resourcing and financial statements

There is no material difference between the agency resourcing and financial statements.

3.2.2 Analysis of budgeted financial statements

Departmental

Income statement

The Department is budgeting for a break-even result in 2013–14 and 2014–15 and across the forward estimates, after excluding unfunded depreciation and amortisation expenses.

The increase in employee and supplier expenses from 2013–14 to 2014–15 is due to the Defence Abuse Response Taskforce and expenses associated with representing and coordinating the Commonwealth's interests in relation to the Royal Commissions. The decrease in employee and supplier expenses from 2014–15 to 2015–16 is primarily due to the planned completion of the Defence Abuse Response Taskforce in 2015–16.

The sale of goods and services revenue for 2013–14 and 2014–15 includes reimbursements from the Department of Defence for the costs of the Defence Abuse Response Taskforce.

The Department's revenue from government increases in 2014–15 primarily due to the provision of funding to represent and coordinate the Commonwealth's interests in relation to the Royal Commissions and funding received in 2014–15 for the new

measure *Australian Emergency Management Institute – establish as a Virtual Institute*. The reduction in revenue from government in 2015–16 and 2016–17 is primarily due to the completion of the Royal Commissions and the *Australian Emergency Management Institute – establish as a Virtual Institute* measure.

Balance sheet

The Department's net asset (equity) position decreases over the forward estimates as it is not funded for depreciation expenses for major assets.

Administered

Income statement

The Department's administered expenses for 2013–14 include personal benefits and concessional loan advances in relation to natural disasters. Funding for the Royal Commissions is provided for the period 2013–14 to 2015–16.

The increase in 2014–15 is due to the full-year effect of the transfer of responsibilities for cultural affairs and support for the arts to the Department under the Administrative Arrangements Order of 18 September 2013. The decrease across the forward estimates is due to the completion of the Royal Commissions and measures in the 2014–15 Budget.

Schedule of budgeted assets and liabilities

Net assets increase marginally across the forward estimates in line with the anticipated annual increase in the net assets of the arts and cultural agencies in the portfolio.

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 2013–14 \$'000	Budget estimate 2014–15 \$'000	Forward estimate 2015–16 \$'000	Forward estimate 2016–17 \$'000	Forward estimate 2017–18 \$'000
EXPENSES					
Employee benefits	185,993	194,021	164,655	153,831	150,584
Supplier expenses	150,983	151,106	106,282	86,487	90,974
Depreciation and amortisation	27,489	24,266	22,690	22,915	18,791
Total expenses	364,465	369,393	293,627	263,233	260,349
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	106,008	113,263	51,131	35,268	36,694
Other revenue	449	392	392	392	392
Total own-source revenue	106,457	113,655	51,523	35,660	37,086
Gains					
Other—resources received free of charge	537	537	538	537	537
Total gains	537	537	538	537	537
Total own-source income	106,994	114,192	52,061	36,197	37,623
Net cost of (contribution by) services	257,471	255,201	241,566	227,036	222,726
Revenue from government	230,703	231,656	219,597	204,842	204,656
Surplus (deficit) attributable to the Australian Government	(26,768)	(23,545)	(21,969)	(22,194)	(18,070)
OTHER COMPREHENSIVE INCOME					
Changes in asset revaluation surplus	–	–	–	–	–
Total other comprehensive income	–	–	–	–	–
Total comprehensive income (loss)	(26,768)	(23,545)	(21,969)	(22,194)	(18,070)
Total comprehensive income (loss) attributable to the Australian Government	(26,768)	(23,545)	(21,969)	(22,194)	(18,070)

Note: Impact of net cash appropriation arrangements

	2013–14 \$'000	2014–15 \$'000	2015–16 \$'000	2016–17 \$'000	2017–18 \$'000
Total comprehensive income (loss) excluding depreciation/amortisation expenses previously funded through revenue appropriations	–	–	–	–	–
Less depreciation/amortisation expenses previously funded through revenue appropriations ¹	26,768	23,545	21,969	22,194	18,070
Total comprehensive income (loss) as per the statement of comprehensive income	(26,768)	(23,545)	(21,969)	(22,194)	(18,070)

Prepared on Australian Accounting Standards basis.

