

# AUSTRALIAN PUBLIC SERVICE COMMISSION

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# AUSTRALIAN PUBLIC SERVICE COMMISSION

## Section 1: Agency overview and resources

The planned outcome for the Australian Public Service Commission in 2008–09 is to foster a confident, high quality, values-based and sustainable Australian Public Service (APS). The Commission will review its outcome and outputs framework for 2009–10.

The Commission works to support a high-performing APS that is:

- professional and apolitical
- accountable and ethical
- capable in both its skills and its systems
- responsive and innovative
- efficient and effective.

The APS must be able to meet the changing needs of society and government. It is required to implement a complex, extensive policy agenda for the new government and to meet the government's expectations of:

- robust, well-grounded, strategic policy advice
- innovative ideas
- constructive community and stakeholder engagement
- fiscal rigour and the capacity to deliver required cost savings
- effective implementation, supported by strong performance management regimes.

The Commission supports two statutory officeholders: the Public Service Commissioner, who is also agency head, and the Merit Protection Commissioner.

The Public Service Commissioner is responsible for promoting and evaluating the implementation of the APS Values and Code of Conduct, and for reporting on the health of the APS. The Commissioner also has policy responsibilities relating to public administration and people management, particularly the promotion of leadership skills. The Merit Protection Commissioner provides independent external review of actions affecting individual APS employees. In broad terms, the Merit Protection Commissioner performs an ombudsman-like role for the APS. The functions of the Public Service Commissioner and the Merit Protection Commissioner are set out in subsections 41(1) and 50(1), respectively, of the *Public Service Act 1999*.

In 2008–09, the Commission’s outcome will be achieved through three output groups:

- Australian Public Service policy and employment services
- Development programs
- Better practice and evaluation.

The Commission’s administrative structure is based on six groups, with four groups each mapping to three output groups, a regional group with responsibilities across all three output groups, and a corporate group.

## **1.1 STRATEGIC DIRECTION**

Our environment is one of rapid change. Agencies increasingly deliver outcomes through a variety of approaches, including whole-of-government endeavours and partnerships with others. Citizens’ expectations of service delivery are increasing. Generational shifts and a tight labour market are putting pressure on agency capability.

### **Priorities for 2008–09**

Against this background, the Commission has five main priorities for 2008–09.

#### **Driving public sector reform**

The Commission will stimulate thinking and debate about the future shape of public administration and any changes required. It will focus its research and evaluation program on challenges facing the APS and public sector reform. It will use the *State of the Service Report* as an instrument for change, as well as an assurance mechanism. A clear focus on fostering the most efficient and effective way of doing business will be maintained.

#### **Advancing the ethics and integrity agenda**

The Commission will provide policy advice on the government’s objectives of accountability, ethics, probity and openness, and promote systems and approaches to deliver them. The Commission will actively promote the APS Values and Code of Conduct and contribute to the reform of public interest disclosure (whistleblowing) legislation and information law.

#### **Supporting efficiency and effectiveness**

The Commission will propose arrangements to improve APS-wide productivity, which may support improvements in organisational capability and performance, including governance and agency health. It will provide well-targeted leadership, learning and development activities and support the Senior Executive Service (SES) as the leadership cadre for the APS. It will focus on modernising and streamlining APS employment arrangements to support agency efficiency in ways that continue to

provide for equity and diversity. It will promote better practice, including in the corporate services area and through supporting collaborative endeavours.

### **Fostering innovation and engagement**

The Commission will promote and support new ways of public service delivery and operation. It will strengthen its focus on policy development and systems thinking and encourage forums for forward and creative thought. It will also assist in the development of strategic stakeholder engagement skills, and stimulate work on better practice approaches for that engagement and approaches to service delivery more generally.

### **Continuous improvement in the 'way we do business'**

The Commission will ensure that its activities are client focused and will further develop its partnerships with other central agencies. We will strengthen our own governance arrangements and take action to improve information and communications technology systems capacity for 2009–10. We will reduce internal red tape, institute efficiencies wherever possible and place greater emphasis on ensuring cultural and capability alignment with our goals. We will implement emerging best practice.

### **New measures**

The Commission has one new function in 2008–09: to provide advice and support to agencies on strategic recruitment and redeployment matters and to excess APS employees on career transitioning. The government will provide \$2.5 million over two years to fund a Career Transition and Support Centre to undertake these services. The measure will lapse in 2009–10.

The government will also provide \$2.6 million in 2008–09 to continue the APS Indigenous Employment Strategy. Under the strategy, the Commission provides a range of services to APS agencies, including:

- centralised recruitment arrangements to support the intake of Indigenous graduates, cadets and trainees
- organisational and financial support for regional networks of Indigenous employees
- targeted career development training provided across the country
- interagency mobility arrangements.

The measure will lapse on 30 June 2009. The government will consider a further extension of the strategy in the context of the 2009–10 Budget.

## **Challenges and risks**

The Commission's activities are funded through a combination of Budget appropriation and income generated largely through the sale of services to other agencies in the APS. In 2008-09, the Commission will receive \$21.7 million in appropriation funding, with the balance of its income (\$19.2 million, or 47%) coming from non-appropriation sources.

The Commission earns income mainly from development program activities (61%), employment services (25%) and international assistance (10%). This income is earned in an open market in which agencies have choices about where they source their services and the level of services they acquire.

