

ADMINISTRATIVE APPEALS TRIBUNAL

Section 1: Agency overview and resources

1.1 STRATEGIC DIRECTION

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 through these processes, 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. The Tribunal continues to keep the costs of delivering circuit services under review in order to improve efficiencies whenever possible.

The Tribunal continues to face challenges in the year ahead as the government requires agencies to deliver services with increased efficiency in the face of the global financial crisis. The Tribunal will continue to review 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 constraints of the approved budget. External reviews of the Tribunal's corporate services and IT areas carried out in 2008 indicate there is limited further capacity to generate internal savings without impacting on service levels to users of the Tribunal.

The Tribunal has received approval for an operating loss of \$1.7m for 2009-10.

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 2009–10 as at Budget, May 2009

	Estimate of prior year amounts available in 2009–10 (\$'000)	+ Proposed at Budget 2009–10 (\$'000)	=	Total estimate 2009–10 (\$'000)	Actual available appropriation 2008–09 (\$'000)
ORDINARY ANNUAL SERVICES					
Departmental					
Prior year departmental appropriation	7,016 ³	–		7,016	–
Departmental appropriation	–	32,451 ¹		32,451	32,267
S 31 relevant agency receipts	–	1,085 ²		1,085	1,073
Total net resourcing for agency	7,016	33,536		40,552	33,340

All figures are GST exclusive.

1. Appropriation Bill (No. 1) 2009–10.
2. Section 31 relevant agency receipts—estimate.
3. Estimated adjusted balance carried forward from previous year for annual appropriations.

1.3 BUDGET MEASURES

The Tribunal does not have any new Budget measures.

1.4 TRANSITION FROM OUTCOMES AND OUTPUTS TO OUTCOMES AND PROGRAMS

From the 2009–10 Budget, all General Government Sector (GGS) entities will be reporting on a program basis. Figure 2 outlines the transition from the 2008–09 Budget year (as at Additional Estimates), which was presented in administered items, outputs and output groups, to the program reporting framework used for the 2009–10 Budget. The table also captures revisions made to the Tribunal's outcome statement under the Operation Sunlight Outcome Statements Review.

Figure 2: Transition table

2008–09 Budget year	2009–10 Budget year
<p>Outcome 1: Improve the quality of administrative decision-making through the provision of a review mechanism that is fair, just, economical, informal and quick</p>	<p>Outcome 1: Access to a fair, just, economical, informal and quick review mechanism for applicants through reviews of government administrative decisions, including dispute resolution processes and independent formal hearings</p>
<p>Output Group 1.1: Completed reviews of decisions</p>	<p>Program 1.1: Completed reviews of decisions</p>

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. Agencies deliver programs, which are the government actions taken to deliver the stated outcomes. Agencies are required to identify the programs that contribute to government outcomes over the Budget and forward years.

The Tribunal’s outcome is described below together with its related program, specifying the performance indicators and targets used to assess and monitor the performance of the Tribunal in achieving government outcomes.

Outcome 1: Access to a fair, just, economical, informal and quick review mechanism for applicants through reviews of government administrative decisions, including dispute resolution processes and independent formal hearings

Outcome 1 strategy

To achieve this outcome in 2009–10 and the forward years, the Tribunal will ensure it is able to complete reviews of decisions by regularly monitoring case loads and case work distribution among the most appropriately qualified members of the Tribunal, providing ongoing professional development and mentoring and reviewing the performance 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 budgeted expenses and resources

Table 2.1 provides an overview of the total expenses for Outcome 1, by program.

Table 2.1: Budgeted expenses and resources for Outcome 1

Outcome 1: Access to a fair, just, economical, informal and quick review mechanism for applicants through reviews of government administrative decisions, including dispute resolution processes and independent formal hearings	2008–09 Estimated actual expenses (\$'000)	2009–10 Estimated expenses (\$'000)
Program 1.1: Completed reviews of decisions		
Departmental expenses		
Ordinary annual services (Appropriation Bill No. 1)	32,267	32,451
Revenues from independent sources (Section 31)	1,073	1,085
Expenses not requiring appropriation in the Budget year ¹	974	2,000
Total expenses for Outcome 1	34,314	35,536
	2008–09	2009–10
Average staffing level (number)	166	165

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

1. Includes approved loss and resources received free of charge.

Contributions to Outcome 1

Program 1.1: Completed reviews of decisions

Program objective

The Tribunal is a single program agency. Its objective is to provide applicants with a fair, just, economical, informal and quick review mechanism of government administrative decisions.

