

ADMINISTRATIVE APPEALS TRIBUNAL

Section 1: Agency overview and resources

1.1 STRATEGIC DIRECTION FOR 2008–09

The role of the Administrative Appeals Tribunal (the Tribunal) is to provide independent review on the merits of a wide range of administrative decisions of the Australian Government. The Tribunal may affirm, vary or substitute a decision under review. The Tribunal may achieve this through conferencing or another alternative dispute resolution process or, if the Tribunal is unable to resolve the matter, by holding a formal hearing.

The Tribunal has jurisdiction to review decisions made under approximately 400 separate Acts and legislative instruments. Decisions in the areas of social security, taxation, veterans' affairs and workers' compensation constitute the bulk of the Tribunal's workload. The Tribunal also reviews decisions in areas such as bankruptcy, civil aviation, corporations law, customs, freedom of information, immigration and citizenship, industry assistance and security assessments undertaken by the Australian Security Intelligence Organisation.

Many Tribunal members are authorised to perform additional functions such as the approval of warrants under a range of Acts including the *Surveillance Devices Act 2004* and the *Telecommunications (Interception and Access) Act 1979*.

Applicants are able to access the Tribunal through registries in all states and the Australian Capital Territory. Northern Territory applicants are serviced from Brisbane. The Tribunal has members located at each office to hear matters brought before it and provides a circuit service to regional areas within the various states and the Northern Territory. Where appropriate, the Tribunal uses videoconferencing and teleconferencing facilities to hear remotely located witnesses and conduct hearings. In order to achieve additional efficiencies, the Tribunal will review the costs of delivering circuit services and may increase the use of videoconferencing in lieu of travel.

Further challenges face the Tribunal in the year ahead as the government requires agencies to deliver services with increased efficiency. The Tribunal will undertake a review of all current staffing levels and services, including case management practices and procedures, to ensure that clients are dealt with as quickly and efficiently as possible within the available funds.

The Minister for Finance and Deregulation has approved an operating loss of \$600,000 for 2008–09 to give the Tribunal the opportunity to conduct the review and identify possibilities for ongoing savings.

The Tribunal is seeking feedback on current performance through a user survey of matters finalised in 2007. This feedback will inform any proposals for change in the way the Tribunal conducts its activities.

1.2 AGENCY RESOURCE STATEMENT

Table 1.1 shows total resources from all origins. The table summarises how resources will be applied by departmental classification.

Table 1.1: Resource statement—Budget estimates for 2008–09 (as at Budget May 2008)

	Estimate of prior year amounts available in 2008–09 (\$'000)	+	Proposed at Budget 2008–09 (\$'000)	=	Total estimate 2008–09 (\$'000)	Estimated appropriation available 2007–08 (\$'000)
ORDINARY ANNUAL SERVICES						
Departmental outputs						
Departmental outputs	7,218 ⁴		31,849 ¹		39,067	32,215
S 31 relevant agency receipts	–		1,073 ³		1,073	1,063
Total ordinary annual services	7,218		32,922		40,140⁵	33,278
OTHER SERVICES						
Departmental non-operating						
Equity injections	–		– ²		–	293
Total other services	–		–		–	293
Total resourcing for the Administrative Appeals Tribunal	7,218		32,922		40,140	33,571

All figures are GST exclusive.

Notes:

1. Appropriation Bill (No. 1) 2008–09.
2. Appropriation Bill (No. 2) 2008–09.
3. Section 31 relevant agency receipts—estimate.
4. Estimated adjusted balance carried forward from previous year for annual appropriations.
5. The total available departmental operating appropriation (outputs) will not equal the total of all outputs in the outcome resource statements as they budget for estimated appropriation attributable to outcomes and not the total available. For reconciliation see Table 3.1.1.

1.3 BUDGET MEASURES

There are no new measures for the Tribunal.

Section 2: Outcomes and planned performance

2.1 OUTCOMES AND PERFORMANCE INFORMATION

The Australian Government requires agencies to measure their intended and actual performance in terms of outcomes. Government outcomes are the results, impacts or consequences of actions by the government on the Australian community. Agencies are required to identify the output groups that demonstrate their contribution to government outcomes over the coming year.