1. These amounts vary from the depreciation and amortisation expenses shown in Table 3.2.1 above due to the inclusion of depreciation associated with the Auscheck function which is funded from cost-recovery revenue.

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

	Estimated actual 2013–14 \$'000	Budget estimate 2014–15 \$'000	Forward estimate 2015–16 \$'000	Forward estimate 2016–17 \$'000	Forward estimate 2017–18 \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	2,792	2,792	2,792	2,792	2,792
Trade and other receivables	60,403	60,999	45,110	39,663	39,909
Total financial assets	63,195	63,791	47,902	42,455	42,701
Non-financial assets					
Land and buildings	66,068	59,295	52,363	45,275	40,583
Property, plant and equipment	15,327	16,654	19,658	23,030	30,036
Heritage and cultural assets	38,615	38,536	38,457	38,378	38,299
Intangibles	22,576	18,357	14,999	11,100	5,567
Other non-financial assets	4,384	4,359	3,095	2,527	2,656
Total non-financial assets	146,970	137,201	128,572	120,310	117,141
Total assets	210,165	200,992	176,474	162,765	159,842
LIABILITIES					
Payables					
Suppliers	33,917	31,148	24,968	21,850	22,098
Other payables	5,988	6,162	5,747	4,567	4,748
Total payables	39,905	37,310	30,715	26,417	26,846
Interest-bearing liabilities					
Other interest-bearing liabilities	1,286	1,109	933	756	579
Total interest-bearing liabilities	1,286	1,109	933	756	579
Provisions					
Employee provisions	47,719	50,342	39,237	36,974	36,374
Other provisions	73	72	74	76	78
Total provisions	47,792	50,414	39,311	37,050	36,452
Total liabilities	88,983	88,833	70,959	64,223	63,877
Net assets	121,182	112,159	105,515	98,542	95,965
EQUITY					
Parent entity interest					
Contributed equity	224,768	239,290	254,615	269,836	285,329
Reserves	18,918	18,918	18,918	18,918	18,918
Retained surplus (accumulated deficit)	(122,504)	(146,049)	(168,018)	(190,212)	(208,282)
Total parent entity interest	121,182	112,159	105,515	98,542	95,965
Total equity	121,182	112,159	105,515	98,542	95,965

Prepared on Australian Accounting Standards basis.

Table 3.2.3: Departmental statement of changes in equity—summary of movement (budget year 2014–15)

	Retained earnings \$'000	Asset revaluation reserve \$'000	Contributed equity/ capital \$'000	Total equity \$'000
Opening balance as at 1 July 2014				
Balance carried forward from previous period	(122,504)	18,918	224,768	121,182
Adjustment for changes in accounting policies	–	–	–	–
Adjusted opening balance	(122,504)	18,918	224,768	121,182
Comprehensive income				
Surplus (deficit) for the period	(23,545)	–	–	(23,545)
Total comprehensive income	(23,545)	–	–	(23,545)
Transactions with owners				
Distributions to owners				
Returns of capital				
Distribution of equity	–	–	4,197	4,197
Contributions by owners				
Equity injection	–	–	590	590
Departmental capital budget	–	–	9,735	9,735
Sub-total transactions with owners	–	–	14,522	14,522
Estimated closing balance as at 30 June 2015	(146,049)	18,918	239,290	112,159
Closing balance attributable to the Australian Government	(146,049)	18,918	239,290	112,159

Prepared on Australian Accounting Standards basis.