Program 1.1 expenses

Departmental expenses in 2008–09 and 2009–10 include approved operating losses. The remaining forward years are budgeted for costs to remain within the appropriated amounts based on an expectation that a review of the Tribunal’s expenses in the 2009–10 year will reveal savings and efficiencies not previously identified. In the absence of additional income, significant cost cutting, mainly in staffing and member areas, would be necessary. This may impact on the time taken to finalise reviews.

(\$'000)	2008–09 Revised budget	2009–10 Budget	2010–11 Forward year 1	2011–12 Forward year 2	2012–13 Forward year 3
Annual departmental expenses					
Departmental item	33,340	33,536	33,623	34,580	34,682
Expenses not requiring appropriation in the Budget year	974	2,000	226	226	226
Total program expenses	34,314	35,536	33,849	34,806	34,908

Program 1.1 deliverables

- The primary deliverable of the Tribunal is completed reviews of decisions. There are two paths to achieve the deliverable and these form the basis of the Tribunal’s key performance indicators. The two paths are:
 - applications finalised without a hearing, and
 - applications finalised with a hearing.
- All Australians are able to access the Tribunal through registries in all states and the ACT, with Northern Territory applicants serviced from Brisbane and regional applicants serviced by circuit hearings or video- and teleconferencing as needed.

Program 1.1 key performance indicators

- The key performance indicators detailed in the table below are used to assess the Tribunal’s success in meeting its deliverables in terms of quality of timeliness, quantity of finalisations and by measuring the cost per finalisation. Actual results are reported in the annual report against these measures.
- Funding is based on a static budget supplemented for movements in costs less efficiency dividends. As a result, the Tribunal has adopted static qualitative and quantitative measures in all years, since the same outputs should be achievable from the same real inputs.
- The Tribunal also measures its performance periodically through client satisfaction surveys. The results of such surveys are included in the annual report in the year they are conducted.

Key performance indicators	2008–09 Revised budget	2009–10 Budget target	2010–11 Forward year 1	2011–12 Forward year 2	2012–13 Forward year 3
Applications finalised without a hearing					
Quality: Percentage of matters having their first conference within 13 weeks	85%	85%	85%	85%	85%
Quantity: Number of matters finalised without a hearing each year	5,218	5,218	5,218	5,218	5,218
Price: Cost per completed application	2,819	2,920	2,781	2,860	2,868
Applications finalised with a hearing					
Quality: Percentage of matters progressed to hearing within 40 weeks	85%	85%	85%	85%	85%
Quantity: Number of matters finalised with a hearing each year	1,476	1,476	1,476	1,476	1,476
Price: Cost per completed application	13,281	13,753	13,101	13,472	13,511

Section 3: Explanatory tables and budgeted financial statements

Section 3 presents explanatory tables and budgeted financial statements that provide a comprehensive snapshot of agency finances for the Budget year 2009–10. It explains how Budget plans are incorporated into the financial statements and provides further details of the reconciliation between appropriations and program expenses, special accounts and government indigenous expenditure.

3.1 EXPLANATORY TABLES

3.1.1 Movement of administered funds between years

The Tribunal has no administered funds that can be moved 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 that there are no expected additions (receipts) or reductions (payments) for the accounts used by the Tribunal.

Table 3.1.2: Estimates of special account cash flows and balances

		Opening balance 2009–10 2008–09	Receipts 2009–10 2008–09	Payments 2009–10 2008–09	Adjustments 2009–10 2008–09	Closing balance 2009–10 2008–09
	Outcome	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'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 2009–10 Budget estimate		–	–	–	–	–
Total special accounts 2008–09 estimate actual		–	–	–	–	–

(D) = Departmental.

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

3.1.3 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 3.1.3 include only salary and superannuation. The 2007–08 trainee ceased with the Tribunal early in the 2008–09 year and no new trainee was recruited for 2008–09.

Table 3.1.3: Australian Government Indigenous Expenditure (AGIE)

Outcome	Appropriations				Program
	Bill No. 1 (\$'000)	Bill No. 2 (\$'000)	Special Appropriation (\$'000)	Total Appropriation (\$'000)	
Outcome 1					
Departmental 2009–10	–	–	–	–	1.1
Departmental 2008–09	3	–	–	3	1.1
Total AGIE 2009–10	–	–	–	–	
Total AGIE 2008–09	3	–	–	3	

3.2 BUDGETED FINANCIAL STATEMENTS

3.2.1 Differences in agency resourcing and financial statements

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

3.2.2 Analysis of budgeted financial statements

The Tribunal's departmental revenues are modestly higher in 2009–10 due to the application of indexation less the 1.25% efficiency dividend. Expenditure estimates are moderately higher after allowing for an estimated increase in staff salaries currently under negotiation as part of a new agency agreement, 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 and updated IT systems.