The Tribunal's outcome is described below by output group, including the indicators and targets used to assess and monitor performance.

2.1.1 Outcome 1: Improve the quality of administrative decision-making through the provision of a review mechanism that is fair, just, economical, informal and quick

Outcome 1 strategy

The Tribunal's strategies to achieve its primary output – completed reviews of decisions – include regular monitoring of case loads and case work distribution among the most appropriately qualified members of the Tribunal, ongoing professional development, and mentoring and performance reviews of members. These strategies ensure that members sitting on hearings will be able to perform their duties to the highest standards. In addition, the Tribunal provides resources for mediation and other alternative dispute resolution processes to avoid the need for a hearing. This strategy helps resolve a significant number of applications each year in a timely and economical manner.

Outcome 1 resource statement

Table 2.1 provides additional detail of Budget appropriations and the total resourcing available for Outcome 1.

Table 2.1: Total resources available for Outcome 1

	2008–09 total estimate of available resources (\$'000)	2007–08 estimated actual (\$'000)
Outcome 1		
Output Group 1: Completed reviews of decisions		
Departmental outputs		
Output 1.1.1: Applications finalised without a hearing	13,655	13,811
Output 1.1.2: Applications finalised with a hearing	18,194	18,404
Revenue from other sources (s 31)		
Output 1.1.1: Applications finalised without a hearing	460	456
Output 1.1.2: Applications finalised with a hearing	613	607
Total resources for Outcome 1	32,922	33,278
Average staffing level (number)	166	168

Departmental appropriation splits and totals by output are indicative estimates and may change in the course of the Budget year as government priorities change.

Contributions to Outcome 1

Output Group 1

Output Group 1: Completed reviews of decisions	
Components of Output Group 1:	
<ul style="list-style-type: none"> • Output 1.1.1: Applications finalised without a hearing • Output 1.1.2: Applications finalised with a hearing 	
Key performance indicators	2008–09 target
Quality, quantity and price of applications finalised without a hearing	Quality: 85% of matters have first conference within 13 weeks Quantity: 5,218 finalisations Price: \$2,785 per completed application
Quality, quantity and price of applications finalised with a hearing	Quality: 85% of matters to hearing within 40 weeks Quantity: 1,476 finalisations Price: \$13,119 per completed application

Section 3: Explanatory tables and budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of agency finances for the Budget year 2008–09. It explains how budget plans are incorporated into the financial statements and provides further details of special accounts and Australian Government Indigenous expenditure.

3.1 EXPLANATORY TABLES

3.1.1 Reconciliation of total available appropriation and outcomes

The agency resource statement (Table 1.1) details the total available appropriation from all sources. For departmental operating appropriation (outputs) this includes carry-forward amounts as well as amounts appropriated at Budget. As agencies incur and are funded for future liabilities (generally depreciation and employee entitlements), the total amount of departmental operating appropriation available to an agency is unlikely to be fully used in the Budget year.

The difference between the agency resource statement and the sum of all payments made at the departmental outputs level is the expected carry-forward amount of resources for the 2009–10 Budget year, including amounts related to meeting future obligations to maintain the agency’s asset base and to meet employee entitlement liabilities.

Table 3.1.1 reconciles the total available appropriation and amounts attributable to outcomes.

Table 3.1.1: Reconciliation of total available appropriation and outcomes

	(\$'000)
Total available departmental operating appropriation (outputs)	40,140
Less estimated payments in 2008–09	(33,403)
Estimated departmental outputs carried forward and available for 2009–10	6,737

3.1.2 Movement of administered funds between years

The Tribunal has no administered funds that can be moved between years.

3.1.3 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 3.1.3 shows the expected additions (receipts) and reductions (payments) for the two special accounts used by the Tribunal. For the year ending 30 June 2009, both accounts are expected to have no transactions and retain a nil balance.