There are some risks to the Commission's budget in 2008-09 and in the forward years. The first is the potential impact of the tighter budgetary climate on the Commission's income from development programs and employment services. As agencies scale back their recruitment practices and reduce their investment in development programs as a result of the tighter budgetary climate, the Commission's cost-recovery income will reduce significantly and there will be challenges in meeting fixed costs.

The second risk arises from the Commission's outsourced arrangements for information technology (IT) infrastructure support services. The Commission has outsourced these services in a contract with other agencies, known as Group 8. The contract comes to an end in June 2009 and cannot be extended. Group 8 will disband on the expiry of the contract. The costs of tendering and establishing a new contract are substantial, and there is uncertainty about the commercial terms likely to be available to the Commission as a small agency.

Finally, the Commission has absorbed rising property costs to date but will face challenges in continuing to meet them.

## 1.2 AGENCY RESOURCE STATEMENT

Table 1.1 shows the total resources from all origins. 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 2008–09 as at Budget May 2008**

	Estimate of prior <sup>+</sup> year amounts available in 2008–09 \$'000	Proposed at Budget <sup>=</sup> 2008–09 \$'000	Total estimate 2008–09 \$'000	Estimated appropriation available 2007–08 \$'000
<b>Ordinary Annual Services</b>				
<b>Departmental outputs</b>				
Departmental outputs	7,538 <sup>4</sup>	21,718 <sup>1</sup>	29,256	30,363
s. 31 Relevant agency receipts		19,175 <sup>3</sup>	19,175	20,313
<b>Total</b>	<b>7,538</b>	<b>40,893</b>	<b>48,431</b> <sup>5</sup>	<b>50,676</b>
<b>Total ordinary annual services</b>	<b>A 7,538</b>	<b>40,893</b>	<b>48,431</b>	<b>50,676</b>
<b>Other services</b>				
<b>Departmental non-operating</b>				
Equity injections	-	-	-	315
Previous years' outputs		475	475	-
<b>Total</b>	<b>-</b>	<b>475</b> <sup>2</sup>	<b>475</b>	<b>315</b>
<b>Total other services</b>	<b>B -</b>	<b>475</b>	<b>475</b>	<b>315</b>
<b>Total Available Annual Appropriations</b>	<b>7,538</b>	<b>41,368</b>	<b>48,906</b>	<b>50,991</b>
<b>Special Accounts<sup>6</sup></b>				
Opening balance	-	-	-	-
Non-appropriation receipts to Special Accounts	-	-	-	-
<b>Total Special Account</b>	<b>C -</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total resourcing</b>	<b>7,538</b>	<b>41,368</b>	<b>48,906</b>	<b>50,991</b>
A + B + C				
Less appropriations drawn from annual or special appropriations above and credited to special accounts	-	-	-	-
<b>Total net resourcing for agency</b>	<b>7,538</b>	<b>41,368</b>	<b>48,906</b>	<b>50,991</b>

1 Appropriation Bill (No. 1) 2008–09.

2 Appropriation Bill (No. 2) 2008–09.

3 s. 31 Relevant Agency receipts — estimate.

4 Estimated adjusted balance carried 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.

6 Estimated opening balance for special accounts. For further detail on special accounts see Table 3.1.3.

7 All figures are GST exclusive.

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**Third party drawdowns from and on behalf of other agencies**

The Commission has no third party drawdown arrangements.

### 1.3 BUDGET MEASURES

Budget measures relating to the Australian Public Service Commission are detailed in Budget Paper No. 2. Table 1.2 provides a summary of government measures and identifies the relevant output groups associated with each measure.

**Table 1.2: Agency 2008–09 Budget measures**

	Output group	2008–09 \$'000	2009–10 \$'000	2010–11 \$'000	2011–12 \$'000
<b>Expense measures</b>					
Career Transition and Support Centre <sup>1</sup>					
	Departmental outputs	1,383	638	-	-
Closing the Gap - Australian Public Service Indigenous Employment Strategy - continuation					
	Departmental outputs	2,640	-	-	-
<b>Total expense measures</b>		<b>4,023</b>	<b>638</b>	<b>-</b>	<b>-</b>

Prepared on a Government Financial Statistics basis.

<sup>1</sup> This measure has a \$0.4 million expense and a \$0.1 million capital impact in 2007-08. For further details on the 2007-08 impact see Budget Paper No. 2.

## Section 2: Outcome and planned performance

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

Each outcome is described below by output groups, specifying the performance indicators and targets used to assess and monitor the performance of the Australian Public Service Commission in achieving government outcomes.

### 2.1 OUTCOME 1

*A confident, high quality, values-based and sustainable Australian Public Service.*

#### 2.1.1 Outcome 1 Strategy

In 2008–09 the Australian Public Service Commission will seek to achieve this outcome through the strategic priorities of:

- driving public service reform
- advancing the ethics and integrity agenda
- supporting efficiency and effectiveness
- fostering innovation and engagement
- continuous improvement in the way we do business.

These strategic priorities, which are described more fully in Section 1.1 Strategic Direction, will be achieved through operating priorities within the three output groups of the Commission and through enabling priorities. Each strategic priority will span all outputs. Major projects, priorities and results for the output groups are set out in Contributions to Outcome 1.

Initiatives extending beyond 2008–09 include:

- promoting an understanding of ethics, accountability and transparency for the APS
- focusing our research and evaluation program on challenges facing the APS
- advancing the government's long term policy directions for up-skilling the public service
- supporting APS-wide improvement in the quality of employment-related decision-making
- completing the Career Transition and Support Centre program.

