

COMMONWEALTH GRANTS COMMISSION

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COMMONWEALTH GRANTS COMMISSION

Section 1: Agency overview and resources

1.1 STRATEGIC DIRECTION STATEMENT

The Commonwealth Grants Commission (the Commission) operates under the *Commonwealth Grants Commission Act 1973*. It is a statutory authority whose role is to provide advice to the Australian Government in response to terms of reference.

The main subject on which the advice is sought is the allocation among the states of the goods and services tax (GST) revenue. Terms of reference for these inquiries are decided by the Australian Government in consultation with the States. The reports are considered at the annual meeting of the Ministerial Council for Federal Financial Relations.

From time to time, the Commission is also asked to report on the finances of Australia's external territories, local government matters and the financing of services for Indigenous people. Terms of reference for those inquiries are developed by relevant Australian Government agencies and the reports are considered by their Ministers.

1.2 AGENCY RESOURCE STATEMENT

Table 1.1 shows the total resources for the Commission.

Table 1.1: Commonwealth Grants Commission resource statement — Budget estimates for 2012-13 as at Budget May 2012

	Estimate of prior year amounts + available in 2012-13 \$'000	Proposed at Budget 2012-13 \$'000	= Total estimated 2012-13 \$'000	Actual available appropriation 2011-12 \$'000
Ordinary annual services				
Departmental appropriation				
Prior year departmental appropriation	7,600 ³	-	7,600	-
Departmental appropriation ²	-	6,510 ¹	6,510	7,335
Total net resourcing for the CGC	7,600	6,510	14,110	7,335

1. Appropriation Bill (No. 1) 2012-13.

2. Includes \$0.1 million in 2012-13 for the Departmental Capital Budget (also refer to Table 3.2.5).

3. Estimated adjusted balance carried from previous year for annual appropriations.

1.3 BUDGET MEASURES

The Commission does not have any budget measures for 2012-13.

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 Commission'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 Commission.

Outcome 1: Informed Government decisions on fiscal equalisation between the States and Territories through advice and recommendations on the distribution of GST revenue and health care grants

Note: Recent terms of reference for the Commission have not required advice and recommendations on health care grants.

Outcome 1 strategy

The Commission's strategy is based on its role to provide advice to the Australian Government in response to terms of reference. Five-yearly reviews of the methods used to calculate the recommended State shares of GST revenue is the major activity associated with this outcome. The last five-year review was completed in February 2010. Between these reviews the shares are updated annually using the most recent data. The last update was completed in February 2012, as part of the review.

The Commission will continue with this strategy in the current budget year and the forward years.

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 Government decisions on fiscal equalisation between the States and Territories through advice and recommendations on the distribution of GST revenue and health care grants	2011-12 Estimated actual expenses \$'000	2012-13 Estimated expenses \$'000
Program 1.1: Commonwealth Grants Commission		
Departmental expenses		
Departmental appropriation	6,255	6,447
Expenses not requiring appropriation in the budget year	107	106
Total expenses for Outcome 1	6,362	6,553
	2011-12	2012-13
Average staffing level (number)	42	42

Contributions to Outcome 1

Program 1.1: Commonwealth Grants Commission

Program objective

The Commission makes recommendations which are considered by government on the distribution of the GST pool.

Program expenses

There are no significant trends, changes or variances in the program expenses over the forward years.

Table 2.2: Program expenses

	2011-12 Revised budget \$'000	2012-13 Budget \$'000	2013-14 Forward year 1 \$'000	2014-15 Forward year 2 \$'000	2015-16 Forward year 3 \$'000
Annual departmental expenses					
Departmental items	6,362	6,553	6,577	6,583	6,639
Total departmental expenses	6,362	6,553	6,577	6,583	6,639

Program deliverables

The Commission makes recommendations to Government on the distribution of the GST pool.

Completion of the *Report on GST Revenue Sharing Relativities – 2013 Update* for consideration by the Ministerial Council for Federal Financial Relations.