Table 3.1.3: Estimates of special account cash flows and balances

		Opening balance 2008–09 2007–08 (\$'000)	Receipts 2008–09 2007–08 (\$'000)	Payments 2008–09 2007–08 (\$'000)	Closing balance 2008–09 2007–08 (\$'000)
Other Trust Moneys— FMA Act s 20 (D)	1 1	– –	– –	– –	– –
Services for Other Governments and Non-Agency Bodies— FMA Act s 20 (D)	1 1	– –	– –	– –	– –
Total special accounts 2008–09 Budget estimate		–	–	–	–
Total special accounts 2007–08 estimated actual		–	–	–	–

(D) = Departmental.

FMA Act = *Financial Management and Accountability Act 1997*.

3.1.4 Australian Government Indigenous expenditure

The Tribunal’s Indigenous expenditure relates to the engagement of an Indigenous trainee at the Australian Public Service Level 1 classification within the Tribunal. The Indigenous trainee position is a key component of the Tribunal’s Indigenous Employment Strategy, which is in line with government policy as stated in the Australian Public Service Commission’s guidance titled ‘APS Employment and Capability Strategy for Aboriginal and Torres Strait Islander Employees’. The costs listed in Table 3.1.4 include only salary and superannuation.

Table 3.1.4: Australian Government Indigenous expenditure (AGIE)

Outcome	Appropriations			Total appropriation (\$'000)	Output group
	Bill No. 1 (\$'000)	Bill No. 2 (\$'000)	Special appropriation (\$'000)		
Outcome 1					
Departmental 2008–09	42	–	–	42	1
<i>Departmental 2007–08</i>	<i>41</i>	<i>–</i>	<i>–</i>	<i>41</i>	<i>1</i>
Total AGIE 2008–09	42	–	–	42	
Total AGIE 2007–08	41	–	–	41	

3.2 BUDGETED FINANCIAL STATEMENTS

3.2.1 Differences between agency resourcing and financial statements

The figures in tables 1.1, 2.1 and 3.1.1 represent cash balances and cash outlays of the Tribunal. The budgeted financial statements in this section are prepared under Australian Accounting Standards, which require that figures be prepared on an accrual basis.

The most significant difference between the agency resourcing and financial statements in the Tribunal's case is in the treatment of capital outlays. The outlays in Table 3.1.1 include the full cost of the Tribunal's planned asset acquisitions in the year of purchase. The same transactions under Australian Accounting Standards require that capital acquisitions be recorded as assets and an annual depreciation charge be recognised each year until an asset has reached the end of its useful life or is disposed of. Additionally, resources received free of charge are not directly recognised in tables 1.1 and 2.1 as a revenue item. The reader should note these differences when comparing figures presented in tables 1.1, 2.1 and 3.1.1 to the budgeted financial statements presented below. In 2007–08 the Tribunal's asset acquisitions are estimated at \$2.205m and in 2008–09, \$1.115m.

3.2.2 Analysis of budgeted financial statements

The Tribunal's departmental revenues are modestly lower in 2008–09 due primarily to the application of the one-off 2% increase in the efficiency dividend. Expenditures are modestly higher after allowing for an increase in staff salaries of 4.2% under the Tribunal's agency agreement signed in 2006 and an increase in depreciation charges as a result of an updating of fit-outs in several registries after leases were extended for an additional 10 years.

Depreciation charges will continue to rise into 2009–10 before they plateau, as the full year charge for the updated fit-outs and essential information technology updates occur. The Tribunal will review all expenditure to identify possible savings to offset the increased operating expenses. The Minister for Finance and Deregulation has approved an operating loss for the Tribunal in 2008–09.

3.2.3 Budgeted financial statements tables

Departmental

Table 3.2.1: Budgeted departmental income statement (for the period ended 30 June)

	Estimated actual 2007–08 (\$'000)	Budget estimate 2008–09 (\$'000)	Forward estimate 2009–10 (\$'000)	Forward estimate 2010–11 (\$'000)	Forward estimate 2011–12 (\$'000)
INCOME					
Revenue					
Revenue from government	32,215	31,849	32,005	32,188	33,170
Goods and services	1,063	1,073	1,085	1,085	1,085
Other	323	374	300	226	226
Total revenue	33,601	33,296	33,390	33,499	34,481
Total income	33,601	33,296	33,390	33,499	34,481
EXPENSES					
Employees	19,987	20,086	19,353	19,359	19,987
Suppliers	12,354	12,311	12,400	12,500	12,829
Depreciation and amortisation	1,260	1,499	1,637	1,640	1,665
Total expenses	33,601	33,896	33,390	33,499	34,481
Surplus (deficit) attributable to the Australian Government	–	(600)	–	–	–