The Commission will also continue to fulfil its ongoing statutory responsibilities, noting that standards of quality and timeliness are likely to reduce in the tighter budgetary climate.

### **2.1.2 Outcome 1 Resource statement**

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

**Table 2.1: Total resources for Outcome 1**

<b>Outcome 1: A confident, high quality, values-based and sustainable Australian Public Service.</b>	2008–09 Total estimate of available resources \$'000	2007–08 Estimated actual \$'000
<b>Output group 1: APS policy and employment services</b>		
Departmental Outputs		
1.1 – Advice and support to Minister, Executive and agency heads	1,837	2,305
1.2 – Employment services	3,458	2,307
1.3 – International assistance and organisations	967	794
1.4 – Merit protection and other services	2,939	2,952
Revenues from other sources (s. 31)		
1.1 – Advice and support to Minister, Executive and agency heads	2	2
1.2 – Employment services	4,760	4,063
1.3 – International assistance and organisations	1,966	2,079
1.4 – Merit protection and other services	-	-
<b>Subtotal for Output Group 1</b>	<b>15,929</b>	<b>14,502</b>
<b>Output group 2: Development programs</b>		
Departmental Outputs		
2.1 – Leadership services	1,905	873
2.2 – Program delivery	2,097	2,974
2.3 – National / international programs	338	177
Revenues from other sources (s. 31)		
2.1 – Leadership services	5,638	4,272
2.2 – Program delivery	4,217	6,083
2.3 – National / international programs	1,851	1,715
<b>Subtotal for Output Group 2</b>	<b>16,046</b>	<b>16,094</b>
<b>Output group 3: Better practice and evaluation</b>		
Departmental Outputs		
3.1 – Indigenous employment	4,500	4,264
3.2 – Promote better practice	978	1,275
3.3 – Statistical / information services	1,421	1,334
3.4 – Research and evaluation	1,278	1,549
Revenues from other sources (s. 31)		
3.1 – Indigenous employment	193	569
3.2 – Promote better practice	565	831
3.3 – Statistical / information services	-	-
3.4 – Research and evaluation	-	-
<b>Subtotal for Output Group 3</b>	<b>8,935</b>	<b>9,822</b>
<b>Total resources for Outcome 1</b>	<b>40,910</b>	<b>40,418</b>
	2008–09	2007–08
<b>Average staffing level (number)</b>	<b>216</b>	<b>211</b>

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

## 2.1.3 Contributions to Outcome 1

### Output Group 1: APS policy and employment services

Output Group 1: APS policy and employment services	
<p>The Commission provides advice to government and agency heads on APS employment policy and law; delivers employment-related services; and, on behalf of the Merit Protection Commissioner, provides independent review of APS actions. The Commission also supports public institutions in Asia and the Pacific, largely through effective collaboration with AusAID.</p> <p><i>Outputs of Output Group 1:</i></p>	
<p><b>Output 1.1 Advice and support to Minister, Executive and agency heads</b></p> <p>The Commission will improve the employment framework and approaches, including through amendments to the <i>Public Service Act 1999</i>; promote understanding of ethics, accountability and transparency for the APS; contribute to the reform of public interest disclosure legislation and information law; update information for agencies on the APS Values and Code of Conduct; and promulgate advice for statutory office holders on their roles and responsibilities.</p>	
<p><b>Output 1.2 Employment services</b></p> <p>The Commission will deliver Career Transition and Support Centre services to assist agencies with the implementation of efficiency measures. The Commission will also deliver a job seeker website (apsjobs.gov.au) and statutory services, including SES staffing matters; machinery of government changes; approval of delegations and whistleblowing report responses.</p>	
<p><b>Output 1.3 International assistance and organisations</b></p> <p>The Commission will work with AusAID and the Commonwealth Secretariat to advance the government's policies for our region.</p>	
<p><b>Output 1.4 Merit protection and other services</b></p> <p>The Commission assists agencies to apply merit in employment decisions in a modern recruitment environment. The Commission will enhance understanding within the APS about the Merit Protection Commissioner's statutory responsibilities; and support APS-wide improvement in the quality of employment related decision making and professional working relationships.</p>	
Key performance indicators	2008–09 target
Advice and support to the minister, Executive and agency heads.	The degree of satisfaction of the minister, the Executive and agency heads, as expressed through feedback about the quality and timeliness of policy and other advice and achievement of tasks.
To provide a job seeker website, apsjobs.gov.au, which incorporates the electronic APS Employment Gazette.	High level of user satisfaction with the quality of apsjobs.gov.au and the handling of feedback.  1 site with 99% availability.