Program key performance indicators

The major effectiveness indicators are the quality of the Commission's research, the accuracy of its calculations and the acceptance of the results it presents to government.

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 budget year 2012-13. It explains how budget plans are incorporated into the financial statements and provides further details of the reconciliation between appropriations, program expenses and special accounts.

3.1 EXPLANATORY TABLES

3.1.1 Movement of administered funds between years

The Commission 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. On 7 January 2011, the Commission's Special Account was abolished and has been deactivated.

3.1.3 Australian Government Indigenous Expenditure

The Commission does not have any Australian Government Indigenous Expenditure.

3.2 BUDGETED FINANCIAL STATEMENTS

3.2.1 Differences in agency resourcing and financial statements

There are no material differences between the resource information presented in the Budget Papers and Portfolio Budget Statements as a result of differences between Australian Accounting Standards and Government Finance Statistics.

3.2.2 Analysis of budgeted financial statements

The financial statements have been prepared on an Australian Accounting Standards basis.

The Commission normally receives a relatively steady level of funding and its workload and expenses vary over a five year cycle.

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 2011-12 \$'000	Budget estimate 2012-13 \$'000	Forward estimate 2013-14 \$'000	Forward estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000
EXPENSES					
Employee benefits	5,500	5,500	5,500	5,863	5,500
Supplier	782	974	998	640	1,058
Depreciation and amortisation	80	79	79	80	81
Total expenses	6,362	6,553	6,577	6,583	6,639
LESS:					
OWN-SOURCE INCOME					
Revenue					
Sale of goods and rendering of services	8	8	8	-	-
Total revenue	8	8	8	-	-
Gains					
Other gains	19	19	19	-	-
Total gains	19	19	19	-	-
Total own-source income	27	27	27	-	-
Net cost of (contribution by) services	6,335	6,526	6,550	6,583	6,639
Appropriation revenue	6,255	6,447	6,471	6,503	6,558
Surplus (deficit) attributable to the Australian Government	(80)	(79)	(79)	(80)	(81)
Note: Impact of Net Cash Appropriation Arrangements					
	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000
Total Comprehensive Income (loss) less depreciation/amortisation expenses previously funded through revenue appropriations	-	-	-	-	-
plus depreciation/amortisation expenses previously funded through revenue appropriations	(80)	(79)	(79)	(80)	(81)
Total Comprehensive Income (loss) - as per the Statement of Comprehensive Income	(80)	(79)	(79)	(80)	(81)

Prepared on Australian Accounting Standards basis.

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

	Estimated actual 2011-12 \$'000	Budget estimate 2012-13 \$'000	Forward estimate 2013-14 \$'000	Forward estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000
ASSETS					
Financial assets					
Cash and equivalents	101	101	101	101	101
Trade and other receivables	7,609	7,609	7,609	7,609	7,609
Total financial assets	7,710	7,710	7,710	7,710	7,710
Non-financial assets					
Infrastructure, plant and equipment	602	586	570	554	538
Other	51	51	51	51	51
Total non-financial assets	653	637	621	605	589
Total assets	8,363	8,347	8,331	8,315	8,299
LIABILITIES					
Provisions					
Employees	1,733	1,733	1,733	1,733	1,733
Other	224	224	224	224	224
Total provisions	1,957	1,957	1,957	1,957	1,957
Payables					
Suppliers	63	63	63	63	63
Total payables	63	63	63	63	63
Total liabilities	2,020	2,020	2,020	2,020	2,020
Net assets	6,343	6,327	6,311	6,295	6,279
EQUITY					
Contributed equity	516	579	642	706	771
Reserves	724	724	724	724	724
Retained surpluses or accumulated deficits	5,103	5,024	4,945	4,865	4,784
Total equity	6,343	6,327	6,311	6,295	6,279
Current assets	7,761	7,761	7,761	7,761	7,761
Non-current assets	602	586	570	554	538
Current liabilities	1,386	1,386	1,386	1,386	1,386
Non-current liabilities	634	634	634	634	634

Prepared on Australian Accounting Standards basis.