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

	Estimated actual 2007–08 (\$'000)	Budget estimate 2008–09 (\$'000)	Forward estimate 2009–10 (\$'000)	Forward estimate 2010–11 (\$'000)	Forward estimate 2011–12 (\$'000)
ASSETS					
Financial assets					
Cash and cash equivalents	503	503	503	503	503
Trade and other receivables	6,974	6,493	7,224	8,241	9,463
Total financial assets	7,477	6,996	7,727	8,744	9,966
Non-financial assets					
Land and buildings	7,566	7,264	6,192	5,150	4,074
Infrastructure, plant and equipment	1,637	1,503	1,631	1,673	1,477
Intangibles	488	540	462	274	201
Other	1,881	1,882	1,882	1,882	1,882
Total non-financial assets	11,572	11,189	10,167	8,979	7,634
Total assets	19,049	18,185	17,894	17,723	17,600
LIABILITIES					
Non-interest-bearing liabilities					
Other	1,209	1,000	759	588	465
Total non-interest-bearing liabilities	1,209	1,000	759	588	465
Provisions					
Employees	4,744	4,689	4,639	4,639	4,639
Total provisions	4,744	4,689	4,639	4,639	4,639
Payables					
Suppliers	860	860	860	860	860
Other	385	385	385	385	385
Total payables	1,245	1,245	1,245	1,245	1,245
Total liabilities	7,198	6,934	6,643	6,472	6,349
Net assets	11,851	11,251	11,251	11,251	11,251
EQUITY¹					
Parent entity interest					
Contributed equity	2,568	2,568	2,568	2,568	2,568
Reserves	2,836	2,836	2,836	2,836	2,836
Retained surpluses or accumulated deficits	6,447	5,847	5,847	5,847	5,847
Total parent entity interest	11,851	11,251	11,251	11,251	11,251
Total equity	11,851	11,251	11,251	11,251	11,251
Current assets	9,358	8,878	9,609	10,626	11,848
Non-current assets	9,691	9,307	8,285	7,097	5,752
Current liabilities	5,130	5,080	5,035	5,035	5,035
Non-current liabilities	2,068	1,854	1,608	1,437	1,314

Note:

1. Equity is the residual interest in assets after deduction of liabilities.

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

	Estimated actual 2007–08 (\$'000)	Budget estimate 2008–09 (\$'000)	Forward estimate 2009–10 (\$'000)	Forward estimate 2010–11 (\$'000)	Forward estimate 2011–12 (\$'000)
OPERATING ACTIVITIES					
Cash received					
Goods and services	1,063	1,073	1,085	1,085	1,085
Appropriations	34,240	33,930	32,874	32,771	33,548
Total cash received	35,303	35,003	33,959	33,856	34,633
Cash used					
Employees	19,716	19,767	19,103	19,133	19,761
Suppliers	13,954	13,912	14,000	14,100	14,429
Total cash used	33,670	33,679	33,103	33,233	34,190
Net cash from (used by) operating activities	1,633	1,324	856	623	443
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment and intangibles	2,205	1,115	615	452	320
Total cash used	2,205	1,115	615	452	320
Net cash from (used by) investing activities	(2,205)	(1,115)	(615)	(452)	(320)
FINANCING ACTIVITIES					
Cash received					
Appropriations—contributed equity	293	—	—	—	—
Other	90	—	—	—	—
Total cash received	383	—	—	—	—
Cash used					
Other	—	209	241	171	123
Total cash used	—	209	241	171	123
Net cash from (used by) financing activities	383	(209)	(241)	(171)	(123)
Net increase (decrease) in cash held	(189)	—	—	—	—
Cash at the beginning of the reporting period	692	503	503	503	503
Cash at the end of the reporting period	503	503	503	503	503