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<b>Output Group 1: APS policy and employment services (continued)</b>	
Key performance indicators	2008–09 target
<p>Perform statutory responsibilities:</p> <p>SES engagements, promotions and termination of employment casework.</p> <p>Services to support any machinery of government changes, approval of delegations and whistleblowing report responses provided by the Public Service Commissioner.</p> <p>Fee-for-service employment-related services.</p>	<p>Number of SES engagements, promotions and termination of employment decisions—estimate 240.</p> <p>95% of agency SES employment recommendations able to be endorsed within one week of receipt of documents. Estimate—55 cases.</p> <p>100% of machinery of government changes completed within legislative timeframes.</p> <p>95% of approvals of delegations to outsiders completed within 5 working days.</p> <p>100% of requests for consultation on, or approval for, re-engagement completed within 5 working days.</p> <p>High level of client satisfaction with the accuracy, quality and timeliness of individual services and individual cases.</p> <p>Fee-for-service employment services—532.</p>
<p>Career Transition and Support Centre services.</p>	<p>Estimate—350 cases.</p>
<p>Deliver high quality technical assistance overseas in line with the records of understanding with AusAID – priorities: Pacific, PNG and Indonesia.</p>	<p>High level of satisfaction with the quality and timeliness of reports, advice and services provided.</p>
<p>Share information, knowledge and skills with visiting officials in Australia.</p>	<p>A high level of satisfaction of the delegations, as advised by the third-party organisers.</p>
<p>Conduct reviews and respond to whistleblowing reports.</p>	<p>Review processes accepted as being impartial, fair and effective.</p> <p>Conduct reviews. Estimate—235 cases</p> <p>70% of reviews completed within published timeframes.</p> <p>Whistleblowing reports. Estimate—5 reports.</p> <p>100% of whistleblowing reports receive an initial response within 6 weeks, with any further investigations conducted in a timely and objective manner.</p>
<p>Policy and advice services provided to the Merit Protection Commissioner.</p>	<p>A high level of satisfaction of the Merit Protection Commissioner with the relevance, quality and timeliness of advice and support provided. Estimate—80 activities.</p>

**Output Group 2: Development programs**

<b>Output Group 2: Development programs</b>	
<p>The Commission seeks to build the capability of the APS of the future by providing leadership, learning and development programs and services that meet the current and emerging needs of agencies.</p> <p><i>Outputs of Output Group 2:</i></p> <p><b>Output 2.1: Leadership services</b></p> <p>The Commission will advance the government's long term policy direction for up-skilling the public service; and support the contemporary leadership and workforce challenges of the SES in a challenging policy environment.</p> <p><b>Output 2.2: Program delivery</b></p> <p>The Commission will build on its Learn Lead Succeed strategy to further develop APS capability, and expand its Learning and Development Panel to broaden key areas of expertise and facilitate national program delivery. The Commission will also use its Registered Training Organisation status to build APS capability and encourage greater professionalism across the service; and extend the breadth and depth of program delivery modes and e-learning products to provide greater access to learning and development opportunities for all APS employees.</p> <p><b>Output 2.3: National/international programs</b></p> <p>The Commission will support leadership excellence through international programs and will work in partnership with the states and territories on public sector educational training needs.</p>	
Key performance indicators	2008–09 target
Increase leadership knowledge, skills and capability of SES and Executive Level groups across the APS.	<p>Number of seminars and forums delivered. Estimate—125.</p> <p>Number of leadership programs delivered. Estimate—55.</p>
<p>Percentage of responding participants in SES and Executive level programs who when surveyed give a rating of 5 or 6 on a 6-point scale for:</p> <ul style="list-style-type: none"> <li>• relevance</li> <li>• usefulness</li> <li>• administration and coordination.</li> </ul>	85%
Number of agencies engaged through at least one scheduled event, activity or network focused on promoting leadership.	75%
SES Orientation—percentage of new entrants to the SES attending an orientation in the first year.	80%
Number of Career Development Assessment Centres (CDACs) delivered.	Estimate 10 CDACs, with 120 participants.

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<b>Output Group 2: Development programs (continued)</b>	
Key performance indicators	2008–09 target
<p>Percentage of responding CDAC participants who when surveyed give a rating of 3 (beneficial) or above on a 5-point scale for:</p> <ul style="list-style-type: none"> <li>gained a better understanding of strengths and development needs</li> <li>developed a better understanding of leadership capabilities</li> <li>assisted participants to be more effective leaders.</li> </ul>	90%
Promote effective implementation of leadership development across the APS.	Number of agencies using the leadership, learning and development panel to deliver leadership development. Estimate—30.
<p>Consultancy Services—client satisfaction.</p> <p>Percentage of responding surveyed clients who used services provided direct to agencies by brokering delivery from the panel who give a rating of 5 or 6 on a 6-point scale, for how well the program was:</p> <ul style="list-style-type: none"> <li>tailored and delivered</li> <li>coordinated and administered.</li> </ul>	85%
<p>APS 1 – 6 and Executive Level Programs delivered</p> <p>APS 1 – 6 and Executive Level programs: percentage of responding participants who when surveyed give a rating of 5 or 6 on a 6-point scale for:</p> <ul style="list-style-type: none"> <li>achieving objectives</li> <li>program content</li> <li>quality of presenters.</li> </ul>	<p>Estimate 735.</p> <p>85%</p>
<p>Registered Training Organisation.</p> <p>Percentage of responding surveyed clients who used the accreditation services who give a rating of 5 or 6 on a 6-point scale, for how well the service was:</p> <ul style="list-style-type: none"> <li>delivered</li> <li>coordinated and administered.</li> </ul>	<p>Maintain accreditation as a Registered Training Organisation through meeting the Australian Quality Training Framework (AQTF) 2007 essential standards for registration.</p> <p>85%</p>
Number of Leading Australia's Future in Asia (LAFIA) programs delivered.	Estimate 3.