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

	Estimated actual 2013–14 \$'000	Budget estimate 2014–15 \$'000	Forward estimate 2015–16 \$'000	Forward estimate 2016–17 \$'000	Forward estimate 2017–18 \$'000
OPERATING ACTIVITIES					
Cash received					
Sale of goods and rendering of services	93,563	112,683	61,919	37,205	37,055
Appropriations	237,011	232,206	224,675	207,564	204,622
Total cash received	330,574	344,889	286,594	244,769	241,677
Cash used					
Employees	183,535	191,398	175,760	156,094	151,184
Suppliers	143,641	153,491	110,834	88,675	90,493
Total cash used	327,176	344,889	286,594	244,769	241,677
Net cash from (used by) operating activities	3,398	–	–	–	–
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment	11,546	14,522	15,325	15,221	15,493
Total cash used	11,546	14,522	15,325	15,221	15,493
Net cash from (used by) investing activities	(11,546)	(14,522)	(15,325)	(15,221)	(15,493)
FINANCING ACTIVITIES					
Cash received					
Contributed equity	9,146	14,522	15,325	15,221	15,493
Total cash received	9,146	14,522	15,325	15,221	15,493
Net cash from (used by) financing activities	9,146	14,522	15,325	15,221	15,493
Net increase (decrease) in cash held	998	–	–	–	–
Cash and cash equivalents at the beginning of the reporting period	1,794	2,792	2,792	2,792	2,792
Cash and cash equivalents at the end of the reporting period	2,792	2,792	2,792	2,792	2,792

Prepared on Australian Accounting Standards basis.

Table 3.2.5: Departmental capital budget statement

	Estimated actual 2013–14 \$'000	Budget estimate 2014–15 \$'000	Forward estimate 2015–16 \$'000	Forward estimate 2016–17 \$'000	Forward estimate 2017–18 \$'000
NEW CAPITAL APPROPRIATIONS					
Capital budgets—Bill 1 (DCB)	8,666	9,735	15,225	15,121	15,393
Equity injections—Act No. 2	6,920	590	–	–	–
Total new capital appropriations	15,586	10,325	15,225	15,121	15,393
Provided for:					
Purchase of non-financial assets	10,117	10,325	15,225	15,121	15,393
Other items	5,469	–	–	–	–
Total items	15,586	10,325	15,225	15,121	15,393
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations ¹	1,451	590	–	–	–
Funded by capital appropriation—DCB ²	8,666	9,735	15,225	15,121	15,393
Funded internally from departmental resources ³	1,429	4,197	100	100	100
Total	11,546	14,522	15,325	15,221	15,493
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	11,546	14,522	15,325	15,221	15,493
Total cash used to acquire assets	11,546	14,522	15,325	15,221	15,493

Prepared on Australian Accounting Standards basis.

DCB = departmental capital budget.

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

2. Does not include annual finance lease costs. Includes purchases from current and previous years' DCBs.

3. Includes the following sources of funding: current Bill 1 and prior year Act 1, 3 and 5 appropriations (excluding amounts from the DCB), internally developed assets, section 31 relevant agency receipts and proceeds from the sale of assets.

Table 3.2.6: Statement of asset movements (2014–15)

	Land \$'000	Buildings \$'000	Other property, plant & equipment \$'000	Heritage & cultural \$'000	Computer software & intangibles \$'000	Total \$'000
As at 1 July 2014						
Gross book value	1,400	73,416	49,440	38,677	57,288	220,221
Accumulated depreciation/ amortisation and impairment	–	(8,748)	(34,113)	(62)	(34,712)	(77,635)
Opening net book balance	1,400	64,668	15,327	38,615	22,576	142,586
CAPITAL ASSET						
ADDITIONS						
Estimated expenditure on new or replacement assets						
By purchase—appropriation ordinary annual services ¹	–	1,438	7,769	–	5,315	14,522
Total additions	–	1,438	7,769	–	5,315	14,522
Other movements						
Depreciation/amortisation expense	–	(8,211)	(6,442)	(79)	(9,534)	(24,266)
Total other movements	–	(8,211)	(6,442)	(79)	(9,534)	(24,266)
As at 30 June 2015						
Gross book value	1,400	74,854	57,209	38,677	62,603	234,743
Accumulated depreciation/ amortisation and impairment	–	(16,959)	(40,555)	(141)	(44,246)	(101,901)
Closing net book balance	1,400	57,895	16,654	38,536	18,357	132,842

Prepared on Australian Accounting Standards basis.

1. 'Appropriation ordinary annual services' refers to funding provided through Appropriation Bill (No. 1) 2014–15 for depreciation and amortisation expenses, departmental capital budgets or other operational expenses.