Depreciation charges are expected to increase modestly in line with increasing costs of new assets over the remaining budget cycle. The Tribunal continues to review all expenditure to identify possible savings to offset increasing operating expenses. The Tribunal has approved operating losses for 2008–09 and 2009–10.

3.2.3 Budgeted financial statements tables

Departmental

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

	Estimated actual 2008–09 (\$'000)	Budget estimate 2009–10 (\$'000)	Forward estimate 2010–11 (\$'000)	Forward estimate 2011–12 (\$'000)	Forward estimate 2012–13 (\$'000)
EXPENSES					
Employee benefits	20,504	21,307	19,749	20,362	20,481
Suppliers	12,311	12,592	12,460	12,779	12,762
Depreciation and amortisation	1,499	1,637	1,640	1,665	1,665
Total expenses	34,314	35,536	33,849	34,806	34,908
LESS:					
OWN-SOURCE INCOME					
Revenue					
Sale of goods and rendering of services	1,073	1,085	1,085	1,085	1,085
Other revenue	374	300	226	226	226
Total revenue	1,447	1,385	1,311	1,311	1,311
Total own-source income	1,447	1,385	1,311	1,311	1,311
Net cost of (contribution by) services	(32,867)	(34,151)	(32,538)	(33,495)	(33,597)
Appropriation revenue	32,267	32,451	32,538	33,495	33,597
Surplus (deficit)	(600)	(1,700)	-	-	-
Surplus (deficit) attributable to the Australian Government	(600)	(1,700)	-	-	-

Prepared on Australian Accounting Standards basis.

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

	Estimated actual 2008–09 (\$'000)	Budget estimate 2009–10 (\$'000)	Forward estimate 2010–11 (\$'000)	Forward estimate 2011–12 (\$'000)	Forward estimate 2012–13 (\$'000)
ASSETS					
Financial assets					
Cash and cash equivalents	466	466	466	466	466
Trade and other receivables	7,824	6,855	7,872	9,094	9,959
Total financial assets	8,290	7,321	8,338	9,560	10,425
Non-financial assets					
Land and buildings	7,315	6,243	5,201	4,125	3,049
Infrastructure, plant and equipment	1,168	1,296	1,338	1,142	1,126
Intangibles	454	376	188	115	342
Other	1,886	1,886	1,886	1,886	1,886
Total non-financial assets	10,823	9,801	8,613	7,268	6,403
Total assets	19,113	17,122	16,951	16,828	16,828
LIABILITIES					
Interest-bearing liabilities					
Other	868	617	446	323	323
Total interest-bearing liabilities	868	617	446	323	323
Provisions					
Employees	5,146	5,096	5,096	5,096	5,096
Total provisions	5,146	5,096	5,096	5,096	5,096
Payables					
Suppliers	906	906	906	906	906
Other	420	420	420	420	420
Total payables	1,326	1,326	1,326	1,326	1,326
Total liabilities	7,340	7,039	6,868	6,745	6,745
Net assets	11,773	10,083	10,083	10,083	10,083
EQUITY*					
Parent entity interest					
Contributed equity	2,568	2,568	2,568	2,568	2,568
Reserves	3,170	3,170	3,170	3,170	3,170
Retained surpluses or accumulated deficits	6,045	4,345	4,345	4,345	4,345
Total parent entity interest	11,783	10,083	10,083	10,083	10,083
Total equity	11,783	10,083	10,083	10,083	10,083
Current assets	10,176	9,207	10,224	11,446	12,311
Non-current assets	8,937	7,915	6,727	5,382	4,517
Current liabilities	5,537	5,492	5,492	5,492	5,492
Non-current liabilities	1,793	1,547	1,376	1,253	1,253

* '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 2008–09 (\$'000)	Budget estimate 2009–10 (\$'000)	Forward estimate 2010–11 (\$'000)	Forward estimate 2011–12 (\$'000)	Forward estimate 2012–13 (\$'000)
OPERATING ACTIVITIES					
Cash received					
Goods and services	1,073	1,085	1,085	1,085	1,085
Appropriations	34,348	35,020	33,121	33,873	32,732
Total cash received	35,421	36,105	34,206	34,958	33,817
Cash used					
Employees	20,185	21,057	19,523	20,136	20,255
Suppliers	13,912	14,192	14,060	14,379	12,762
Total cash used	34,097	35,249	33,583	34,515	33,017
Net cash from (used by) operating activities	1,324	856	623	443	800
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment	915	515	452	220	400
Purchase of intangibles	200	100	–	100	400
Total cash used	1,115	615	452	320	800
Net cash from (used by) investing activities	(1,115)	(615)	(452)	(320)	(800)
FINANCING ACTIVITIES					
Cash used					
Other	209	241	171	123	–
Total cash used	209	241	171	123	–
Net cash from (used by) financing activities	(209)	(241)	(171)	(123)	–
Net increase (decrease) in cash held	–	–	–	–	–
Cash at beginning of reporting period	466	466	466	466	466
Cash at end of reporting period	466	466	466	466	466

Prepared on Australian Accounting Standards basis.