<b>Output Group 2: Development programs (continued)</b>	
Key performance indicators	2008–09 target
<p>Percentage of responding LAFIA participants who when surveyed indicate a high level of satisfaction with the program and give a rating of 5 or 6 on a 6-point scale for:</p> <ul style="list-style-type: none"> <li>• achieving objectives</li> <li>• program content</li> <li>• program coordination and administration.</li> </ul>	85%
<p>Number of Four Countries – Leading Across Boundaries programs delivered.</p> <p>Percentage of responding Four Countries participants who when surveyed indicate a high level of satisfaction with the program and give a rating of 5 or 6 on a 6-point scale for:</p> <ul style="list-style-type: none"> <li>• achieving objectives</li> <li>• program content</li> <li>• program coordination and administration.</li> </ul>	<p>Estimate 1.</p> <p>85%</p>
<p>Number of Public Sector Management Programs Board meetings for which the Commission provides secretariat services.</p>	Target is 1 board meeting and 1 conference.
<p>Number of Government Industry Skills Council meetings at which the Commission contributes the Commonwealth perspective.</p>	Target is 75% of meetings held.

**Output Group 3: Better practice and evaluation**

<b>Output Group 3: Better practice and evaluation</b>	
<p>Contribute to improved APS performance through the Commissioner's <i>State of the Service Report</i> to Parliament and through evaluation and research of the challenges facing the APS. Promote and advise on better practice approaches to agency performance, people management and governance. Support the work and provision of secretariat services to the Management Advisory Committee and Public Service Commissioners' conferences.</p> <p><i>Outputs of Output Group 3:</i></p> <p><b>Output 3.1: Indigenous employment</b></p> <p>The Commission will foster the recruitment and retention of Indigenous Australians in the APS.</p> <p><b>Output 3.2 Promote better practice</b></p> <p>The Commission will analyse and provide advice on better practice service delivery approaches. The Commission will also develop an approach to guide talent management and succession planning; promote good practice for modern corporate services areas, including the scope for shared services and best practice administrative review procedures; build line manager capability in key people management and corporate governance responsibilities and work with agencies to tailor services in these areas. The Commission will develop approaches which may support productivity and agency health and will also promote the employment of people with disability in the APS.</p> <p><b>Output 3.3 Statistical/information services</b></p> <p>The Commission will maintain and analyse data on APS employment for research purposes.</p> <p><b>Output 3.4 Research and evaluation</b></p> <p>The Commission will focus its research and evaluation program on challenges facing the APS, and provide advice on the implications arising from previous decentralisation of the service. The <i>State of the Service Report</i> will be used as a basis for identifying and supporting further public sector reform, including making sure the public service can meet the needs of governments in the future. The links between the <i>State of the Service Report</i>, agency feedback and Commission products and assistance will be strengthened.</p>	
Key performance indicators	2008–09 target
Medium and long term strategies developed and implemented to support employment and retention of Aboriginal and Torres Strait Islander peoples in the APS.	Levels of Aboriginal and Torres Strait Islander employee satisfaction with working in the APS – target is an increase compared to the <i>State of the Service Report</i> timeline data.
Number of agencies involved in initiatives to increase the knowledge, skills and capacity of Indigenous employees and their employers across the APS.	Levels of agency participation in cross-agency and cross-jurisdictional projects.
Satisfaction with levels of access to support networks and development programs.	As measured by responses to the annual State of the Service employee surveys.
Agencies' implementation of strategies has a positive impact on engagement and separation rates of Indigenous employees.	Is proportional representation consistent with the wider APS workplace and the community.

Output Group 3: Better practice and evaluation (continued)	
Key performance indicators	2008–09 target
<p>Number of better practice forums developed and offered, including:</p> <ul style="list-style-type: none"> <li>• Connect Government Series</li> <li>• HR capability program</li> <li>• Commonwealth Management Forum meetings</li> <li>• development, networks and special events</li> </ul>	<p>Estimate 4.</p> <p>Estimate 4.</p> <p>Estimate 2.</p> <p>Estimate 65.</p> <p>85% of responding participants, when surveyed, give a rating of 5 or 6 on a 6-point scale for:</p> <ul style="list-style-type: none"> <li>• achieving objectives</li> <li>• program content</li> <li>• quality of presenters</li> </ul> <p>or</p> <ul style="list-style-type: none"> <li>• relevance</li> <li>• usefulness</li> <li>• high quality.</li> </ul>
<p>Maintain and analyse data on APS employment for research within the Commission and by other organisations:</p> <ul style="list-style-type: none"> <li>• APS Employment Database</li> <li>• internet accessible data reporting tool</li> <li>• <i>Australian Public Service Statistical Bulletin</i>.</li> </ul>	<p>Comprehensive and reliable data in a useful format.</p> <p>1 per year.</p>
<p>Undertake research into, and advise, on public administration and future directions for the APS.</p>	<p>High level of client use of research outputs.</p>
<p>Evaluate and provide information on the performance of the APS through an annual <i>State of the Service Report</i>.</p>	<p>High level of client use of the <i>State of the Service Report</i>.</p> <p>100% compliance with tabling requirements.</p>
<p>Provide larger agencies with individual employee survey reports aimed at assisting agencies assess their performance compared to the APS overall.</p>	<p>High level of satisfaction that individual agency reports are useful to agencies.</p>
<p>At least one new evaluation aimed at improving the performance of APS departments and agencies.</p>	<p>High level of satisfaction of agencies directly involved in the evaluation and a high level of satisfaction that the evaluations are useful to agencies.</p>