Table 3.2.7: Schedule of budgeted income and expenses administered on behalf of government (for the period ended 30 June)

	Estimated actual 2013–14 \$'000	Budget estimate 2014–15 \$'000	Forward estimate 2015–16 \$'000	Forward estimate 2016–17 \$'000	Forward estimate 2017–18 \$'000
EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT					
Employee benefits	31,753	31,738	29,596	–	–
Supplier expenses	105,324	103,462	76,581	20,954	24,573
Subsidies	3,343	3,386	3,430	3,477	3,477
Personal benefits	45,268	8,551	2,696	1,211	1,223
Grants	493,989	521,267	491,793	513,406	489,773
Depreciation and amortisation	11,278	17,506	19,914	4,313	4,476
Other expenses	37,164	27,390	24,224	24,917	25,418
CAC Act body payments	270,813	439,103	458,800	451,570	458,859
Total expenses administered on behalf of government	998,932	1,152,403	1,107,034	1,019,848	1,007,799
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Non-taxation revenue					
Sale of goods and rendering of services	8,012	7,611	7,347	7,298	7,249
Interest	1,588	5,681	6,546	5,783	4,962
Dividends	4,700	1,100	2,300	2,300	2,300
Other revenue	3,960	3,960	3,960	3,960	3,960
Total non-taxation revenue	18,260	18,352	20,153	19,341	18,471
Total own-source revenue administered on behalf of government	18,260	18,352	20,153	19,341	18,471
Total own-source income administered on behalf of government	18,260	18,352	20,153	19,341	18,471
Net cost of (contribution by) services	980,672	1,134,051	1,086,881	1,000,507	989,328
Surplus (deficit)	(980,672)	(1,134,051)	(1,086,881)	(1,000,507)	(989,328)
Total comprehensive income (loss)	(980,672)	(1,134,051)	(1,086,881)	(1,000,507)	(989,328)

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)

	Estimated actual 2013–14 \$'000	Budget estimate 2014–15 \$'000	Forward estimate 2015–16 \$'000	Forward estimate 2016–17 \$'000	Forward estimate 2017–18 \$'000
ASSETS					
Financial assets					
Receivables	141,578	152,232	136,924	121,562	104,080
Other investments	8,416,548	8,447,849	8,478,964	8,510,238	8,541,932
Other financial assets	1,124	862	796	209	253
Total financial assets	8,559,250	8,600,943	8,616,684	8,632,009	8,646,265
Non-financial assets					
Land and buildings	56,565	49,208	45,529	44,297	43,247
Property, plant and equipment	16,135	11,723	2,922	2,458	1,668
Intangibles	318	218	168	100	32
Total non-financial assets	73,018	61,149	48,619	46,855	44,947
Total assets administered on behalf of government	8,632,268	8,662,092	8,665,303	8,678,864	8,691,212
LIABILITIES					
Payables					
Suppliers	8,910	6,877	6,360	1,811	2,161
Grants	31,359	27,779	23,694	23,695	24,511
Other payables	5,703	5,703	5,703	5,703	5,703
Total payables	45,972	40,359	35,757	31,209	32,375
Provisions					
Other provisions	587	694	737	638	719
Total provisions	587	694	737	638	719
Total liabilities administered on behalf of government	46,559	41,053	36,494	31,847	33,094
Net assets/(liabilities)	8,585,709	8,621,039	8,628,809	8,647,017	8,658,118

Prepared on Australian Accounting Standards basis.

Table 3.2.9: Schedule of budgeted administered cash flows (for the period ended 30 June)