Table 3.2.4: Departmental statement of changes in equity—summary of movement (Budget year 2009–10)

	Retained earnings (\$'000)	Asset revaluation reserve (\$'000)	Contributed equity/ capital (\$'000)	Total equity (\$'000)
Opening balance as at 1 July 2009				
Balance carried forward from previous period	6,045	3,170	2,568	11,783
Income and expenses				
Surplus (deficit) for the period	–	–	–	–
Total income and expenses	–	–	–	–
Estimated closing balance as at 30 June 2010	4,345	3,170	2,568	10,083

Prepared on Australian Accounting Standards basis.

Table 3.2.5: Departmental capital budget statement

	Estimated actual 2008–09 (\$'000)	Budget estimate 2009–10 (\$'000)	Forward estimate 2010–11 (\$'000)	Forward estimate 2011–12 (\$'000)	Forward estimate 2012–13 (\$'000)
CAPITAL APPROPRIATIONS					
Total capital appropriations	–	–	–	–	–
ACQUISITION OF NON-FINANCIAL ASSETS					
Funded by capital appropriations	–	–	–	–	–
Funded internally from departmental resources ¹	1,115	615	452	320	800
TOTAL	1,115	615	452	320	800

Prepared on Australian Accounting Standards basis.

1. Includes annual and prior year appropriations.

Table 3.2.6: Statement of departmental asset movements (2009–10)

	Buildings (\$'000)	Other infrastructure, plant & equipment (\$'000)	Intangibles (\$'000)	Total (\$'000)
As at 1 July 2009				
Gross book value	7,315	1,168	1,337	9,820
Accumulated depreciation/amortisation	–	–	883	883
Opening net book balance	7,315	1,168	454	8,937
CAPITAL ASSET ADDITIONS				
Estimated expenditure on new or replacement assets				
By purchase or internally developed	–	515	100	615
Sub-total	–	515	100	615
Other movements				
Depreciation/amortisation expense	(1,072)	(387)	(178)	(1,637)
Revaluations	(1,072)	(387)	–	(1,459)
As at 30 June 2010				
Gross book value	6,243	1,296	1,437	8,976
Accumulated depreciation/amortisation	–	–	(1,061)	(1,061)
Closing net book balance	6,243	1,296	376	7,915

Prepared on Australian Accounting Standards basis.

Administered

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

	Estimated actual 2008–09 (\$'000)	Budget estimate 2009–10 (\$'000)	Forward estimate 2010–11 (\$'000)	Forward estimate 2011–12 (\$'000)	Forward estimate 2012–13 (\$'000)
INCOME ADMINISTERED ON BEHALF OF GOVERNMENT					
Revenue					
Non-taxation					
Other sources of non-taxation revenues	800	800	800	1,000	1,000
Total non-taxation	800	800	800	1,000	1,000
Total revenue administered on behalf of government	800	800	800	1,000	1,000
Total income administered on behalf of government	800	800	800	1,000	1,000
EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT					
Other (refunds of revenue)	600	600	600	700	700
Total expenses administered on behalf of government	600	600	600	700	700

Prepared on Australian Accounting Standards basis.

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

	Estimated actual 2008–09 (\$'000)	Budget estimate 2009–10 (\$'000)	Forward estimate 2010–11 (\$'000)	Forward estimate 2011–12 (\$'000)	Forward estimate 2012–13 (\$'000)
OPERATING ACTIVITIES					
Cash received					
Fees	800	800	800	1,000	1,000
Total cash received	800	800	800	1,000	1,000
Cash used					
Other	600	600	600	700	700
Total cash used	600	600	600	700	700
Net cash from (used by) operating activities	200	200	200	300	300
FINANCING ACTIVITIES					
Cash received					
Cash from Official Public Account	600	600	600	700	700
Total cash received	600	600	600	700	700
Cash used					
Cash to Official Public Account	800	800	800	1,000	1,000
Total cash used	800	800	800	1,000	1,000
Net cash from (used by) financing activities	(200)	(200)	(200)	(300)	(300)
Net increase (decrease) in cash held	–	–	–	–	–
Cash at beginning of reporting period	–	–	–	–	–
Cash at end of reporting period	–	–	–	–	–

Prepared on Australian Accounting Standards basis.

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 programs 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 lodgment 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.