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

	Estimated actual 2011-12 \$'000	Budget estimate 2012-13 \$'000	Forward estimate 2013-14 \$'000	Forward estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000
OPERATING ACTIVITIES					
Cash received					
Goods and services	8	8	8	-	-
Appropriations	6,255	6,447	6,471	6,503	6,558
Total cash received	6,263	6,455	6,479	6,503	6,558
Cash used					
Employees	5,621	5,684	5,500	5,863	5,500
Suppliers	642	771	979	640	1,058
Total cash used	6,263	6,455	6,479	6,503	6,558
Net cash from or (used by) operating activities	-	-	-	-	-
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment	80	63	63	64	65
Total cash used	80	63	63	64	65
Net cash from or (used by) investing activities	(80)	(63)	(63)	(64)	(65)
FINANCING ACTIVITIES					
Cash received					
Capital injections	80	63	63	64	65
Total cash received	80	63	63	64	65
Net cash from or (used by) financing activities	80	63	63	64	65
Net increase or (decrease) in cash held	-	-	-	-	-
Cash at the beginning of the reporting period	101	101	101	101	101
Cash at the end of the reporting period	101	101	101	101	101

Prepared on Australian Accounting Standards basis.

Table 3.2.4: Departmental statement of changes in equity — summary of movement (Budget year 2012-13)

	Retained surpluses \$'000	Asset revaluation reserve \$'000	Other reserves \$'000	Contributed equity/ capital \$'000	Total equity \$'000
Opening balance as at 1 July 2012					
Balance carried forward from previous period	5,103	724	-	516	6,343
Adjusted opening balance	5,103	724	-	516	6,343
Comprehensive income					
Surplus (deficit) for the period	(79)	-	-	-	(79)
Total comprehensive income recognised directly in equity	(79)	-	-	-	(79)
Transactions with owners					
<i>Contributions by owners</i>					
Appropriation (departmental capital budget)	-	-	-	63	63
Total transactions with owners	-	-	-	63	63
Estimated closing balance as at 30 June 2013	5,024	724	-	579	6,327

Prepared on Australian Accounting Standards basis.

Table 3.2.5: Departmental capital budget (DCB) statement

	Estimated actual 2011-12 \$'000	Budget estimate 2012-13 \$'000	Forward estimate 2013-14 \$'000	Forward estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000
NEW CAPITAL APPROPRIATIONS					
Capital budget - Bill 1 - DCB	80	63	63	64	65
Total new capital appropriations	80	63	63	64	65
Provided for:					
Purchase of non-financial assets	80	63	63	64	65
Total Items	80	63	63	64	65
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriation - DCB	80	63	63	64	65
TOTAL	80	63	63	64	65
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	80	63	63	64	65
Total cash used to acquire assets	80	63	63	64	65

Prepared on Australian Accounting Standards basis.

Table 3.2.6: Statement of asset movements — departmental

	Buildings \$'000	Other infrastructure, plant & equipment \$'000	Intangibles \$'000	L&B, IP&E held for sale \$'000	Total \$'000
As at 1 July 2012					
Gross book value	-	682	-	-	682
Accumulated depreciation/amortisation and impairment	-	80	-	-	80
Opening net book balance	-	602	-	-	602
Capital asset additions					
Estimated expenditure on new or replacement assets					
By purchase - appropriation ordinary annual services	-	63	-	-	63
Total additions	-	63	-	-	63
Other movements					
Depreciation/amortisation expense	-	79	-	-	79
Total other movements	-	79	-	-	79
As at 30 June 2013					
Gross book value	-	745	-	-	745
Accumulated depreciation/amortisation and impairment	-	159	-	-	159
Closing net book balance	-	586	-	-	586

Prepared on Australian Accounting Standards basis.