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<b>Output Group 3: Better practice and evaluation (continued)</b>	
Key performance indicators	2008–09 target
Secretariat and research support services provided to the Management Advisory Committee (MAC) and MAC subcommittees responsible for overseeing particular MAC projects; and operational support to the Commissioner as the Executive Officer of the MAC.	<p>A high level of satisfaction of the MAC and associated subcommittees with the relevance, quality and timeliness of advice and support provided.</p> <p>Meetings as required and up to 2 projects.</p>

## 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 the reconciliation between the agency and outcome resource statements, movements in administered funds, special accounts and 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 available to an agency from all sources. For departmental operating appropriations (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 utilised 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: Reconciliation of total available appropriation and outcomes**

	\$'000
<b>Total available departmental operating appropriation (outputs)<sup>a</sup></b>	<b>48,906</b>
Less estimated payments in 2008-09	(40,379)
<b>Estimated departmental operating appropriation carry-forward for 2009–10 (outputs)</b>	<b>8,527</b>

a The 'total available departmental operating appropriation (outputs)' is equal to the carry-forward estimate + budget appropriation + estimated s. 31 receipts included in the Agency Resource Statement (Table 1.1).

### 3.1.2 Movement of administered funds between years

The Commission has no administered items.

### 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 each account used by the Australian Public Service Commission.

**Table 3.1.3: Estimates of Special Account cash flows and balances**

		Opening balance <b>2008-09</b>	Receipts <b>2008-09</b>	Payments <b>2008-09</b>	Adjustments <b>2008-09</b>	Closing balance <b>2008-09</b>
		2007-08	2007-08	2007-08	2007-08	2007-08
	Outcome	\$'000	\$'000	\$'000	\$'000	\$'000
Other Trust Moneys	1	-	-	-	-	-
– FMA Act (D)		-	6	(6)	-	-
Services for Other Governments and Non-Agency Bodies	1	-	-	-	-	-
– FMA Act (D)		-	-	-	-	-
<b>Total special accounts</b>						
<b>2008-09 Budget estimate</b>		-	-	-	-	-
Total special accounts						
2007-08 estimated actual		-	6	(6)	-	-

D = departmental; FMA Act = *Financial Management and Accountability Act 1997*.

The Other Trust Moneys account is used to receipt Comcare employee reimbursements relating to incidents that occurred until 30 June 2006. The Commission can directly receipt Comcare employee reimbursements for incidents since then, but will retain this account in case it is required in the future.

The Services for Other Governments and Non-Agency Bodies account is currently not in use. The Commission has been advised to retain this account for possible future use.

### 3.1.4 Australian Government Indigenous expenditure

The Commission's Australian Government Indigenous expenditure is detailed in Table 3.1.4.

**Table 3.1.4: Australian Government Indigenous expenditure**

Outcome	Appropriations				Other \$'000	Total \$'000	Output group
	Bill	Bill	Special	Total			
	No. 1 \$'000	No. 2 \$'000	Approp \$'000	Approp \$'000			
<b>Australian Public Service Commission Outcome 1</b>							
Departmental 2008–09	4,500	-	-	4,500	193	4,693	3
<i>Departmental 2007–08</i>	<i>4,264</i>	<i>-</i>	<i>-</i>	<i>4,264</i>	<i>569</i>	<i>4,833</i>	
<b>Total AGIE 2008–09</b>	<b>4,500</b>	<b>-</b>	<b>-</b>	<b>4,500</b>	<b>193</b>	<b>4,693</b>	
<i>Total AGIE 2007–08</i>	<i>4,264</i>	<i>-</i>	<i>-</i>	<i>4,264</i>	<i>569</i>	<i>4,833</i>	

## **3.2 BUDGETED FINANCIAL STATEMENTS**

### **3.2.1 Differences in agency resourcing and financial statements**

The total agency resourcing estimate disclosed in Table 1.1 differs from the total resources available for Outcome 1 disclosed in Table 2.1 and the total departmental income shown in Table 3.2.1 (Budgeted departmental income statement). The reason for the difference is as follows:

- Table 1.1 discloses agency resourcing, which includes prior year unspent appropriations carried forward and cash receipts for the financial year.
- Table 2.1 and Table 3.2.1 disclose total income, which is measured on an accrual basis.

### **3.2.2 Analysis of budgeted financial statements**

#### **Income statement**

The Commission is budgeting for a loss, as approved by the Minister for Finance and Deregulation, in each financial year. This budgeted loss is due to the impact of straight-lining minimum operating lease payments for office rental.

Appropriation income will increase by \$0.9 million from \$20.8 million in 2007–08 to \$21.7 million in 2008–09 due to full year funding for the Career Transition and Support Centre. Appropriation income will reduce in 2009–10 to \$18.3 million as funding for the continuation of the APS Indigenous Employment Strategy concludes and operations for the Career Transition and Support Centre tail off.

Goods and services income decreases by \$0.4 million from \$19.6 million in 2007–08 to \$19.2 million in 2008–09. This is due to an expected decrease in agency demand for the Commission's services owing to the tighter budgetary climate.

#### **Balance sheet**

Net equity will reduce in 2008–09 and forward years as the Commission incurs losses for accounting adjustments.

Receivables increase by around \$0.5 million in 2008–09 to build reserves to allow for future asset reinvestment.

The lease liability is associated with the outsourced IT infrastructure finance lease. A new refresh cycle program for IT equipment and infrastructure will commence in 2008–09.