	Estimated actual 2013–14 \$'000	Budget estimate 2014–15 \$'000	Forward estimate 2015–16 \$'000	Forward estimate 2016–17 \$'000	Forward estimate 2017–18 \$'000
OPERATING ACTIVITIES					
Cash received					
Sales of goods and rendering of services	4,452	7,346	7,242	7,543	7,049
Interest	908	2,489	2,735	2,333	1,976
Dividends	4,700	1,100	2,300	2,300	2,300
Other	3,960	3,960	3,960	3,960	3,960
Total cash received	14,020	14,895	16,237	16,136	15,285
Cash used					
Grant payments	653,449	524,847	495,878	513,405	488,957
Subsidies paid	3,343	3,386	3,430	3,477	3,477
Personal benefits	45,268	8,551	2,696	1,211	1,223
Suppliers	100,974	94,092	76,516	15,042	24,573
Employees	31,753	31,738	29,596	–	–
CAC Act body payments	270,813	439,103	458,800	451,570	458,859
Other	22,232	23,787	24,224	24,917	25,418
Total cash used	1,127,832	1,125,504	1,091,140	1,009,622	1,002,507
Net cash from (used by) operating activities	(1,113,812)	(1,110,609)	(1,074,903)	(993,486)	(987,222)
INVESTING ACTIVITIES					
Cash received					
Repayments of advances and loans	8,379	10,969	15,028	18,386	21,365
Total cash received	8,379	10,969	15,028	18,386	21,365
Cash used					
Purchase of property, plant and equipment	28,356	5,637	7,384	2,549	2,568
Advances and loans made	105,547	25,553	–	–	–
Investments	61,014	31,301	31,128	31,274	31,694
Total cash used	194,917	62,491	38,512	33,823	34,262
Net cash from (used by) investing activities	(186,538)	(51,522)	(23,484)	(15,437)	(12,897)
FINANCING ACTIVITIES					
Net increase (decrease) in cash held	(1,300,350)	(1,162,131)	(1,098,387)	(1,008,923)	(1,000,119)
Cash and cash equivalents at the beginning of the reporting period	1	–	–	–	–
Cash from Official Public Account for:					
Appropriations	1,342,390	1,193,390	1,129,653	1,038,307	1,032,023
Cash to Official Public Account for:					
Appropriations	(42,041)	(31,259)	(31,266)	(29,384)	(31,904)
Cash and cash equivalents at the end of the reporting period	–	–	–	–	–

Prepared on Australian Accounting Standards basis.

Table 3.2.10: Schedule of administered capital budget statement

	Estimated actual 2013–14 \$'000	Budget estimate 2014–15 \$'000	Forward estimate 2015–16 \$'000	Forward estimate 2016–17 \$'000	Forward estimate 2017–18 \$'000
NEW CAPITAL APPROPRIATIONS					
Capital budget—Bill 1 (ACB)	4,454	2,531	2,528	2,549	2,568
Administered assets and liabilities—Bill 2	129,447	28,660	4,856	–	–
Total new capital appropriations	133,901	31,191	7,384	2,549	2,568
Provided for:					
Purchase of non-financial assets	28,356	5,637	7,384	2,549	2,568
Other items	105,545	25,554	–	–	–
Total items	133,901	31,191	7,384	2,549	2,568
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations ^{1,2}	23,902	3,106	4,856	–	–
Funded by capital appropriation—ACB ^{1,3}	4,454	2,531	2,528	2,549	2,568
Total	28,356	5,637	7,384	2,549	2,568
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total accrual purchases	28,356	5,637	7,384	2,549	2,568
Total cash used to acquire assets	28,356	5,637	7,384	2,549	2,568

Prepared on Australian Accounting Standards basis.

ACB = administered capital budget.

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

2. Includes administered capital funding for the Department for the Royal Commission into Institutional Responses to Child Sexual Abuse (\$12.856m in 2013–14, \$2.856m in 2014–15 and \$4.856m in 2015–16), for the Royal Commission into the Home Insulation Programme (\$0.100m in 2013–14) and for the Royal Commission into Trade Union Governance and Corruption (\$5.043m in 2013–14 and \$0.250m in 2014–15).