Table 3.2.4: Departmental statement of changes in equity—summary of movement (Budget year 2008–09)

	Retained earnings (\$'000)	Asset revaluation reserve (\$'000)	Contributed equity/ capital (\$'000)	Total equity (\$'000)
Opening balance as at 1 July 2008				
Balance carried forward from previous period	6,447	2,836	2,568	11,851
Income and expenses				
Net operating result	(600)	–	–	(600)
Total income and expenses	(600)	–	–	(600)
Estimated closing balance as at 30 June 2009	5,847	2,836	2,568	11,251

Administered**Table 3.2.5: Schedule of budgeted income and expenses administered on behalf of government (for the period ended 30 June)**

	Estimated actual 2007–08 (\$'000)	Budget estimate 2008–09 (\$'000)	Forward estimate 2009–10 (\$'000)	Forward estimate 2010–11 (\$'000)	Forward estimate 2011–12 (\$'000)
INCOME ADMINISTERED ON BEHALF OF GOVERNMENT					
Revenue					
Non-taxation					
Other sources of non-taxation revenue	700	800	800	800	1,000
Total non-taxation	700	800	800	800	1,000
Total revenue administered on behalf of government	700	800	800	800	1,000
Total income administered on behalf of government	700	800	800	800	1,000
EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT					
Other (refunds of revenue)	450	600	600	600	700
Total expenses administered on behalf of government	450	600	600	600	700

Table 3.2.7: Schedule of budgeted administered cash flows (for the period ended 30 June)

	Estimated actual 2007–08 (\$'000)	Budget estimate 2008–09 (\$'000)	Forward estimate 2009–10 (\$'000)	Forward estimate 2010–11 (\$'000)	Forward estimate 2011–12 (\$'000)
OPERATING ACTIVITIES					
Cash received					
Fees	700	800	800	800	1,000
Total cash received	700	800	800	800	1,000
Cash used					
Other	450	600	600	600	700
Total cash used	450	600	600	600	700
Net cash from (used by) operating activities	250	200	200	200	300
FINANCING ACTIVITIES					
Cash received					
Cash from Official Public Account	450	600	600	600	700
Total cash received	450	600	600	600	700
Cash used					
Cash to Official Public Account	700	800	800	800	1,000
Total cash used	700	800	800	800	1,000
Net cash from (used by) financing activities	(250)	(200)	(200)	(200)	(300)
Net increase (decrease) in cash held	-	-	-	-	-
Cash at beginning of reporting period	-	-	-	-	-
Cash at end of reporting period	-	-	-	-	-

3.2.4 Notes to the financial statements

Departmental

Basis of accounting

The budgeted financial statements have been prepared in accordance with the requirements of the Finance Minister's Orders, Australian Accounting Standards, Australian Equivalents to International Financial Reporting Standards and Accounting Guidance Releases, and having regard to the Statements of Accounting Concepts.

Revenue from government

Appropriations for departmental outputs 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

The President and one Deputy President of the Tribunal have entitlements under the *Judges' Pensions Act 1968*, which are unfunded. The estimated cost of these entitlements is included in other revenue as resources received free of charge.

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.

Cash

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

Assets

Assets are made up of cash, receivables, leasehold improvements, and land and equipment. All assets are held at fair value.

Liabilities

Liabilities are made up of employee salary and leave entitlements, property lease make-good provisions and amounts owed to creditors.

Administered

Revenue

All administered revenue relates to the course of ordinary activities performed by the Tribunal on behalf of the Australian Government. Fees are charged on lodgement of applications for review. Some exemptions and waivers can apply to the payment of a fee. Revenue is recognised in the year the fee is paid. All revenues are remitted to the Official Public Account.

Expenses

Applications deemed to be successful may result in a refund of the fee paid. The refund is shown in the statements as an expense item in the year it is refunded. All refunds are paid from the Official Public Account as required.

Assets and liabilities

All administered revenues and expenses are transacted directly with the Official Public Account and, as a result, the Tribunal holds no administered funds or liabilities on behalf of government.