The Commission's primary liability continues to be provision for employee entitlements of \$5.8 million. The liability is estimated to increase by around \$0.2 million during 2008-09.

**Statement of cash flows**

Other operating inflows are the draw-down of reserves held in the Official Public Account to fund investing activities.

Investing cash outflows of \$2.6 million in 2007-08 reflect investment associated with office fit-out works, IT infrastructure and software, and make-good of previous office fit-out. Investment will be at lower levels in 2008-09, 2010-11 and 2011-12. An office fit-out is expected to occur in 2009-10.

Investing inflows represent lease incentives received from lessors to partly fund office fit-out works.

**Statement of changes in equity**

The \$0.5 million contributed equity injection received in 2008-09 is for prior years' funding for expenditure incurred in 2007-08 for the Career Transition and Support Centre. This prior year funding is recognised as a receivable for 2007-08 in the balance sheet.

### 3.2.3 Budgeted financial statements tables

**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
<b>INCOME</b>					
<b>Revenue</b>					
Revenues from government	20,804	21,718	18,327	17,721	17,802
Goods and services	19,614	19,192	18,338	18,812	19,479
<b>Total revenue</b>	<b>40,418</b>	<b>40,910</b>	<b>36,665</b>	<b>36,533</b>	<b>37,281</b>
<b>Gains</b>					
Sale of assets	-	-	-	-	-
Other	41	41	41	41	41
<b>Total gains</b>	<b>41</b>	<b>41</b>	<b>41</b>	<b>41</b>	<b>41</b>
<b>Total income</b>	<b>40,459</b>	<b>40,951</b>	<b>36,706</b>	<b>36,574</b>	<b>37,322</b>
<b>EXPENSE</b>					
Employees	20,830	21,520	19,623	19,577	20,079
Suppliers	18,475	18,010	15,502	15,224	15,349
Depreciation and amortisation	1,528	1,764	1,853	1,974	2,020
Finance costs	54	39	41	42	44
Write-down of assets and impairment of assets	-	-	-	-	-
<b>Total expenses</b>	<b>40,887</b>	<b>41,333</b>	<b>37,019</b>	<b>36,817</b>	<b>37,492</b>
<b>Surplus/(Deficit)</b>	<b>(428)</b>	<b>(382)</b>	<b>(313)</b>	<b>(243)</b>	<b>(170)</b>
<b>Surplus (Deficit) attributable to the Australian Government</b>	<b>(428)</b>	<b>(382)</b>	<b>(313)</b>	<b>(243)</b>	<b>(170)</b>

Prepared on Australian Accounting Standards basis.

**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
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash and equivalents	450	450	450	450	450
Trade and other receivables	10,016	10,476	10,361	11,541	12,840
<b>Total financial assets</b>	<b>10,466</b>	<b>10,926</b>	<b>10,811</b>	<b>11,991</b>	<b>13,290</b>
<b>Non-financial assets</b>					
Land and buildings	3,964	3,600	3,840	3,438	3,008
Infrastructure, plant and equipment	2,080	2,726	2,539	2,055	2,077
Intangibles	1,406	1,128	923	618	338
Inventories	206	206	206	206	206
Prepayments paid	600	517	507	512	532
<b>Total non-financial assets</b>	<b>8,256</b>	<b>8,177</b>	<b>8,015</b>	<b>6,829</b>	<b>6,161</b>
<b>Total assets</b>	<b>18,722</b>	<b>19,103</b>	<b>18,826</b>	<b>18,820</b>	<b>19,451</b>
<b>LIABILITIES</b>					
<b>Interest bearing liabilities</b>					
Leases	261	737	660	548	1,003
Lease incentives	1,963	1,765	1,597	1,432	1,266
<b>Total interest bearing liabilities</b>	<b>2,224</b>	<b>2,502</b>	<b>2,257</b>	<b>1,980</b>	<b>2,269</b>
<b>Provisions</b>					
Employees	5,568	5,791	6,022	6,263	6,513
Make good	159	168	178	188	199
<b>Total provisions</b>	<b>5,727</b>	<b>5,959</b>	<b>6,200</b>	<b>6,451</b>	<b>6,712</b>
<b>Payables</b>					
Suppliers	2,864	3,188	3,188	3,396	3,582
Prepayments received	1,599	1,528	1,568	1,623	1,688
<b>Total payables</b>	<b>4,463</b>	<b>4,716</b>	<b>4,756</b>	<b>5,019</b>	<b>5,270</b>
<b>Total liabilities</b>	<b>12,414</b>	<b>13,177</b>	<b>13,213</b>	<b>13,450</b>	<b>14,251</b>
<b>Net assets</b>	<b>6,308</b>	<b>5,926</b>	<b>5,613</b>	<b>5,370</b>	<b>5,200</b>
<b>EQUITY<sup>a</sup></b>					
<b>Parent entity interest</b>					
Contributed equity	(1,004)	(1,004)	(1,004)	(1,004)	(1,004)
Reserves	1,013	1,013	1,013	1,013	1,013
Retained surpluses or accumulated deficits	6,299	5,917	5,604	5,361	5,191
<b>Total parent entity interest</b>	<b>6,308</b>	<b>5,926</b>	<b>5,613</b>	<b>5,370</b>	<b>5,200</b>
<b>Total equity</b>	<b>6,308</b>	<b>5,926</b>	<b>5,613</b>	<b>5,370</b>	<b>5,200</b>
<b>Current assets</b>	<b>11,272</b>	<b>11,649</b>	<b>11,524</b>	<b>12,709</b>	<b>14,028</b>
<b>Non-current assets</b>	<b>7,450</b>	<b>7,454</b>	<b>7,302</b>	<b>6,111</b>	<b>5,423</b>
<b>Current liabilities</b>	<b>5,916</b>	<b>6,227</b>	<b>6,327</b>	<b>6,653</b>	<b>6,969</b>
<b>Non-current liabilities</b>	<b>6,498</b>	<b>6,950</b>	<b>6,886</b>	<b>6,797</b>	<b>7,282</b>

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

Prepared on Australian Accounting Standards basis.