3. Includes purchases from current and previous years' ACBs.

Table 3.2.11: Statement of administered asset movements (2014–15)

	Buildings \$'000	Other property, plant & equipment \$'000	Heritage & cultural \$'000	Computer software & intangibles \$'000	Total \$'000
As at 1 July 2014					
Gross book value	222,632	445,132	67,910	5,324	740,998
Accumulated depreciation/ amortisation and impairment	(166,067)	(428,997)	(67,910)	(5,006)	(667,980)
Opening net book balance	56,565	16,135	–	318	73,018
CAPITAL ASSET ADDITIONS					
Estimated expenditure on new or replacement assets					
By purchase—appropriation ordinary annual services	1,915	3,722	–	–	5,637
Total additions	1,915	3,722	–	–	5,637
Other movements					
Depreciation/amortisation expense	(9,272)	(8,134)	–	(100)	(17,506)
Total other movements	(9,272)	(8,134)	–	(100)	(17,506)
As at 30 June 2015					
Gross book value	224,547	448,854	67,910	5,324	746,635
Accumulated depreciation/ amortisation and impairment	(175,339)	(437,131)	(67,910)	(5,106)	(685,486)
Closing net book balance	49,208	11,723	–	218	61,149

Prepared on Australian Accounting Standards basis.

3.2.4 Notes to the financial statements

Basis of accounting

The budgeted financial statements have been prepared on an accrual accounting basis, having regard to Statements of Accounting concepts, and in accordance with the Finance Minister's Orders, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board.

Departmental

Revenue from government

Amounts appropriated are recognised as revenue, except for certain amounts that relate to activities that are reciprocal in nature, in which case revenue is recognised only when it has been earned. Appropriations receivable are recognised at their nominal amounts.

Other revenue

Revenue from rendering of specific services is recognised by reference to the stage of completion of contracts or other agreements.

Employee expenses

Employee expenses consist of salaries, leave entitlements, redundancy expenses, superannuation and non-salary benefits.

Supplier expenses

Supplier expenses consist of administrative costs, consultants' fees, travel expenses and property operating expenses.

Leases

A distinction is made between finance leases, which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to ownership of leased non-current assets, and operating leases under which the lessor effectively retains substantially all such risks and benefits.

Where a non-current asset is acquired by means of a finance lease, the asset is capitalised at the lower of fair value or the present value of minimum lease payments at the inception of the lease and a liability recognised for the same amount. Leased assets are amortised over the period of the lease. Lease payments are allocated between the principal component and the interest expense.

Operating lease payments are charged to the income statement on a basis that is representative of the pattern of benefits derived from the lease assets.

Attorney-General's Department

Depreciation and amortisation

Computer equipment is depreciated using the declining-balance method while, for all other plant and equipment, the straight-line method of depreciation is applied. Leasehold improvements are amortised on a straight-line basis over the lesser of the estimated life of the improvements or the unexpired period of the lease.

Depreciation/amortisation rates (useful lives) are reviewed at each balance date and necessary adjustments are recognised.

Cash

Cash includes notes and coins held and any deposits held at call with a bank or other financial institution.

Asset valuation

The Department has adopted fair value as a basis for valuing its leasehold improvements and plant and equipment. Valuation is 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.

Asset recognition threshold

Purchases of property, plant and equipment are recognised initially at cost in the balance sheet, except for purchases costing less than \$2,000, which are expensed in the year of acquisition.

Receivables

A provision is raised for any doubtful debts based on a review of the collectability of all outstanding accounts as at year-end.

Bad debts are written off during the year in which they are identified.

Provisions and payables

Provisions and payables represent liabilities for miscellaneous accruals and employee benefits, including accrued salary and leave entitlements, provisions for making-good leased premises and lease incentives. No provision for sick leave is required as all sick leave is non-vesting.

Administered

Revenue

All administered revenues are revenues relating to the core operating activities performed by the Department on behalf of the Australian Government. Levies, fees and fines revenue is recognised when it is probable that the economic benefit comprising the consideration will flow to the entity.

Revenue from the rendering of service is recognised on delivery of that service to customers. Interest revenue is recognised on a time proportionate basis that takes into account the effective yield on the relevant asset. Dividend revenue is recognised when the right to receive a dividend has been established.

Assets

Administered financial assets are made up of receivables and investments. The administered investments are recorded at fair value. Administered non-financial assets comprise land and buildings; infrastructure, plant and equipment; intangibles; heritage and cultural assets; inventories; and prepayments. The accounting policies in relation to non-financial assets are the same as for departmental non-financial assets.

Liabilities

Administered liabilities are made up of employee provisions, creditors for suppliers, grants and subsidy arrangements.