**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
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Goods and services	21,534	21,094	20,319	20,688	21,409
Appropriations	20,404	21,718	18,327	17,721	17,802
Other	2,467	-	8	-	-
<b>Total cash received</b>	<b>44,405</b>	<b>42,812</b>	<b>38,654</b>	<b>38,409</b>	<b>39,211</b>
<b>Cash used</b>					
Employees	20,599	21,297	19,392	19,336	19,829
Suppliers	22,335	20,026	17,690	17,107	17,288
Other	-	1,007	136	1,420	1,573
<b>Total cash used</b>	<b>42,934</b>	<b>42,330</b>	<b>37,218</b>	<b>37,863</b>	<b>38,690</b>
<b>Net cash from or (used by) operating activities</b>	<b>1,471</b>	<b>482</b>	<b>1,436</b>	<b>546</b>	<b>521</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash received</b>					
Proceeds from sales of property, plant and equipment	5	-	-	-	-
Lease incentive	735	-	-	-	-
<b>Total cash received</b>	<b>740</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash used</b>					
Purchase of property, plant and equipment	1,642	762	1,191	401	376
Purchase of intangibles	914	195	245	145	145
Other	79	-	-	-	-
<b>Total cash used</b>	<b>2,635</b>	<b>957</b>	<b>1,436</b>	<b>546</b>	<b>521</b>
<b>Net cash from or (used by) investing activities</b>	<b>(1,895)</b>	<b>(957)</b>	<b>(1,436)</b>	<b>(546)</b>	<b>(521)</b>
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Appropriations – contributed equity	315	475	-	-	-
<b>Total cash received</b>	<b>315</b>	<b>475</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net cash from or (used by) financing activities</b>	<b>315</b>	<b>475</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net increase or (decrease) in cash held</b>	<b>(109)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Cash at the beginning of the reporting period	559	450	450	450	450
<b>Cash at the end of the reporting period</b>	<b>450</b>	<b>450</b>	<b>450</b>	<b>450</b>	<b>450</b>

Prepared on Australian Accounting Standards basis.

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

	Retained earnings	Asset revaluation reserve	Contributed equity/capital	Total equity
	\$'000	\$'000	\$'000	\$'000
<b>Opening balance as at 1 July 2008</b>	<b>6,299</b>	<b>1,013</b>	<b>(1,004)</b>	<b>6,308</b>
<b>Income and expense</b>				
Surplus (deficit) for the period	(382)			(382)
<b>Total income and expenses recognised directly in equity</b>	<b>(382)</b>	<b>-</b>	<b>-</b>	<b>(382)</b>
<b>Transactions with owners</b>				
<i>Contribution by owners</i>				
Appropriation (equity injection)			-	-
<b>Subtotal transactions with owners</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Transfers between equity components				-
<b>Estimated closing balance as at 30 June 2009</b>	<b>5,917</b>	<b>1,013</b>	<b>(1,004)</b>	<b>5,926</b>

Prepared on Australian Accounting Standards basis.

### **3.2.4 Notes to the financial statements**

#### **Departmental income**

Appropriation income is recognised in the period that the appropriation is made available to the Commission. In 2007–08, \$0.4 million of appropriation income will be accrued for funding for the Career Transition and Support Centre; this will be appropriated in 2008–09 as a prior year output.

Goods and services income is recognised at the time that the goods or services are provided to customers. Goods and services income is earned from development program activities, employment services and international assistance.

#### **Departmental expenses**

Expenses are recognised as resources are used by the Commission.

Employee expense includes all obligations incurred to employees for their service during the financial period.

Major supplier expense items include providers of program and training activities to Commission customers, property lease and outgoings, travel and information technology services.

Depreciation represents the consumption of assets' service potential during the financial period.

#### **Departmental assets**

Assets are only recognised when resources are controlled by the Commission.

Cash balances are maintained at a working capital level of \$0.5 million. Cash holdings above this level are transferred as a receivable held in the Official Public Account.

Receivables comprise trade debtors and accrued income of approximately \$1.6 million, with the balance comprising a receivable held in the Official Public Account. This balance varies in line with the Commission's capital investment cycle.

Land and buildings consists of office fit-out.

Infrastructure, plant and equipment comprises office and IT equipment.

Intangibles are computer software applications and intellectual property.

#### **Departmental liabilities**

Liabilities are recognised when obligations are incurred by the Commission.

The lease liability is associated with the outsourced IT infrastructure finance lease.

Lease incentive liabilities are incentives provided by lessors for rental accommodation.

Employee provision liabilities are for recreation leave, long service leave and accrued salaries and superannuation.

The make-good provision is the Commission's estimated restoration liability if it were to vacate leased office premises.

Suppliers are creditors (invoices on hand, but not yet due for payment) and accrued expense.